Progression of Planned Hotel

To provide context to the discussion of our requested height exception and the community benefits we plan to offer, we wanted to quickly cover:

--what we have done to reduce impact

--why we are asking for exceptions

--why exceptions are uniquely justified

--what the project will give back in terms of concrete community benefits in order to be granted exceptions and be a good community partner

What We Have Done

To date…

--3 voluntary community meetings

--Survey distributed

--Sent to 100% of VNC members (22 sent, 4 responded)

--Sent to 100% of registered attendees with email addresses (34 sent, 28 responded)

--Frequent discussions with Venice residents and stakeholders

--2 LUPC meetings

…resulting in multiple thoughtful revisions of the plans

Key Issues from Community Meetings and Survey

- Parking
- Congestion on Electric
- Safe pedestrian route to school
- Façade articulation
- Height
  - Massing and shading of adjacent structures
  - Precedent setting?

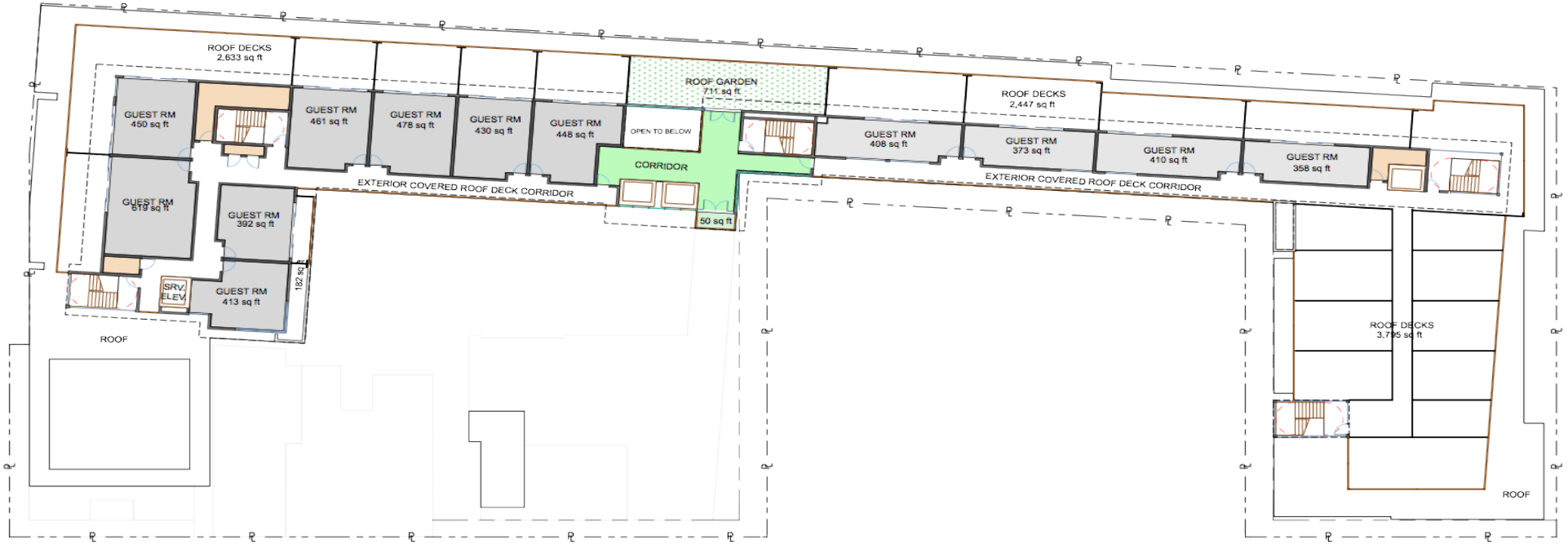
Height and façade articulation will be covered in this presentation, others have been and can be covered separately if requested

