

Community Venues



**Dr. Phillips Center for the Performing Arts
City Council Work Session**

May 23, 2011



I. Introduction/Project History

Byron W. Brooks, AICP

Chief Administrative Officer,
City of Orlando



Summary of Key Activities

JUNE
2003 • Mayor Dyer's Downtown Strategic Transition Team is Formed

APRIL
2004 • OPAC Formation by Mayors Dyer/Crotty and UCF President Dr. Hitt
• Events Center Facility Review & Planning
• Citrus Bowl Facility Review & Planning

NOV
2005 • Appointment of Joint City/County Planning Effort
• City Council Initiates Comprehensive Downtown Master Planning

MAY
2006 • Master Plan Phase I Presentation to City Council

Timeline of Key Activities



Summary of Key Activities

JUNE 2006	<ul style="list-style-type: none">• Downtown Orlando Community Redevelopment Agency Analysis Begins• TDC Meeting--Recommend TDT Sixth Cent
JULY 2006	<ul style="list-style-type: none">• County Commission Approval of TDT Sixth Cent
AUG 2006	<ul style="list-style-type: none">• Mayor and Commissioners Host Community Venues Neighborhood Update Meetings (10)
SEPT 2006	<ul style="list-style-type: none">• Master Plan Phase II and Economic Impact Presentations to City Council• LOU Signed and Memorialized by City/County Mayors
NOV 2006	<ul style="list-style-type: none">• Downtown Transportation Plan and Master Plan Phase III Presentations to City Council• City Council Approval of M/WBE Resolution

Timeline of Key Activities



Summary of Key Activities

DEC
2006

- Creative Village Concept Team Presentation to City Council

APRIL
2007

- Commissioner Lynum Hosts Construction Industry Business Forum

MAY
2007

- City Council Approves Development & Operations Agreements for the Three Venues

JULY
2007

- DDB/CRA Advisory Board Approves Community Venues Interlocal Agreement
- City Council Approves Workforce Central Florida MOU to Plan and Implement Workforce Development Plan
- City Council Approves Interlocal Agreement
- TDC Approves Tourist Development Plan Amendment

- County Commission Approves Interlocal Agreement

Timeline of Key Activities

Dr. Phillips Center for the Performing Arts

Original Project Summary (2007)

Unique, world class destination to showcase region's performance groups, other regional groups and touring shows

