

DEPARTMENT OF  
PUBLIC WORKS  
  
ARCHITECTURE /  
ENGINEERING DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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July 16, 1997

City Council  
Sacramento, California

Honorable Members In Session:

**SUBJECT:** CAL EPA OFFICE BUILDING-PROJECT STATUS UPDATE

**LOCATION AND COUNCIL DISTRICT:** 10th & I Street - Council District 1.

**RECOMMENDATION:**

As a follow-up action item per April 22, 1997 City Council Meeting, Staff and the Development Manager, Thomas Development Partners, will update the Council on the Cal EPA Office Building Project. No action is requested in this report.

**CONTACT PERSON:** Duane Wray, Technical Services Manager, 264-8279  
E.C. Looi, Assistant Project Manager, 264-5533

**FOR COUNCIL MEETING OF:** August 7, 1997

**SUMMARY:**

- The Cal EPA Lease and the Development Management Agreement were approved by the City Council on April 22, 1997.
- Staff and Thomas Development Partners were requested to return within 90 days to provide Council with a briefing on the project schedule, budget, and processes planned for developing the building.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

Project Schedule Status

- A Project Summary Schedule is included as Attachment A.

- Consultant contracts for the Architect, the Structural Engineer, the Mechanical/Electrical Engineer, and the tenant space programmer have been negotiated and executed.
- An agreement has been reached with the Building General Contractor and contract documents are being prepared.
- Environmental Impact Report (EIR) work is underway including a traffic management plan and a study of parking requirements.
- Tenant space programming and planning are underway.
- Preliminary site survey and site plan are complete.
- Conceptual / schematic design is underway. Massing models have been reviewed and commented on by the Design Review and Preservation Board.
- When schematic designs are available for the building, meetings will be set with community groups to obtain comments on the plans.
- Staff will meet with the Parks Advisory Committee and Friends of Ceasar Chavez Park before planning begins on improvements to the park.
- GMP (Guaranteed Maximum Price) will be established in June 1998.
- Permanent financing is anticipated to be in place through issuance of bonds in July 1998.
- Anticipate start of construction in August, 1998, pending permanent financing.
- Anticipate construction completion (base building / core and shell) in September, 2000. Occupancy should occur between October, 2000 and February, 2001.

#### Project Budget / Cost Status

- Currently the negotiated contracts for design and construction are within budget.
- The project budget from the Lease Agreement is included as Attachment B.
- A preliminary forecast of the specific costs to the City prior to the sale of bonds is included as Attachment C.

#### Project Management Plan

- The Project Management Plan is being prepared to provide the members of the Project Team with a single source manual that define the necessary procedures: (1) to streamline project communication; and, (2) to ensure the project will be constructed on schedule, within budget, and result in a quality building.

**FINANCIAL CONSIDERATIONS:**

- The financial impacts of the project were outlined in the November 26, 1996 staff report.
- The City has agreed in the tenant lease agreement to front the cost of the City's share of work on the project. Three CIP accounts (BB06, Development; BB07, EIR/Mitigation; BB08, Art in Public Places) have been established to track the associated costs.
- Costs will be reimbursed after the bonds are sold prior to start of construction. Thomas Development Partners will finance all third-party costs, including design prior to permanent financing.

**ENVIRONMENTAL CONSIDERATIONS:**

- The City Council approved the consultant service agreement for ESA Inc. on July 1, 1997. ESA's scope is to prepare an environmental impact report for the project including the necessary studies and surveys to prepare the analysis for the report in accordance with the California Environmental Quality Act (CEQA).

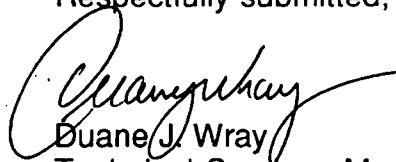
**POLICY CONSIDERATIONS:**

The project is consistent with City policies as outlined in the April 22, 1997 and November 26, 1996 staff reports.

**MBE/WBE EFFORTS:**

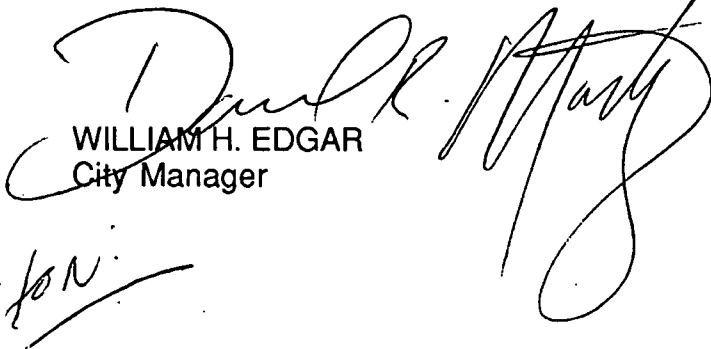
Thomas Development Partners and the mechanical/electrical consultants are MBE firm. All subcontracting work associated with the project will be subject to MBE and WBE goals of the City and State.