Where We Started

Proposed a full 4 story hotel

Where We Have Come

Current Proposal 4th Floor



Building Above 1021 AK

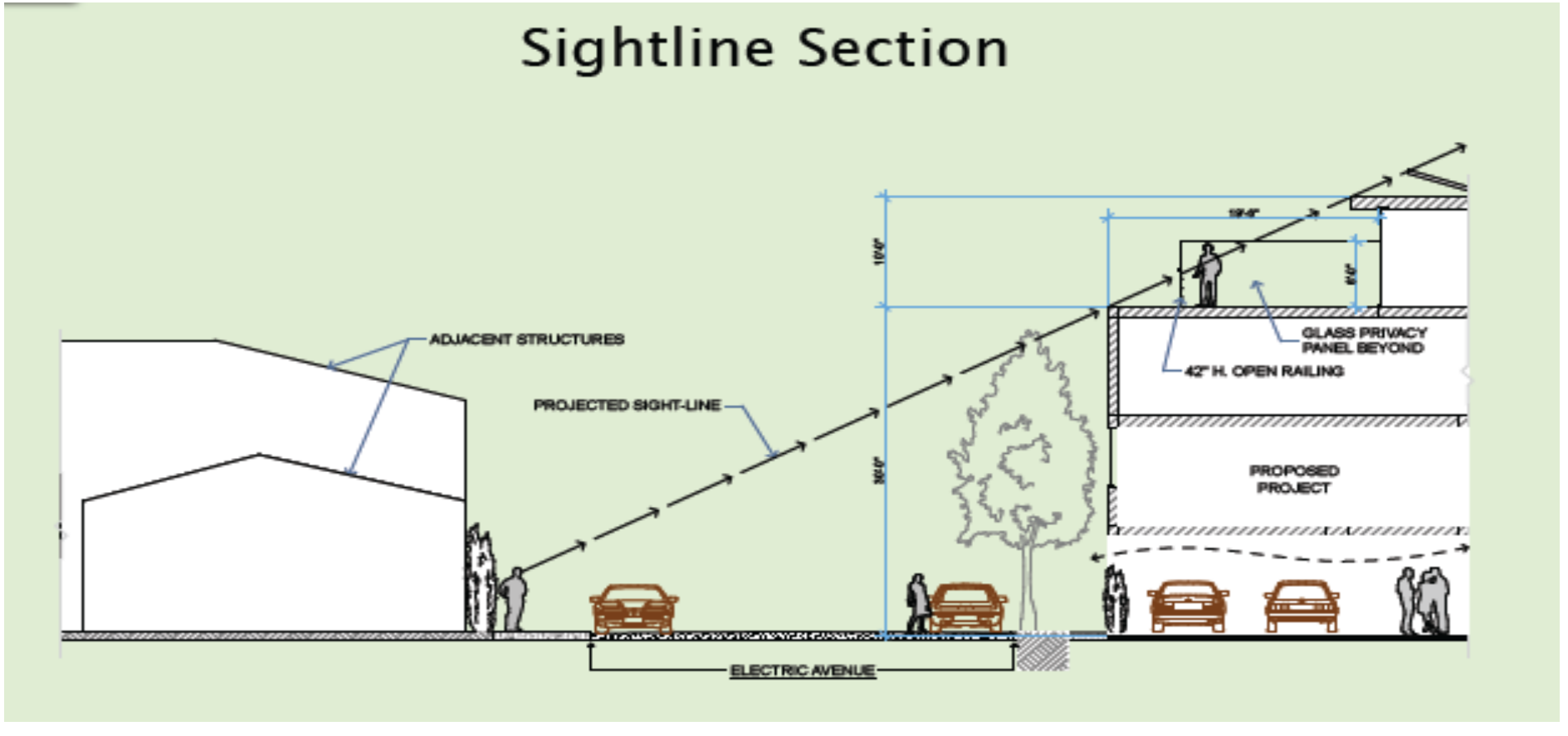
Where We Have Come

Submitted Proposal 4th Floor

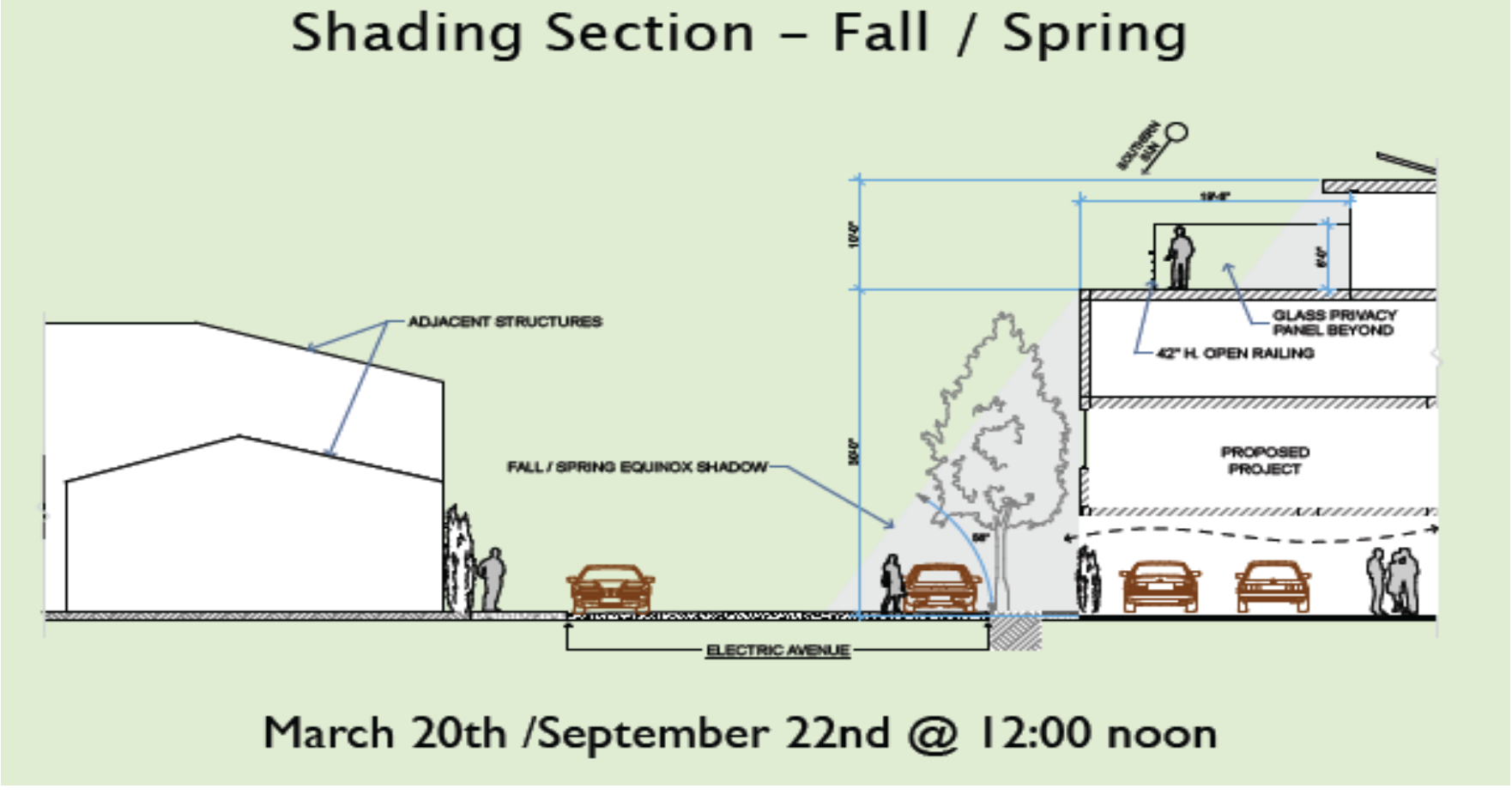
Where We Have Come - Details

- Changes made in multiple rounds:
  - Removed more than 50% of rooms on top floor
  - Significantly stepped back building by only having top floor rooms on inside of property
  - Removed roof decks above top floor (so no stair towers)
- Result:
  - 30 foot height at edge is less than 35 foot allowable roof line
  - 4th floor stepped back far enough so shading and sight lines have no greater impact than 30 foot building from street level
    - Sight lines no different from 30 foot much less 35 foot building
    - Shading effect materially no different from 30 foot building
  - Height, step backs and height variations provide varied façade and building enhancing character and context