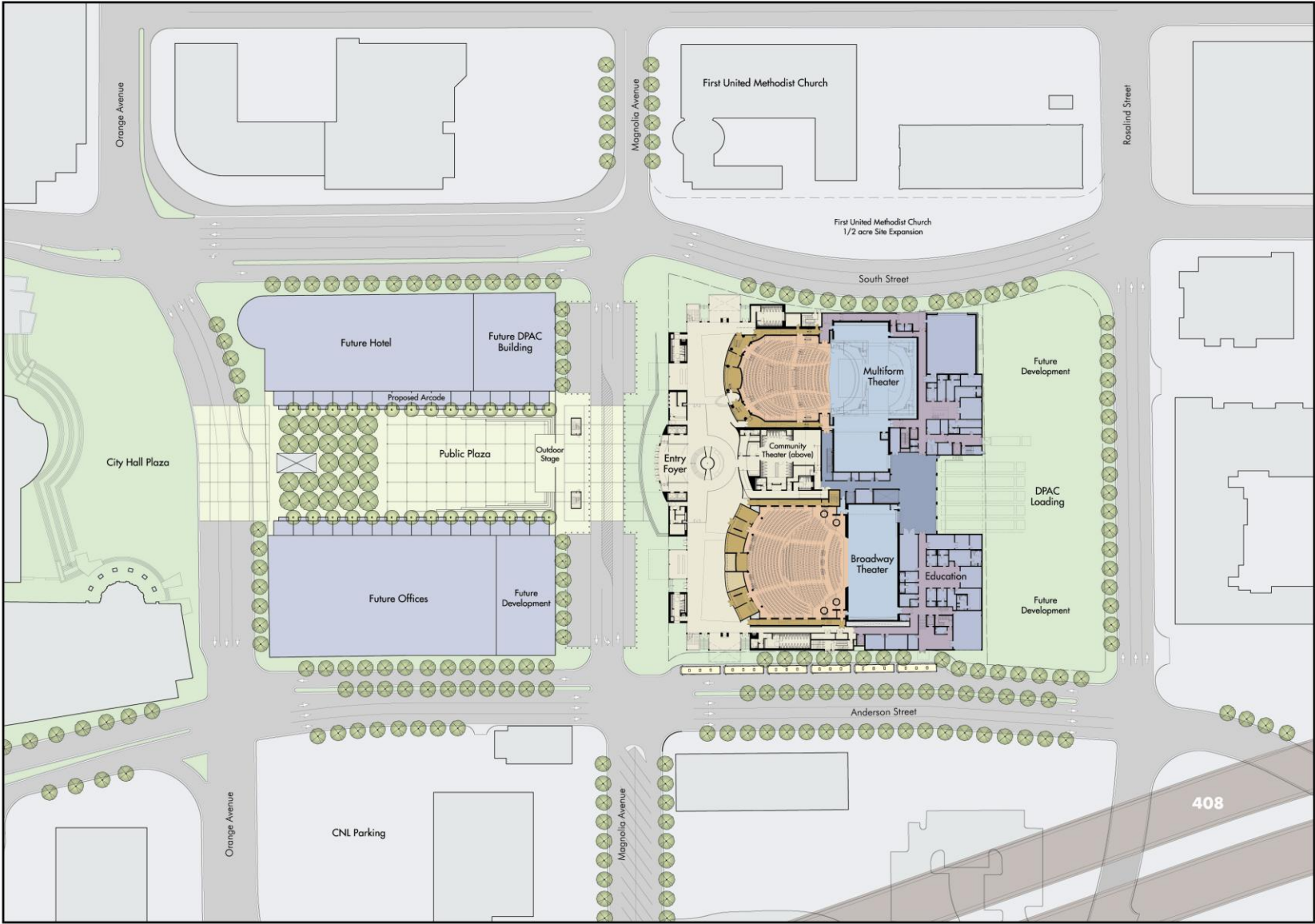
- 2,800 seat Amplified Hall for large scale productions
- 1,800 seat Acoustical Hall for concert, opera, dance and drama
- 300 seat Multi-Purpose Hall for small groups
- Rehearsal Hall
- Common areas, including plaza, lobby, box office, catering and food service, offices, administrative and service areas
- Education space

Venue Partner:

Dr. Phillips Center for the Performing Arts, Inc.

