



City Council Agenda Report
Meeting Date: November 15, 2016
Department: City Manager

SUBJECT:

LAKE FOREST CIVIC CENTER UPDATE

RECOMMENDED ACTION(S):

Receive and file.

EXECUTIVE SUMMARY:

The Lake Forest Civic Center, envisioned as the City's "100-Year Home," is currently in the Pre-Construction Phase with key milestones related to resource agency permit compliance, design and entitlement nearing completion. The Civic Center will include facilities that address several of the community's remaining unmet needs, including a Community Center, Senior Center, Council Chamber/Performing Arts Venue, and Community Policing/Emergency Operations Center/City Hall. The facility will be located in the vicinity of Commercentre Drive and Indian Ocean Drive¹ on a site within the future Serrano Summit Development.

This report provides an update on Environmental Permit Compliance, Project Schedule, and Project Budget. The project is currently in the preconstruction phase and the City appears poised to meet significant milestones for permit conditions, site design, and exercise of "Self-Help" provisions in the Irvine Ranch Water District ("IRWD") Development Agreement. The Project Schedule anticipates three major construction phases: Site Preparation, Parking Deck, and Civic Center Campus.

The timing of the parking deck construction is contingent upon the procurement process selected by the City Council. As a parking deck was not contemplated during the proposal process for architectural and design services, the scope of services for Carrier Johnson + CULTURE ("Carrier Johnson") does not include

¹ On October 18, 2016, the City Council voted to rename Indian Ocean Drive to Civic Center Drive effective January 1, 2018.

this effort. Utilizing a Design-Build procurement process is projected to allow parking deck construction to occur during an expected five month time window between the end of Site Preparation and start of Civic Center campus construction. A Design-Bid-Build procurement process is expected to result in concurrent construction of the parking deck and Civic Center campus, adding complexity to the construction project and prompting the need for additional Construction Management resources.

Provided grading plans are finalized by the end of the calendar year, the City is anticipating the start of Site Preparation in early 2017 with construction of the Civic Center campus buildings anticipated in fall 2017. This preliminary project schedule also estimates completing construction of the Civic Center in Spring 2019.

Based upon the Schematic Design approved by the City Council on September 20, 2016, the estimated cost for the Civic Center project is \$71.6 million with \$6.6 million to be reimbursed pursuant to the Second Amendment to Serrano Summit Development Agreement. Public Facility Fees, assessed to each unit built in the Opportunity Study Area, are the primary funding source for the project. An updated cost estimate will be presented to the City Council based upon the Design Development phase in early 2017.

BACKGROUND:

On the City's 20th Anniversary, the City Council reviewed a Needs Assessment and Conceptual Plan for the Lake Forest Civic Center project. The City Council affirmed the project planning principles – Reflects Lake Forest, Is a Destination, Provides New Amenities, and Accommodates Multiple Uses – and provided input on the conceptual plan. The 2011 Conceptual Plan included a Community Center/Senior Center, Council Chamber/Performing Arts Venue, Community Policing Center/City Hall, and 466 surface parking spaces.

In 2014, the City Council affirmed the use of a professional Construction Management (“CM”) firm to deliver the project under the CM/Multiple Prime method. CM/Multiple Prime is a project delivery method in which the professional Construction Manager acts as a consultant on a project from inception to completion. The CM provides advice during the design phase with respect to construction methods, organization, and scheduling. The CM can also provide constructability and value engineering review services. “Multiple Prime” refers to the City's direct contracting with more than one trade contractor as opposed to utilizing a General Contractor. The advantages of this method

include: access to an independent, construction-based perspective during the design phase; competitive bidding processes; decrease of mark-ups; greater control over schedule; and CM as owners representative/advocate throughout construction process. For these reasons, the CM/Multiple Prime approach is recognized and widely used in the public and private sectors as an effective and efficient means of achieving successful delivery of construction projects. Additionally, the City successfully used this method for the Etnies Skatepark of Lake Forest.

DISCUSSION:

The City is engaging in designing a fully integrated Civic Center that will serve as the City’s “100-Year Home.” The Civic Center is envisioned to include public facilities that address several of the community’s remaining unmet needs, including a Community Center, Senior Center, Council Chamber/Performing Arts Venue, and Community Policing Center/City Hall. This report provides an update on Environmental Permit Compliance, Project Schedule, and Project Budget.

I. Environmental Permit Compliance

The Development Agreement with IRWD required it to obtain environmental permits on the City’s behalf to allow development of its “100-Year Home.” For forty-two (42) months, the City’s Civic Center planning efforts focused primarily on working cooperatively with IRWD to obtain permits from the resource agencies. Table 1 illustrates the dates of issuance for the project’s environmental permits.

