Committee Members Present:

Ray Ciranna, Office of City Administrative Officer (CAO), Chair  
Lynne Ozawa, Chief Legislative Analyst's (CLA) Office  
John Lewis, Los Angeles Zoo

Others Present:

Cheryl Banares, CLA; Claudia Aguilar, Maria Cardenas, Patty Huber, CAO; Jeanne Min, Council District 4; Jeb Bonner, Connie Morgan, Greater Los Angeles Zoo Association (GLAZA); Deanna Gomez, Mayor's Office; Charley Mims, John Olinger, Public Works Bureau of Contract Administration (BCA); Rebecca Abano, Lynette Howlett, Gary Moore, Deborah Weintraub, Public Works Bureau of Engineering (BOE); Darryl Pon, Denise Verret, Los Angeles Zoo.

Mr. Ray Ciranna called the meeting to order at 10:05 a.m.

1. Minutes for Approval – Meeting of September 25, 2008

Mr. Ray Ciranna moved to approve the Zoo Bond Oversight Committee (ZBOC) meeting minutes of September 25, 2008. Mr. John Lewis seconded and the motion passed without objection.

2. Bureau of Engineering Program Manager Status Report

Ms. Rebecca Abano reported on the progress of the Zoo's Capital Improvement Program (CIP).

Master Program Schedule

The current Master Program Schedule was approved at the July 31, 2008 ZBOC meeting, with an overall completion date of May 2011. Ms. Abano noted she wanted to identify potential schedule impacts. Construction on Pachyderm Forest Phase Three must start work in November 2008 to stay on schedule. Design on the Rainforest of the Americas project must be completed in December 2008 to stay on schedule. When design is complete in December and BOE is going into the bid and award process, funding should be secured three months after that in order to award construction to stay on schedule.

Master Program Budget

Through the end of September 2008 $106.1M has been expended of the $172M approved budget. The last revision to the program budget was approved at the meeting of September 25, 2008, increasing the Pachyderm Forest project from $38.7M to $42M.
In that increase $50K was added into the overall program budget. Ms. Abano referred the Committee to Section 3 of the Monthly Report for more details on the budget and expenditures.

Status of Active Projects

Pachyderm Forest

General Services Department (GSD) continues with construction on Phase Two and are completing the China viewing area. The elephant barrier installation and the elephant gates are complete and ready for Billy the elephant to move in. BOE was originally scheduled to award Phase Three construction on October 27, 2008, but the Board of Public Works continued the construction contract award until November 12, 2008. Two outstanding motions filed by Councilmember Cardenas are scheduled to go to the Arts, Parks, and Health Committee on November 6, 2008.

On the TS1A transformer, which is part of the Pachyderm Forest project replacement, DWP has begun excavation and installation and will be complete by February 2009.

Rainforest of the Americas

Portico Group continues with the construction document phase. As agreed previously, Portico will complete design, and depending on the Municipal Improvement Corporation of Los Angeles (MICLA) funding shortfall the project may proceed into construction or be shelved until funds are obtained.

Reptile and Insect Interpretative Center

BOE is processing and preparing the design documents for bid. BOE is also re-estimating the project as part of the bid and award process to obtain better numbers and not have the same issue as with the Pachyderm Forest. The project is anticipated going out to bid in November 2008.

At this time, Ms. Abano gave a PowerPoint presentation, showing various views of the Pachyderm Forest construction site for an idea of what has been completed, and the overall condition of the site for completion or exhibit change based on the outcome of Councilmember Cardenas' motion.

During setup of the presentation, Ms. Maria Cardenas asked Ms. Abano a question regarding the Reptile and Insect Interpretative Center. Ms. Cardenas stated that her understanding is that the cost estimate is higher than the design budget and a value engineering exercise was to be done. Ms. Abano replied yes. Ms. Cardenas asked if that was completed and what were the changes that were involved in that. Ms. Abano replied that is why she is re-estimating the project. BOE did substantial value engineering; took out stuff, added stuff, replaced stuff. Mr. Gary Moore asked Ms. Abano to share the specifics. Ms. Abano stated that one of the major things done, is there are two buildings on that project; BOE is going to bid out the smaller of the two buildings as an add alternate.
So BOE’s base bid will include the main reptile building. The area where the second building was to go is going to be a developed landscape visitor area. Additional fixes are shotcrete; an oak woodland pond which had a live turtle exhibit was taken out, and it is now just a landscaping area. Because a lot of changes were done from the drawings, Ms. Abano needed the estimator to re-estimate it. She is supposed to get this estimate tomorrow and will see if the project is back on track or not, depending on how the estimates come in.

