



City of Arts & Innovation

Board of Library Trustees

TO: BOARD OF LIBRARY TRUSTEES

DATE: FEBRUARY 25, 2019

FROM: RIVERSIDE PUBLIC LIBRARY

SUBJECT: NEW MAIN LIBRARY UPDATE

ISSUE:

Receive and file an update on the new Main Library.

RECOMMENDATION:

That the Board of Library Trustees receive and file this update on the new Main Library.

BACKGROUND:

In October 2006, the City Council included the Main Library as an expansion project in the Riverside Renaissance Plan. In April 2007, the City hired Pfeiffer Architects from Los Angeles to design a 45,000 square foot shared expansion for the Main Library including a museum exhibit hall. Between 2008 and 2012, the City pursued various avenues to renovate and expand the existing library, relying on the expertise of design consultants and participation from the local community.

In June 2013, the City Council conducted a workshop on the Main Library discussing an Environmental Impact Report, exterior design options, cost estimates, and financing options. In December 2014, the City Council received an update on the Main Library designs, cost estimate and proposed financing options. In June 2015, the City Council approved additional funding to the Main Library project in order to continue the design process. Staff was also directed to look at location alternatives for a new Main Library. In September 2015, community meetings were held to receive feedback on the prospective locations.

On February 23, 2016, the City Council approved 3911 University Avenue as the location for the new Main Library and directed staff to determine funding options and concept planning for the new Main Library.

On July 20, 2016, City staff issued a Request for Qualifications (RFQ) for the development of the new Main Library design. Twenty-one firms responded to the RFQ. After scoring the proposals, an Architect Selection Committee (Committee) comprised of City staff, a Library Trustee and a local business member selected the top eight firms to submit responses to the Request for Proposals (RFP).

On November 10, 2016, City staff issued the RFP to the top eight (8) firms with seven (7) companies responding. The Committee reviewed and scored the proposals and agreed to invite the top four (4) firms to participate in the interview phase of the selection process. The Committee held Interviews on March 2, 2017 and subsequently determined that Johnson-Favaro Architects (Johnson-Favaro) was the most qualified firm to perform the design services pursuant to the conditions of the RFP.

On May 9, 2017, the City Council approved a Professional Consultant Services Agreement (PSA) with Johnson-Favaro for \$1,725,000 for architectural and engineering design services for the new Main Library project.

On October 3, 2017, the City Council amended the Measure Z five-year spending plan by allocating an additional \$9,692,600 to the new Main Library project, and approved a revised Main Library design to deliver a three-story library, instead of a two-story scheme as originally planned. The City Council approved an overall project budget of \$39,692,600.

On December 19, 2017, the City Council amended the Measure Z five-year spending plan for a second time, authorizing the allocation of \$3.3 Million to construct a City Archive in the new Main Library. At that time, the approved overall project cost was \$43.3 Million for the new Main Library. On February 27, 2018, the City Council approved a First Amendment to the PSA with Johnson-Favaro for \$342,000 for additional design services, for a revised contract of \$2,067,000, plus a \$129,630 contingency, for a total not to exceed contract of \$2,197,230. The additional design services included changing the library scheme from a two-story design as originally planned to a three-story library and adding the City Archive to the new building.

Before City staff bid the construction of the Main Library, Johnson-Favaro's construction cost estimator provided a revised cost estimate of \$35,760,000 to build the new Main Library project.

This cost estimate included \$3.3 million to construct a City Archive in the new Main Library as approved by the City Council, and a construction escalation cost of \$160,000.

On October 5, 2018, the City Finance/Purchasing Division posted Bid No. 7624 seeking bids from potential bidders for constructing the new Main Library, with a bid due date of December 4, 2018. The City received five highly competitive construction bids as follows:

COMPANY	LOCATION	BID	\$35,760,000 COST ESTIMATE VARIANCE +/-
Icon West Inc.	Los Angeles	\$34,266,308	(4.2%)
S.J. Amoroso	Costa Mesa	\$35,397,000	(1.1%)
AMG	Santa Clarita	\$36,180,452	+1.2%
Pinner Construction	Anaheim	\$36,244,225	+1.4%
Pro West PCM	Wildomar	\$36,803,310	+2.9%

The City Finance/ Purchasing Division determined all bids were responsive and recommended to award the construction project to Icon West Inc. of Los Angeles (Contractor) as the lowest responsive bidder.