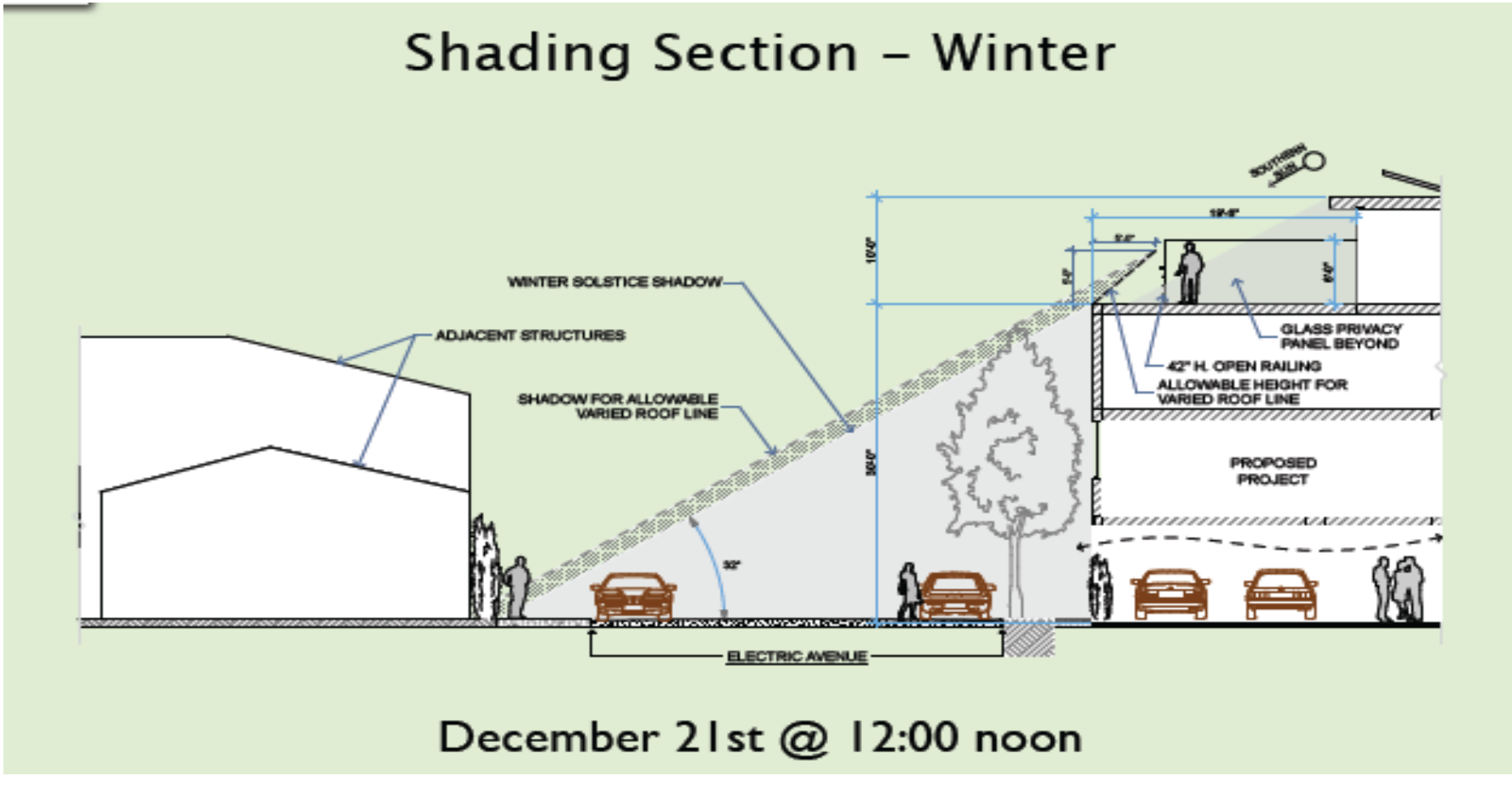
No Sight Line Impact



No Shade Impact



No Shade Impact



Preliminary 3D Model in Perspective

Street Level View of Current Proposal

Height Provides Variation for Character and Context without Impact

- To make the project appear in context and to match the eclectic character of the neighborhood, the height of the project is a mixture of one, two, three, and materially non-impacting 4 story portions.
- The effect of the façade articulation, varied planes and the varied heights is to make the project fit more contextually and provide more character than a project designed with a uniform height of 30 feet.
- The height exception enables the project to preserve more of the Abbot Kinney-facing existing structures that are one and two stories.