Ms. Cardenas asked if it’s feasible to have it as an add/alt if the estimate without that building comes in. Ms. Abano replied if the estimate without that building comes in higher than the project’s budget, no, then she would have to sit down with the Zoo and rework it. BOE is not going to come and deliver a project that is over budget. That is the goal.

Ms. Abano returned to the Pachyderm PowerPoint Presentation. She stated that the current approved scope for the Pachyderm Forest exhibit sits on a 6.1 acre site in the middle of the zoo. The project has five funding sources. MICLA, which has three different funds, totals about 35% of the funds. Proposition A2, a Los Angeles County bond specific to building and housing for an elephant exhibit, is 20%. Proposition CC, a Los Angeles City bond passed by L.A. voters in 1998, is 20% of the budget. Monies allocated for Proposition CC are primarily comprised of interest earnings from the Proposition. The Greater Los Angeles Zoo Association (GLAZA) has contributed $4.8M towards the project, all private donations to the Los Angeles Zoo. The Zoo Enterprise Trust Fund (ZETF) is 5%, $2.3M. Out of those funds, 40% is elephant specific funding, restricted to expenditure for the elephant exhibit, and 68% of the funding is specific to projects at the L.A. Zoo.

Ms. Cardenas asked which funding sources were specific to the elephant exhibit. Mr. Moore and Ms. Abano replied Proposition A2 and GLAZA. Ms. Ozawa noted if the City didn’t have the elephant exhibit, a lot of this funding could not be used for something else. Ms. Abano replied yes. Ms. Deborah Weintraub stated that the Committee would have to go back to the supervisors and to GLAZA to request. Ms. Connie Morgan noted that the elephant-specific funds could not be used for other purposes.

Ms. Ozawa asked if any of these funds could be used in the way stated in Councilmember Cardenas’ motion. Mr. Moore directed Ms. Abano to return to a previous slide in the PowerPoint presentation, in order to walk through the funding sources. Mr. Moore stated that MICLA money is a City Council decision. Proposition A2 funding would be the County’s decision. Ms. Cardenas added that on the County money, it was a 1996 County ballot measure that earmarked $12M for the L.A. Zoo. The City of L.A. then requested that the project scope be for an Asian elephant exhibit and the City has a grant agreement with the County for that specific project. The County does have procedural guidelines on the use of the money so the City may be able to request that it be reprogrammed, but the City’s contract with them is to spend the money on the Asian elephant exhibit. An item in the grant agreement says that if the City doesn’t spend the money on that, the City has to repay it. Ms. Denise Verret noted that the ballot language said specifically the funding was to be spent at the Los Angeles Zoo in accordance with the master plan.

Ms. Ozawa asked if there was a time limit by which the money has to be spent.
Ms. Cardenas replied that the grant agreement was last amended to reflect the current schedule. Mr. Moore stated that of the Proposition A2 funds, approximately $4.9M have been spent, so there is about $7M remaining. Proposition CC is up to the City Council, and as the Committee just heard GLAZA say. Ms. Morgan stated, no, GLAZA wouldn't be able to use them, these are temporarily restricted funds restricted specifically to this project, and were given in trust by donors to do this or to be recognized at the Elephant exhibit.

Mr. Moore noted the last category is the ZETF. Ms. Abano noted that the ZETF is primarily made of monies from property that the City sold and it was property bequeathed to the Los Angeles Zoo. Mr. Moore referred back to Ms. Ozawa’s question of could Pachyderm Forest funds be used for something in Councilmember Cardenas’ motion. Ms. Abano replied she would have to defer to the Zoo. Ms. Verret replied that it basically said it was for animals and their housing at the Zoo.

Ms. Abano returned to her PowerPoint presentation of the Pachyderm Forest Phase Two construction site, situating the site and describing its structures and views. She detailed Yard Two, with specifics of the temporary shade structure for Billy the elephant, the elephant barriers, and positioning of the crane and muntjac exhibits, directly to the north of the yard. These all make up the China viewing area; the idea is to view the elephant as it would be in its natural environment with other species around it.

