



Civic Center Study Session

September 16, 2014



Civic Center Study Sessions

- Study Sessions:
 - 9/16/14: Historical perspective and update
 - Location: Long Beach City College
 - 10/14/14: Bidder presentations
 - Location: City Hall
 - 11/11/14 - Tentative: Bidder evaluations
 - Location: To Be Determined
- At a future meeting, the City Council may choose to select a Project Team, but will not be selecting a project



Civic Center Re-visioning 2000 - 2008

- As a result of continuous damage to the interior of the Main Library from its leaking roof, and the functional obsolescence of City Hall, a variety of re-visioning efforts started in early 2000
 - Moule & Polyzoides issued the Lincoln Park and Civic Center Renovation Project study in June 2002
 - Beverly Prior Architects produced the Re-envisioning the Civic Center and New Courthouse in November 2006
 - Beverly Prior Architects produced an updated study Re-envisioning the Civic Center in January 2008



Civic Center Seismic 2005 - Present

- As a result of Hurricane Katrina in 2005, municipalities were required to assess critical infrastructure and facilities, including City Hall
 - City Hall:
 - Built in 1977 under 1970 Uniform Building Code
 - 15 Stories above grade and basement
 - 283,000 gross and 225,000 useable SF
 - Height above plaza level: 248 feet
 - Main Library
 - Built in 1977 under 1970 Uniform Building Code
 - 2 stories above grade and basement
 - 135,000 SF, including 15,000 SF auditorium



2005 - 2006 Seismic Studies

- Tier 1 FEMA Life-Safety Study conducted in 2005, indicated need to conduct Tier 2 Study
- Tier 2 FEMA Life-Safety Study conducted in 2006:
 - Neither City Hall nor Main Library met FEMA Tier 2 guidelines for seismic sufficiency and safe exiting
 - Compromised and weak welds on building wings containing the stairways would likely shear off and collapse eliminating all exiting alternatives
 - Overburdened 2nd level on Main Library would result in excessive movement leading to collapse. This concern has been partially mitigated



2013 Seismic Study

- On February 12, 2013, City Council requested a new study or peer review of the 2005/2006 seismic studies
- After careful consideration of newly revised seismic analysis standards, staff commissioned a new seismic study
- Nabih Youssef Associates (NYA) was hired to conduct the new seismic study
- NYA has extensive experience in large scale seismic assessments, including:

Los Angeles City Hall

Dodger Stadium

LA Live

Long Beach Veterans Administration



2013 NYA Seismic Study

- New Seismic Evaluation Criteria for Government buildings
- Data from past earthquakes are modeled on nearby faults

Fault	Approx. Distance (mi)	Est. Magnitude
Newport-Inglewood (LA Basin)	2.8 mi	7.1
Palos Verdes	4.3 mi	7.3
Puente Hills	13.1 mi	7.1
San Joaquin Hills	16.0 mi	6.6
San Andreas	50.5 mi	8.0

Earthquake	Distance (mi)	Magnitude
Northridge: January 17, 1994	36 mi	6.7
Big Bear: June 28, 1992	84 mi	6.5
Sierra Madre: June 28, 1991	36 mi	5.8
Whittier: October 1, 1997	21 mi	6.1
Long Beach: March 10, 1933	--	6.4

