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Costs Soar for Cultural Construction Projects Under One NYC Agency

A study shows that the price and time frame for these jobs skyrocketed when the Department of Design and Construction was involved



Rendering of the gut interior renovation of the Ozone Park library in Queens. The state-funded interior renovation cost \$1.2 million, library officials said. PHOTO: APPLIED DESIGN INITIATIVE, LLC

By Keiko Morris

New York City's libraries and other cultural organizations looking to build facilities or make repairs often endure a staggeringly long process and added costs under the agency that manages such city-funded projects, a report finds.

The city's Department of Design and Construction was created in 1996 to consolidate and more efficiently manage the city's capital projects. But a study issued by the Center for an Urban Future, a nonpartisan policy think tank, found that delays and cost overruns were pervasive among the 144 library and cultural projects analyzed between 2010 and 2014.

The study revealed that the median cost of construction for new library and cultural buildings managed by the DDC was \$930 a square foot, compared with \$425 to \$500 a square foot range for speculative office construction costs estimated by a New York Building Congress analysis of 2015 New York City construction costs.

The main problem: Excessive layers of reviews and approvals dragged out these projects, according to the report, conducted in partnership with the Citizens Budget Commission, a nonpartisan nonprofit group.

“What starts out as a well-intentioned goal of saving the city some money, I think ends up costing the city money and significantly delaying the process,” said Jonathan Bowles, executive director of the Center for an Urban Future.

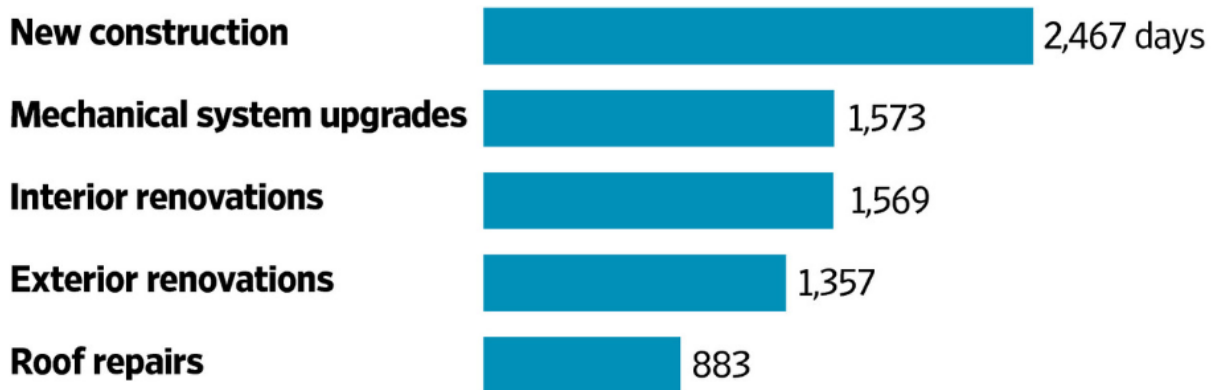
At a time when the city’s population and tourism have been growing, cultural organizations and libraries have been expanding to meet rising demand. The slow process, however, hampers their ability to maximize public funding, said officials with these organizations and elected officials.

The DDC manages construction projects for public buildings and infrastructure such as roads and sewers, to make sure city money is used efficiently and provide expertise some organizations lack. “This report fails to recognize the rigorous protections that safeguard taxpayer dollars,” said a spokesman with the city’s Department of Cultural Affairs.

Mr. Bowles insists significant reforms are needed. The median duration for new construction projects was 2,467 days, or almost seven years, according to the study.

Drawn-Out Process

Median completion time for projects involving libraries and cultural organizations managed by New York City’s Department of Design and Construction.



Note: Data collected from 2010-14 on 144 library and cultural capital projects.
Sources: Analysis of data from the New York City Department of Design and Construction by the Citizens Budget Commission and the Center for an Urban Future

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Most of the development time was spent in the three stages before construction begins, when cost estimates are conducted and the project's eligibility is reviewed, followed by a design phase and a period to solicit bids from contractors, the study said.

Often, a lack of understanding of approval requirements, as well as changes made to the project, prolonged the pre-construction period, the study said.

That is partly because funding for projects comes in piecemeal from different city sources, and organizations often tack on more elements to a project as they get more money. Changes to the scope of the project as well as some minor amendments, requires approval from the city's Office of Management and Budget.

When library organizations managed their own projects, by contrast, the time and costs often were significantly reduced. Major renovations managed by the New York Public Library itself cost \$412 a square foot and took just under two years, compared with \$656 a square foot and an average duration of 80 months for projects under the DDC, according to library's data.

At the Queens public library, the cost estimate for a city-funded interior renovation of the Hollis branch managed by the DDC is about \$2.5 million, compared with \$1.2 million for a similar size state-funded interior renovation at the Ozone Park branch, Queens library officials said.

"We can build these libraries much faster," said Dennis M. Walcott, president and CEO of the Queens Library.

Representatives for the DDC and the OMB said the city has made improvements since 2014. The DDC has reduced the time when contractors are selected for all its public-building projects from an average of one year to nine months, and shortened the design period for completed projects that started after July 1, 2014, by 50%, a department spokesman said. Construction periods for completed projects in that time period also fell by 40%, he said.

A front-end planning unit was created in August to make sure organizations have the necessary requirements to launch a project. Elected and Cultural officials, however, said more change is needed. "It's not getting better quickly enough," said city councilman Jimmy Van Bramer, chair of the council's Cultural Affairs, Libraries and International Intergroup Relations Committee.