



L.A. CIVIC CENTER MASTER DEVELOPMENT PLAN

March 22, 2017



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2017

STUDY AREA



Centralization/
Co-location of
services

Reduced lease
and debt costs

Innovation/
Technology

Connectivity for
Civic Center

Commercial
Space



CONNECTIVITY

Bridging together people and places



URBAN GREENWAY

INTEGRATE ADJACENT NEIGHBORHOODS

MULTIMODAL APPROACH

STREET IMPROVEMENTS

MAINTAIN VIEW CORRIDORS TO CITY HALL

ENHANCE ACCESS TO TRANSIT NODES

BEYOND 9 TO 5

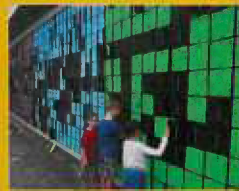
MIXED LAND USES

URBAN FRONTAGE

"EYES ON THE STREET"

INTERACTIVE DISPLAYS

SPACES FOR DEMOCRATIC ASSEMBLY



ACTIVATION

Vibrant and inviting public open spaces

RESILIENCY

Fostering urban and environmental sustainability



ENERGY EFFICIENCY

REDUCE GREENHOUSE GAS EMISSIONS

REDUCE VEHICLE MILE TRAVELED

TRANSIT-ORIENTED DEVELOPMENT

FLEXIBLE SPACES

CREATE JOBS

SECURE FINANCING MECHANISMS

AFFORDABLE HOUSING

GENERATE ECONOMIC DEVELOPMENT



VIABILITY

Creating a comprehensive implementation plan

LEGACY

Designing flexible buildings that will last

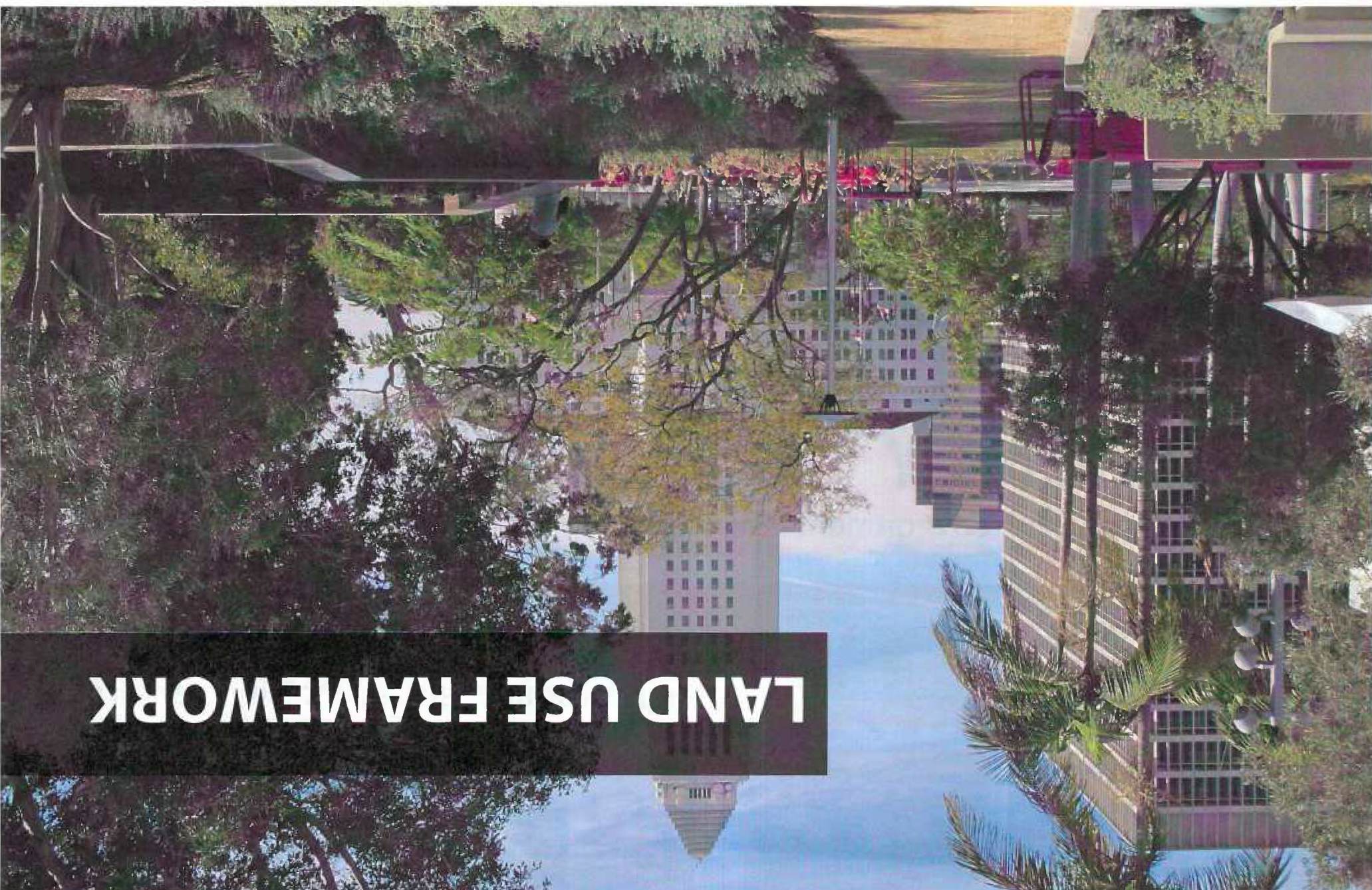


DESIGN EXCELLENCE

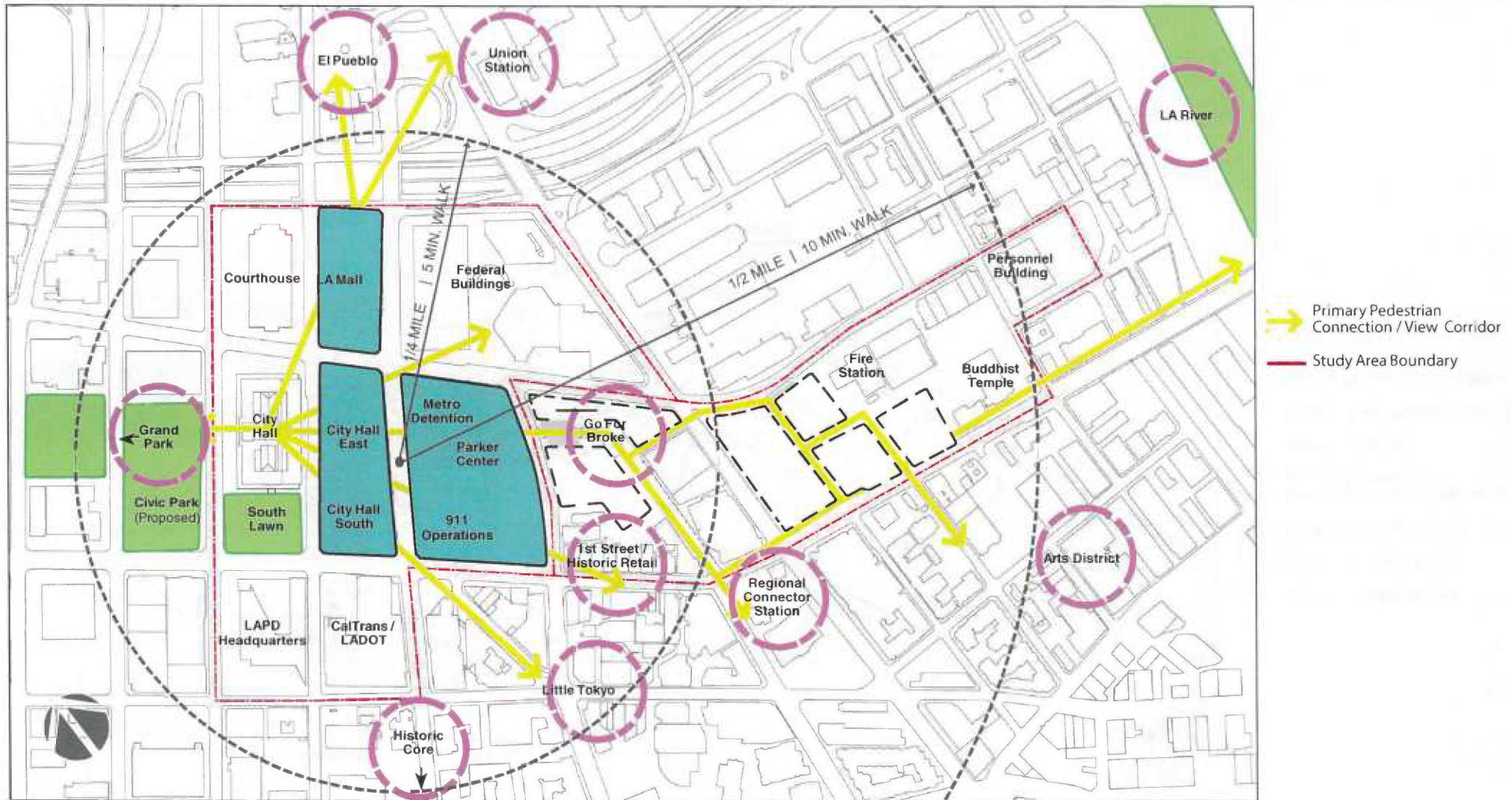
SUPPORT CATALYTIC PROJECTS

BALANCE PAST AND PRESENT

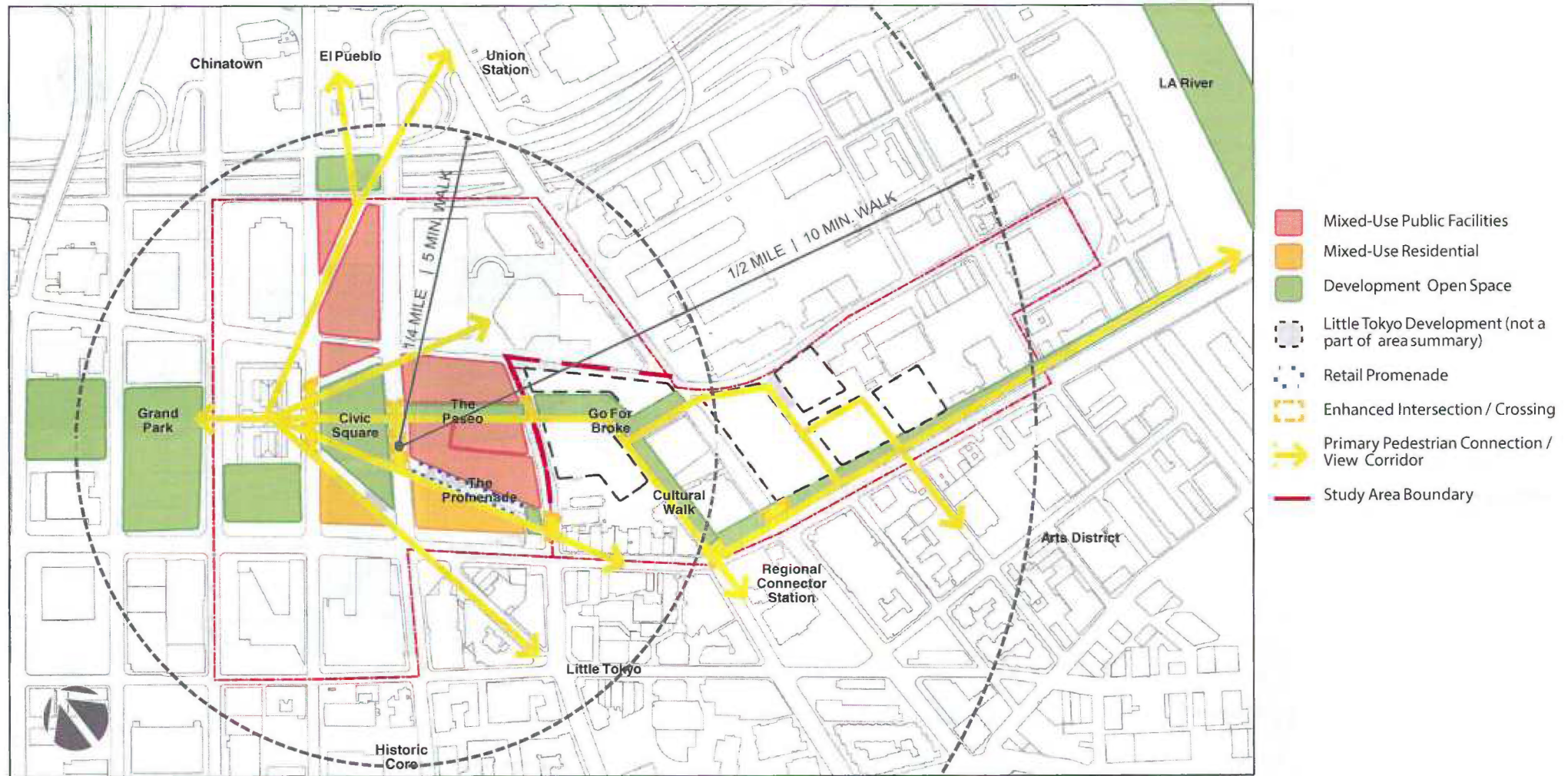
LAND USE FRAMEWORK



AXIS SCHEME: NODES AND CONNECTIONS



AXIS SCHEME: FRAMEWORK PLAN



AXIS SCHEME: CONCEPT MASTER PLAN



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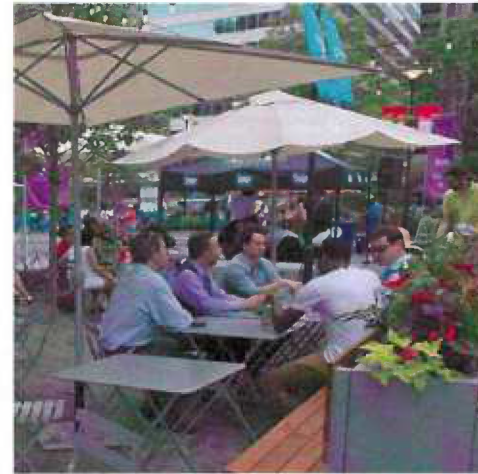


PUBLIC REALM



MAIN & LOS ANGELES STREET CROSSING

- Pedestrian Priority
- Cars Accommodated
