



Update #24 Downtown Campus Reinvestment Project

City Council Workshop

June 25, 2024

Presenter: Kevin Phelps





Budget Update

Project Elements	Original Estimate	Current Estimate	
Construction Budget	\$70.2 M	\$75.8 M	
Soft Costs Budget	\$15.4 M	\$15.9 M	
Murphy Park	\$4.3 M	\$4.3 M	
Total	\$89.9 M	\$96 M	\$6.1M Gap



Project Considerations

- Factors causing budget increase
- Budget Mitigation Strategies
- Risk Factors



Construction Inflation

National Market Conditions

Estimated Inflation Points from June 2023

Remaining Scope	\$ 1,543,850	4.01%
Concrete	\$ 188,567	5.00%
Steel	\$ 114,508	2.88%
HVAC	\$ 655,240	12.00%
Plumbing	\$ 402,179	20.00%
Electrical	\$ 986,292	15.00%
	\$ 3,890,635	

Using ENR inflation from June of 2023, excluding scopes below

Actual Project Inflation by Skilled Trades (Top 5)

	Today*	Jun-23	Delta	% increase
Concrete	\$ 4,803,549	\$ 3,771,340	\$ 1,032,209	27.37%
Steel	\$ 4,972,351	\$ 3,975,956	\$ 996,396	25.06%
HVAC	\$ 6,738,747	\$ 5,460,331	\$ 1,278,416	23.41%
Plumbing	\$ 2,718,015	\$ 2,010,894	\$ 707,121	35.16%
Electrical	\$ 9,101,052	\$ 6,575,279	\$ 2,525,774	38.41%
			\$ 6,539,915	

Inflation per National Avg.	-	Actual Project Inflation	=	Delta
\$3,890,635	-	\$6,539,915	=	(\$2,649,280)



Scope Refinements

• APS Electric Service Modifications	\$ 400K
• Council Chambers Elevator	\$ 257K
• Council Chambers L1 Restrooms	\$ 245K
• Pedestrian Hardscape	\$ 452K
• Amphitheater AV/Lighting/Sound	\$ 646K
• Signage	\$ 400K
• Sound Attenuation	\$ 118K
• <u>Miscellaneous</u>	\$ 482K
Total	\$ 3.0M



Soft Cost Changes

ITEMS	BUDGET	DELTA
Professional Services	\$ 6,824,876	\$500,000
Furniture, Fixtures & Equipment	\$ 2,800,000	
Lightning Protection	\$ 25,000	\$25,000
AV/IT Equip & Install	\$ 1,100,000	\$100,000
IT/Telecom/Structured Cabling	\$ 400,000	\$85,000
Security (Cameras & Access Control)	\$ 350,000	\$150,000
Engineering Charge Back	\$ 100,000	(\$400,000)
Additional 1% for Arts	\$ 790,000	\$40,000
Owner's Project Contingency	\$ 3,500,000	
Total	\$15,889,876	\$500,000