Dr. Phillips Center Rendering, Magnolia Avenue View

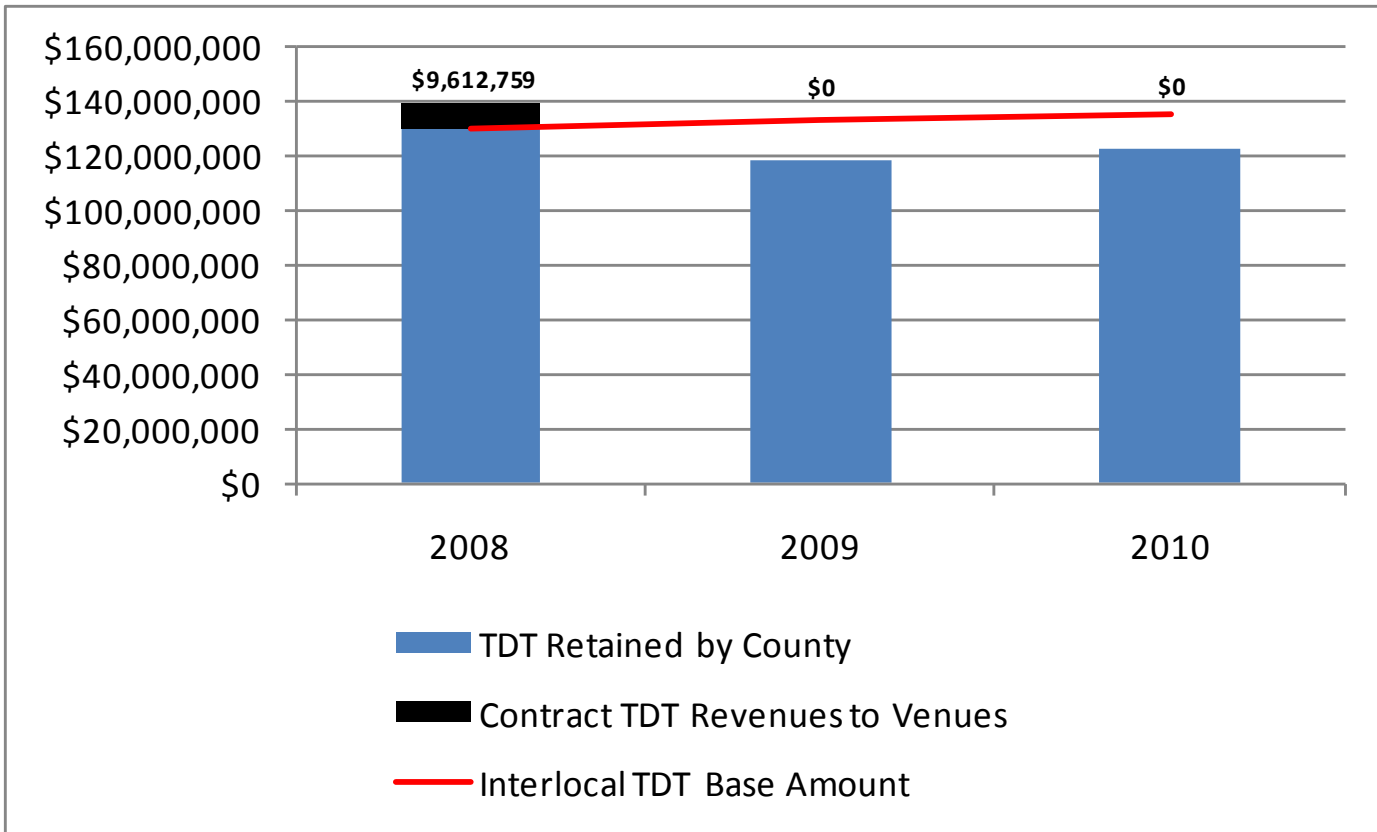




SITE PLAN

DR. P. PHILLIPS ORLANDO PERFORMING ARTS CENTER

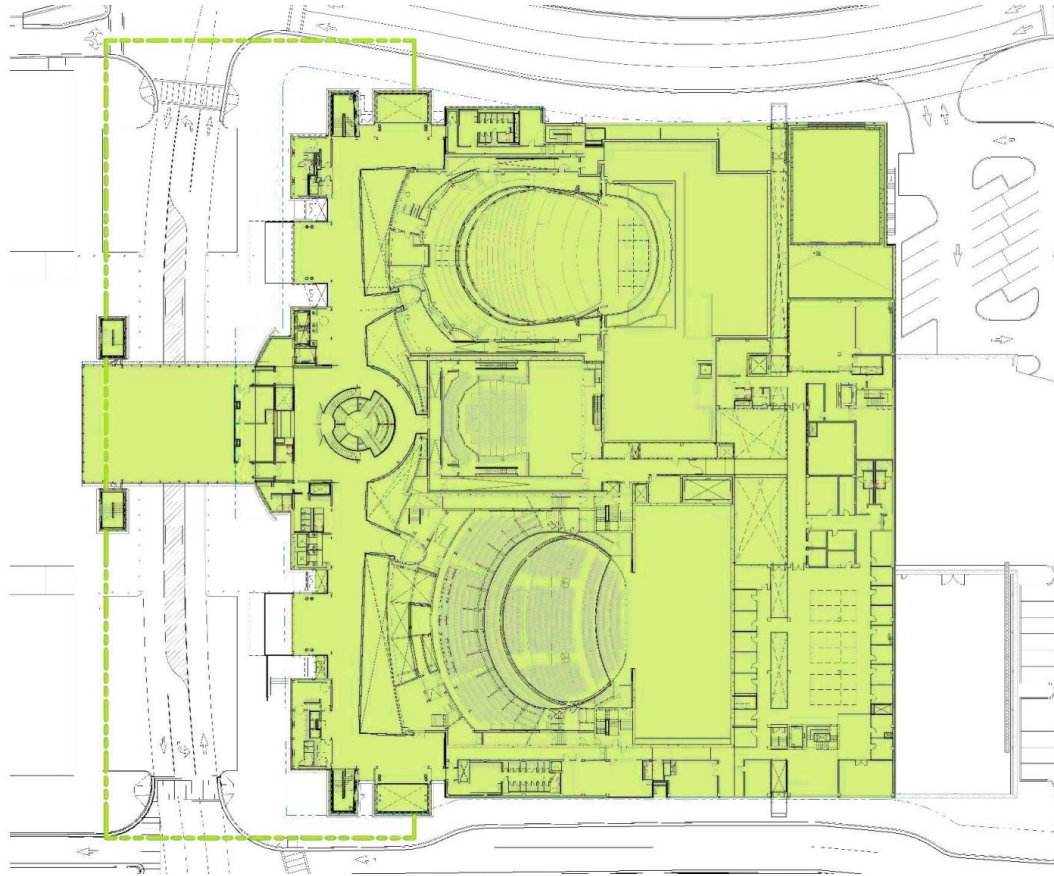