- Enhanced Paving
- Moving To vs. Moving Through
- Flexible Use For Events



CIVIC SQUARE

- Interactive Media/Art
- Outdoor Cafes
- Flexible Seating
- Farmers & Seasonal Markets
- Discovery Center (Planning/Mobility Themed)
- Outdoor Work Spaces



PUBLIC REALM



THE PROMENADE

- Small Retailers & Public Services
- Link to Little Tokyo, not competition
- Covered Canopy



THE PASEO, 'GO-FOR-BROKE,' & CULTURAL WALK

- Expand 'Go-for-Broke' beyond Memorial and into Walk
- Dynamic Lighting
- Residential Transition
- Sequence of 'Outdoor Rooms'



PUBLIC REALM



PARK 101

- Gateway into Civic Center
- Links Chinatown, El Pueblo & Union Station



1ST STREET GREENWAY

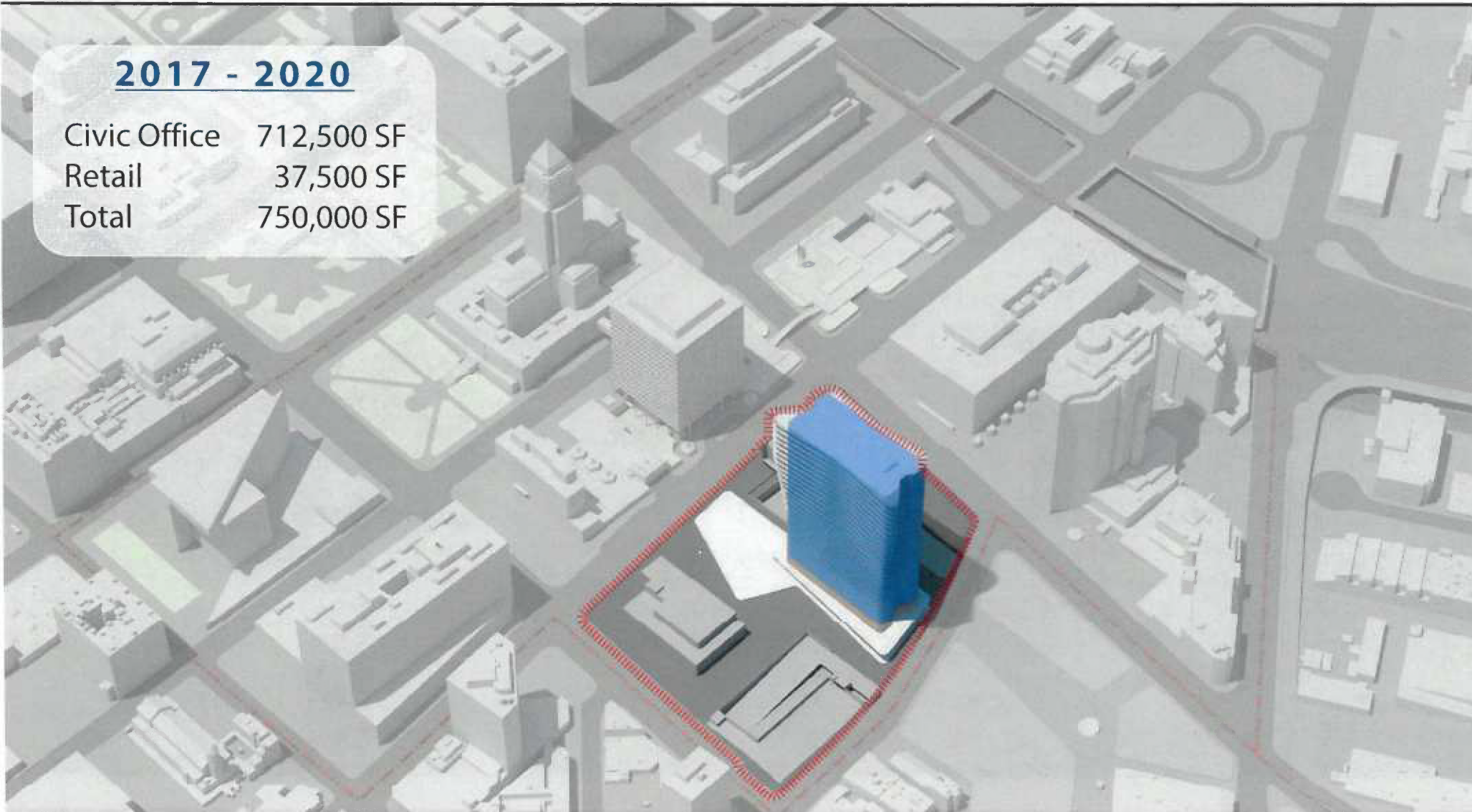
- Outdoor Cafes
- Outdoor Work Spaces
- Streetscape Improvements
- Pedestrian & Bicycle Improvements



