

The seal of the City of Raleigh, North Carolina, is the background of the slide. It features a central tree with a plow and a sheaf of wheat, surrounded by a yellow ring with the text "CITY OF RALEIGH" and "NORTH CAROLINA". The entire seal is encircled by a laurel wreath.

**Budget and Economic Development
Committee Presentation**

July 27, 2004

Table 7-5
New Raleigh Convention Center Construction Cost Estimate

| Cost Elements | GSF | \$/SF | Dollars (000) |
|--|---------|--------|------------------|
| Convention Center Building | 506,900 | 209.34 | \$106,111 |
| Sitework | | | 4,656 |
| Partial Demolition of Existing Facility for Lobby | 23,400 | 5.00 | 117 |
| Partial Demolition of Existing Facility for Hotel | 45,000 | 5.00 | 225 |
| Temporary Construction at Interface | | | 395 |
| Demolition Across Right of Way | 28,000 | 5.00 | 140 |
| Total Direct Construction Cost (March 2003) | | | \$11,649 |
| Escalation to Start Date (April 2005) | 5.00% | | \$5,582 |
| Total Direct Construction Cost (April 2005 Start Date) | | | \$117,231 |
| Construction Manager Staffing | | 4.00% | \$4,689 |
| Construction Manager Fees & Reimbursables | | 3.50% | \$4,267 |
| Total Hard Construction Cost | | | \$126,187 |
| Project Soft Costs | | | |
| Owner's Construction Change Order Contingency | | 5.00% | 6,309 |
| Furniture, Fixtures & Equipment Allowance | | 6.00% | 7,571 |
| Telecom / Security / Computer Systems | | 2.00% | 2,524 |
| A/E Fees & Reimbursables | | 10.00% | 12,619 |
| Testing and Permits | | 1.00% | 1,262 |
| Reproductions | | | 500 |
| Utility Consumption | | | 400 |
| Owner Project Administrative Expense Allowance | | | 4,500 |
| Owner's Project Reserve | | 3.00% | 4,856 |
| Total Soft Costs | | | \$40,541 |
| Total Construction Costs | | | \$166,729 |
| Land Acquisition, Remediation, Relocation, Roadwork | | | \$16,000 |
| Total Convention Center Cost | | | <u>\$182,729</u> |

Sources: Davis Langdon Adamson, LMN, & HVS

The estimated construction cost of \$166.7 million includes all hard and soft construction costs (including contingencies). An allowance for land acquisition, remediation, relocation and roadwork of \$16.0 million brings the total convention center cost to \$182.7 million.

The total assessed property values of the various parcels that make up the site (detailed in Section 6 of this report) serve as the basis for estimating land acquisition and associated costs. The land acquisition and site costs include the convention center and the headquarters hotel on the recommended Site B. This allowance is deemed to be adequate to acquire and prepare the site,

