



Information Item

Date: October 2, 2013

To: Mayor and City Council
From: David Martin, Planning and Community Development Director
Subject: Update on Saint John's Health Center Development Agreement Requirements Following Notification of Parking Lease Cancellation at Colorado Center

Introduction

This report serves as follow up to staff's March 28, 2013 [Information Item](#) to Council which outlined the procedures contained in the Saint John's Health Center (SJHC) Development Agreement (approved in 1998 and amended in 2011) following SJHC's receipt of a parking agreement cancellation notice from Equity Office for the 450 spaces the hospital leased at Colorado Center (formerly known as Yahoo Center) effective March 31, 2013. The amended Agreement requires the facility to provide at all times parking that is functionally equivalent to the previously-approved North Campus Subterranean Parking Garage. As set forth in Recital R of the First Amendment, the City agreed that SJHC's Colorado Center parking lease provided this functional equivalence. The First Amendment also identified procedures for review and approval of proposed changes to the hospital's Parking Management Plan including any proposed material reduction in the hospital's overall parking supply.

As detailed more fully in this item, staff has determined that SJHC has demonstrated that its updated Parking Management Plan initially submitted by the hospital in January 2013 and revised this summer provides the requisite number of owned and leased spaces to serve as the functional equivalent to the previously-approved North Campus subterranean parking garage. SJHC therefore complies with its parking obligations set forth in the First Amendment. Staff has reviewed SJHC's 2013 peak parking demand

report submitted earlier this year. Final staff verification of SJHC's updated peak parking demand will be conducted after the hospital's new Entry Plaza opens in early October 2013.

Background

The First Amendment to the Saint John's Health Center Development Agreement was approved by Council in [July 2011](#) authorizing implementation of a Parking Management Plan (PMP) in lieu of constructing the previously-approved 442-space North Campus subterranean parking garage. The purpose of the PMP is two-fold: to ensure that SJHC continues throughout the term of the Development Agreement to provide sufficient parking to meet the peak parking demands of its various user groups, and to ensure that SJHC provides parking that is functionally equivalent to the previously-approved North Campus subterranean parking garage.

The amendment also required implementation of a transportation demand management plan, neighborhood protection measures, and construction of a vehicle/pedestrian entry plaza providing access to the hospital off Santa Monica Boulevard. This amendment modified the original 1998 SJHC Development Agreement that authorized a two-phase plan for reconstruction and expansion of the hospital's north and south campuses after the facility sustained significant damage in the 1994 Northridge earthquake.

The First Amendment established that the Colorado Center lease, consisting of 450 parking spaces with a 10-year term subject to certain cancellation rights, constituted a functional equivalent to the previously-approved North Campus subterranean parking garage and authorized the City to approve substitute, functionally-equivalent owned and/or leased spaces if any of the Colorado Center spaces are cancelled. Per the amended Agreement, the City can require construction of the North Campus subterranean parking garage if the Planning Director reasonably determines that SJHC is unable to cure a parking deficit arising from the cancellation, termination, or expiration

of the Colorado Center lease, or of a City-approved functional equivalent, and that construction of the garage is the appropriate means of curing the parking deficit.

The First Amendment also requires SJHC to provide parking at all times to meet the peak parking demand of the hospital's various user groups (e.g., visitors, patients, physicians, staff, and scientists). The First Amendment outlines procedural requirements for City review and approval of any substitute proposed to replace the Colorado Center lease, or any other material change to the hospital's overall parking supply.

In December 2012, Saint John's Health Center notified the City that the hospital received a 120-day written notice from Equity Office's parking operator, Standard Parking, cancelling the Parking License Agreement for all 450 spaces leased by SJHC at Colorado Center, effective March 31, 2013. After receiving its notice of parking lease cancellation from Equity Office, SJHC submitted a Parking Management Plan in January 2013 and supplements to this documentation in February, April, and May 2013 in order to address the loss of the Colorado Center parking spaces.

SJHC also retained Walker Parking Consultants to conduct a comprehensive assessment of the hospital's current peak parking demand generated by all its user groups. This supplemental report provided the hospital's proposed replacement parking plan along with the results of the parking utilization/demand assessment.

Subject to the City's final approval after the Entry Plaza is open this month, the supplemental demand study would revise the facility's overall peak parking requirement based on up-to-date parking utilization data, employee and visitor population counts, and field observations.

