

Joint Government Center Campus

Developer for Joint Government Center Campus Request for Qualifications (RFQ) Responses

UDPA Presentation June 10, 2021





Agenda

- Project History
- ► Key Market Sounding Findings
- Request for Qualifications (RFQ)
- Request for Proposals (RFP)
- Project cost analysis
- Next Steps
- Summary of Public-Private Partnership (P3) Developer Team
- RFQ responses
- ► Q&A





Project History - Goals

To build an iconic and transformative Joint Government Center Campus that meets the needs of the City and County governments/organizations, serves to share costs and foster intergovernmental cooperation, creates better connections of all kinds throughout the community and provides a variety of economic development benefits.





Project History

- ► First discussed decades ago
- ► City-County meeting 2017
- ▶ JGCC Working Group 2018 location, initial process
- ► Interlocal Agreement + Unified Direct Procurement Authority (UDPA) formed 2019
- Design Criteria Package (DCP) solicitation 2019





Project History

- ▶ DCP completed + decision to pursue P3 2020
- ► KPMG hired January 2021
- ► Market Sounding February 2021
- ► RFQ Issued March 2021
- ▶ UDPA to qualify Developer Teams June 2021





Key Market Sounding Findings

- ▶ Use of a progressive, Pre-Development Agreement (PDA) process, rather than a hard bid process, would better meet City/County design and financial planning needs
- ➤ The market would support a variety of financial deal structures, including different arrangements for the City and the County
- Number of shortlisted Developer teams should be no more than 3-4





Request for Qualifications (RFQ)

- Used to qualify Developer teams look at financial capabilities, previous experience and expertise (CCNA)
- ► Information provided by Developers/Financial Partners, General Contractors, Architects and Engineers
- Experience with P3s, Social Infrastructure projects, Project approach and management
- ➤ Operations and Maintenance (O&M) team member's information deferred to RFP to maintain competition





Request for Proposals (RFP)

- ➤ Requires submission of a 10% conceptual design package and a companion financial proposal for design/construction and 30-year O&M
- Will also include a draft PDA (Interim Agreement)
- Should later include a draft Comprehensive Development Agreement (CDA)
- Developer teams will have 16 weeks to respond





Project Cost Analysis

- City and County officials concerned about costs
- Staff developed new costs based on more current information
- Vacant floors removed 811,000 sq. ft.
- Additional cost reductions possible; Revisit workspace allocation and size, adjacencies/configuration of floors, project goals and amenities





Project Cost Analysis

▶ Office tower and parking garage \$625M Shared*

► Land acquisition \$9M County

▶ Bus Terminal \$21M FTA/Surtax

► BC Transportation offices \$60M FTA/Surtax

Project Total \$715M





^{*}City share \$269M / County share \$356M

Project Cost Analysis - City space, garage costs

- ► City Gross Square Footage (GSF) is ~ 253,000 sq. ft.
- ► City Usable Square Footage (USF) is ~150,000 sq. ft.
- Additional space is comprised of 'Core' areas (e.g. elevators, stairwells, mechanicals, restrooms), 'Commons' areas (e.g. lobby, kitchen, multi-function space) and 'stranded' space
- Parking garage costs still seem generally high and could also be lowered by allocating some foundation and structural costs to transportation





Project Cost Analysis - comparisons

- ▶ Gov't pays prevailing wages ~11% 1
- ► Iconic architecture ~10% 1
- ► Resiliency (exceed wind and flood) ~3% 1
- ► LEED Gold ~8% 1
- ► Net Zero building ~8% ↑
- ► Enhanced HVAC ~12% ↑
- ▶ Building height (vs short structures) ~18% ↑
- ► Accessibility issues (e.g. bathrooms) ~1% ↑

Total ~71% **1**





Summary of Developer Team RFQ responses

- ▶ 5 full responses, 1 partial (financing only)
- Partial response not evaluated
- ▶ 1 team withdrew due to transparency concerns
- 4 remaining teams
- Developer teams' information submitted included org charts, team member experience/expertise, confidential financial information, litigation information, references
- Full non-financial binders from each team provided to UDPA + summary binder including financial information





Summary of Developer Team RFQ responses

- Staff and consultants believe that all Developer teams are qualified to deliver the project
- No significant red flags that warranted consideration of rejecting any team
- ➤ Teams are composed of high-quality individuals and firms that are renowned in their industries
- City and County will benefit from a variety of project design and financial approaches





Next Steps

- Secure outside counsel
- Resolving additional land acquisition
- Resolve temporary bus station and heliport issues
- Finish and issue RFP, including PDA
- ▶ Develop O&M performance standards/metrics





Next Steps

- Develop CDA
- Develop a City/County project agreement
- Review submissions and select P3 Developer
- ► Execute PDA, begin project design
- ► Execute CDA, finish design, build JGCC!





Next Steps - Timeline

- ► Finish and initiate RFP process
- Submittal bond due
- ► RFP responses due back
- ▶ UDPA final selection meeting
- Execute PDA
- Conceptual design reconciliation start
- Design Development start
- ► Commercial Close (CDA)
- ► Financial Close

August 2021

September 2021

December 2021

March 2022

May 2022

May 2022

August 2022

February 2023

March 2023







Q&A

