

APPROVED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

OCT 10 1995

Beren E. Duff
EXECUTIVE SECRETARY

8-6

September 18, 1995

(Executive Committee--Action)

To: Board of Directors (Finance & Insurance Committee--Action)

From: General Manager

Subject: Authorization No. 4 to Appropriation No. 688 to Increase Funding From \$19,000,000 to \$32,000,000 to Fund Accelerated Headquarters Development Activities

RECOMMENDATION:

It is recommended that the Board of Directors approve Authorization No. 4 to Appropriation No. 688, to Increase Funding From \$19,000,000 to \$32,000,000 to Fund Accelerated Union Station Headquarters Development Activities.

John R. Wodraska
General Manager

Submitted by:

Gilbert F. Ivey

Gilbert F. Ivey
Executive Assistant to the General Manager

Concur:

John R. Wodraska

John R. Wodraska
General Manager

CAPITAL FUNDING REQUEST		
PROJECT NAME: UNION STATION HEADQUARTERS		
APPROPRIATION No.: 688	FUNDING REQUEST No.: 4	AMOUNT: \$13,000,000
SOURCE OF FUNDS: PAY-AS-YOU-GO		
FY 95/96 BUDGET: No <input type="checkbox"/> YES <input checked="" type="checkbox"/> @ \$ 20,713,300		CAPITAL PROGRAM PAGE NO. REFERENCE: 75
PROJECT JUSTIFICATION AND TYPE: (CHECK ALL APPLICABLE)		
<input type="checkbox"/> MEET WATER DEMANDS	<input checked="" type="checkbox"/> NEW FACILITY	<input type="checkbox"/> REPLACEMENT
<input type="checkbox"/> MANDATED BY LAW	<input type="checkbox"/> IMPROVEMENT	<input type="checkbox"/> EXPANSION
<input type="checkbox"/> ASSET PROTECTION/RISK MGT.		
<input type="checkbox"/> COST AVOIDANCE		
<input checked="" type="checkbox"/> OTHER <u>ADMINISTRATIVE HEADQUARTERS TO</u> <u>REPLACE EXISTING LEASED SPACE</u> <u>(LEASES BEGIN TO EXPIRE 12/98)</u>		

PROJECT DESCRIPTION:

In April 1994, the Board of Directors selected Union Station as the site for a future administrative headquarters of approximately 550,000 sf. This new Headquarters is scheduled for completion no later than December 1998, when Metropolitan's California Plaza leases begin to expire. To this end, in June and July of 1994, the Board authorized Appropriation No. 688 and a First Amendment, in amounts of \$2 million and \$3 million, respectively, to fund preliminary design work and other predevelopment activities. In March 1995, the Board of Directors authorized the General Manager to execute a Development Agreement with Union Station Partners (USP), and a Purchase & Sale Agreement with the Catellus Development Corporation (for the land). Also in March 1995, the Board authorized a Second Amendment of \$14 million to Appropriation No. 688, to fund the Union Station land purchase.

Under the supervision of the Board's Task Force to Review Office Space & Building Sites, staff has prepared a Draft Environmental Impact Report (DEIR), and has continued the preliminary design work. On September 12, 1995, the Board instructed staff to "accelerate where possible, the design and construction of a new Headquarters building along the lines proposed in Scheme B-5." Scheme B-5 is a 12-story tower, with a 5-story wing (L-shaped footprint) which will better accommodate the large contiguous space needs of several Metropolitan workgroups. The headquarters building is anticipated to cost approximately \$135 million. A Guaranteed Maximum Contract (G-Max) to establish the final amount of hard costs is currently being negotiated between USP and Charles Pankow Construction, with execution anticipated for April 1996.

On September 19, 1995, the Task Force to Review Office Space & Building Sites recommended approval of the action proposed within this Letter.

BENEFIT:

Metropolitan has enjoyed an excellent working relationship with City of Los Angeles staff, including a specific mayoral directive that the City will assist Metropolitan in expediting development issues wherever possible with respect to the Headquarters Project. However, in January 1996, the building code will be revised and this could slow the City's plan-check process somewhat, as City staff familiarize themselves with the new code sections. A pre-1996 design submittal will allow Metropolitan to proceed under the more familiar 1992 rules, with the option to incorporate the 1996 revisions into the Headquarters Project, as applicable. This early submittal will allow Metropolitan to maintain its aggressive project schedule and relocate in advance of its lease expirations at California Plaza. Project delay will force Metropolitan to negotiate a lease extension at California Plaza, at market rates which could be potentially unfavorable.

ALTERNATIVE TO PROPOSED ACTION:

Commence with design and construction on the original schedule, which will oblige a post- December submittal of documents for plan-check. An early submittal will not alter the bottom-line project cost, however, it will accelerate the expenditure of funds during FY 1995/96. Project acceleration will require funds in addition to the \$20.7 million anticipated at the June 1995 submittal of the FY 1995/96 budget.

PROJECT PLAN:

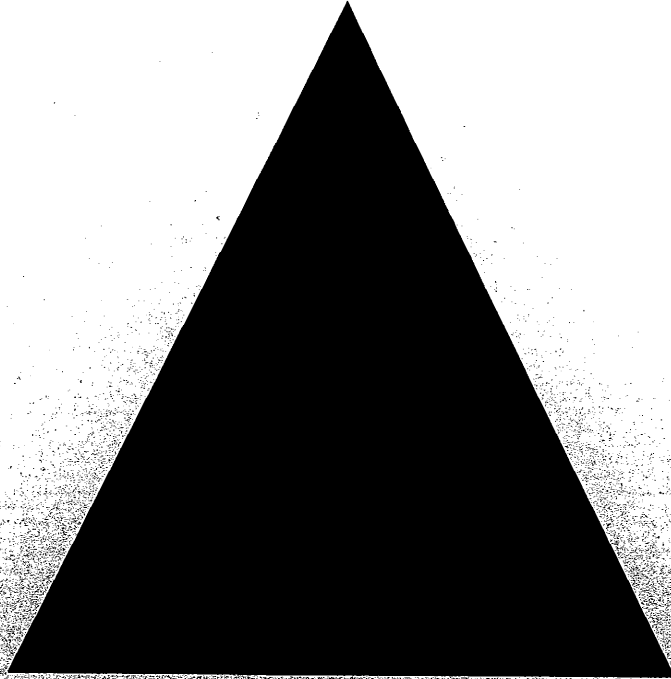
See attachments.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION:

Pursuant to section 15262 of the California Environmental Quality Act (CEQA) Guidelines, the action requested by this letter is exempt from the provisions of CEQA because it involves planning studies for a possible future action. This possible future action is the Board's certification of a Final Environmental Impact Report, in full compliance with CEQA.

This section uses the following tracking code : 1Ua

This section uses the following index code : 41619



Page Place Holder Sheet / Page Tracking Sheet

Page Place Holder Sheet

This sheet stands in for a section consisting of 3 total number of pages in this document, including those starting at page number _____ and ending with page number _____ as numbered in the document.

Page Tracking Sheet

This section of _____ total number of pages has been pulled from the document titled:

This section was pulled for seperate processing due to:

- Duplex Pages
- Simple Binding
- Special Binding
- Mounted Components
- Page Material
- Page Size
- Damaged Page
- Text on Screen
- Image Only Pages
- Page Rotation