Height Variation to Provide Character and Context

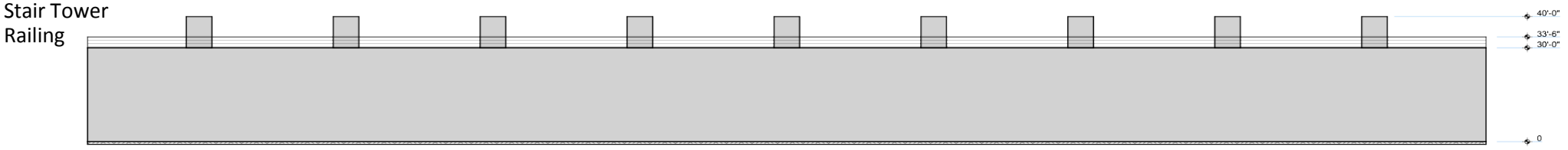
Better Character and Context

A uniform 3 story building with stair towers could be built that would be more imposing and less architectural than what we are proposing and would require the demolition of most or all character-enhancing existing structures

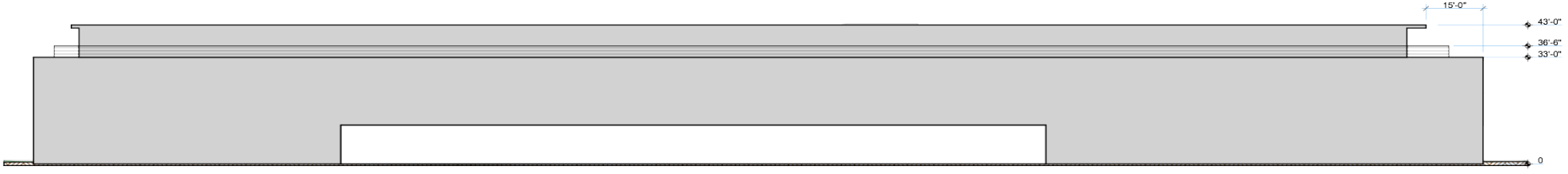
Better Character and Context

Electric Elevation Comparison

3 Floors with Stair Towers – By Right



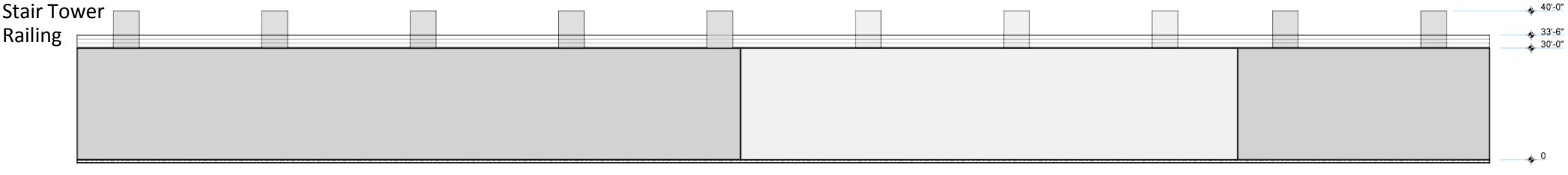
Current Proposal Partial 4th Floor



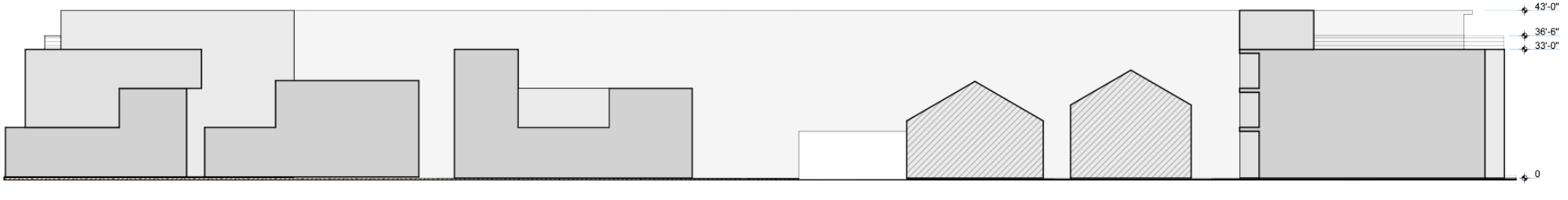
Better Character and Context

Abbot Kinney Elevation Comparison

3 Floor with Stair Towers – By Right



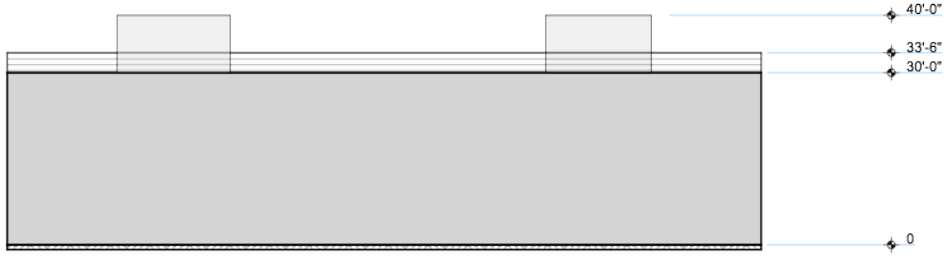
Partial 4th Floor



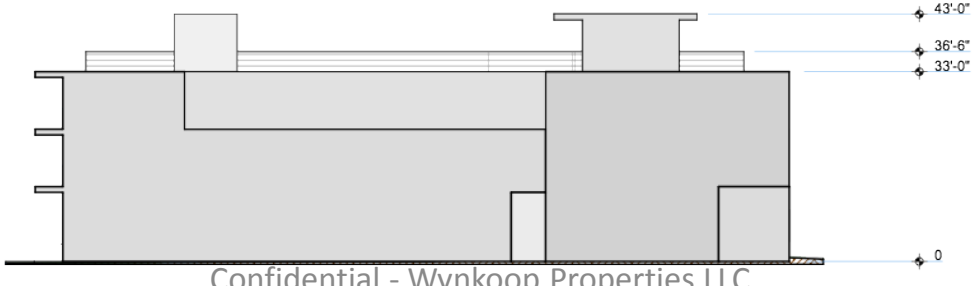
Better Character and Context

Westminster Elevation Comparison

3 Floors with Stair Towers – By Right



Partial 4th Floor



Better Character and Context

- We strongly feel that the proposed plan, with variations in height, going above the height limit for limited portions, while keeping some existing structures is a more interesting, contextual and architectural building worthy of the unique community it will be a part of.
  - *Full design in process – this preliminary 3D model capture is to help with massing*

Preliminary 3D Model in Perspective

Varied height, planes, and articulation

Why Height Needed (Hardships)

- The additional height is needed to make up for unique site constraints (hardships) that push the property in from the sides (shape and dimensions of the lot along with DOT dedications (3000 sf)) and up from under (water table) that necessitated going higher for what was displaced below.
- Car Valet and Support Area
  - The area dedicated to car valet and support functions can't be below ground because of site dimensions and water table
  - Car valet and support area were increased in size based on community feedback (auto queuing, trash enclosed and off of Electric, etc)