**Raleigh Convention Center
Estimate Comparison**

DRAFT
May 20, 2004

| Total Budgeted Project Costs | | DLA Estimate | Option A | Option B | Option C | Option D |
|------------------------------|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| Item # | Description (Source: DLA-HVS Reports) | LMN Scheme B | Reconciled Estimate | Reconciled Estimate | Reconciled Estimate | Reconciled Estimate |
| 1 | Direct Building Construction Costs | 96,469,000 | 103,424,350 | 103,200,000 | 114,776,630 | 107,155,213 |
| 2 | Site Work | 4,656,000 | 2,901,872 | 3,049,411 | 2,798,757 | 2,798,757 |
| 3 | Demolition | 342,000 | 1,249,935 | 1,921,156 | 831,900 | 831,900 |
| 4 | Demolition of RCC | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 5 | LEED Enhancements - Certification | - | 750,000 | 750,000 | 750,000 | 750,000 |
| 6 | Temporary Construction at Interface | 395,000 | - | - | - | - |
| 7 | Demolition across Right-of-Way | 140,000 | - | - | - | - |
| 8 | Sales Tax Reimbursement | - | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| 9 | CM's General Conditions, Fees and Contingency | 18,603,000 | 21,580,611 | 21,642,674 | 23,758,343 | 22,250,827 |
| 10 | Total Current Direct Construction Cost | 120,605,000 | 128,906,768 | 129,563,241 | 141,915,630 | 132,786,697 |
| 11 | Escalation | 5,582,000 | - | - | - | - |
| 12 | Total Escalated Direct Construction Cost | 126,187,000 | 128,906,768 | 129,563,241 | 141,915,630 | 132,786,697 |
| 13 | Total Direct Construction Cost | 126,187,000 | 128,906,768 | 129,563,241 | 141,915,630 | 132,786,697 |
| 14 | Owner's Construction Change Order Contingency | 11,165,160 | 5,767,201 | 5,789,040 | 6,112,560 | 5,743,358 |
| 15 | Furniture, Fixtures & Equipment Allowance | 7,571,000 | 4,800,000 | 4,800,000 | 4,800,000 | 4,800,000 |
| 16 | Signage | - | 600,000 | 600,000 | 600,000 | 600,000 |
| 17 | Telecommunications, Security, Computer Systems | 2,524,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| 18 | A/E Fees & Reimbursable Expenses @ 10% | 12,619,000 | 12,890,677 | 12,956,324 | 14,191,563 | 13,278,670 |
| 19 | CM's Pre-Construction Fee | - | 870,400 | 870,400 | 870,400 | 870,400 |
| 20 | Code Compliance Peer Reviews | - | 250,000 | 250,000 | 250,000 | 250,000 |
| 21 | Testing @ 1% | 1,262,000 | 1,289,068 | 1,295,632 | 1,419,156 | 1,327,867 |
| 22 | Permits | Included | 517,212 | 517,212 | 517,212 | 517,212 |
| 23 | Reproductions | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| 24 | Utility Consumption | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| 25 | | Sub-Total | 30,384,557 | 30,478,609 | 32,160,891 | 30,787,507 |
| 26 | Owner's Project Administrative Expenses Allowance | 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 | 4,500,000 |
| 27 | | Sub-Total | 34,884,557 | 34,978,609 | 36,660,891 | 35,287,507 |
| 28 | | Total | 166,728,160 | 163,791,325 | 164,541,850 | 168,074,204 |
| 29 | Land Acquisition & Non-MGP Site Remediation | 16,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| 30 | Total Soft Costs | 56,541,160 | 49,884,557 | 49,978,609 | 51,660,891 | 50,287,507 |
| 31 | Total Costs | 182,728,160 | 178,791,325 | 179,541,850 | 193,576,521 | 183,074,204 |
| 32 | Cost of Parking | - | - | - | (13,916,000) | (13,688,800) |
| 33 | Convention Center Costs (Total Cost without Parking) | 182,728,160 | 178,791,325 | 179,541,850 | 179,660,521 | 169,385,404 |
| 34 | Project Budget (per Inter-local Agreement) | 180,000,000 | 180,000,000 | 180,000,000 | 180,000,000 | 180,000,000 |
| 35 | Special Contingency from Financing Savings & Sales Tax | - | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |

Note: Direct Building Cost Assumes Progress Energy's Payment for the Remediation of the MGP Site.

| Other Costs | | DLA Estimate | Option A | Option B | Option C | Option D |
|-------------|--|--------------|---------------------|---------------------|---------------------|---------------------|
| Item # | Description | LMN Scheme B | Reconciled Estimate | Reconciled Estimate | Reconciled Estimate | Reconciled Estimate |
| 36 | Public Art | N/A | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| 37 | Visitors Center | N/A | 990,000 | 990,000 | 990,000 | 990,000 |
| 38 | LEED Enhancements - Silver Level Certification | N/A | 1,300,000 | 1,300,000 | 1,300,000 | 1,300,000 |
| 39 | Festival Area | N/A | 1,030,000 | 1,030,000 | - | - |
| 40 | Parking | N/A | 16,392,130 | 16,392,130 | 13,916,000 | 13,688,800 |
| 41 | Additional Retail Space | N/A | 4,950,000 | 4,950,000 | 4,950,000 | 4,950,000 |
| 42 | Civic Meeting Room | N/A | 3,960,000 | 3,960,000 | 3,960,000 | 3,960,000 |
| 43 | Extended Tunnel | N/A | 1,287,000 | 1,287,000 | 1,287,000 | - |
| 44 | Entrance at Fayetteville Street | N/A | 4,125,000 | 4,125,000 | 4,125,000 | 4,125,000 |