Ms. Abano presented a photo of transformer TS14, which provides power for Phase Two. Another photo showed framing of the ozone building which provides life support for the pool and for the holding building. A close-up view of the temporary shade structure for Billy showed the heaters, wind breaks, and a large hydraulic door which separates the yards for animal maintenance and management. A new gate was shown leading into Yard Two, which Billy will take from the old barn into the new yard. Containers were shown lined up to guide Billy from the existing barn to the new yard. Ms. Abano continued to present photos of the entire site, showing the existing barn and the area demolished and cleared for construction in the middle of the Zoo, which is now closed to the public. Fencing to the left of the construction site currently shields this area from the public.

Mr. Lewis asked to go back to the photo showing the back of the elephant barn, and pointed out that the flat space in the foreground is actually compacted fill where the new transformer TS1A will be sitting. Ms. Abano noted that it’s a huge 750kv transformer that will power most of the exhibits in the middle of the zoo, new exhibits plus existing exhibits at the L.A. Zoo.

Mr. Moore asked what the acreage is of Yard Two, that Billy is moving into. Ms. Abano replied she would have to get back on the acreage for Yard Two. It is substantially larger than his existing yard.

Ms. Abano presented a rendering of the view from the south pool, which is supposed to be built as part of Phase Three. Ms. Abano asked for any questions on the Pachyderm Forest. Ms. Cardenas replied yes, and asked if the City has spent about or committed $11M for this project. Ms. Abano noted the figure was $11.98M, almost $12M. Ms. Cardenas asked, in expenditures and commitment. Ms. Abano replied no, that’s commitment, $10.3M of committed dollars have been expended.
Ms. Cardenas continued that one of the questions that Councilmember Cardenas is asking is, is it possible to take the expenditures and the work done to date and identify those costs that would be salvage for a new exhibit if they decided to put in, I don't know, a giraffe. Are there costs generic to any construction project that would have been incurred and what are those costs that would have to be redone or demolished. What type of analysis would be required or how much time would be needed in order to ascertain that, because if Councilmember Cardenas’ motions get approved and a different animal is put there, one of his comments was that he would want to reuse the space for something else and maybe all the money, the City could ask the County to do somehow keep those expenditures.

Mr. Moore stated, let’s take the area where Billy’s moving. He stated Mr. Lewis and he would jointly try to answer the question. We have built a nice area for an elephant, so is there an animal that could fit in there and not require any changes. I don’t know, does a rhinoceros... That answer might be, there’s no wasted money, obviously if you put a different type of animal in there. That answer would depend a little bit on the usage. Obviously one of the costs was demolition. So no matter what facility, there had to be some demolition. Mr. Moore stated it is a bit of a theoretical answer, because as you saw, the penned area built for elephants is very strong, but do you have to go back and add an extra guide wire through it because you have a smaller animal or something to that effect. So that’s where it would be an iterative answer to go back and forth.

Ms. Abano stated that she hears Ms. Cardenas trying to say to use the temporary elephant holding facility for a different animal; it doesn't have a holding building, it doesn't have a barn for another animal or holding facility, if she is not mistaken, you need holding.

Mr. Lewis stated that this is a real uncomfortable position to be put in, to be asked hypothetical questions, because we could sit here and brainstorm all day. Ms. Cardenas said she thinks the discussion would be, if that is the type of analysis that could be done, does it take specialized consultants to do it, is it something, it’s not an easy response is what you’re saying.

Mr. Moore said yes, because first of all we work so closely with the Zoo because we don’t handle animals. So we would need to know what type of animal is going in there. Then we, like Ms. Abano said, does it have to have a holding area or is it this or that. Then the cost estimating portion of it in this program, yes, we would need some consultant assistance to walk through scenarios like that. Ms. Cardenas said, based on other projects and oversight meetings that we’ve had, my impression is that it’s something that you would need some time to do some technical assistance and a lot of user input. Mr. Moore said, I guarantee you, these designs are complicated; it would take weeks to, really, past weeks, to come back with a thorough answer. Because you start thinking through everything it becomes a very complicated process.