Economy – TDT Decline



Dr. Phillips Center

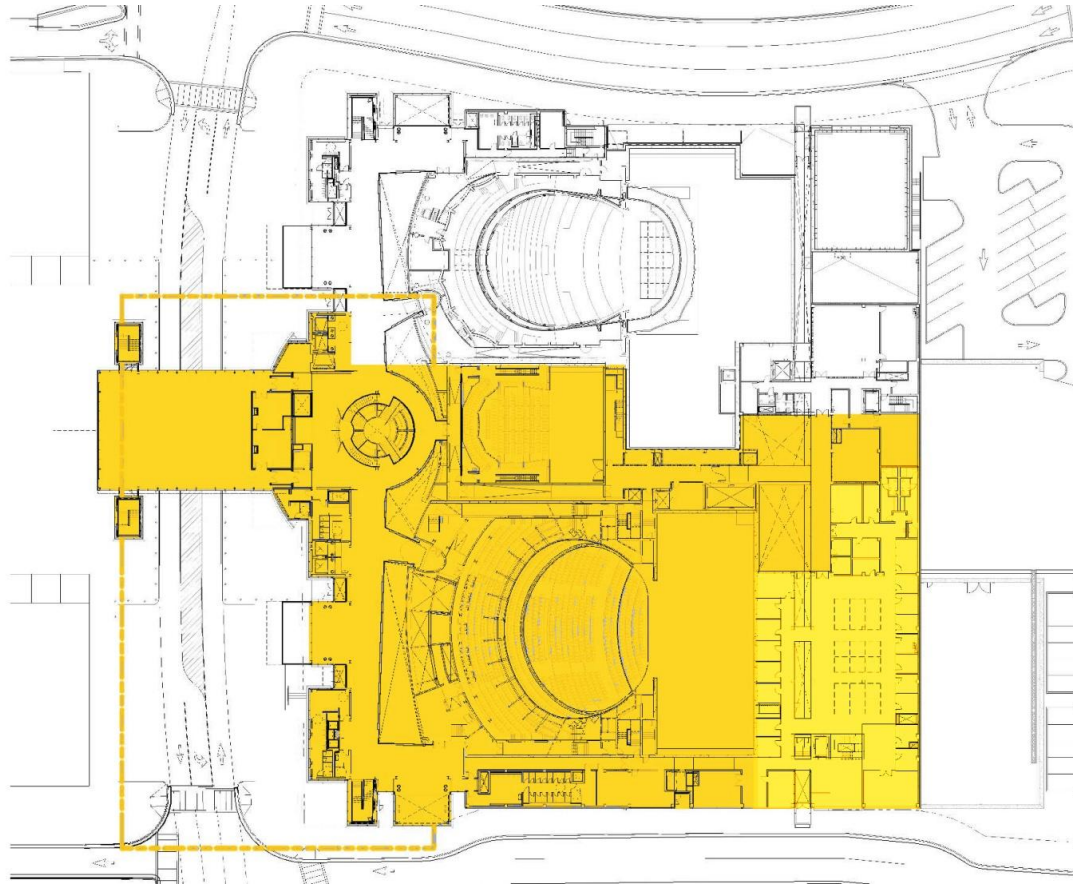
Entire Project (3 theaters)

Estimated Project Cost: \$383M± (9/2009)



