



LOS ANGELES
CONSERVANCY



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Reusing Parker Center: Fiscally Responsible Stewardship

Reuse Can Save Nearly \$50 Million, Possibly Far More

Reusing Parker Center can save the City nearly \$50 million, in comparison to the City's preferred project calling for demolition. This makes sense as experience has shown that reusing an existing building can be less – often much less – than demolition and new construction.

Based on a convening on January 6, 2017 by the Conservancy of a panel of preservation experts (comprising highly experienced developers, architects, a cost estimator, and a seismic engineer), we strongly believe that **the reuse of Parker Center can actually result in a savings of millions for the City.** We have double-checked and believe our cost analysis to be accurate and extremely conservative in approach, and think **the actual savings could be well more than \$50 million.**

The City's numbers do not add up.

Our analysis directly contradicts claims made by the City that preservation will cost \$107 million more (as part of a preservation alternative known as "Alt. B4," developed by the City in 2016) than new construction (\$536,381,078/Alt. B3 vs. \$487,317,706/Alt. B4 = \$49,063,372 cost difference/savings). The Conservancy and others have repeatedly asked the City to provide details to back up its claim that reusing Parker Center would be more expensive than replacing it – all to no avail.

In the absence of detailed analysis we thoroughly reviewed the City's cost estimates and asked experts in the field of preservation to evaluate the numbers within the context of a typical rehabilitation scope of work. We strove to offer a comparative, "apples to apples" analysis. Based on this we found an actual cost savings of nearly \$50 million or more that can be achieved through the reuse of Parker Center.

What accounts for the City's higher costs for reuse?

The Conservancy and the experts we consulted believe the City's estimates are heavily inflated, described by some as "putting the thumb on the scale." The City also makes several assumptions that indefensibly disadvantage preservation and sometimes don't make sense. Without justification or reasoning that is based on actual building rehabilitation in practice, the City sets in motion a scope that repeatedly assures costs will quickly escalate for preservation.

The City insists this be a "restoration" approach. This is not required or warranted in this case, as "rehabilitation" is the more commonly applied approach to reusing a historic building of this type. Rehabilitation and restoration are fundamentally different approaches to preservation, whereas restoration will always be more expensive. The Conservancy has pointed this out to the City.

Benefits of Reusing Parker Center

Can Parker Center be saved and be re-purposed for a new use? Yes, the Conservancy strongly believes that it can and should. The City has an important role as a steward of historic, publicly owned resources. It expects better stewardship from the private sector than it's providing for its own Parker Center, which is a double standard.



Reusing Parker Center:

- Repurposes and reinvests in an existing historic resource, meeting fire-life safety and seismic safety objectives, as well as complying with the City Green Building Code – resulting in a more sustainable outcome over the proposed new construction.
- Allows for the expansion of City offices to house 2,945 employees within a historic building with modern, 21st-century investments and technology;
- Provides a “win-win” alternative to demolition that results in a significant cost savings for the City without needlessly throwing away an important historic place or wasting taxpayer money.

By the Numbers

	CITY ALT. B3 (Preferred Project)	CITY ALT. B4 (Pres. Alternative)	LAC ALT. B4 (LA Conservancy)	*LAC ALT. B4 (LA Conservancy)
Gross Square Feet	27 Stories 753,730 GSF	29 Stories 818,600 GSF	29 Stories 753,730 GSF	29 Stories 753,730 GSF
Net Square Feet	588,399 NSF	588,000 NSF	588,000 NSF	588,000 NSF
	2,945 employees	2,945 employees	2,945 employees	2,945 employees
Parking	1,173 Spaces	818 Spaces	818 Spaces	1,173 Spaces
Maximum Height	450 Ft. (max envelope)	450 Ft. (max envelope)	450 Ft. (max envelope)	450 Ft. (max envelope)
Est. Project Cost	\$536,381,078	\$620,660,446	\$473,726,934	\$487,317,706
	\$711 Cost Per Sq. Ft.	\$758 Cost Per Sq. Ft.	\$578 Cost Per Sq. Ft.	\$646 Cost Per Sq. Ft.
Difference in Project Cost		\$84,000,000 shortfall	\$62,000,000 Savings	\$49,000,000 Savings

*See detailed cost analysis

NOTES:

1. LAC ALT. B4 assumes 818 parking spaces, as identified by the City.
2. *LAC ALT. B4 increases parking to 1,173 spaces to match City's preferred project scope; this allocation of parking was not studied by the City for the B4 preservation alternative.
3. City preferred project requires 754 parking spaces; it is choosing to over-park the project through an additional 419 parking spaces to provide a total of 1,173.

Just the Facts

- Parker Center was designed by the renowned architectural firm of Welton Becket & Associates.
- When opened in 1955, Parker Center was considered one of the most modern and advanced centralized police headquarters facilities in the nation, noteworthy for its crime-fighting technological capabilities.
- Parker Center is the backdrop to many important and often controversial stories in L.A.'s mid-20th century era.
- Parker Center's significance as a historic place is not in question by the City, as it has been identified as a historic resource as part of the environmental review process.



PROBABLE COST ANALYSIS

	EIR ALT B3 (City of LA)		EIR ALT B4 (City of LA) ¹		EIR ALT B4 (LAC) ²		Difference B4 (LAC) - B3 (LA)		Difference B4 (LAC) - B4 (LA)	
BUILDING AREA (Gross)	753,730	GSF	753,730	GSF	753,730	GSF	0	GSF	0	GSF
BUILDING AREA (Net)	588,399	NSF	588,399	NSF	588,399	NSF	0	NSF	0	NSF
PARKING COUNT	1,173	Stalls	1,173	Stalls	1,173	Stalls	0	Stalls	0	Stalls
DIRECT CONSTRUCTION COSTS ³	\$ 354,537,095	\$ 470.38 /GSF	\$ 394,553,964	\$ 523.47 /GSF	\$ 320,185,919	\$ 424.80 /GSF	\$ (34,351,176)	\$ (46.57) /GSF	\$ (74,368,045)	\$ (98.67) /GSF
INDIRECT CONSTRUCTION COSTS ⁴	\$ 67,447,137	\$ 89.48 /GSF	\$ 75,059,946	\$ 99.58 /GSF	\$ 60,912,169	\$ 80.81 /GSF	\$ (6,534,968)	\$ (8.67) /GSF	\$ (14,147,777)	\$ (18.77) /GSF
OWNER/DESIGN CONTINGENCY ⁵	\$ 84,396,846	\$ 111.57 /GSF	\$ 93,922,782	\$ 124.61 /GSF	\$ 76,219,617	\$ 101.12 /GSF	\$ (8,177,229)	\$ (10.85) /GSF	\$ (17,703,154)	\$ (23.49) /GSF
SOFT COSTS ⁶	\$ 30,000,000	\$ 39.80 /GSF	\$ 30,000,000	\$ 39.80 /GSF	\$ 30,000,000	\$ 39.80 /GSF	\$ -	\$ - /GSF	\$ -	\$ - /GSF
TOTAL PROJECT COST	\$ 536,381,078	\$ 711.64 /GSF	\$ 593,536,692	\$ 787.47 /GSF	\$ 487,317,706	\$ 646.54 /GSF	\$ (49,063,372)	\$ (65.09) /GSF	\$ (106,218,986)	\$ (140.92) /GSF
FF&E	\$ 60,000,000	\$ 79.60 /GSF	\$ 60,000,000	\$ 79.60 /GSF	\$ 60,000,000	\$ 79.60 /GSF	\$ -	\$ - /GSF	\$ -	\$ - /GSF

*More detailed cost analysis is available from the Los Angeles Conservancy.