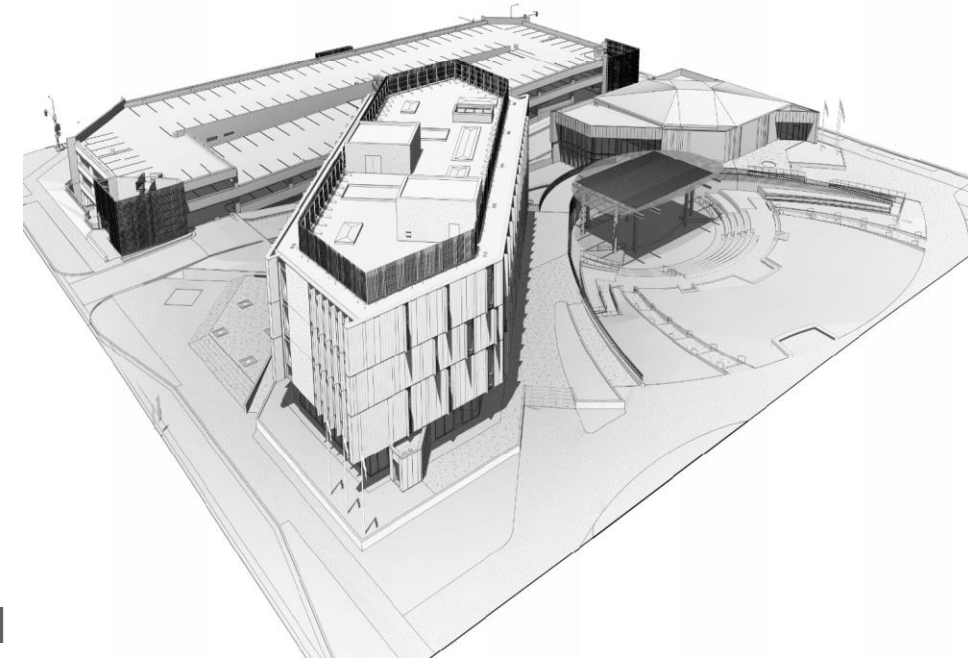
Summary of Cost Drivers

Inflation/Quantity :	\$2.6M
Refinements:	\$3.0M
<u>Soft Costs:</u>	<u>\$0.5M</u>
Total	\$6.1M



Budget Mitigation Strategies*

<u>Project Budget Gap</u>	\$6.1M
Value Engineering	\$1M - \$2M
Fund Balance Reserve up to	\$5.1M



*Assumes preserving the Project Contingency of \$7.1M



Budget Exposure Going Forward

- Budgeted Soft Costs Allowances: AV / IT / Low Voltage / Security costs: Total \$1.85M (Risk up to 20%)
- Budgeted GMP Allowances: HVAC Sound Attenuation, Window Coverings, Signage, Amphitheater AV & Lighting: Total \$1.3M (Risk up to 5%)
- Budgeted Cost Changes that could result from Bid set to Permit: Total \$854K (Risk less than 5%)
- Schedule delays



Schedule

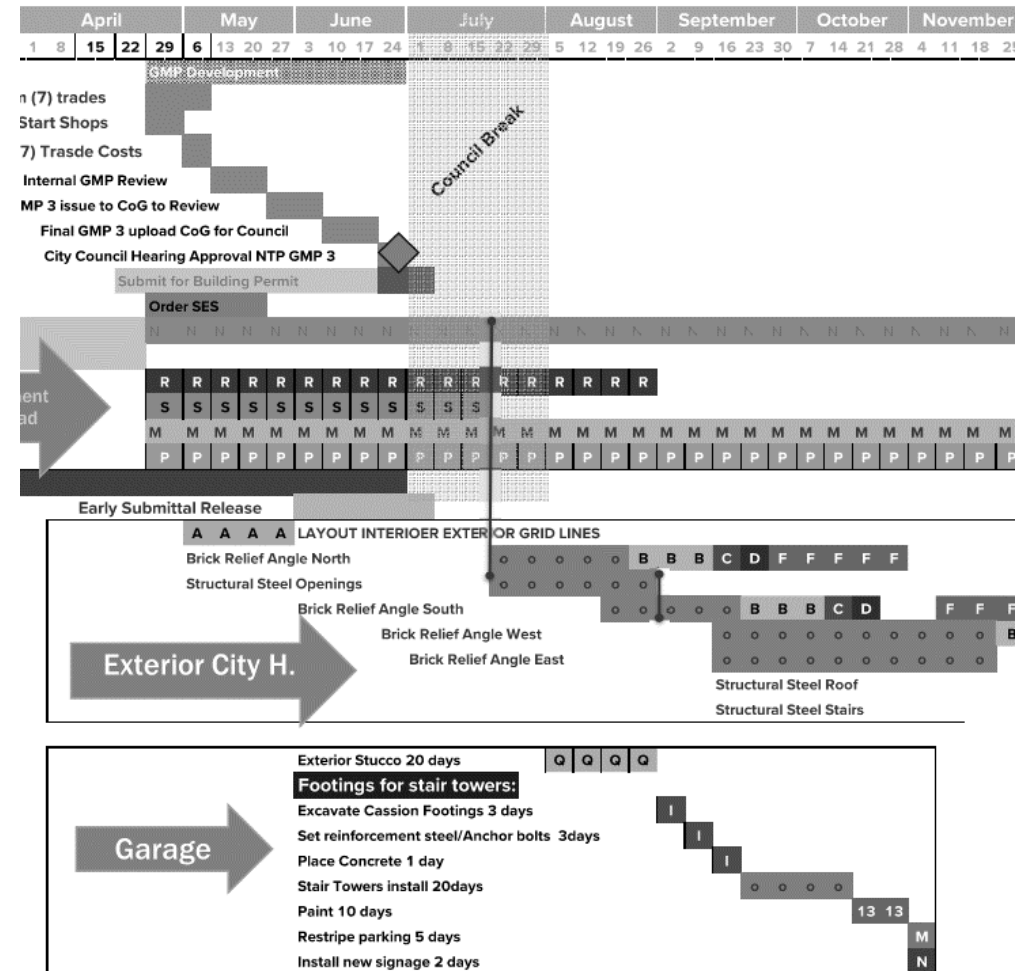
GMP 2 : 12/14/2023

GMP 3: 6/25/2024

GMP 4: TBD (Murphy Park)