DEVELOPMENT SEQUENCE A: PARKER CENTER

2017 - 2020

Civic Office	712,500 SF
Retail	37,500 SF
Total	750,000 SF



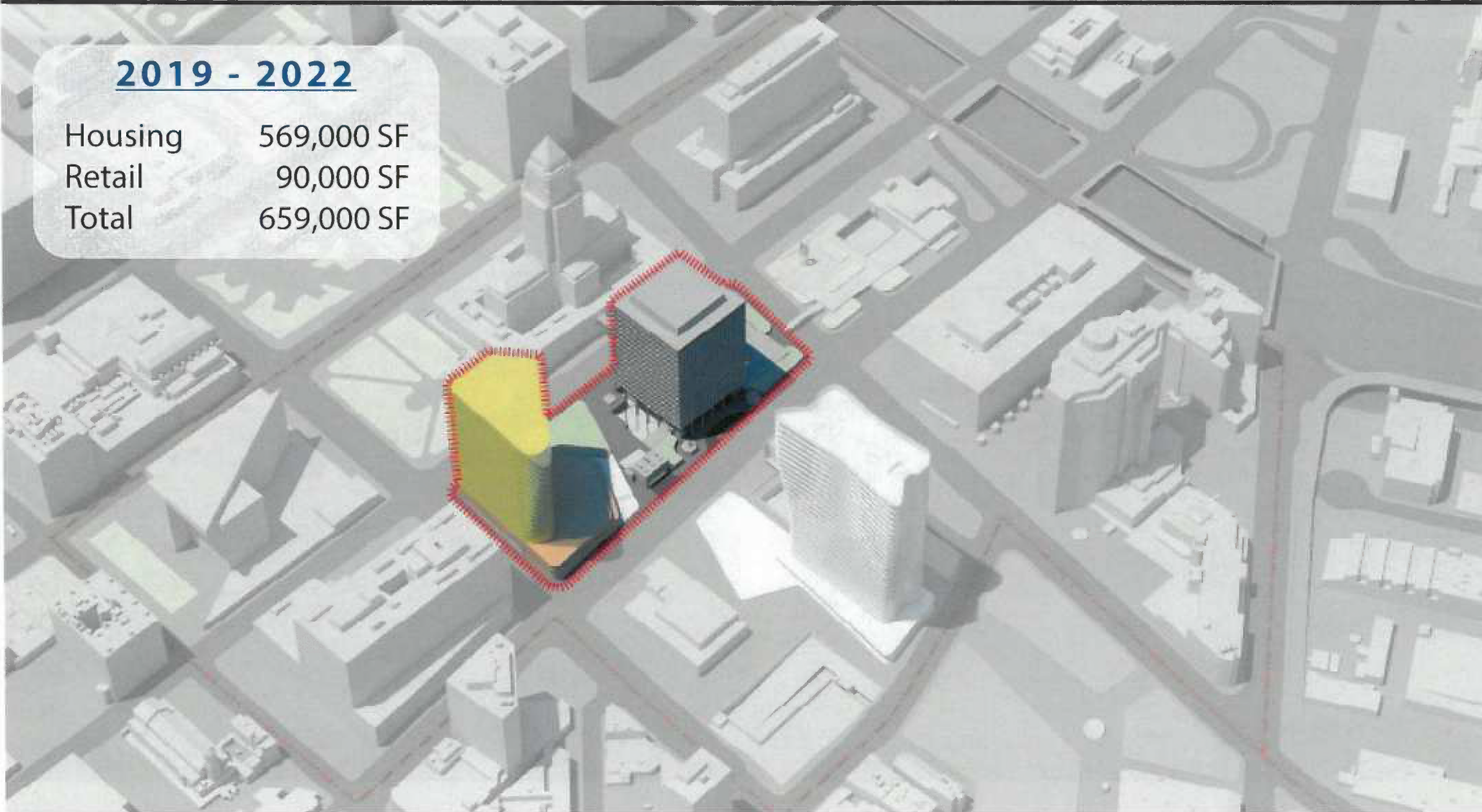
DEVELOPMENT SEQUENCE A: PARKER CENTER



DEVELOPMENT SEQUENCE B: CITY HALL SOUTH

2019 - 2022

Housing	569,000 SF
Retail	90,000 SF