Table 1. Civic Center Environmental Permits

| Permit | Issuing Authority | Issuance/Execution Date |
|---|--|--------------------------------|
| Clean Water Act Section 401 Water Quality Certification | Santa Ana Regional Water Quality Control Board | September 2014 |
| Fish and Game Code Section 1600 Streambed Alteration Agreement | California Department of Fish and Wildlife | December 2015 |
| Clean Water Act Section 404 Individual Permit | US Army Corp of Engineers | May 2016 |

Working with consultants, the City has met the submittal deadline for three items required in advance of project construction:

- Long Term Habitat Management Plan (LTHMP) – The LTHMP describes the management and maintenance activities to retain habitat value for fish and wildlife resources in the project area in perpetuity.
- Restrictive Covenant – A restrictive covenant over a 2.10 acre portion of the Civic Center site ensures it will remain in a natural condition and is preserved in its natural, scenic, and open condition. The restrictive covenant also ensures the land maintains its ecological, historical, visual and education values.
- Government Letter of Assurance – A letter which estimates the cost of implementing the approved Habitat Maintenance and Monitoring Plan and details the City's resources to fund the implementation of the plan.

Per permit conditions, the City also purchased a 1.0 acre stream enhancement credit at Soquel Canyon Mitigation Bank in the amount of \$250,000 as well as paid \$363,350 for in-lieu mitigation fees for the loss of 5.59 acres of California Gnatcatcher occupied Coastal Sage Scrub habitat to the Natural Communities Coalition. In addition, the City met its requirement from US Fish and Game to provide \$15,000 of invasive species removal within Serrano Creek.

Upcoming Items Related to Environmental Permit Compliance:

Remaining items related to preconstruction permit conditions include: (1) Hiring a biological monitor to be onsite during vegetation removal and construction activities; (2) Hiring a licensed habitat restoration contractor for activities within the habitat conservation area; and (3) Submitting final grading plans to the California Department of Fish and Wildlife sixty days in advance of construction. Staff anticipates completing the procurement process for the above services and providing recommendations for the City Council's consideration by the end of the calendar year.

II. Project Schedule

The Civic Center Project is currently in the preconstruction phase; future phases include bidding for prime trade contracts, construction, and project closeout. Because the City is using the CM/Multi Prime project delivery method, the project schedule anticipates separate, multiple competitive bid processes and contract awards for Prime Trade Contracts.

On November 1, 2016, the City reached a major preconstruction milestone with

the approval of the first reading of the Ordinance approving a Second Amendment to the Development Agreement with IRWD for the Serrano Summit Development. Among other items, the Second Amendment provides expanded detail on the City’s option to exercise “Self-Help” to oversee the site preparation of the Civic Center pad. Site preparation includes, but is not limited to: rough grading; building retaining walls; constructing and replanting the habitat mitigation area; extending Indian Ocean Drive; building sidewalks, curbs, gutters and the roundabout in front of the Civic Center entrance; and landscaping the roundabout and east parkway. Pending approval of the second reading, the Second Amendment would go into effect on December 14, 2016. A remaining preconstruction milestone is the City’s exercise of an Irrevocable Offer of Dedication from IRWD for an additional .67 acres of land to begin site preparation of the Civic Center pad.

Bernards anticipates three construction efforts: Site Preparation of the Civic Center pad, Parking Structure, and Civic Center Campus. Table 2 provides an anticipated timeline for site preparation activities. The timeline starts with the City’s approval of the plans submitted by Michael Baker International on September 30, 2016, on behalf of the Serrano Summit Development. Staff has estimated three rounds of comments and responses requiring approximately 90 days before the plans are approved by the City’s contract plan checker. Bernards anticipates a four week bidding process beginning in January 2017 provided plans are approved in late December or early January. Assuming a bid award in February, site preparation activities would be completed in summer of 2017. This preliminary, estimated schedule may be impacted by weather conditions, bidding protests, and/or other unexpected delays.

Table 2 Projected Site Preparation Bidding and Construction Schedule

| Milestone | Anticipated Timeline |
|---|-----------------------------|
| City Approve Plan Submittal | Pending |
| Initial Grading Package Bidding | 4 weeks |
| City Council Award Grading Contract | 2 weeks |
| Mobilize for Grading | 2 weeks |
| Grading / Retaining Wall Installation / Street Extension | 17 weeks |
| Total | 25 weeks |

The single level parking deck construction is planned to follow site preparation. In Bernard’s Preconstruction Schedule, there is a five month time window between the completion of the grading work and the start of construction of the Civic Center buildings and landscaping. Ideally, construction of the parking deck

could occur during this time period.