Discussion

To assist in staff's determination of whether an adequate alternative to the Colorado Center parking lease was proposed to serve as the functional equivalent of the originally-approved North Subterranean Parking Garage, the composition of SJHC's parking supply identified in the 1998 Final Environmental Impact Report (the "FEIR") for the original Development Agreement was evaluated and used as baseline project parking information.

The following table summarizes the hospital's proposed parking supply after construction of the Entry Plaza is completed this month in comparison to the parking supply identified in the 1998 FEIR for the project:

PARKING SUPPLY COMPARISON PHASE I BUILD-OUT FEIR (1998) TO PROPOSED PARKING SUPPLY			
	1998 FEIR	With Entry Plaza Completed in Fall 2013 (with valet/attendant)	Difference Between 1998 FEIR and Entry Plaza When Completed Fall 2013 (with valet/attendant)
North Campus	442 ¹ (NSPG)	141 (43 at Lot C + 90 at West Lot + 8 at Entry Plaza)	-301
South Campus	488	580 (304 at John Wayne Cancer Institute+ 139 at Lot B + 137 at Lot I)	+92
ER	18	19 (8 at ER + 11 at Loading Dock)	+1
Total Owned	948	740	-208
Total Leased	492 (Held/Koll)	620 (175 at Koll + 275 at Held + 85 at Colorado Center + 85 at Saint Anne's)	+128
Total Capacity & Parking Demand	1,440 1,263	1,360 Current Parking Demand of 1,160 <i>(subject to second verification after Entry Plaza has opened)</i>	-80
Total Spaces Owned or Functionally Equivalent	948	1,035 740 (owned) + 295 (leased and deemed functionally equivalent: 125 at Held; 85 at Colorado Center; 85 at Saint Anne's)	+87

As reflected in the table above, the FEIR identified a future total of 948 parking spaces that would be **owned** by SJHC located on the north and south campuses, including the

¹ The Final EIR identified 440 spaces in the North Campus subterranean parking garage (NSPG); the 1998 Development Agreement identifies 442 spaces.

442-space North Campus subterranean parking garage, and 492 leased parking spaces at other facilities not owned by SJHC.

The updated Parking Management Plan and inventory of SJHC parking facilities demonstrates that after the completion of the Entry Plaza in October, there would be a total of 1,360 spaces to serve the hospital. These parking spaces would consist of 740 spaces owned by SJHC, including spaces created through valet/attendant parking, and 620 leased parking spaces.

Consistent with the framework established by the First Amendment for defining the functional equivalent of the North Campus Subterranean Parking Garage, provision of additional SJHC-owned parking spaces not originally contemplated in the 1998 FEIR, including additional parking capacity created through valet/attendant parking could count towards satisfying the obligation to provide functionally equivalent parking. These owned parking spaces are considered more secure spaces than long-term leased spaces subject to cancellation. Consequently, such owned spaces (including spaces created through verifiable valet/attendant parking) could count as functionally equivalent substitutes to the Colorado Center lease.

Based on staff's review of the proposed Parking Management Plan, with supplemental information provided by SJHC in February, April, and May, the hospital provides the requisite number of spaces to serve as a replacement to the Colorado Center lease. The documentation reviewed by staff shows a total of 1,035 parking spaces that are either owned by SJHC or leased with terms similar to those in the Colorado Center lease and thus have been determined to be parking spaces functionally-equivalent to the previously-approved North Campus subterranean parking garage.

More specifically, in addition to reviewing all of the documentation provided by SJHC, staff conducted a site visit to review the on-site parking plan and to verify the location and functionality of the owned spaces, including those created by valet/attendant

parking. Following this review, staff confirmed that there would be a total of 740 parking spaces owned by SJHC following completion of the Entry Plaza, including spaces created through valet/attendant parking, and a total of 295 spaces leased with a 10-year term subject to certain cancellation rights. These 295 leased spaces consist of the following:

- 125 new spaces at the Held structure;
- 85 new spaces at the Colorado Center; and
- 85 spaces at St. Anne's Church subject to renegotiated lease terms.

Each of these three lease agreements are currently in effect and are on file with the City as part of SJHC's revised Parking Management Plan and supplemental information submittals. This total supply of 1,035 spaces exceeds the supply of 948 owned parking spaces originally identified in the 1998 FEIR for the SJHC project and therefore satisfies the requirement to provide at all times parking that is functionally-equivalent to the North Subterranean Parking Garage.