Total	659,000 SF



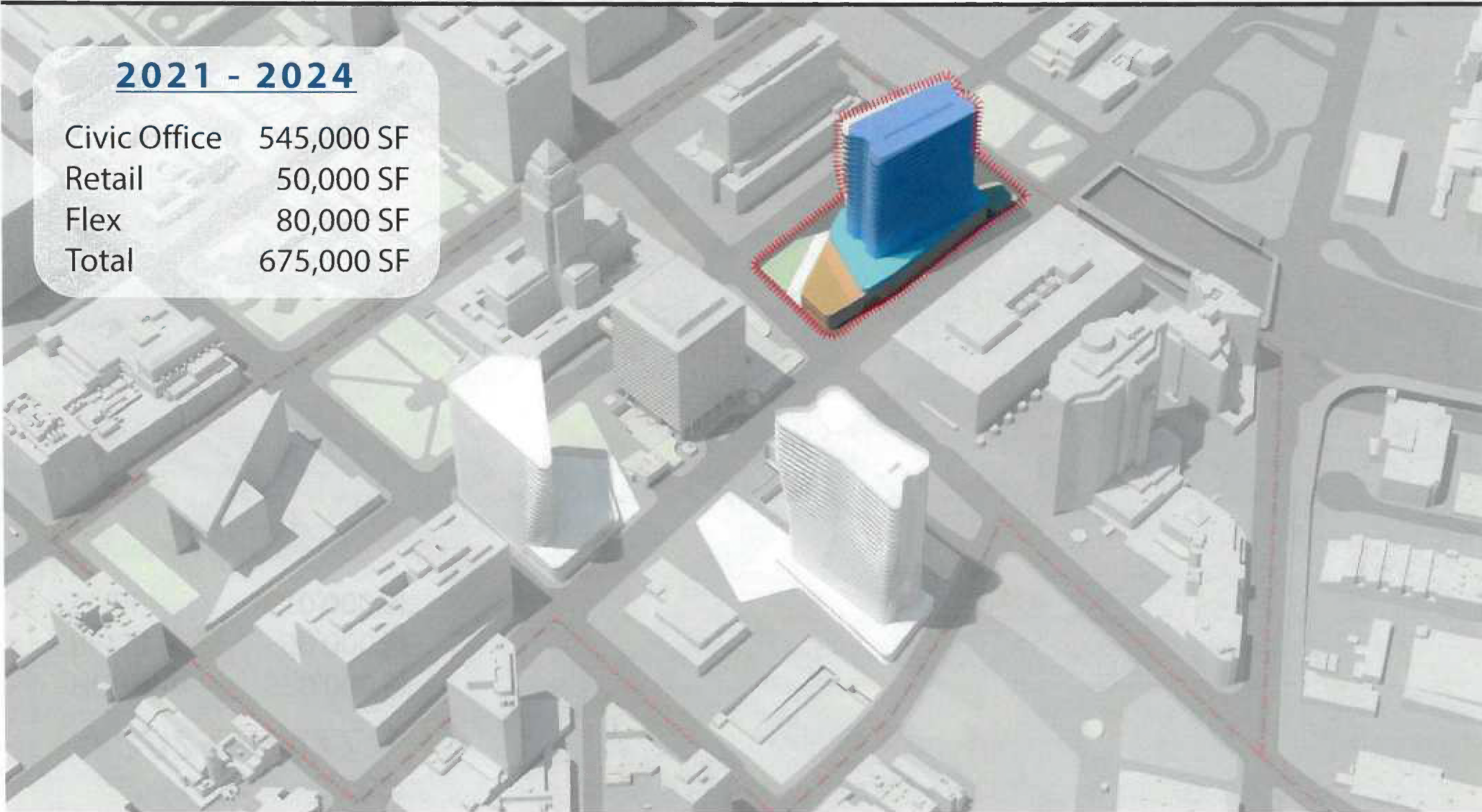
DEVELOPMENT SEQUENCE B: CITY HALL SOUTH



DEVELOPMENT SEQUENCE C: L.A. MALL

2021 - 2024

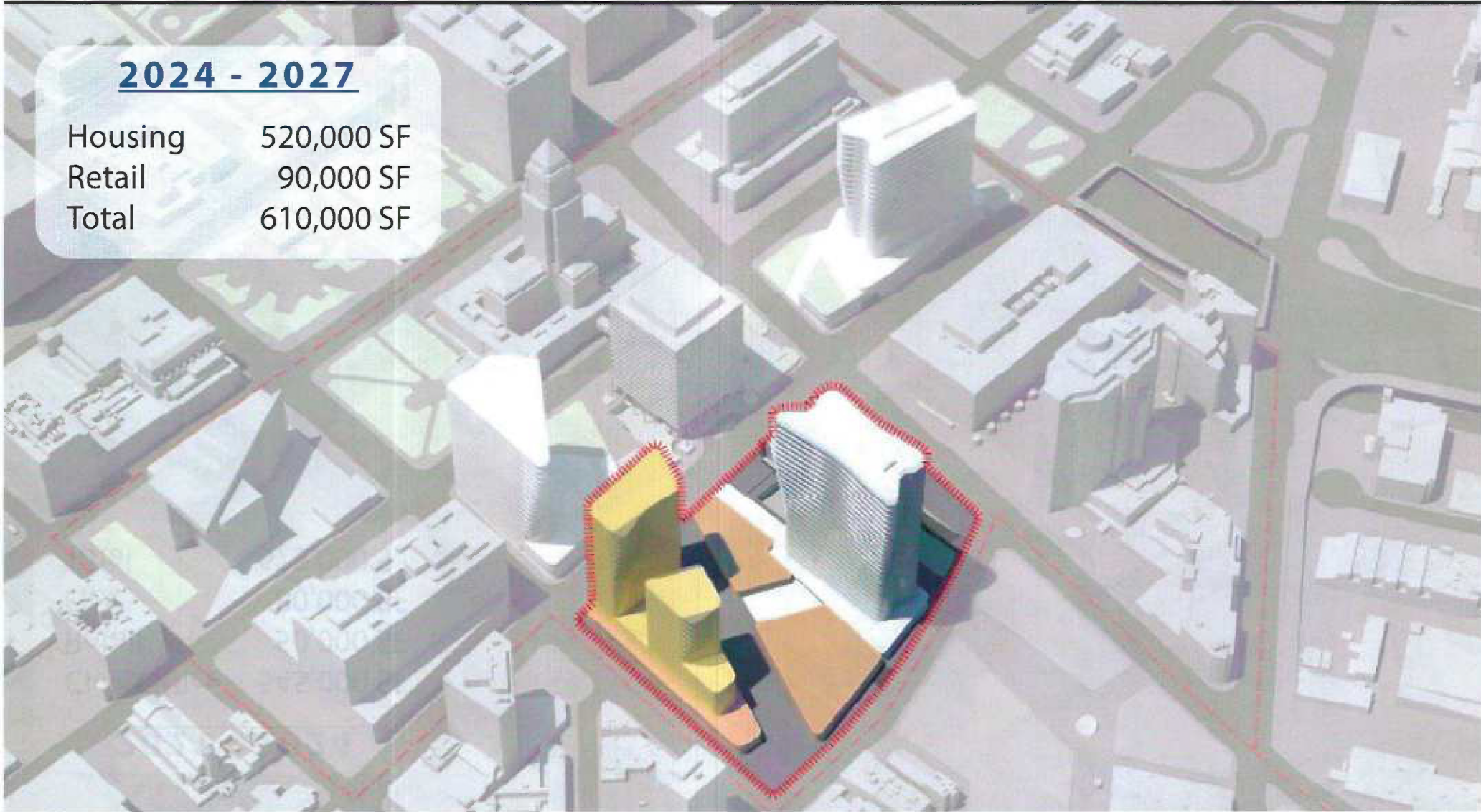
Civic Office	545,000 SF
Retail	50,000 SF
Flex	80,000 SF
Total	675,000 SF