  - Because of site constraints those areas of the ground floor displace revenue producing space on ground floor
- Higher amount of corridors and support space
  - The shape of the property requires the project to have a higher ratio of corridor to room space with lengthier corridors and more storage/ utility closets distributed throughout
  - The longer hallways and utility space displace additional revenue producing space
- The displaced revenue producing space needs to move to top floor
  - The replacement space is needed to make hotel of a certain size and profile that can offer amenities that will service the Venice market surrounding Abbot Kinney now and into the future
  - As a comparison, the only other full service hotel in the specific plan area exceeds the height limit by nearly 100% (28.5 feet) and guest room density by 100%

Why Height Justified

- Site specific constraints/hardships uniquely relate to this particular property and project and therefore do not create a “replicable” precedent
- Project made substantial changes and efforts to reduce, if not completely mitigate, physical impact of requesting top floor
  - No shade impact
  - No visual impact
- Height helps create more character and context: enables project to vary heights, set backs, and architectural articulation across project
  - Proposed project is better in terms of variation compared to what could be built
- Community benefits are offered and can be delivered that produce a substantive community impact now and into the future
  - “Quantifiable” benefits – significant financial impact up front and over time, enforceable, quantifiable, measurable
  - “Additional” and “Environmental “community benefits – benefits we plan on doing that will have a significant community impact but less quantifiable. Our commitment to being an upstanding and we hope example setting partner for the community.