Dr. Phillips Center

Stage 1: 2,700±/300± Seat Theaters+banquet room





II. Stage 1 Performing Arts Center Delivery

Dr. Phillips Center

Guaranteed Maximum Price (GMP) Comparison

December 16, 2010 / May 23, 2011

Balfour Beatty Construction

<u>Description</u>	<u>December 16, 2010</u>	<u>May 23, 2011</u>
Subcontracted Cost of the Work	\$112,333,212	\$108,392,933
Subguard	\$1,429,926	\$857,188
Blueprint Coordinator	\$580,000	\$500,000
Allowances	\$3,821,168	\$8,050,926
Alternates	\$0	(\$6,581,851) *
VE & Post-Bid Deferrals	\$0	(\$1,466,345) *
General Conditions Amount	\$15,714,924	\$11,729,051 *
Construction Manager's Insurance		
Builder's Risk	\$490,000	\$491,000
Wind Buydown	\$430,000	\$430,000
Contractor Controlled Ins Program	\$3,018,562	\$2,695,977
Construction Contingency (0% in Dec, 1% in May)	\$0	\$1,097,529
Subtotal	\$137,817,792	\$126,196,408
Construction Manager's Fee (4% in Dec, 3.25% in May)	\$5,502,300	\$4,101,383 *
Payment & Performance Bond (1.089% in Dec, 0.844% in May)	\$1,500,000	\$1,065,098
Initial Contract Sum	\$144,820,092	\$131,362,889
Owner's Contingency (0% in Dec, 1% in May)	\$0	\$1,097,529
Projected Sales Tax Savings (ODP)	(\$1,760,297)	(\$1,641,926)
GUARANTEED MAXIMUM PRICE	\$143,059,795	\$130,818,490

* Note: Includes \$12.4 million in reductions identified by City & DPAC



Dr. Phillips Center

Other City of Orlando and DPAC Adjustments

- **City renegotiated Hines Contract**
 - \$3.08 M reduction in construction phase services
 - Reduced staffing to 3 positions
 - Multiplier reduced to 2.65
 - Added termination clause
 - Converted to actual cost basis



Dr. Phillips Center

OCCC Purpose

**Orlando Community Construction Corporation (OCCC)
was formed to oversee management of the design
and construction of Stage 1 of the Dr. Phillips Center**



Dr. Phillips Center

Additional Actions

- **Creation of Orlando Community Construction Corporation (OCCC)**
 - Alex Martins (Chair), Orlando Magic
 - Rob Mellen (Vice Chair), Dr. Phillips Charities
 - Meg Crofton, Walt Disney Parks and Resorts
 - Jim Pugh, Dr. Phillips Center for the Performing Arts
 - Roger Chapin, CRA Advisory Board
 - Byron Brooks, City of Orlando
 - Ajit Lalchandani, Orange County Government
- **Owner's Representative (OR) Services**
 - PCL Construction Services, Inc.



III. Guaranteed Maximum Price (GMP) Development

Trey Nobles, *LEED AP*

Assistant District Manager,
PCL Construction Services, Inc.



Dr. Phillips Center

GMP Development Process

Owner's Representative Status Update

- Collaborative effort since April 12, 2011
- Seeking concurrence by the entire team
- Targeting GMP Approval by May 23, 2011
 - Maintain sub-trade pricing & avoid further escalation
- On-going, iterative process to:
 - Maintain design integrity
 - Optimize risk allocation
 - Maximize value
 - Identify efficiencies

The background features a collage of images with a green tint. On the left, there is an aerial view of a city street grid. In the center, a person is shown in profile, looking down at a smartphone. On the right, there is a close-up of green foliage.

Dr. Phillips Center

GMP Development Process

Owner's Representative Focus

- Contracts
- Bid Process & Bid Packages
- Blueprint and Davis-Bacon Wage Rates
- Value Engineering (VE) & Deferrals
- Bid Set and Permit Set
- Schedule & Logistics
- Program Budget

Dr. Phillips Center

GMP Development Process

Bid Package Analysis & Conclusions

Description	Number of	Total Cost of Bid Packages	% of Total Sub Bid Package Cost (Direct Cost)
<i>Total Bid Packages</i>	84	\$116,738,158	100%
<i>Agree with Selected Bidder</i>	77	\$111,991,661	96%
<i>Consider Re-Bid</i>	5	\$3,681,061	3%
<i>Consider Alternate Bidder</i>	2	\$1,065,436	1%