DEVELOPMENT SEQUENCE D: 9-1-1 & 1ST ST. PARKING

2024 - 2027

Housing	520,000 SF
Retail	90,000 SF
Total	610,000 SF



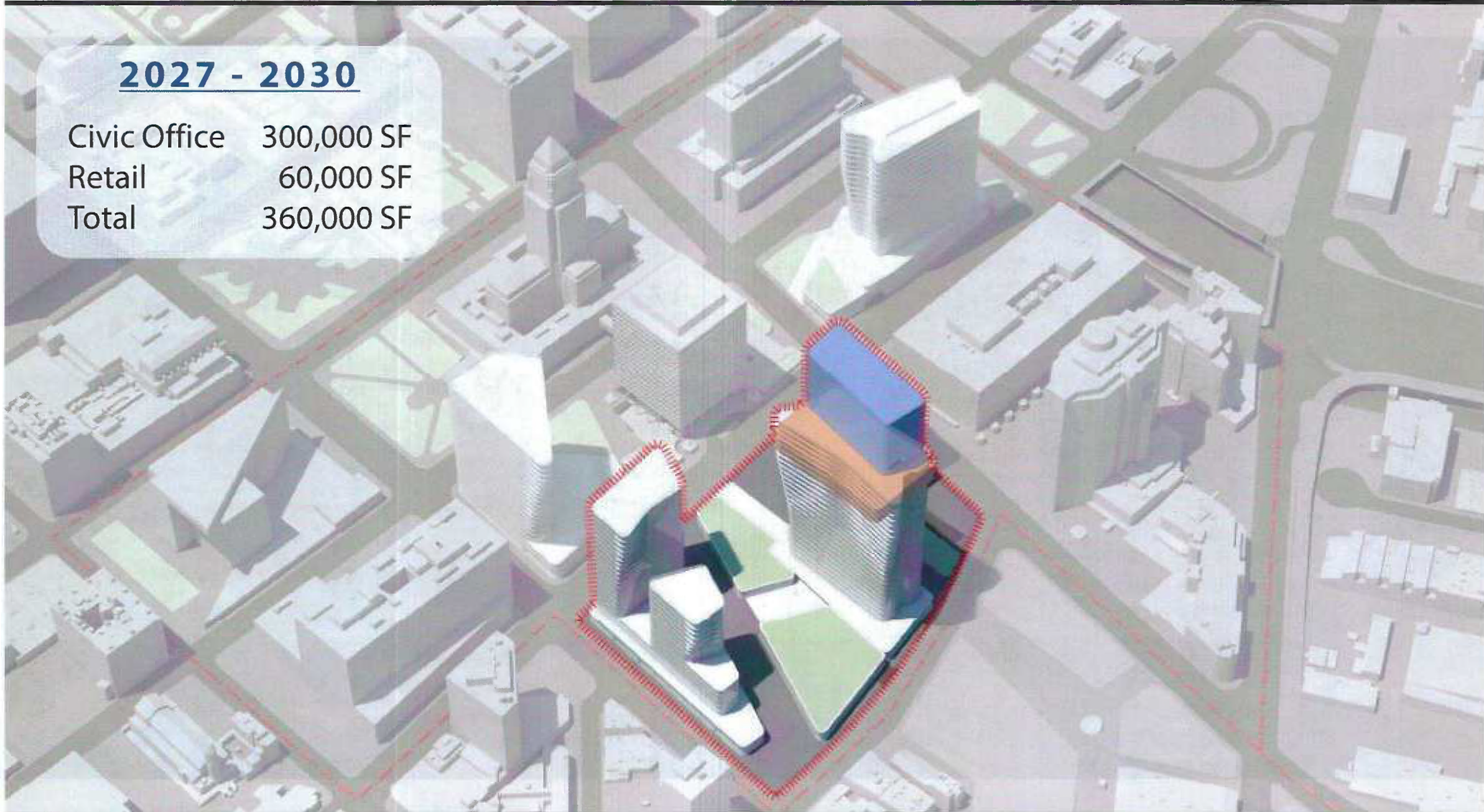
DEVELOPMENT SEQUENCE D: 9-1-1 & 1ST ST. PARKING



DEVELOPMENT SEQUENCE E: METRO DETENTION CTR.

2027 - 2030

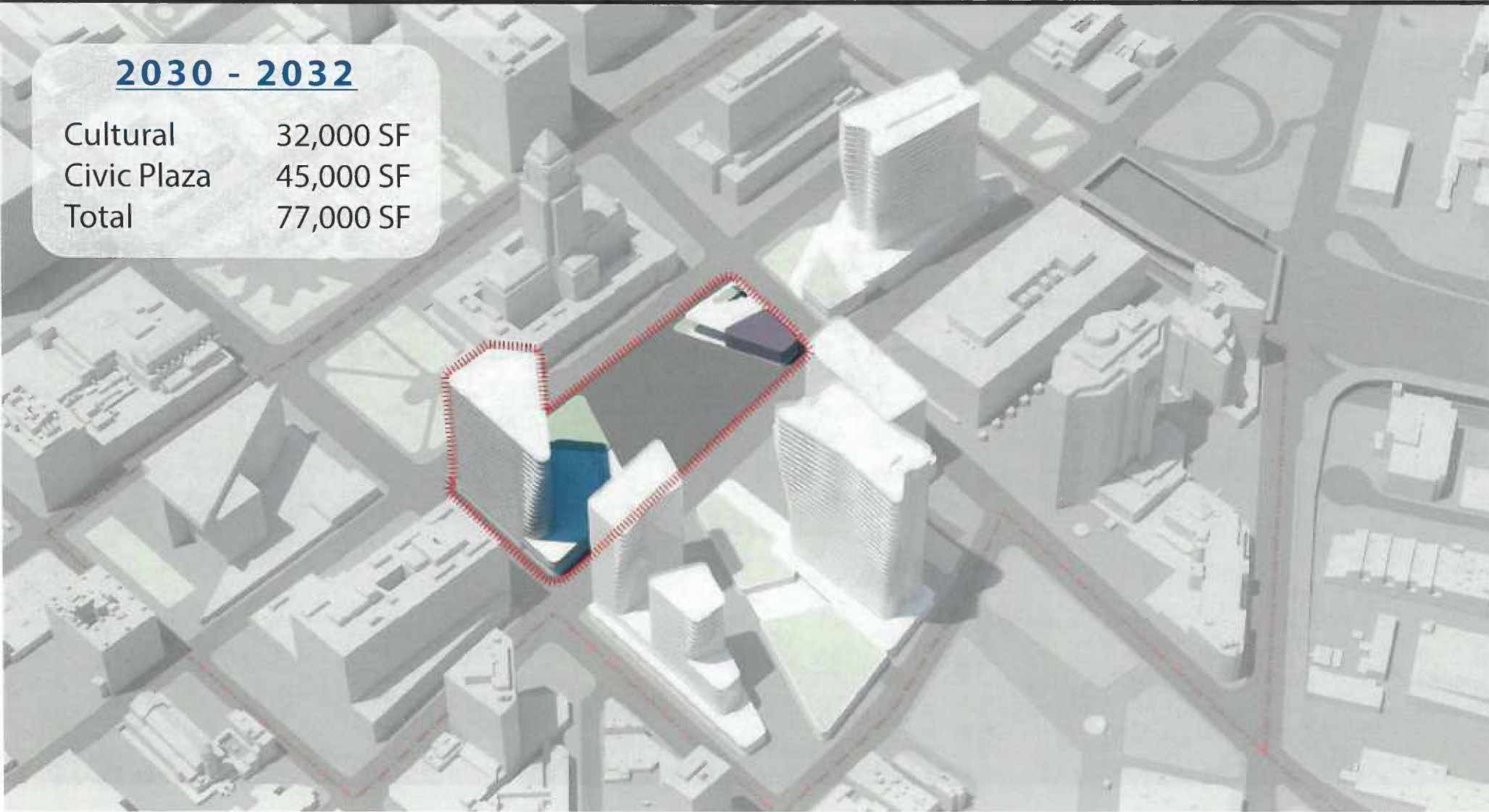
Civic Office	300,000 SF
Retail	60,000 SF
Total	360,000 SF