| Total Budgeted Project Costs | | 5-20-04 Budget | 7-20-04 Budget | Existing and Proposed Fees |
|------------------------------|--|---------------------|---------------------|---|
| Item # | Description (Source: DLA-HVS Reports) | Reconciled Estimate | Reconciled estimate | Presented at Raleigh City Council 7/20/04 |
| 1 | Direct Building Construction Costs | 103,200,000 | 103,200,000 | |
| 2 | Site Work | 3,049,411 | 3,049,411 | |
| 3 | Demolition | 1,921,156 | 1,921,156 | |
| 4 | Demolition of RCC | 1,000,000 | 1,000,000 | |
| 5 | LEED Enhancements - Certification | 750,000 | 750,000 | |
| 6 | Temporary Construction at Interface | | | |
| 7 | Demolition across Right-of-Way | | | |
| 8 | Sales Tax Reimbursement | (2,000,000) | (2,000,000) | |
| 9 | CM's General Conditions, Fees and Contingency | 21,642,674 | 21,642,674 | |
| 10 | Total Current Direct Construction Cost | 129,563,241 | 129,563,241 | 12,570,340 |
| 11 | Escalation | - | - | |
| 12 | Total Escalated Direct Construction Cost | 129,563,241 | 129,563,241 | |
| 13 | Total Direct Construction Cost | 129,563,241 | 129,563,241 | 12,570,340 |
| 14 | Owner's Construction Change Order Contingency | 6,247,190 | 4,502,214 | 1,744,977 |
| 15 | Furniture, Fixtures & Equipment Allowance | 4,800,000 | 4,320,000 | 480,000 |
| 16 | Signage | 600,000 | 540,000 | 60,000 |
| 17 | Telecommunications, Security, Computer Systems | 2,500,000 | 2,250,000 | 250,000 |
| 18 | A/E Fees & Reimbursable Expenses @ 10% | 12,956,324 | 15,491,301 | 12,956,324 |
| 19 | CM's Pre-Construction Fee | 870,400 | 870,400 | |
| 20 | Code Compliance Peer Reviews | 250,000 | 250,000 | |
| 21 | Testing @ 1% | 1,295,632 | 1,295,632 | |
| 22 | Permits | 517,212 | 517,212 | |
| 23 | Reproductions | 500,000 | 500,000 | |
| 24 | Utility Consumption | 400,000 | 400,000 | |
| 25 | Sub-Total | 30,936,759 | 30,936,759 | 15,491,301 |
| 26 | Owner's Project Administrative Expenses Allowance | 4,500,000 | 4,500,000 | |
| 27 | Sub-Total | 35,436,759 | 35,436,759 | |
| 28 | Total | 165,000,000 | 165,000,000 | 15,491,301 |
| 29 | Land Acquisition & Non-MGP Site Remediation | 15,000,000 | 15,000,000 | |
| 30 | Total Soft Costs | 50,436,759 | 50,436,759 | |
| 31 | Total Costs | 180,000,000 | 180,000,000 | 15,491,301 |
| 32 | | | | |
| 33 | Convention Center Costs (Total Cost without Parking) | 180,000,000 | 180,000,000 | 15,491,301 |
| 35 | Special Contingency from Financing Savings & Sales Tax | 12,000,000 | 10,800,000 | |
| 36 | Contingency Fee | | 1,200,000 | 1,200,000 |
| 37 | Total Budget Available for Construction Costs, Administrative Costs, Fees & Expenses | 192,000,000 | 192,000,000 | 16,691,301 |
| Notes: | Based on Option B Budget presented to the Raleigh City Council and Wake County Commissioners on May 20, 2004 | | | |
| | The original LMN estimate was \$ 2,728,160 greater than the interlocal agreement amount of \$180,000,000 | | | |
| | The interlocal agreement also obligates the project budget for a "building-ready pad" for the Hotel which considerably increased the demolition costs. | | | |