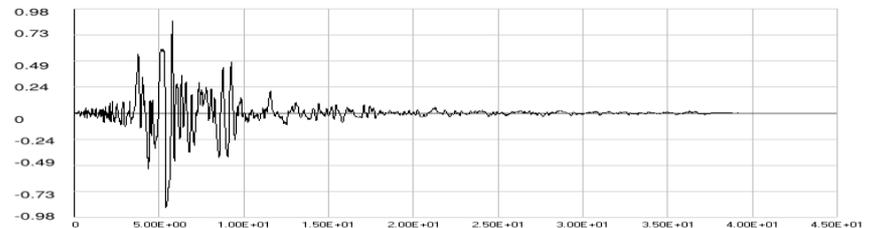
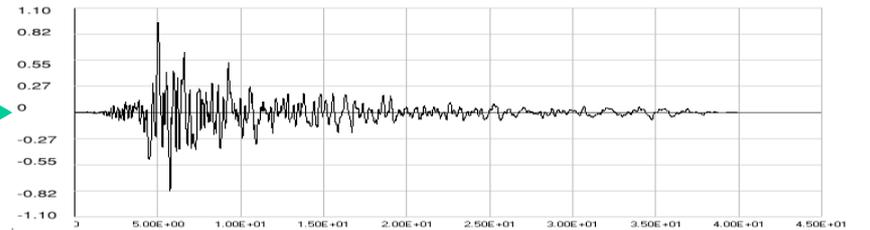
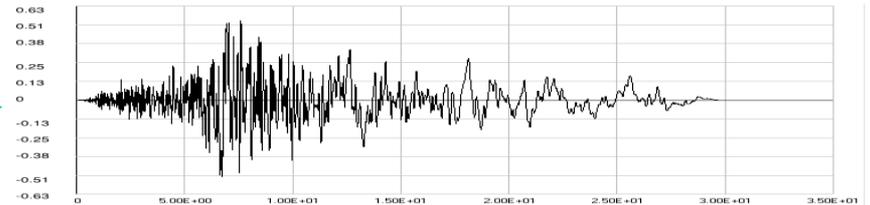


2013 NYA Siesmic Study (Cont'd)

- Seven earthquakes were selected and modeled on the Newport-Inglewood fault
- The initial earthquake and likely aftershocks were analyzed

- Earthquake records:

- Imperial Valley (1979)
- Superstition Hills (1987)
- Loma Prieta (1989)
- Erzican (1992)
- Northridge (1994)
- Kobe (1995)
- Duzce (1999)





2013 NYA Seismic Study (Cont'd)

- Identified City Hall deficiencies:
 - In 4 of 7 analyzed potential earthquakes, the results indicate the building is likely to experience excessive movement
 - Significant movement and strength loss in wing wall connections, likely resulting in detachment
 - Excessive movement between 4th and 7th floors which could lead to structural failure and possible collapse
 - Weak structural areas at Lobby and Mezzanine from overstressed trusses and columns which could lead to structural failure and possible collapse



Conclusion of Seismic Studies

Must act now to address seismic deficiencies:

1. Retrofit Alternative: seismically retrofit City Hall and Main Library, including ADA and Code-required upgrades
2. Relocation Alternative: relocate City Hall and Main Library to leased or owned facilities
3. Re-Build Alternative: build a new City Hall and Main Library at the Civic Center



Civic Center Alternatives



Retrofit Alternative

- The Facility Condition Index, or "FCI", compares the cost of repairing all deferred maintenance to the cost to replace the building. The higher the ratio of these costs, the more likely the building should be replaced rather than repaired.

0% - 14.9%	Good
15% - 29.9%	Fair
30% - 44.9%	Poor
45% & Above	Replace

- The FCI for City Hall is 52% and the FCI for the Main Library is 73%, indicating both should be replaced rather than repaired



Retrofit Alternative, cont.

	2006 Seismic Report		2013 Seismic Report
	2006 Costs	2013 Costs	
Seismic Renovations	\$50M	2006 costs with 5% annual escalation	\$67M
Building Systems & Code Upgrades	\$30M		\$65M
Permitting, Construction Mgmt. & Temporary Relocation	\$39M		\$62M
TOTAL	\$119M	\$170M	\$194M

\$194M divided by 283,268 gross sq. ft. = \$685 per sq. ft.



Retrofit Alternative, cont.

Pre-construction costs:						
	Move into new 225,000 SF facility				\$ 800,000	
	TI allowance at new facility (\$20/SF for 150,000SF)				\$ 3,000,000	
	Rent @ \$2.50/SF/Mo for 16 months				\$ 9,000,000	
Subtotal						\$ 12,800,000
Full renovation of City Hall at 9/2006 costs:						
	Seismic upgrades hard costs				\$40,000,000	
	Curtain wall replacement				\$10,000,000	
	Interior space buildout, modernization and Title 24				\$16,500,000	
	Support, utility spaces, stairwells and lobbies				\$ 2,450,000	
	ADA upgrades, fire/life/safety, security				\$ 1,920,000	
	Restrooms and kitchen areas				\$ 1,350,000	
	Council chamber, ADA and Title 24 upgrades				\$ 510,000	
	Parking upgrades to lighting, signage, fire/life/ safety				\$ 263,000	
	Replace HVAC, electrical system, technology				\$ 6,890,000	
Subtotal						\$ 79,883,000
	Soft costs @ 30%					\$ 23,965,000
Re-occupation on completion						
	FF&E				\$ 1,500,000	
	Move in				\$ 750,000	
Subtotal						\$ 2,250,000
	Total in 9/2006 dollars					\$ 118,898,000
	Total in 9/2013 dollars @ 5.25% for 7 years					\$ 170,256,000