- 84 Trade Packages/ 380+ Bids (average of 4.5/package)
- Process was open and fair, good coverage
- Proceed with issuance of conditional subcontracts



Dr. Phillips Center

GMP Development Process

GMP Analysis

- Exceed Blueprint participation goals
 - 18% MBE
 - 6% WBE
- Exceed the projects stated goals of 30%
- De-bundling efforts were successful - led to exceeding goals
- City Blueprint references City Policy 161.3
- City Policy 161.3 requires wage compliance with Davis-Bacon Wage Rates for Orlando
- The CM's GMP is compliant with the Blueprint and the City's Procedures for living wage.



Dr. Phillips Center

GMP Development Process

Analysis Process

- VE & Deferral Workshop with over 30 attendees
 - 50% CD list
 - Post-Bid list
 - New concepts
- Breakout sessions
 - HVAC & Plumbing/Elect & Lighting/Structural/Interiors/Envelope
- VE and Deferral list should be used to offset post-GMP cost increases, on an as needed basis.
- Recommend that the VE process continue post-GMP execution.



Dr. Phillips Center

Guaranteed Maximum Price (GMP)

\$134,406,829 Balfour Beatty Total Guaranteed Maximum Price (GMP)
(\$1,946,411) Less Pre-construction activities* (combined with GMP in contract)
(\$1,641,926) Less Projected Owner Direct Purchase (ODP) sales tax savings
=\$130,818,492 Net GMP

* Note: includes \$1,551,411 original pre-construction activities and \$395,000 additional services



IV. Finance Plan

Rebecca W. Sutton,
Chief Financial Officer,
City of Orlando



Dr. Phillips Center

Resolution of Funding Gap

USES OF FUNDS

GMP Presented to OCCC on 5-13-11	130,818,490
Contingency	13,000,000
Other Project Costs	
Land	14,000,000
A & E	
HKS	32,240,000
Non-HKS	3,750,000
Balfour Beatty Pre-Construction Services	1,900,000
Testing and Inspections	1,900,000
Permits & Furniture, Fixtures and Equipment	3,850,000
Net Post GMP Costs	100,000
Total Project Costs	<u>201,558,490</u>

Dr. Phillips Center

Resolution of Funding Gap (cont'd)

SOURCES OF FUNDS	Per Original Financing Plan	No TDT Scenario
CRA Bonds already issued (Series 2009 and Series 2010)	129,000,000	129,000,000
Contract TDT Revenues Already Received	9,600,000	9,600,000
Contract TDT Revenues Received in Future	43,000,000 *	-
State Funding	15,000,000	15,000,000
Letter(s) of Credit	-	16,000,000
City's Venues Reserve	(1) -	25,000,000
City's Infrastructure	(2) 5,000,000	5,000,000
Interest on Reserve	-	2,000,000
Additional Funding to be Provided	201,600,000	201,600,000

*This projection is based on the following assumptions of TDT growth: 13.5% in FY2011, 8% in FY2012, 5% in 2013, and 4% in 2014.