To enable this timing, the Construction Manager and Project Architect are recommending the City pursue a design-build procurement process for the parking deck. Design-Build is a method of project delivery where a design-build team work under a single contract to provide design and construction services. The anticipated benefit of this approach is a lower overall project cost stemming from the integration of contractor experience in the design phase, thus leading to an earlier determination and assurance of constructability. This integration may also reduce likelihood of change orders. The Design-Build delivery method may also potentially reduce project costs by eliminating the “lag time” from completion of the construction documents through advertising for bids and up to the award of the construction contract. Design-Build also allows “fast tracking” where some portions of the work are started (e.g., foundations) before design is finished. More information on the design-build procurement process and its requirements is included in a subsequent staff report on the City Council’s meeting agenda.

Bernards is recommending Design-Build to enable the City to utilize the market to identify options for designing and engineering a single level parking deck with 299 parking spaces within the project site’s identified footprint.² Bernards also believes cost savings can be achieved by utilizing Design-Build firms that specialize in parking decks. For example, the City of Newport Beach utilized the design-build approach to construct its Civic Center parking structure. According to Newport Beach staff, this approach provided both time and cost savings for their project. Bernards has overseen many Design-Build projects; the Project Manager assigned by Bernards to the City’s project has worked on Design-Build projects such as Science Wing B at Cal State Los Angeles University and portions of the Rose Bowl Expansion.

Table 3 provides an estimated preliminary timeline for building the parking deck utilizing the design-build procurement process. Under this scenario, the procurement process would exceed 90 days³ because of the required steps for design-build, namely issuing both a Request for Qualifications followed by a Request for Proposals once a list of qualified proposers are identified. Should this process be authorized by the City Council, the estimated 53 week schedule would allow for the projected six month parking deck construction period to occur during the time window between completion of grading and start of construction

² The single level parking deck is planned to include 127 parking spaces on the ground level and 172 parking spaces on the upper deck.

³ The City’s typical timeline for a Request for Proposal procurement process is 90 days.

of the Civic Center buildings.

Table 3 High Level Parking Deck Project Schedule - Design/Build

| Milestone | Anticipated Timeline |
|--|-----------------------------|
| Issue Design Build Request for Qualifications | 2 weeks |
| Identify Qualified Proposers | 1 week |
| Issue Request for Proposals | 4 weeks |
| Interviews/Contract Negotiations | 5 weeks |
| City Council Award / Notice to Proceed | 2 weeks |
| Design & Engineer Parking Deck | 10 weeks |
| Plan Check Parking Deck | 5 weeks |
| Mobilize for Parking Deck Build | 2 weeks |
| Parking Deck Construction | 22 weeks |
| Total | 53 weeks |

Adding a parking deck to the Civic Center Master Plan was not contemplated during the Request for Proposal process for the Civic Center architectural and design services. Due to cost savings in other areas, Carrier Johnson’s Scope of Services allowed for conceptual design of the parking deck (such as its placement within the master plan, parking counts and aesthetics) during the schematic design phase. Schematic design work also would include, for example, placement of the engineered systems (i.e., structural, plumbing and electrical) in the structure.

Should the City Council elect to pursue a design-bid-build approach to the parking deck, staff could negotiate an amendment to Carrier Johnson’s contract or conduct a new procurement process for parking deck design and engineering. Table 4 provides an estimated sixty-one (61) week schedule based upon amending Carrier Johnson’s contract. Selecting a new firm for parking deck design and engineering would add 5 weeks to the 61 week projected Design/Bid/Build schedule shown below.

Table 4 High Level Parking Deck Project Schedule – Design/Bid/Build

| Milestone | Anticipated Timeline |
|---|-----------------------------|
| Carrier Johnson to provide cost proposal for Parking Deck Design & Engineering | 2 weeks |
| Amend Agreement with Carrier Johnson | 3 weeks |
| City Council Award of Amendment / Notice to Proceed | 2 weeks |
| Design & Engineer Parking Deck | 16 weeks |
| Plan Check Parking Deck | 5 weeks |
| Bidding Parking Deck Construction | 4 weeks |
| City Council Award / Notice to Proceed | 3 weeks |
| Mobilize for Parking Deck Build | 2 weeks |
| Parking Deck Construction | 24 weeks |
| Total | 61 weeks |

Bernards' estimated Design-Build timeline (see Table 3) would enable construction of the parking deck to occur during the projected time window between the end of site preparation and beginning of Civic Center construction. The estimated timeline for utilizing the Design-Bid-Build approach (see Table 4) would result in concurrent construction of the parking deck and Civic Center buildings. According to the Construction Manager, this would add more complexity to the project and require additional resources to monitor all construction activities across the site. In this case, Bernards' estimates that an additional full-time Project Superintendent would be required to monitor the anticipated six months of construction for the parking deck at an estimated cost of \$125,000. Should there be an extended period of inactivity, Bernards would most likely reassign the resources assigned to the Civic Center to other projects. Once construction activity restarted, the City would run the risk that previous team members would be unavailable.