Retrofit Alternative Conclusions

- The Retrofit Alternative is estimated to cost \$194 million in 2013 dollars, or \$685 per square foot, just for City Hall
- Retrofitted City Hall will remain functionally obsolete, continue to sustain high energy costs and increasing maintenance costs and cannot absorb offsite leases
- The Retrofit Alternative does not guarantee City Hall can be re-occupied after an earthquake, most likely requiring additional funding for temporary space and possibly a new facility, while continuing to make bond payments
- The Facilities Condition Assessment for City Hall and the Main Library recommend that these facilities should be replaced rather than repaired



Retrofit Funding Alternatives

- Retrofit Funding Alternatives:
 - One source of funding is a General Obligation Bond
 - Increase taxes on residents by approximately \$120 per year per home
 - Two thirds majority of voters
 - Another source of funding is a Lease-Purchase Bond
 - Increase the City's annual expenses by an additional \$13 million
 - Requiring structural solutions to offset the additional expenses



Relocation Alternative

- There are only 5 office developments in Downtown large enough to accommodate City Hall
 - Of these, 1 is in Tidelands and not appropriate for City occupancy
 - Of the remaining 4, all were built between 1983 and 1990, to less strict seismic codes than current standards, resulting in seismic concerns similar to existing City Hall and Main Library
- There is only 1 building in Downtown large enough to accommodate City Hall and the Port, located at the western edge of Downtown
- There are no facilities in Downtown that are adequate or appropriate for the Main Library



Relocation Funding Alternative

- Relocation Alternative: Purchase
 - Purchase Price: \$135M - \$150M
 - Utility and Bond payments: \$4M - \$5M per year
 - Maintenance and capital costs: \$7M - \$8M per year
 - Total cost estimated at \$150M plus \$11M - \$13M ongoing costs
- Relocation Alternative: Lease
 - 260,000 square feet at \$2.80/SF = \$9M in first year
 - Parking for 900 employees and guests
 - Utility and Bond payments
 - Common Area Maintenance costs
 - Total costs estimated at \$12.5 to \$13.5 million in the first year, with no ownership potential



Relocation Funding Alternatives

- Relocation Funding Alternatives
 - Purchase:
 - General Obligation Bond, increasing taxes on residents by \$120 per house per year
 - Requires two-thirds voter approval
 - Lease:
 - Structural budget solutions Citywide to offset roughly \$9 million in additional lease expense



Relocation Alternative Conclusions

- There is an insufficient market supply for competitive negotiations for lease or acquisition
- The only appropriately sized building is at the western edge of the Downtown and was built in 1987 under the 1982 Uniform Building Code. Seismic standards have change significantly since then.
- Costs to purchase or lease one or more facilities have no funding source, requiring either a general obligation bond, requiring two-thirds voter approval, or budget solutions to offset ongoing costs annual costs
- There is no relocation alternative for the Main Library



Re-Build Alternative: Design-Bid-Build

- DBB is the traditional procurement model and is based on lowest-bid without consideration of life-cycle maintenance costs
- DBB is traditionally the longest procurement method
- City assumes all risks of design, development, entitlement, change orders, cost overruns, construction delays, and litigation
- City would need to fund all project costs while still maintaining existing facilities, or leasing temporary facilities
- A General Obligation Bond would be required to fund project costs



Design-Bid-Build Alternative Conclusions

- Highest risk and longest delivery method
- City bears all development risks and costs of temporary space, market fluctuations, delays, change orders and litigation
- Lowest quality of building materials, which may not achieve an extended life-cycle, requiring replacement in 40 to 50 years
- Maintenance and Operations costs will be higher due to lower quality of building systems
- City must maintain existing facilities or lease new facilities during the construction period
- Longest timeline to occupancy, increasing costs and extending City's exposure to liability