Community Benefit Package

- Real benefits, real structure, real impact
- Benefits included in package came from community based on survey and feedback
- Created model to compare and equate “Quantifiable” benefits and requested exceptions to other Venice or City projects offering benefits for variances or zoning incentives
  - Focused only on Quantifiable benefits that are measurable and enforceable
  - Created quantifiable financial impact comparisons
  - Used State Bill (SB) 1818 as comparative model which could be used explicitly if needed
- Quantifiable – Survey List & Rankings in following Table with value/impact of those benefits to the developer

Quantifiable Benefits and Impact – Methodology

- Other Venice projects using SB 1818 provided affordable housing to receive prescriptive (undeniable) zoning incentives such as density bonuses and height exceptions
- Providing affordable units produces a definitive financial impact on those projects
- We created a comparative model using SB 1818 and the resulting financial impacts to logically apply to our Hotel project
- We calculated the affordable housing impact for our project as if it were an apartment project to create a dollar figure
- We based our calculation on the most restrictive or impactful level of affordability in SB 1818 being 10% very low income
- Based on our allowable density of 58 units we would need to do 5.8 very low income affordable units

Financial Impact of Affordable Units

Community Benefit Comparison to Affordable Units and Impact Analysis					
Affordable Impact Analysis for Apartments					
10% Very Low Income - Gives Density Bonus 32.5% and 2 On Menu Items					
Property Density 58 Dwelling Units - 10% of that is 5.8 Very Low Income Affordable Units					
Unit Type	**Type SF**	**# of Units**	**Total SF**	**Aff Rent/Unit**	**Monthly Rent**
Studio	450	2	900	$ 567	$ 1,134
1 Br	650	3	1950	$ 648	$ 1,944
2 Br	850	1	850	$ 729	$ 729
Totals		6	3700		$ 3,807
Annual Rent	12				$ 45,684
NOI (Annual Income to Exp Ratio)	0.75				$ 34,263
Cap Rate	5.50%				
Ongoing Value of Affordable Units to Developer					$ 622,964
Cost to Build	$ 350		3700		$ (1,295,000)
Impact to Developer of Building Affordable Units					**$ (672,036)**
(Value - Cost to Build)					

Financial Impact

- The impact to the project of building 6 affordable apartment units to be granted 3 significant incentives for density, FAR and height is $672,000
- That impact is calculated by taking the *Ongoing Value of Affordable Units* minus the *Cost to Build* for those units not including land.
- The *Ongoing Value* of those units equaling $622,964 is the *Net Income* the developer will receive from those deed restricted affordable units divided by a *Cap Rate* to ascertain the value of those units.
- The *Cost to Build* for those units not including land is $1,295,000
- $622,964 - $1,295,000 = -$672,036

Proposed Benefit Impact

- The following table has a list of community benefits as ranked by the community on the left and in blue.
- The green column of the table demonstrates how “voluntary benefits” as desired by the community will conservatively cost the project close to $800,000.
- The table also shows the value of additional benefits that were requested by the community but which the developer was contemplating anyway or might be required by the city are in the grey column.

Proposed Hotel Community Benefits & Costs		Voluntary Benefits			Benefits Might Do Anyway		
Benefit	Score (1-5)	Upfront Cost To Build	Annual Cost	Annual Cost Capitalized	Upfront Cost To Build	Annual Cost	How Enforcable
Westminster Elementary and other Venice Non-Profits. $5 per room night for 4th floor rooms	3.1		$ 22,500	$ 409,091			Part of CUP or post a bond, Fundrise like mechansim.
Site for Bike Sharing program: As part of a city-wide program, the hotel may host a bike sharing station	3.0	$ 122,500	$ 6,000	$ 109,091			Public Easement for bike or non-motorized transportion - bike lockers.
2 Onsite Shared Cars: Shared car services (e.g. ZipCar) enable guests and locals to use a car only when they need it and avoid owning or renting a car full time.	3.1		$ 6,000	$ 109,091			Easement on 2 parking spaces for shared car service, then community can use it if share car goes away.
Partially or completely repave streets surrounding the site	3.3	$ 30,000			$ 70,000		Enforced by b-permit
Add a sidewalk on Electric Avenue (where none exists currently)	3.3				$ 698,500		Enforced by b-permit
Undergrounding utilities (phone & electric lines) behind hotel	3.8				$ 260,000		
Community room: A space to be made available for local official community organization meetings. 1 Day and 1 Night mtg per week	3.0				$ 26,250	$ 1,800	Online reservation or scheduling system. A license to VNC to use it a certain amount of time. VNC gets a code they can give out.
Local job creation and hiring program	3.4					$ 10,000	Contract with local group.
Positive impact on local economy	3.3						
Improved security: Hotel will provide its own security and eyes on the street will improve security for the neighborhood	3.2						
Communal open space: The hotel is designed with a large courtyard with services and amenities to be enjoyed by guests and locals	3.0						
		$ 152,500		$ 627,273	$ 1,054,750	$ 11,800	
Value of Ongoing Annual Cost						**$ 214,545**	
(Ongoing Annual Cost with CAP Rate Applied)							
Total Economic Impact of Benefits				**$ 779,773**		**$ 1,269,295**	**$ 2,049,068**
Impact of Doing Affordable Housing				$ (672,036)			$ (672,036)
Total Additional Money Being Spent by Developer on Benefits				$ 107,737			$ 1,377,032