Mr. Ciranna stated it is going to be complicated, but the reality is this is going to come back to Committee next week. And certain members of Council will move on once it gets it squared away by the next week’s bid, but as you know, Councilmember Cardenas is going to want to know, you spent out of this specific fund 4.9, what’s salvageable, etc. etc. It is sort of putting together basically an argument that this funding’s at risk, you can try to salvage this but you’re going to have to do xyz.
There are a number of issues here and he [Cardenas] sort of drills down on you and we're going to need to have at least some sort of explanation that this is what's at risk, we have this $16M, almost $17M.

Mr. Moore said, we've committed $12M total, we've spent $10.3M. If we were to put into lump sums of what we have, obviously the design component is part of the $12M. If we were to try to say fencing was a million or a million and a half, or demo was $3M, utility relocation was a couple million, maybe we could try to tell you what we've spent and then people could start to say because it really does tie into could you use the area or whatever. I think that really depends on what animal is in there. So maybe we could just quantify how we've spent the $12M and people could start to make some decision on that. Utility relocations, I don't know how much we've totally spent on utilities but that's over and done with and it's cleared the area, so that's a good cost because it cleared the area. Maybe we could try to do that where we are not saying what you could salvage because that's more of an iterative process. But we could try to quantify how we spent the $12M. I am just thinking here.

Mr. Lewis said, I don't think it's that difficult. The difficulty goes beyond what else could you put in there. And if you'll all bear with me, I'll just run through it. The space you can probably count the number of animals on one hand because of the way it is currently laid out on what it can contain without major renovations. Ms. Abano is right though, there is no management barn for long term. The facility put up for Billy is a temporary facility to protect him from the weather and to manage him for himself but not for multiple animals, so there would have to be a management space. Let's not forget we have 4 and a half acres that are demolished and sitting there. This exhibit, as much is being made out of its cost per acre, is actually one of the cheapest exhibits of the four that we've been working on. Gorilla, Rainforest, and Reptiles are averaging about $13M an acre. This one is averaging about $7M an acre. So if you just take that cheap number and try to restore that 4 and a half acres, that's another $31M we have to find. And I can't even calculate the cost of what this is going to cost us in the fund-raising community. We have spent the last five years re-establishing the credibility of this institution and this City among the philanthropic donors and we're going to lose that. You can't calculate that. The other thing you can't do, and we'd be reminded because we had to go through this, there is money here that you can't re-spend regardless of which bonds it comes from, because you can't re-spend the design money for designing the same space. So we lose that money again. What can go there is the simple part of this discussion. My two cents.

Ms. Cardenas said, probably more than two cents there, and we'll probably have similar discussion with committee next week. Mr. Ciranna replied, yes we will. Mr. Moore asked when was the committee, if the CAO was representing and if the Committee wanted BOE to be there. Mr. Ciranna replied, you should get prepared. Mr. Moore noted that no one has yet asked BOE to be there. Ms. Weintraub asked what the date and time for the meeting were. Ms. Claudia Aguilar replied Thursday November 6, 2008 at 2:00 p.m. She added that she would send a confirmation that that is the date and time.

Ms. Abano asked if there were any questions on the Pachyderm Forest. Mr. Ciranna asked if there were any other questions on that item, and then moved to the next agenda item.

Mr. Lewis stated there is nothing to report. Mr. Ciranna asked if there was any hope. Mr. Lewis replied there is still hope, but it’s diminishing. Ms. Cardenas asked if Mr. Lewis had a back up plan. Mr. Lewis replied, we’re talking about that.

4. Greater Los Angeles Zoo Association (GLAZA) to Report on Capital Improvement Project Fundraising Activities

Ms. Connie Morgan stated that GLAZA has closed $275K for gifts for Pachyderm Forest, so there we have it.

Mr. Ciranna asked if GLAZA has sent anything formally to Mr. Lewis or to the City about their concerns. Ms. Morgan replied not yet, but GLAZA could certainly express them. Mr. Ciranna stated for the record, if GLAZA could put something in writing regarding their concerns.

Ms. Cardenas asked Ms. Abano if she could remind the Committee when the bid expires on the Pachyderm Forest. Ms. Abano replied the bid will expire December 9, 2008, it’s ninety days after.

Next Meeting: November 20, 2008.

Public Comment

There was no public comment.

Mr. Ciranna adjourned the meeting at 10:36 a.m.

Minutes prepared by Ms. Lynette Howlett of BOE and Ms. Kyla May of the Los Angeles Zoo’s Planning and Development Division. Revised by BOE, CLA, CAO, and the Zoo.