The revised Parking Management Plan also satisfies SJHC's obligation to provide at all times parking that is functionally-equivalent to the North Subterranean Parking Garage during the current *interim* period while the Entry Plaza is under construction.

As reflected in the table on the following page, SJHC currently provides parking during the interim Entry Plaza construction period that is functionally-equivalent to the North Subterranean Parking Garage. More specifically, there are currently a total of 657 parking spaces owned by SJHC, including spaces created through valet/attendant parking:

- 58 at the interim Entry Plaza (Lot C)
- 19 spaces at the Emergency Room and Loading Dock
- 580 spaces on the South Campus

The revised Parking Management Plan also provides a total of 295 spaces leased with a 10-year term subject to certain cancellation rights:

- 125 new spaces at the Held structure;
- 85 new spaces at the Colorado Center; and
- 85 spaces at St. Anne’s Church subject to renegotiated lease terms.

PARKING SUPPLY COMPARISON PHASE I BUILD-OUT FEIR (1998) TO CURRENT PARKING SUPPLY			
	1998 FEIR	Current Parking Supply – Interim (Entry Plaza Under Construction) (with valet/attendant)	Difference Between 1998 FEIR and Current Parking Supply – Interim (with valet/attendant)
North Campus	442 ² (NSPG)	58 (58 at Lot C Accessed from Santa Monica Blvd)	-384
South Campus	488	580 (304 at John Wayne Cancer Institute+ 139 at Lot B + 137 at Lot I)	+92
ER	18	19 (8 at ER + 11 at Loading Dock)	+1
Total Owned	948	657	-291
Total Leased	492 (Held/Koll)	620 (175 at Koll + 275 at Held + 85 at Colorado Center + 85 at Saint Anne’s)	+128
Total Capacity & Parking Demand	1,440 1,263	1,277 Current Parking Demand of 1,160 <i>(subject to second verification after Entry Plaza has opened)</i>	-163
Total Spaces Owned or Functionally Equivalent	948	952 657 (owned) + 295 (leased and deemed functionally equivalent: 125 at Held; 85 at Colorado Center; 85 at Saint Anne’s)	+4

As indicated earlier, each of the three lease agreements at the Held structure, Colorado Center, and St. Anne’s Church, are currently in effect and are on file with the City. This interim supply of 952 spaces exceeds the supply of 948 owned parking spaces originally identified in the 1998 FEIR for the SJHC project and therefore satisfies the requirement to provide at all times parking that is functionally-equivalent to the North Subterranean Parking Garage.

Staff also reviewed SJHC’s revised Parking Demand Analysis prepared by Walker Parking Consultants and submitted earlier this year. This study provides an updated

² The Final EIR identified 440 spaces in the NSPG; the 1998 Development Agreement identifies 442 spaces.

assessment of SJHC's peak parking demand based in part on calendar-year peak population counts and field observations at the hospital's parking facilities in January 2013. In summary, this study identifies a 1,160-space peak parking demand for the hospital on its first busiest day of operation. Staff reviewed the methodology and findings contained in the Walker Parking Demand Analysis and also reviewed parking demand assessments previously submitted for 2008, 2009, and 2010.

Based on staff's review, it appears that the identification of a peak parking demand of 1,160 spaces accurately reflects the hospital's peak parking needs since construction of the In-Patient Suites and Diagnostic and Treatment Center was completed in 2009. However, in order to finalize staff's review of the hospital's peak parking demand analysis, SJHC is required to provide additional data and analysis of parking operations on the north and south campuses after the Entry Plaza has opened later this month.

The additional information required from SJHC will document the following based on current conditions following the opening and full operation of the Entry Plaza:

- Average and peak utilization data for the Entry Plaza and South Campus spaces;
- User group assignments and valet operation hours;
- Parking lot layout maps; and
- Parking pricing for employees and visitors.

The field survey must occur within 30-45 days after the Entry Plaza is open and fully operational and survey dates subject to City staff approval prior to commencement of the additional field work. SJHC must provide the results of this data collection within 30 days of conducting the field survey(s). Staff will make its full assessment of the hospital's revised peak parking demand based on review of the previous years' parking demand data, the updated peak demand report submitted earlier this year, and the forthcoming parking utilization and management information identified above.

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