Basic Services

Allocated
Allocated
Allocated

Allocated

Includes Line 18
above

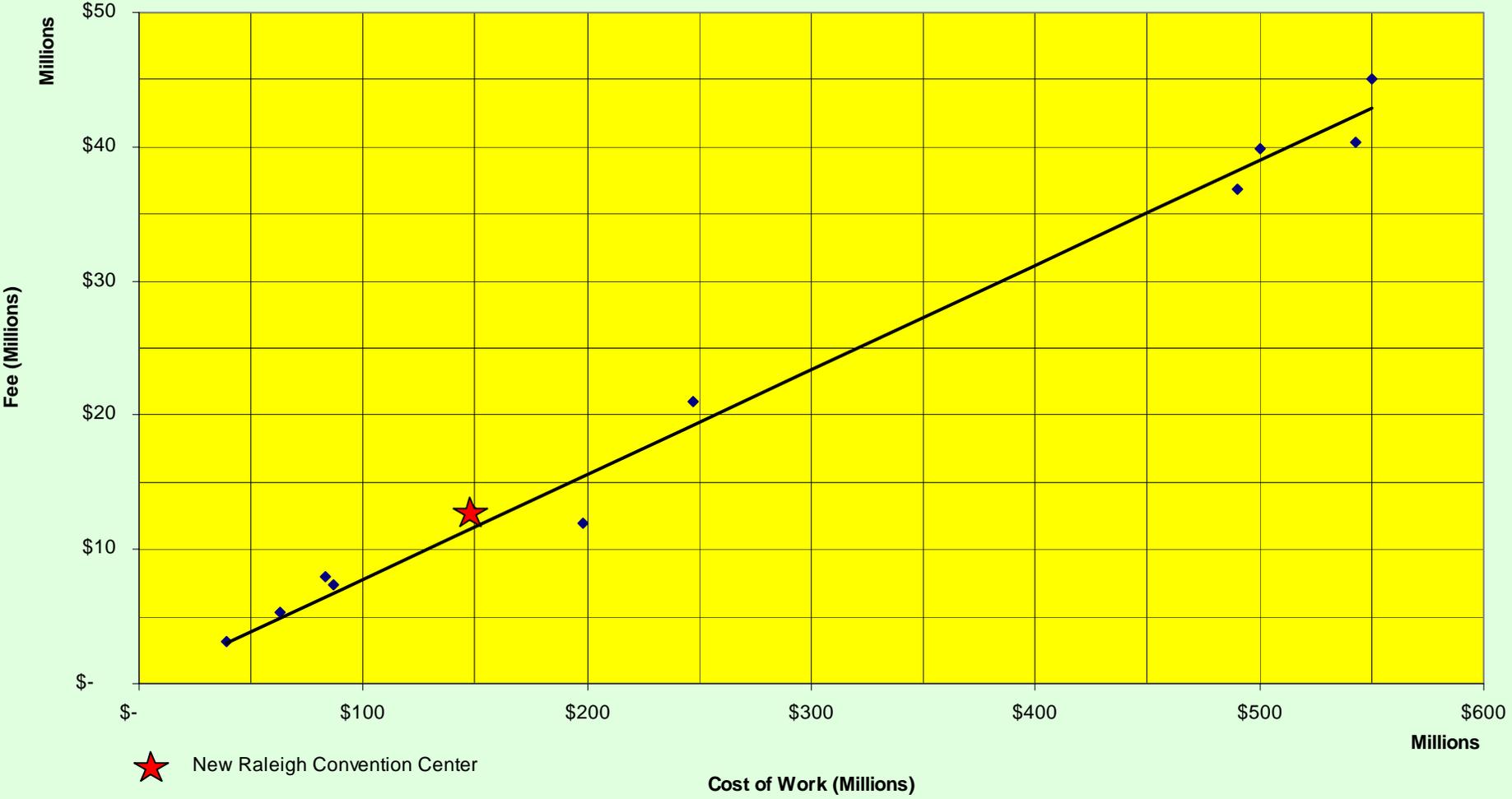
Contingency fees

Total fees &
Expenses

| Service | Firm | Proposed | | |
|---------------------------------|---------------------------|----------------|-------------------|-------------------|
| | | Fees to Date | Fees | Total Fees |
| Basic Services | | | | |
| Project Administration | O'Brien/Atkins | 12,500 | 501,487 | 513,987 |
| | Clearscapes | 12,500 | 501,487 | 513,987 |
| Architecture | O'Brien/Atkins | 100,000 | 1,713,829 | 1,813,829 |
| | Clearscapes | 85,000 | 1,689,878 | 1,774,878 |
| | TVS | 330,000 | 2,539,244 | 2,869,244 |
| | PBC+L | 29,000 | | 29,000 |
| Structural Engineering | Ross Bryan | 25,000 | 1,245,000 | 1,270,000 |
| Mechanical Engineering | O'Brien/Atkins | 6,000 | 1,048,610 | 1,054,610 |
| | McCleskey Associates | 5,000 | 49,790 | 54,790 |
| Fire Protection Engineering | Howe Engineering | | 273,500 | 273,500 |
| Electrical Engineering | O'Brien/Atkins | 4,000 | 570,260 | 574,260 |
| | McCleskey Associates | 2,500 | 40,710 | 43,210 |
| Specialty Services | | | | |
| Code Compliance Consulting | Howe Engineering | 20,000 | 145,100 | 165,100 |
| Cost Estimating | Leonard Smith Associates | 12,500 | 233,900 | 246,400 |
| Food Service Design | Cini-Little International | 5,000 | 79,500 | 84,500 |
| Elevator & Escalator Consulting | Elevator Advisors | | 30,750 | 30,750 |
| Lighting Design | CM Kling & Associates | | 72,000 | 72,000 |
| Geotechnical & Environmental | MACTEC | 11,900 | 216,500 | 228,400 |
| ADA Compliance Consulting | LCM Architects | 5,000 | 24,300 | 29,300 |
| Interior Design | TVS | | 371,000 | 371,000 |
| LEED Consulting | TVS | | 134,000 | 134,000 |
| | O'Brien/Atkins | | 47,700 | 47,700 |
| | O'Brien/Atkins | 10,000 | 181,160 | 191,160 |
| Landscape Architecture | TVS | | 30,000 | 30,000 |