DEVELOPMENT SEQUENCE F: CITY HALL EAST

2030 - 2032

Cultural	32,000 SF
Civic Plaza	45,000 SF
Total	77,000 SF



DEVELOPMENT SEQUENCE F: CITY HALL EAST



DEVELOPMENT SEQUENCE F: CITY HALL EAST



AXIS SCHEME: FINAL BUILD OUT



AXIS SCHEME: FINAL BUILD OUT



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KP&A
KIMLEY-HORN & ASSOCIATES

AXIS SCHEME: FINAL BUILD OUT



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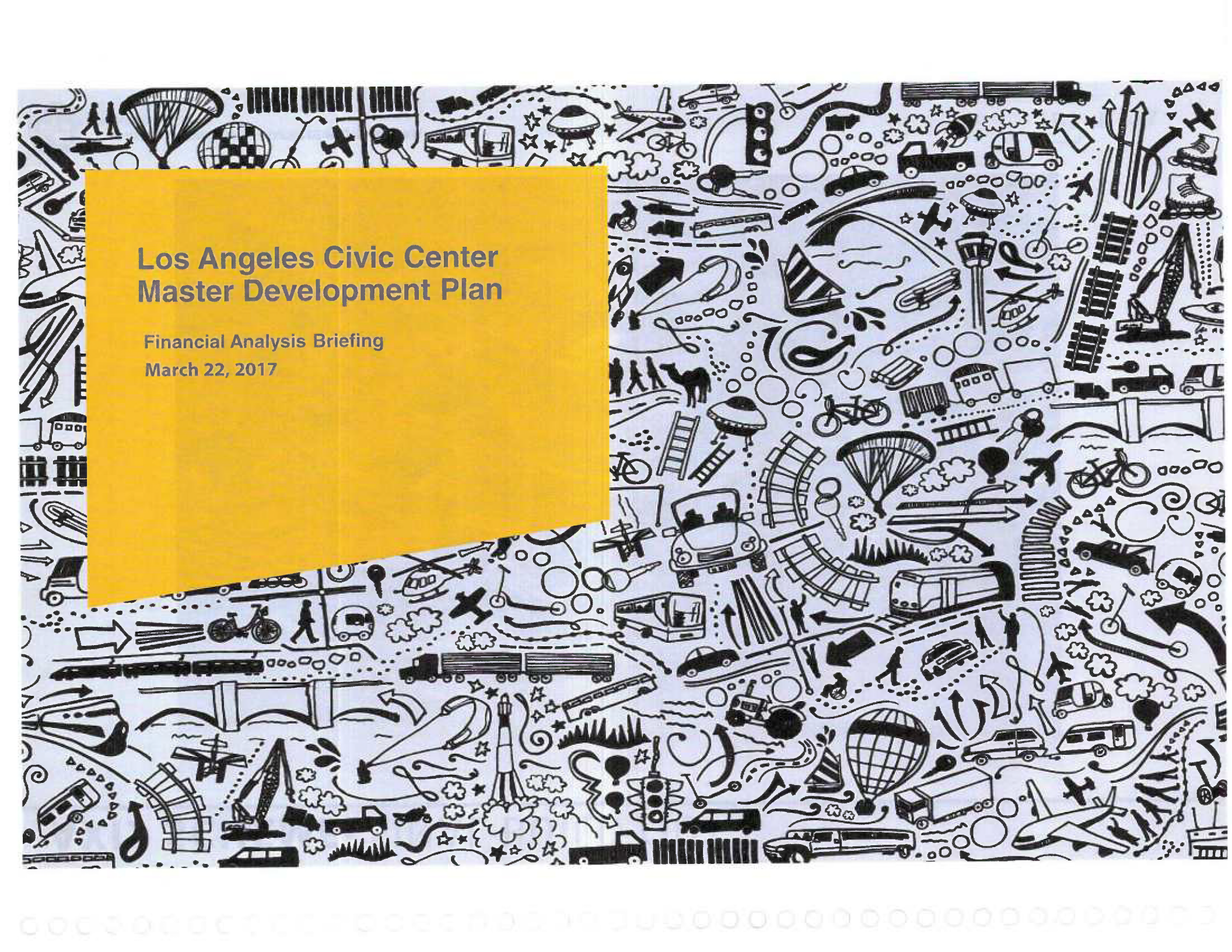


AXIS SCHEME: FINAL BUILD OUT



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Los Angeles Civic Center Master Development Plan

Financial Analysis Briefing
March 22, 2017

INITIAL FINANCIAL ANALYSIS

1

Key Inputs to Land Use Plan

- ▶ Ground lease residential development generate limited revenue
- ▶ More potential with retail but market absorption limitations / private use considerations
- ▶ Plan new civic office development to limit excess space / related costs

2

Funding sources

- ▶ Sale of real property outside the Civic Center Core
- ▶ Cost reduction: leases, building maintenance/utilities, insurance
- ▶ No \$\$ impact directly assumed: tax increment; time and other cost savings (fleet reduction, etc.)

3

Financial planning framework

- ▶ Analyze a 10-year (“short term”) delivery for phases A-D
- ▶ High-level cost assumptions and real estate feasibility analysis
- ▶ Timing of asset sales should adapt to market cycle (delayed sale, sale-leaseback); real property collateral for MICLA financing not a hard constraint
- ▶ Potential additional costs to fully achieve land use planning / policy goals (hotel, greater affordable housing, accelerated timeline)



INITIAL FINANCIAL ANALYSIS

Building	SF	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 onwards
Parker Center	231k	Demo	Build	Build	Build	New Parker Center Civic Office (712.5k SF)							
City Hall South	80k			Demo	Build	Build	Build	Private Development					
L.A. Mall	52k					Demo	Build	Build	Build	New Civic Office (545k SF)			
Aiso St. Parking									Demo	Build	Build	Build	Private Dev.
911 Facility	59k								Demo	Build	Build	Build	Private Dev.
City Hall East	510k											Future	
Metro Det'n Cntr.	160k											Future	
201 Fig. Plaza	327k											Future	
221 Fig. Plaza	327k				Sale								
Public Works	438k				Sale								
Personnel	142k								911 Relocation & Rebuild @ Personnel Site				
Garland	223k				End								
Media Center	61k								End				
Caltrans	90k								End				
Paramount	19k								End				
350 S. Figueroa	12k								End				
Bradbury	41k	End											



New Build



Remains in Place



Asset Sold or Lease Terminated

Indicative development based on Nov 1 Stacking info for Option 2 (PWB/Garland); square footage is of existing spaces. Other stacking / asset strategy options are under consideration.