Re-Build Alternative: Public-Private Partnership

- P3 process was successfully used for Deukmejian Courthouse
- Project Team employs overlapping schedule, allowing construction to proceed while design continues resulting in faster project delivery
- Project Team offers a fixed price and a fixed schedule with a date certain for occupancy reducing risk to the City
- Project Team finances the project without risk to the City
- Project Team contracts to maintain and operate the facility at a levelized cost for budgetary consistency



Re-Build Alternative: Public-Private Partnership

- P3 Funding Approach:
 - City agrees to pay the Project Team \$12.6 million per year with escalators
 - Project Team borrows funds based on the annual City payments
 - Project Team constructs a new City Hall and Main Library and revitalizes Lincoln Park with borrowed funds
 - City moves into new City Hall and Main Library and continues to make its annual payments with no new debt created
 - Project Team redevelops excess land to invigorate Downtown and increase property tax



P3 Alternative Conclusions

- The lowest risk and shortest delivery method
- Lower overall maintenance and operation costs, resulting in lower present value cost
- Project Team assumes all risks of design, development, entitlement, change orders, cost overruns, construction delays and litigation
- City continues to occupy existing facilities until new facilities are available to occupy, at which time, payments begin
- After 40 years, the facility is transferred to the City at no cost, at a Facility Condition Index of good or better



Civic Center Process

- On February 12, 2013, the City Council directed staff to prepare and release an RFQ for a Public-Private Partnership to design, build, finance, operate, and maintain a new Civic Center, including:
 - ✓ New City Hall
 - ✓ New Main Library
 - ✓ Re-activated Lincoln Park
 - ✓ Possible new Port Headquarters
 - ✓ Incorporation of the old Courthouse site
 - ✓ Private development



Civic Center Process: Guiding Principles

- Redevelop the Civic Center into a vibrant mix of public and private space including a grand Civic Plaza
- Improve connections between the new Civic Center and Downtown
- Revitalize Lincoln Park to a destination park with amenities appropriate for visitors, residents and Downtown workers
- Reduce maintenance costs, increase energy efficiency, consolidate offsite leases, and remain cost neutral
- Consider a private development element and/or disposition of surplus property for private development



Civic Center Process: Project Goals

- Ensure the City's cost to operate and maintain a new City Hall and Main Library are no greater than current costs, estimated in 2013 at \$12.6 million, but including CPI increases
- Shift risks associated with design, development, entitlement, financing, construction, maintenance and operation to the Project Team
- Incorporate a 40-year life-cycle Operations and Maintenance contract for the Civic Center as part of the current City costs of \$12.6 million
- Require ownership of the facilities to revert at no cost to the City at the end of the contract at a "good or better" condition



Civic Center Process, cont.

- On October 22, 2013, the City Council selected the Short List of RFQ Respondents and directed staff to prepare and release an RFP to this Short List for a Public-Private Partnership to design, build, finance, operate, and maintain a new Civic Center and possible Port Headquarters
- Short List of RFQ Respondents:
 - Related California, LLC
 - Plenary-Edgemoor Civic Partners, LLC
 - Long Beach CiviCore Alliance, LLC
- Shortly after release of the RFP, Related California LLC withdrew from the procurement process



Civic Center Process, cont.

- On December 3, 2014, City Council authorized a contract with Arup North American Limited to assist with the preparation and issuance of the Request for Proposals and analysis of the submittals
- A project website was created to provide all project data and to seek comments and suggestions from the public at lbciviccenter.com
- With the assistance of Arup, the RFP was issued on February 28, 2014 to the Short List
- Proposals from the Short List were received on June 2, 2014
- City staff, together with Arup and the Port of Long Beach, have been reviewing, analyzing, seeking clarifying information, and scoring the proposals



Civic Center Process: Next Steps

- Conduct additional study sessions as needed
- Receive presentations from the Project Teams
- Receive feedback from the Community
- Consider the information presented
- Decide whether to proceed with a Public - Private Partnership
- Select a Project Team
- Begin 6-9 months of public outreach



Civic Center Process: Next Steps

- Upon selection, the Project Team shall:
 - Enter an Exclusive Negotiation Agreement
 - Conduct Citywide outreach and education
 - Incorporate community feedback into project design
 - Seek entitlements from Planning Commission and City Council
 - Enter a Development Agreement
- Proceed to Commercial and Financial Close
- Start construction



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