| Transportation Structures | Kimley-Horn | | 454,000 | 454,000 |
| Transportation Engineering | Kimley-Horn | 2,000 | 384,000 | 386,000 |
| Civil Engineering | Kimley-Horn | 37,500 | 542,963 | 580,463 |
| Acoustical Engineering | Acentech | | 55,800 | 55,800 |
| Audio-Visual Consulting | Acentech | | 63,200 | 63,200 |
| Graphics & Signage | TVS | | 148,000 | 148,000 |
| FF&E Design | TVS | | 248,750 | 248,750 |
| Security Engineering | J & A Engineering | | 39,375 | 39,375 |
| Art Master Planning | Clearscapes | | 50,000 | 50,000 |
| Contingency Fee | All | | 1,080,675 | 1,080,675 |
| Sub-Totals | | 715,400 | 14,806,468 | 15,521,868 |
| Expenses | | 58,950 | 1,110,485 | 1,169,435 |
| Totals | | 774,350 | 15,916,953 | 16,691,303 |

Cost of Work vs. AE Fee

$y = 0.0779x$
 $R^2 = 0.988$



| | | | |
|--|-----------------------|----------------------------|----------------|
| Charlotte Arena | | | |
| Total Project Budget not including Land | \$ 200,000,000 | | |
| | | | |
| | | | |
| Construction | 168,070,000 | includes GMP, CONT, GC,FEE | |
| Public Art | 1,400,000 | | |
| Architect | 13,762,341 | Prime Architect | |
| Misc Consultants | 2,936,716 | | |
| Other soft costs | 4,993,517 | | |
| Contingency | <u>7,868,326</u> | 4.68% | of 168,070,000 |
| Total Budget COW | 199,030,900 | | |
| | | | |
| Subtotal | 199,030,900 | | |
| Reimbursables | 1,157,341 | 6.9% | |
| Total | 200,188,241 | | |
| | | | |
| Cost of Work total from above | 168,070,000 | | |
| | | | |
| A-E fees including expert consultants | 16,699,057 | 9.94% | |
| | | | |
| Total fees and expenses | 17,856,398 | 10.62% | |
| | | | |
| | | | |

| | Fees to Date | Proposed Fees | Total Fees |
|-----------------|---------------------|----------------------|-------------------|
| Fees | 715,400 | 14,806,468 | 15,521,868 |
| Expenses | 58,950 | 1,110,485 | 1,169,435 |
| Totals | 774,350 | 15,916,953 | 16,691,303 |