Additional Benefits

- The following community benefits are not as quantifiable, and may or may not be “enforceable”. Many are not yet fully-baked, but we include them as examples to communicate the kind of neighbor and community member we intend to be:
  - Preservation of Joe’s and Primitivo’s buildings, and existing courtyard
  - Substantial addition of open space in courtyard
  - Room discounts for locals to give to visiting friends and family
  - App that shows guests all local businesses/attractions
  - Incorporate Venice historical items and information throughout hotel
  - Promote/host local artists and musicians, art installations
  - Option for guests to add a donation to a local cause to their room bill
  - Hospitality training program for Venice Skills Center
  - Internships for local high school students
  - Paid volunteer hours for staff to help with local causes
  - Host fundraisers for local charities
  - Host food and toy drives
  - Neighborhood cleanup/improvement days with free breakfast or lunch for volunteers
  - Trivia/game nights for locals
  - Provide a drop-off for e-waste for the neighborhood
  - Provide consulting/training on trash, compost, recycling programs/best practices for AK businesses
  - Devote $ to tree planting in the neighborhood
  - Devote $ to landscaping/facade improvements for Westminster Elementary
  - Devote $ to landscaping/facade improvements for Second Baptist Church
  - All second-hand/retired linens, furniture, etc. to local homeless shelters

Environmental (world-wide) Benefits

- Highest level of green building will be strived for by REthink and SEA. Both the architect and developer are award winning leaders in green building field.
  - Use of recycled, renewable, locally sourced, non-toxic and reclaimed materials
  - Bike stations and bike sharing facilities for public use
  - Zip Car on site
  - Electric charging stations on Electric
  - Sustainable Design meeting the LEED Gold or Platinum certification levels
  - Sustainable Operations meeting the LEED for Existing Buildings Operations and Maintenance (EBOM) Gold or better standard
  - Net Zero grid energy (solar and fuel cell)
  - Low Impact Development (LID) measures
  - Automated parking reduces material use and energy use and pollution
  - Solar photovoltaic power
  - Drought tolerant native landscaping

Environmental Benefits

- Green Operating Initiatives: In addition to incorporating green building components, we will also focus on incorporating green initiatives in the day-to-day operations of the Hotel:
  - Linen and towel reuse program
  - Water and energy savings plan enactment
  - Comprehensive recycling programs
  - Biodegradable cleaning products
  - Large bottles of shampoo and conditioner that are reusable, cleaned and resealed, to limit the waste normally associated with mass quantities of small scale bottles
  - Incentive plans for employee use of carpools and/or mass transit
  - Installation of energy-efficient lighting and occupancy sensors
  - Commitment to purchasing sustainable, eco-friendly products whenever possible
  - Incentive plan for local employees to bike or walk to work
  - Free bikes, skateboards for hotel guests
  - Locally sourced food and beverage
  - Grow own vegetables and herbs in rooftop garden
  - Compost kitchen waste
  - Donate excess food to local food bank
  - Recycle fryer oil

End Result

- We feel the proposed project is a great project that will be good for community now and into the future
- Height as proposed
  - Produces no material impact from height because no sight or shade impact
  - Gives project more character and context and is better than alternative uniform 3 story building
  - Offers Quantifiable, Additional, and Environmental community benefits that will be great for the community for many years to come
  - Allows the project to be of size to offer expected amenities to visitors and proposed community benefits with success from opening and well in the future