


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 30, 2024

To: Municipal Facilities Committee

From: Steven Fierce, AIA, Division Manager
Architectural Division, Bureau of Engineering 

Subject: **WARNER GRAND THEATRE PROJECT W.O. #E1908215 –
CONSTRUCTION AWARD-PHASE I**

RECOMMENDATION

It is recommended that the Municipal Facilities Committee (MFC):

1. Approve the updated total Phase 1 Project cost of \$22.2 million.
2. Direct the Board of Public Works to approve the award of the Construction Contract Project as noted in the body of the report.
3. Approve the revised Project schedule with a construction end date of January 1, 2026

WARNER GRAND THEATRE PROJECT



COUNCILMEMBER MCOSKER, CD 15



1.0 BACKGROUND

The Warner Grand Theatre (Theatre) was opened in 1931 by film pioneer Jack Warner and is one of three “neighborhood movie palaces” commissioned by the Warner Brothers in the Los Angeles region. It was designed by the noted architect of the day, B. Marcus Priteca, in the Art Deco-Moderne style.

The Department of Cultural Affairs (DCA) has operated the Theatre since 1996 as a multi-use facility, primarily as a rental facility to ensure that artists, producers/presenters, and audiences could access the facility. The Grand Vision Foundation (GVF) is a private non-profit organization, whose role since 1996 has been to raise funds for historic and aesthetic restorations and renovations of various elements of the physical plant. In recent years GVF has assisted DCA, and individual producers/presenters, with promotion and marketing to residents of the Harbor area. GVF has also made improvements to the stage audio system, digital projection system, as well as the purchase and installation of a new main drape.

Formerly known as the Juarez Theatre, the Warner Grand Theatre is a City of Los Angeles Historic-Cultural Monument (No. 251) and is listed in the National Register of Historic Places as No. 98001633.

The Theatre contains 1,489 seats, including 889 in the orchestra, 200 in the lower balcony and 400 in the upper balcony. The stage is 50' wide and 24' deep, capped by a curved Steel Deck Masonite extension covering an organ/orchestra pit that is 10' deep, for a total stage depth of 34' at the center. The stage is composed of tongue and groove hardwood laid on concrete. There is a small backstage area and minimal wings (approximately 20' stage right and 10' stage left). In addition, there are two built-in concession areas and a lower floor lounge. All of the dressing rooms are one floor below the stage and a loading access area is at street level directly east of the theatre storefronts.

CD15, DCA, and the community stakeholders in San Pedro/South Bay are interested in making much needed renovations, and improvements to the historic Theatre to allow the facility to better serve the citizens of San Pedro and to the broader community at large. These improvements will significantly increase and maximize the venue usage through increasing rental opportunities, engaging community stakeholders, and enlisting leading performing arts organizations to return.

Following the issuance of a Task Order Solicitation (TOS) No. 35, the Bureau of Engineering (BOE) issued a Notice to Proceed on March 4, 2019, in the amount of \$75,000 to Studio Pali Fake:architects (SPF:a) to produce a feasibility study and cost estimate for various options on how best to move the project forward (Pre-Design phase).

The initial findings of the Pre-Design phase resulted in a scope of work that far exceeded budget expectations. As such, BOE worked with CD 15, DCA, the design consultant team, and GVF to establish the scope of work priorities validated through extensive budget analysis. The revised scope of work presented below has been determined to be the minimum amount required to effectively begin to meet the goals as outlined above.

The approved Phase I budget per the last approved MFC report dated 2023-11-16 was for approximately \$21.16 million. The proposed revised project budget is approximately \$22.2 million.

2.0 SCOPE OF WORK

The project is divided into phases to address the increased cost of construction and funding availability, additional scope requested by the Client, and new scope imposed by the City's Sustainability mandate to decarbonize existing structures.

Phase 1

- Elevator: Install a new elevator near the Northwest corner of the building to provide ADA access to the Second Floor and basement from the Main Floor Lobby.
- Restrooms
 - Basement: Upgrade and add gender-neutral restrooms in the basement to meet current code.
 - Main floor lobby, 2nd Floor lobby: Expand the Women's Restroom, add one all gender restroom, and expand the area for Men's urinals. Add vintage lounge seating.
 - 2nd Floor: Add Single-Occupancy, Gender Neutral, and ADA restrooms to meet current code requirements.
- Entrance lobby:
 - Terrazzo Repairs: Restore damaged terrazzo flooring.
 - Restore foyer ceiling, historic ticketing booth, doors, and marketing displays.
- Ticketing Offices and Usher Storage: Convert two existing sections of commercial space near the Southwest side of the building, adjacent to the entrance foyer, into a safe and secure ticketing and info booth. This will allow for ticketing and entry to be controlled on the street, and will also provide additional staff office and storage space. This scope also includes the purchase of updated ticketing equipment, including ticket scanners and software.
- Restore front facing shapes and historic awnings.
- Production Office/ storage: Convert the commercial space exterior storage space on the southeast side of the facility into a multi-use space that can accommodate a production/ stage manager office, and interior storage space for the off-stage equipment.