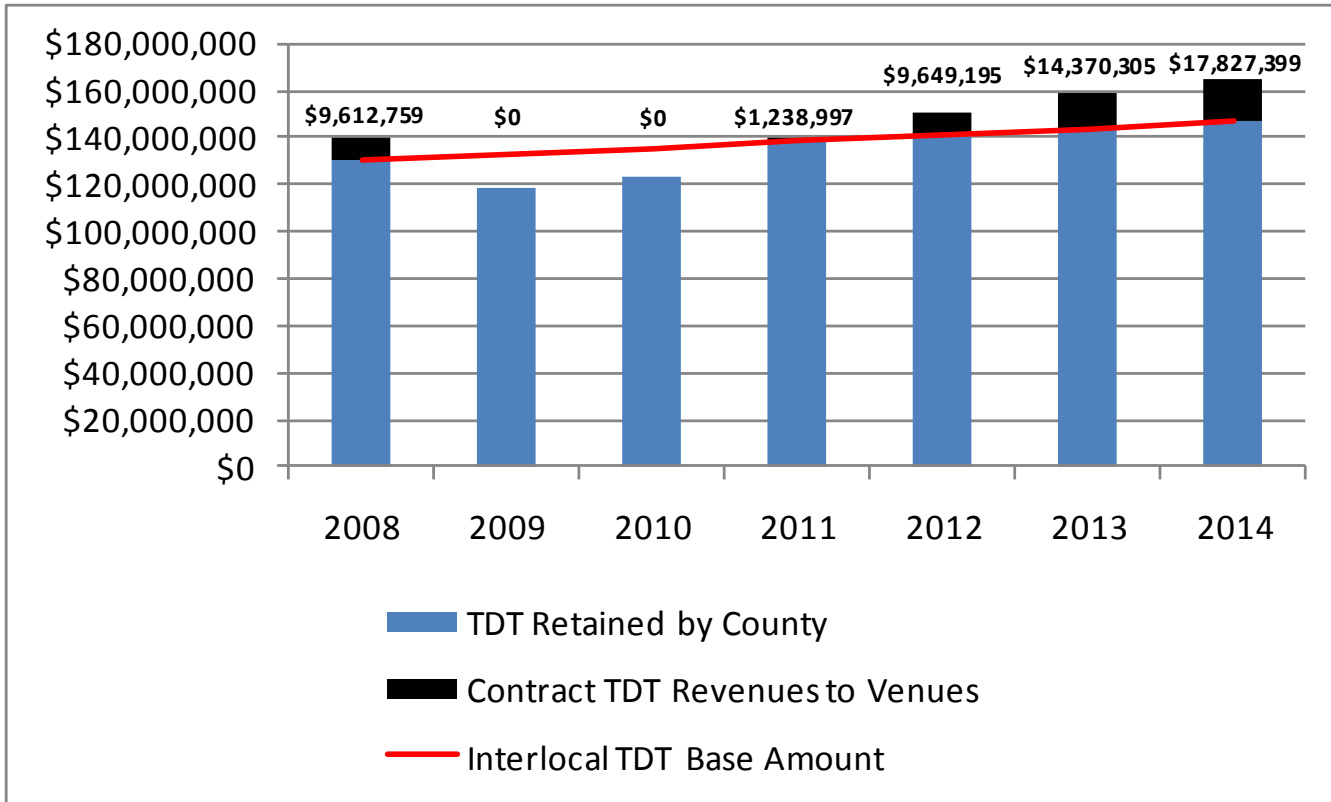
Notes:

(1) The City's Interlocal City/Agency Reserve, previously approved August 6, 2007

(2) The Guaranteed Maximum Price Contract contains some items which are appropriately funded from the Infrastructure Budget that was established as a part of the financing plan contained in the August 6, 2007 Interlocal Agreement.

Dr. Phillips Center

TDT Actual & Projected Revenues



Note: Projected Contract TDT Revenues to Venues Projects for 2011-2014 equal \$43,085,896



Dr. Phillips Center Operations Plan

- DPAC has developed a base operations plan:
 - Conforms with industry standards
 - Employs conservative assumptions
 - Income from ancillary development is delayed per real estate development study
 - Endowment Income is based on the current balance of the endowment increasing to the required \$25 Million between now and mid 2019 in accordance with DPAC's agreement (Section 4.2.3, Exhibit F, Interlocal Agreement of August 5, 2007)
 - Business arrangements for bookings have assumed lower revenue levels
 - Expenditures have been estimated conservatively
- Base Operations Plan has been extensively vetted
 - Other peer performing arts centers
 - Local residents and arts groups
 - Major operations experts in the local market: Walt Disney World, Orlando Magic, Universal Orlando and the City of Orlando
- Balanced budget includes donated revenues of \$2 million
 - 2.2% of current level of philanthropy
 - Privately supported programming levels will flex to fit the level of gifts received



V. City Council Action Items

(May 23, 2011 Consent Agenda)

Byron W. Brooks, AICP

Chief Administrative Officer,
City of Orlando



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Amended and Restated Construction Contract to Provide Construction Services** (GMP--DPAC, Balfour Beatty Construction, LLC) (item G7)
- **Orlando Performing Arts Center Master Owner's Representative Services Agreement** (DPAC, City, OCCO) (item G6)
- **Third Amendment to Agreement to provide Production Architect Services** (DPAC, HKS Architects, Inc.) (item G5)
- **Ranking of Firms to Provide Threshold Inspection Services** (item G4)
- **Ranking of Firms to Provide Construction Materials Testing** (item G3)