Respectfully submitted,



Duane J. Wray  
Technical Services Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

for:

Approved:



Michael Kashiwagi  
Director of Public Works

Activity Description	Orig Dur	Early Start	Early Finish	1997				1998				1999				2000															
				J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
<b>TENANT SPACE PROGRAM</b>																															
PRELIM. SPACE PROGRAMMING & PLANNING	3	01JUN97	31AUG97	PRELIM: SPACE PROGRAMMING & PLANNING																											
<b>EIR</b>																															
ENVIRONMENTAL IMPACT REPORT (EIR)	9	01JUN97	28FEB98	ENVIRONMENTAL IMPACT REPORT (EIR)																											
<b>BUILDING DESIGN</b>																															
CONCEPTUAL/SCHEMATIC DESIGN	4	01JUN97*	30SEP97	CONCEPTUAL/SCHEMATIC DESIGN																											
DESIGN DEVELOPMENT (DD)	4	01OCT97	31JAN98	DESIGN DEVELOPMENT (DD)																											
CONSTRUCTION DOCUMENTS (CD)	6	01DEC97	31MAY98	CONSTRUCTION DOCUMENTS (CD)																											
<b>BIDDING &amp; AWARD</b>																															
BIDDING & AWARD OF CONSTRUCTION BID PACKAGES	4	01MAR98	30JUN98	BIDDING & AWARD OF CONSTRUCTION BID PACKAGES																											
SET GMP	1	01JUN98	30JUN98	SET GMP																											
APPROVE GMP / PERMANENT FINANCING IN PLACE	1	01JUL98	31JUL98	APPROVE GMP / PERMANENT FINANCING IN PLACE																											
PERMANENT FINANCING IN PLACE	0		31JUL98	PERMANENT FINANCING IN PLACE																											
<b>CONSTRUCTION</b>																															
BUILDING CONSTRUCTION	25	01AUG98	31AUG00	BUILDING CONSTRUCTION																											
BASE BUILDING SUBSTANTIAL COMPLETION	0		31AUG00	BASE BUILDING SUBSTANTIAL COMPLETION																											

Project Start 01JUN97 Early Bar  
 Project Finish 31AUG00 Float Bar  
 Data Date 01JUN97 Progress Bar  
 Run Date 23JUL97 Critical Activity

SUMS  
 CITY OF SACRAMENTO  
 CAL/EPA PROJECT SUMMARY SCHEDULE  
 ATTACHMENT A

REF. 87/97 COUNCIL REPORT BRIEFING			
Date	Revision	Checked	Approved

## Attachment B - Cal / EPA Lease Project Budget (Exhibit B-4)

Item	Description	Apr-97 Revised Exhibit B
1	<b>BUILDING COSTS</b>	
2	(Direct)	
3	Demolition Cost	\$1,000,000
4	Tower	\$81,890,000
5	Basement or Parking Garage Cost	\$4,378,000
6	Sitework	\$2,850,000
7	Sidewalks; Streetscaping	\$400,000
8	Off-site Improvements - Plaza Park	\$1,000,000
9	Tenant Improvements	\$27,540,000
10	<b>Sub Total (1)</b>	<b>\$119,058,000</b>
11	General Conditions	\$2,500,000
12	Contractor Fee	\$2,500,000
13	<b>Sub Total (2)</b>	<b>\$5,000,000</b>
14	(Indirect)	
15	Arch & Eng Fees	\$8,453,000
16	Programing	\$500,000
17	City or Other Local Permits/Fees	\$4,893,000
18	Envirm. Review & Mitigate Fees	\$2,816,000
19	Testing and Inspection	\$850,000
20	City Supervision	\$200,000
21	Construction Insurance	\$750,000
22	Development Legal Fees	\$500,000
23	Developer's Overhead & Fee	\$5,477,000
24	<b>Sub Total (3)</b>	<b>\$24,439,000</b>
25	<b>OTHER IMPROVEMENT COSTS</b>	
26	Child Care	\$343,000
27	Cafeteria	\$1,396,000
28	Auditorium	\$960,000
29	Art in Public Places	\$1,573,000
30	Tenant FF&E	\$7,945,000
31	Relocation & Moving	\$0
32	<b>Sub Total (4)</b>	<b>\$12,217,000</b>
33	Escalation to 1/1/1999	Included
34	Escalation to Midpoint	Included
35	<b>Sub Total (5)</b>	<b>\$0</b>
36	<b>ESTIMATED TOTAL CONTRACTS</b>	<b>\$160,714,000</b>
37	<b>OTHER COSTS</b>	
38	Contingency	\$8,136,000
39	Quality Assurance/Observation	\$500,000
40	Tenant Planning (OREDS)	\$500,000
41	Project Management (OPDM)	\$1,518,000
42	Private telephone switch	\$500,000
43	Environmental Document (By City)	\$0
44	<b>Sub Total (6)</b>	<b>\$11,154,000</b>
45	<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$171,868,000</b>

## Attachment C - An Estimate of City Costs Prior To Bond Sales

Item	Description	Projected Cost (\$)
1	Project Design Related Costs	\$134,291
2	Environmental Impact Report Related Costs	\$147,458
3	Planning Review Related Costs	\$71,224
4	Building Permitting & Inspections	\$18,000
5	Overall Project Management Related Costs	\$146,487
6	Art in Public Places	\$8,736
7	Real Estate & City Attorney Office's Costs	\$50,500
<b>Total:</b>		<b>\$576,697</b>
<b>Total City's Budget Allocated Per Lease:</b>		<b>\$9,482,000</b>
(Included Lease Budget Line Items #17, #18, #20 & #29 from Attachment B.)		