- Guest Lounge and Overlook: Transform the space historically designated as the venue apartment (currently office space) into a small reception lounge. The rehabilitation of this room will retain the historic fabric, and closet restroom.
- Main floor lobby: General historical rehabilitation of the finishes and fixtures, and replacement of the concession stands.
- 2nd Floor lobbies: General historical rehabilitation of the finishes and fixtures, restoration of the historic drinking fountain, and the installation of new electrical infrastructure to accommodate events.

The revised scope of work for Phase 2, is as noted below:

- Historical restoration of the main entrance facade of the building
- Auditorium:
 - Restore the ceiling, historic lighting fixtures, tapestries, and doorway curtains, and
 - Replace existing seating with new seating for patrons with disabilities or mobility impairments
- Backstage:
 - Upgrades to lighting, increase access for performers, restore finishes and install a hydration station,
 - Develop loading dock access from the alley,
 - Install a stage flooring product that will accommodate dance performances,
 - Upgrade the control booth and stage equipment,
 - Upgrade audience and stage lighting control infrastructure, and rehabilitate the theatrical rigging systems,
 - Install infrastructure to support private and public facing Wi-Fi,
 - Theatrical Audio, Visual, Lighting Equipment upgrades, HD Digital Projector,
 - General improvements to backstage areas, and
 - Installation of a modular Dance Floor
- General rehabilitation improvements to the auditorium space
- Replacement of the HVAC system and any gas-powered devices
- Replace the existing exterior snap-lock letter marquee with a digital screen marquee
- Refurbish and repaint the existing historic exterior marquee theatre signage
- Add new interior room signage

Bid Solicitation

On March 1, 2024, The Board of Public Works approved the solicitation of bids for the Theatre, and subsequently received and opened bids on April 17, 2024. The results of the bids received are as noted below.

DETAILED RESULTS				CITY ENGINEER'S ESTIMATE		2H Construction, Inc.		Nationwide Contracting Services, Inc. DBA Nationwide General Construction Services	
ITEM	DESCRIPTION	UNIT	QTY.	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL	UNIT PRICE	ITEM TOTAL
1	MOBILIZATION per General Requirements, Section 01292 & 01721	LS			\$ 300,000.00		\$ 300,000.00		\$ 500,000.00
2	BUILDING AND SITE per Plans and Specification	LS			\$ 16,100,000.00		\$ 17,487,000.00		\$ 19,257,500.00
3	ALLOWANCE for Differing Site Condition per the General Requirements, Sections 01212 and 01253 (01254)				\$ 100,000.00		\$ 100,000.00		\$ 100,000.00
4	ALLOWANCE for Payment for Permits per the General Requirements, Section 01292				\$ 100,000.00		\$ 100,000.00		\$ 100,000.00
5	ALLOWANCE for Opportunity to Partner per the General Requirements, Section 01353				\$ 10,000.00		\$ 10,000.00		\$ 10,000.00
Total Bid Amount:				\$	16,610,000.00	\$	17,997,000.00	\$	19,967,500.00
						High	8.35%	High	20.21%

The Bureau of Contract Administration and the Bureau of Engineering have reviewed the bids, associated documentation, and Business Inclusion Program components and found the Bid from 2H Construction to be the lowest, responsible, and responsive bid. This report recommends the MFC to support the award of the construction contract to 2H Construction, in the amount of \$17,997,000.

4.0 FUNDING/ BUDGET

Budget

Revisions were made to the previously approved Project budget to capture the scope modifications, actual costs incurred for previous design phases, and the updated construction cost escalation.