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KP&A

PUBLIC-PRIVATE PARTNERSHIPS (P3)

1 Availability Payment DBFOM and Other P3s

2 How can P3 help?

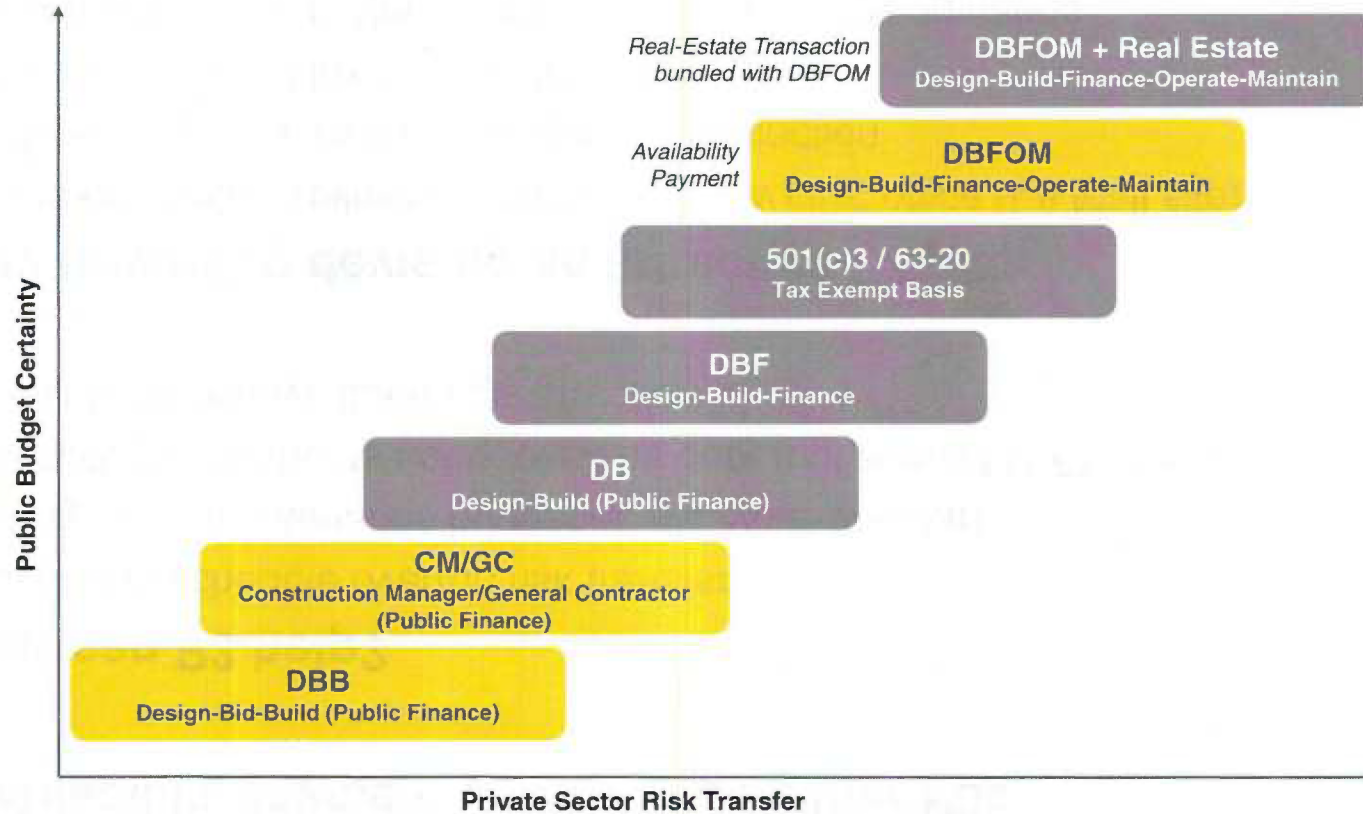
- ▶ Cost and schedule overrun risk transfer
- ▶ Long-term maintenance budgeting (vs. year-on-year)
- ▶ Availability payments not booked as debt (not subject to 6% limit)
- ▶ Limit cash outlays during construction

3 Key drivers to devising an attractive P3 plan

- ▶ Environmental / delivery timelines for new civic office (LA Mall site)
- ▶ Infrastructure vs. real estate investor distinction
- ▶ Narrow taxable / tax-exempt financing gap
- ▶ Other City major projects and P3 / MICLA financing needs



RANGE OF DELIVERY OPTIONS



PARKER CENTER DELIVERY OPTIONS COMPARISON

Key Considerations	Criteria	Traditional	DBFOM
1. Affordability	Lowest expected cost	●	●
	Impact on City debt limit	●	●
	Flexibility in using funding sources	●	●
	Increase net new tax revenues	●	●
	Innovation & cost reduction opportunities	●	●
2. Risk Transfer	Risk transfer on capital cost overruns	●	●
	Risk transfer for schedule delays	●	●
	Risk transfer on lifecycle cost overruns	●	●
	Procurement execution risk	●	●
3. Project Delivery and Long-Term Maintenance	Procurement & project completion timeline	●	●
	Ability to control and amend facilities' design	●	●
	Commitment to adequately maintain the public facilities over time	●	●



SHORT-TERM PHASES DEVELOPMENT SCENARIO

- ▶ Civic Office Spaces may be procured as P3s



Parking not shown; Private Development space use shown for indicative purposes only (private developer may generally build any use that meets zoning requirements)



SUMMARY FINANCIAL ANALYSIS

Parker Center P3 Delivery Year-1 Total Cost: ~\$30m

- The Availability Payment for the Parker Center Phase is partially escalated (~33%) at CPI
- Anticipated savings are larger than the escalated portion of the AP, reducing the funding gap over time
- Taxable interest rate assumed but tax-exempt options might be available to reduce P3 delivery cost
- Traditional Delivery Year 1 Total Cost: \$25m - \$33m



Master Plan Phases A-D Net Present Cost (2016)

Phase	Costs (-)	Revenues / Savings (+)	Net Cost (-) / Savings (+)
Parker Center phase (P3 - \$m)	(\$784)	\$624	(\$160)
City Hall South phase (\$m)	-	\$45	\$45
LA Mall phase (traditional - \$m)	(\$510)	\$201	(\$309)
911 Building phase (\$m)	(\$34)	\$34	-
All four phases total (\$m)	(\$1,328)	\$904	(\$424)

Figures may not sum due to rounding; NPV calculated at 4% discount rate to 2016 from 2054 (end of LA Mall debt repayment period); 911 phase cost is for replacement building at Personnel Building site (construction costs only); Costs, savings and other values assumed to grow at CPI (2.5%) annually and not evaluated after 2054; Asset sales & proceeds included in costs and revenues / savings;



Questions?