Staff anticipates issuing a Construction Notice to Proceed in February 2019 to the Contractor requiring the Contractor complete construction of the new Main Library within 480 calendar days (16 months) thereafter, or by June 2020.

Cheech Marin Center for Chicano Art, Culture and Industry

On October 16, 2018, the City Council approved the Cheech Marin Center for Chicano Art, Culture and Industry project (Cheech Marin Center) fundraising update and authorized staff to move forward with the renovation of the existing Main Library into the Cheech Marin Center. The Cheech Marin Center is currently in the design phase to develop construction bid documents. The project renovations are expected to take approximately 12 months to complete starting in June 2020. The anticipated construction schedules of both the new Main Library and the Cheech Marin Center projects will allow library staff to relocate into the new Main Library without the need for a temporary interim library facility and renovate the existing library as planned.

DISCUSSION:

On February 5, 2019, the City Council received a report from General Services Director Carey and approved the following staff recommendations (5 ayes and 1 no).

1. Award Bid No. 7624 to Icon West Inc. from Los Angeles, California for \$34,266,308 to construct the new Main Library;
2. Approve a Construction Agreement with Icon West Inc. from Los Angeles, California in the amount of \$34,266,308 to construct the new Main Library;
3. Authorize a 10% contingency of \$3,426,630 for unforeseen site conditions, owner requested changes and design enhancements, for a not to exceed contract amount of \$37,692,938;
4. Adopt a Reimbursement Resolution for Main Library construction services in an amount not to exceed \$44,000,000; and
5. Authorize the City Manager, or his designee, to execute the Construction Agreement with Icon West Inc. of Los Angeles, including making minor and non-substantive changes.

Staff anticipates issuing a Construction Notice to Proceed to Icon West, Inc., (Contractor) requiring the Contractor complete construction of the new Main Library within 480 calendar days (16 months) thereafter, or by June 2020.

On February 5, 2019, the City Council received a report from Chief Financial Officer Enriquez and unanimously approved the following staff recommendations.

1. Receive and provide input on the financing options, presented herein, for construction costs related to the Main Library project; and
2. Direct staff to move forward with the traditional bond financing option with collateral as recommended by the Chief Financial Officer.

Finance Staff will begin the process for a public hearing to adopt a reimbursement resolution. The Chief Financial Officer/Treasurer and General Services Director concur with the content in this report.

FISCAL IMPACT:

The overall projected cost for the new Main Library project is \$43.3 million as summarized below:

Description	Costs
Construction Agreement (Icon West Inc.)	\$34,266,308
10% Contingency	\$3,426,630
Total Construction Cost	\$37,692,938
Design Fees	\$2,197,230
Project Management, Utility Fees and Permits	\$500,000
Furniture, Fixtures & Equipment (FF&E)	\$2,609,832
Main Library Overall Projected Costs	\$43,300,000

The entirety of the project, less a \$3,300,000 cash contribution for the City Archive component of the Library, will be paid by issuing debt.

Traditional bond financing, approved by the City Council, debt service for the library financing has been included in the Measure Z five-year plan. The reimbursement resolution included with the bid award report will authorize the City to reimburse any Measure Z funding needed to be expended prior to the completion of bond financing. There are sufficient funds available in Measure Z reserves to cash flow the project until financing is complete and in place; however, anticipated startup costs are expected to be minimal.

An example of estimated cost using the traditional debt financing structures at current interest rates over 17 years, is shown in the chart below:

	Traditional Financing
Debt Issuance	\$40,000,000
Cost of Issuance	\$350,000
Underwriter's Discount	\$233,870
Premium	(\$4,608,852)
Term (Years)	17
Projected TIC (Interest)	3.53%
Annual Payment (Average)	\$3,187,195
Total Interest Cost	\$18,467,908
Total Cost of Debt	\$54,442,926

Prepared by: Erin Christmas, Library Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Lea Deesing, Assistant City Manager