New Construction Phase: July 2024

Substantial Completion: February 2026

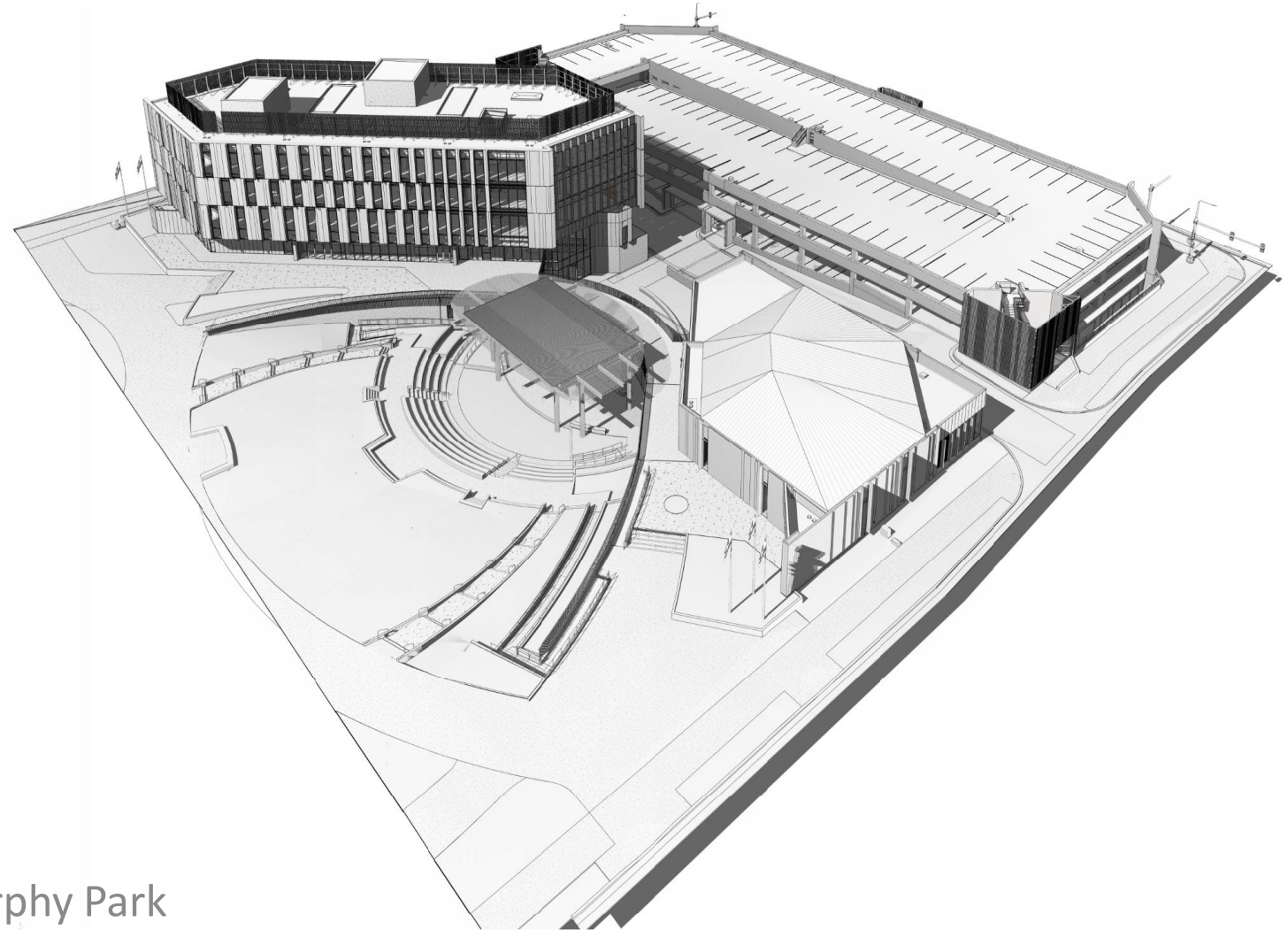




Request of Council

Approval of GMP #3
Construction Package

\$67,259,330



*Entirety of project, excluding Murphy Park



