



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

October 17, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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FEASIBILITY ANALYSIS FOR CONSOLIDATION OF THE DEPARTMENT OF PUBLIC WORKS ALCAZAR YARDS (ITEM NO. 6, AGENDA OF SEPTEMBER 23 2014)

On September 23, 2014, the Board directed the Chief Executive Officer (CEO) and Department of Public Works (Public Works) to conduct a feasibility analysis for the consolidation of the two Public Works yards located on Alcazar Street into one single yard on the 1525 Alcazar Street site and report back in 21 days. The feasibility analysis was requested to include: 1) site analyses, 2) program details, 3) potential interim relocation sites, 4) potential schedule, and 5) construction cost estimates.

Background

Public Works' two maintenance yards on Alcazar Street provide essential services Countywide and have key functions in Public Works' routine work, as well as its emergency response role. The yards are approximately 1/4-mile apart and rely on their proximity for efficiency of shared operations. The facilities, some of which date from 1905, are heavily used and in need of renovation and/or replacement. Because these yards provide services Countywide, the central location of these facilities along with convenient freeway access is critical to operational efficiency.

The 1525 Alcazar Street yard is approximately 11 acres and includes Public Works' central warehouse, traffic signal construction, traffic signal repair, street lighting, lane striping, traffic markings, traffic sign shop, geotechnical/materials testing, and building crafts, such as the carpentry shop, heating, ventilation, and air conditioning shop, sheet

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metal shop, painting shop, plumbing shop, and other functions. The 2275 Alcazar Street yard is approximately 8 acres and includes vehicle maintenance, building crafts, and warehousing functions. Collectively, the two yards include approximately 166,000 square feet of existing buildings with additional storage and service functions presently being performed outside.

The 2275 Alcazar Street property is owned by the Flood Control District, and the District would have to be compensated if it were leased or acquired by the County and developed for other County uses.

Over the past year, Public Works has studied the feasibility of upgrading, consolidating, and/or relocating the yards in multiple scenarios.

Consolidation at 1525 Alcazar Street

In order to consolidate all of the existing operations on the eleven acre site, the concept of a new multi-story facility was developed, which would take advantage of the existing site topography. The design includes an upper tier that laps over the lower tier, and vehicle access could be provided on both levels. The upper tier would accommodate the central warehouse, traffic signal repair, street lighting, lane striping, traffic markings, geotechnical/materials testing lab, building crafts, storage, parking, and other functions. The lower tier would serve as the area for vehicle maintenance, fueling, and subterranean parking.

Public Works estimates the cost of this project to be approximately \$235 million. Utilizing a design-build method for development, the schedule duration would be approximately 4 to 6 years. The 6-year scenario involves multiple phases of relocating existing functions and constructing new facilities, and relies upon the 2275 Alcazar Street yard to house various functions during construction. To achieve the shorter 4-year duration would necessitate procuring and developing a large interim property for relocation of existing functions during construction. This cost estimate does not include costs for the purchase or lease of an offsite property for interim relocation.

Relocation of 2275 Alcazar Street and Renovation of 1525 Alcazar Street

As an alternative, a new property could be acquired and developed to replace the functions presently located at the 2275 Alcazar Street site. In order to be viable, the site would have to be in close proximity to the 1525 Alcazar Street site, within approximately 1 to 2 miles, because of the interdependency of the operations of the two yards. This

would allow for the 2275 Alcazar Street property to be vacated in less time than the previous option, and it would simplify the renovation of the 1525 Alcazar Street yard by reducing the number of functions being permanently located on this property.

A recent review of parcels of approximately 6 to 8 acres for sale in the vicinity has identified properties ranging in price from \$8.7 million to \$26.5 million. The cost to purchase new property, construct a replacement yard, and demolish and abate the existing improvements at the 2275 Alcazar Street site is estimated to range from \$75 million to \$108 million, and require approximately 3 years to complete depending on the property acquisition process. This does not include the cost of possible remediation of any contamination on the new property, or the cost of developing a new facility for the Los Angeles County Museum of Art (LACMA) on the Alcazar property.

The cost to renovate the facilities at the 1525 Alcazar Street yard without the addition of the functions from the 2275 Alcazar Street yard is estimated to range from \$100 million to \$125 million and require approximately 4 years to complete. This would involve multiple phases of relocation, demolition, and construction all within the 1525 Alcazar Street property.

Feasibility of Providing Active Storage and Art Programming

The feasibility of a LACMA facility is dependent, however, on the schedule of a new exhibit facility being proposed for LACMA's east campus. The facility envisioned by LACMA for the Alcazar site was to provide approximately 60,000 square feet of storage space and 20,000 square feet of program exhibit space to house and display exhibits that would be displaced by the proposed replacement building on LACMA's east campus. LACMA has received interest from several private foundations to potentially provide funding for community outreach programming. To house the displaced exhibits, the storage/exhibit building at Alcazar Street would need to be completed by 2019, when construction of the new East Campus facility to commence.

Feasibility of Use of Alcazar Site for a Biomed Park

An amendment to the Motion requested the CEO to assess the feasibility of using a portion of the Alcazar Street site for the creation of a biomed park and conduct an analysis of the job creation and economic multiplier effects of biomed research for the area.

Recent research conducted by Estalano LeSar Perez in a White Paper developed for the Valley Boulevard Corridor discusses the use of non-profit entities to establish bioscience clusters through the use of incubators. First Supervisorial District initiated an incubator for bioscience at California State University Los Angeles with the intent of promoting the Valley Boulevard Corridor for biomedical development from the university to the USC Medical Center campus. The steps outlined could be common to the establishment of any bioscience cluster, hub, or park. The major initiatives are as follows:

- Marketing and Development – This initiative will establish an “information portal” to identify the available assets, resources, and investment opportunities.
- Policy and Workforce Development – This initiative will track and advocate for relevant legislation and develop industry workforce partnerships and investors.
- Real Estate – This initiative will identify market industrial property for lease and sale and will match bioscience companies to those sites.
- Infrastructure and Planning – This initiative will develop the necessary infrastructure financing network to support the coordinating partners in the bioscience cluster.

It is feasible given the real estate opportunity, proximity of the USC Medical Center and the Master Plan that a bioscience cluster, park, or hub could be established in this location. Further research and analysis would be necessary to do an in-depth study of the specific area’s job creation and economic impacts; however, bioscience could be a potential use of the Alcazar Street site.

If you have any questions, please contact Jan Takata at (213) 974-1360 of the CEO, or David Howard at (626) 300-2300 of Public Works.

WTF:RLR
DPH:os

c: Executive Office, Board of Supervisors
County Counsel
Public Works
Museum of Art