Table 5 provides a high level Project Schedule for the design and construction of the Civic Center campus. Staff issued a Notice to Proceed for Design Development to Carrier Johnson on September 26, 2016. Carrier Johnson is estimating 14 weeks to complete its work for this phase. Once complete, the design documents will be submitted to Cummings (under contract to Carrier Johnson) and Bernards for cost estimating and value engineering. Both firms will consult to reach an agreed upon cost estimate to present to the City. Staff

anticipates presenting the Design Development and cost estimate to the City Council in February or March 2017. Should the City Council approve the Design Development phase and authorize the preparation of Construction Documents, the project schedule anticipates completing this phase in summer 2017 with award of multiple Prime Trade contracts in fall 2017.

Table 5. High Level Civic Center Project Schedule

| Phase | Projected Timeline/Status |
|---|----------------------------------|
| Civic Center Design/Pre-Construction | |
| Program/Design Concept | Complete |
| Schematic Design | Complete |
| Design Development (DD) | 14 weeks |
| DD Estimate/Value Engineer | 4 weeks |
| DD Agenda Report / City Council Review | 2 weeks |
| Construction Documents (CD) | 14 weeks |
| CD Estimate/Value Engineer | 4 weeks |
| CD Agenda Report / City Council Review | 2 weeks |
| Civic Center Bidding | 3-4 months |
| Civic Center Construction | 18 months |
| Civic Center Closeout | 2 months |

Upcoming Items Related to Project Schedule:

In March 2016, the City Council considered options to pursue Green Building Certification for the Civic Center. Leadership in Energy and Environmental Design (“LEED”) certification is one of the more commonly recognized standards for measuring building sustainability, and is the most widely used third-party verification for green buildings, with approximately 1.85 million square feet being certified daily. The LEED rating system offers four certification levels for new construction – Certified, Silver, Gold, and Platinum. Points towards a particular level are accrued across five green design categories: sustainable sites, water efficiency, energy and atmosphere, materials and resources and indoor environmental quality. The City Council authorized staff to pursue LEED Certified status. Based on this authorization, staff and Bernards have begun to analyze potential design elements and assess the fiscal impact of pursuing LEED certification. Staff anticipates providing additional information on LEED certification for the project during the presentation of Design Development.

III. Project Budget

At this point, staff does not anticipate the need for a debt issuance to bridge the gap between when funds are needed for the Civic center and when the Public Facility Fees are received. Current cash flow projections based upon projected construction activity indicate the funds will be “on hand” during the construction of the project. Staff will continue to monitor the Opportunity Study Area cash flow and will update the City Council as appropriate.

The Lake Forest Civic Center estimated cost in the table below is based on the schematic design that was approved by the City Council on September 20, 2016. The 2015-2017 Capital Improvement Projects Budget includes \$4.94 million for Civic Center and Senior Center Design and includes funds for preconstruction costs. Construction cost (including Parking Deck) and Post Construction cost will be included in the proposed 2017-2019 Capital Improvement Projects Budget. Post Construction Cost consists of Information Technology equipment and Fixtures, Furnishings, and Equipment (“FF&E”). Site preparation falls under the “Self Help” provision in the IRWD Development Agreement and is reimbursable. An updated cost estimate will be presented to the City Council based upon the Design Development phase in early 2017.

Table 6. Lake Forest Civic Center Project Budget – Schematic Design

| Lake Forest Civic Center | Estimated Cost |
|-------------------------------------|-----------------------|
| Preconstruction | \$ 4.5 million |
| Construction | 55.3 million |
| Post Construction | <u>5.4 million</u> |
| Sub Total: | 65.2 million |
| Site Preparation (Self Help) | 6.6 million |
| Reimbursable (Self Help) | (6.6) million |
| Parking Deck Construction | 6.4 million |
| Total: | \$71.6 million |

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action. Public Facility Fees, assessed to each unit built in the Opportunity Study Area, are the primary funding source for the project. The overall project budget will be determined based upon final design and funding will be confirmed prior to the award of multi-prime construction contracts.

ATTACHMENTS:

None.

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Keith Neves, Deputy City Manager

Approved By: Robert C. Dunek, City Manager