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Amended and Restated Construction Contract to Provide Construction Services (DPAC, Balfour Beatty Construction, LLC) (item G7)**
 - Construction Management Services — responsible for pre-construction activities and construction of Dr. Phillips Center project
 - Total Guaranteed Maximum Price (GMP) of \$134,406,829 includes:
 - \$1,946,411 pre-construction activities
 - \$1,641,926 projected Owner Direct Purchase (ODP) sales tax savings
 - \$130,818,492 construction funding (net GMP)
 - 31.36% MBE and 8.26% WBE for total 39.62% M/WBE committed participation for construction, based on subcontracted cost of work



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Orlando Performing Arts Center Master Owner's Representative Services Agreement (DPAC, City, OCCC) (item G6)**
 - DPAC to engage Orlando Community Construction Corporation (OCCC) to oversee management of design and construction of Stage 1 of the DPC
 - OCCC responsible for completing design and construction of Stage 1



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Third Amendment to Agreement to provide Production Architect Services (DPAC, HKS Architects, Inc.) (item G5)**
 - Production Architect--responsible for producing architectural construction documents for Dr. Phillips Center project.
 - Due to reduction in project funding, DPAC directed HKS to produce 2 sets of construction documents, one for Stage 1, second for Stage 2 and document deduct alternates.
 - Third Amendment increases:
 - Consultant Allowance from \$14,000,000 to \$14,100,000 (for contingency, if needed);
 - Additional Services Allowance from \$6,400,000 to \$8,440,000 (documents, deduct alternates, conformed documents, extended bid phase services);
 - Reimbursable Expenses Allowance from \$1,400,000 to \$1,575,000 (constr admin exp);
 - No change to production architect fee at \$8,125,000;
 - Total contract value from \$29,925,000 to \$32,240,000.
 - Reviewed by the owner's representative PCL Construction Services, Inc. and recommended for approval by OCCC.
 - Revised MBE participation 23.54%, WBE participation 6.53% for total 30.07% M/WBE participation, exclusive of reimbursable expenses allowance.



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Ranking of Firms to Provide Threshold Inspection Services** (item G4)
 - DPAC issued Request for Qualifications on October 15, 2010
 - Selected firm will be the Threshold Inspector for the project
 - PAC Procurement Committee ranked proposers as follows:
 1. Universal Engineering Sciences, Inc.
 2. Nodarse & Associates, Inc.
 3. PSI USA, Inc.
 4. Ardaman & Associates, Inc.
 - The ranking has been reviewed by the owner's representative PCL Construction Services, Inc. and recommended for approval by OCCC
 - M/WBE commitment by Universal Engineering Sciences, Inc. is 24% MBE participation (Avcon, Inc.)



Dr. Phillips Center

City Council Action Items (May 23, 2011 Consent Agenda)

- **Ranking of Firms to Provide Construction Materials Testing** (item G3)
 - DPAC issued a Request for Qualifications on January 14, 2011
 - The selected firm will be the Construction Materials Testing agent for the project
 - PAC Procurement Committee ranked proposers as follows:
 1. Nodarse & Associates, Inc.
 2. Ardaman & Associates, Inc.
 3. PSI USA, Inc.
 - The ranking has been reviewed by the owner's representative PCL Construction Services, Inc. and recommended for approval by OCCC
 - M/WBE commitment by Nodarse & Associates, Inc. is 18% MBE and 6% WBE for a total of 24% M/WBE participation (Nadic Engineering).



craig mullins

DISNEY THEATER – 2,700± SEATS
FEATURING THE TOURING PRODUCTION OF “THE LION KING”
DR. P. PHILLIPS ORLANDO PERFORMING ARTS CENTER

BARTON MYERS ASSOCIATES, INC. / HKS ARCHITECTS, INC. / BAKER BARRIOS ARCHITECTS, INC.



craig mullins

COMMUNITY THEATER – 300± SEATS
STAGE VIEW

DR. P. PHILLIPS ORLANDO PERFORMING ARTS CENTER

BARTON MYERS ASSOCIATES, INC. / HKS ARCHITECTS, INC. / BAKER BARRIOS ARCHITECTS, INC.