Phase 1 Project Budget		
Activity	Previously Approved Budget	Proposed Budget
Design / Consultant		
Pre-Design	\$ 82,113	\$ 82,113
Architectural Consultant	\$ 1,046,250	\$ 1,070,870
Direct Cost – 2 nd Hazmat Survey Report		\$ 38,760
Construction		
Construction (includes permit allowance)	\$ 14,100,000	\$ 17,997,000
**Construction Contingency <u>+10%</u>	\$ 1,833,000	\$ 1,819,700
Other Direct Costs (Permits, DWP, BOE)	100,000	\$100,000
Hazmat Abatement	\$700,000	(In Const. Cost)
Communication – ITA (Network & Security)		\$ 200,000
Project Construction Cost Escalation @ 12% * (6 Months) FY23/24	\$846,000	
Project Construction Cost Escalation @ 9% * FY 24/25	1,421,280	
PW / BCA Inspection Costs	\$ 352,500	\$ 382,137
PW / BOE Costs	\$ 686,712	\$ 662,553
Total Project Costs:	\$11,343,692	\$ 22,253,133

* Based on the Funding for Construction Cost Inflation report, dated 7-28-2022.

Funding Sources for Phase 1			
Funding Source	BFY	Appr. Unit	Budgeted Amount
Consultant Funding Source			
General Fund	2016	00N285 (TOS 35)	\$ 95,000
	2016	00N285 (TOS 35)	\$18,939
MICLA	2019	50RTWG	\$ 1,219,773
CD15 Motion	2024	CD15 Motion Redevelopment Fund	\$ 38,719
		<i>Subtotal:</i>	\$ 1,372,431
Construction Funding Source			
CTIEP	2017	00N285	\$ 107,000
	2018	00P376	\$ 90,054
MICLA*	2019	50RTGT**	\$ 780,226
	2019	50RTWG****	\$ 3,500,000
	2024	50YTWG	\$ 12,500,000
	2025	50ATBD****	\$ 4,200,000
		<i>Subtotal:</i>	\$ 21,177,280
		Total Funding:	\$ 22,549,711
<p>*MICLA funds have been reauthorized in the 2023-24 First Construction Projects Report (C.F. 23-0842) and 2023-24 Second Construction Projects Report (C.F. 23-0842-S1).</p> <p>** \$1.5 million was originally appropriated. DCA expended \$719,773. The remaining will be used for capital improvements for the Warner Grand project.</p> <p>***Original appropriation of \$5.0 million was reduced by \$3,780,000 in 2020-21 Second Financial Status Report (C.F.20-0600-S84).</p> <p>**** Amount in Mayor's Proposed 2024-25 Budget</p>			

The previously approved MFC report dated November 11, 2023, noted a projected shortfall in the amount of \$6.4 million Dollars. Based on the lowest responsive bid received, and subsequent insertion of reauthorized funding, the funding gap has been eliminated.

The project currently has enough funding to fund construction activities to complete the project as indicated in the expenditure plan below.

Funding Sources	Expended/Committed	Const. Funds	FY24/25 1 st Qtr.	FY24/25 2 nd Qtr.	FY24/25 3 rd Qtr.	FY24/25 4 th Qtr.	FY25/26 1 st Qtr.	FY25/26 2 nd Qtr.	Total
CTIEP (2017-18)	\$0	\$0.107m	0.107m						\$0.107m
CTIEP (2018-19)	\$0	\$0.090m	\$0.090m						\$0.090m
MICLA (2018-19)	\$0	\$0.780m	\$0.780m						\$0.780m
MICLA (2018-19)	\$0	\$3.5m		\$3.5m					\$3.5m
MICLA (2023-24)	\$0	\$12.5m	\$1.0m		\$4m	\$5.5m	\$2m		\$12.5m
MICLA (2024-25)	\$0	\$4.2m					\$2m	\$2.2m	\$4.2m
TOTAL	\$0	\$21.177m	\$2.009m	\$3.5m	\$4m	\$5.5m	\$2m	\$2.2m	\$21.177m

CD 15 has been an ardent supporter of the project and would like to see this project awarded for construction this fiscal year.

Therefore, BOE recommends that the Municipal Facilities Committee approve the recommendation to authorize BOE to proceed with awarding the construction contract as previously noted.

4.0 SCHEDULE

The revised project schedule is shown below:

Project Schedule				
Phases	Start Date	Finished Date	Revised Start	Revised Finish
Design	Oct. 1, 2020	June 30, 2021	Oct 1, 2020	Sept 30, 2023
Bid and Award	July 1, 2021	Dec 31, 2021	Dec 1, 2023	July 31, 2024
Construction	Jan 1, 2022	Dec 31, 2022	August 1, 2024	January 1, 2026
Post Const.	Jan 1, 2023	June 30, 2023	Jan 1, 2026	June 1, 2026

5.0 KEY ISSUES

The Bid Bonds are set to expire on July 17, 2024. Approval by the MFC in May of 2024 will facilitate the Board of Public Works approval in late June/ early July of 2024.

cc:

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