



interoffice
MEMORANDUM

To: Lee D. Garrity, City Manager
From: Gregory M. Turner, Assistant City Manager
Date: June 11, 2009
Subject: Baseball Construction Cost Review

As requested, below is the method used to assess the accuracy and adequacy of the construction cost for the baseball stadium.

- Step 1: I reviewed the site and construction conditions in the field to determine what major construction details were still pending.
- Step 2: Denise Bell and I met with representatives of the developer, the prime contractor, the banks, and an architect hired by the banks. The purpose of this meeting was to review the project expenditures thus far and remaining construction elements. At this meeting, we learned that Samet had committed in their contract to construct the stadium for approximately \$31,730,000. In addition, we learned that approximately \$371,000 in change orders and operational equipment was included in the project budget. We also learned that this budget included \$4,440,000 in architectural, engineering surveying, legal fees plus \$3,500,000 fees for furniture furnishings and equipment. These are typically referred to as soft costs. Finally, the cost included \$180,000 in contingency. At this meeting both the bank's architect, Mr. Jim Raines, and I sought confirmation that the budgeted prices did include all remaining construction components including the outfield parking lots, the restaurant, shell constructions, the stadium seats, the outfield play area, the access roads, and the field sod.
- Step 3: I went through the spreadsheet to determine which line items covered each of the remaining construction elements. Most of them fell into the categories of gross maximum price (GMP) vertical and GMP horizontal.
- Step 4: In conversations, emails, and meetings with Kurt Gehsmann, I resolved more details on the turnkey project cost from Samet and the available contingency. I did find that an \$180,000 contingency was very low for a project of this size but the fact that the contractor was providing a turnkey price would allow the project to be successfully finished even with this level of contingency.

Attached to this memo is a copy of the projected budget spreadsheet provided by the developer that was the primary basis of my evaluation.

It is important to note that after the projected budget report I used to evaluate the stadium construction cost was prepared, we added additional \$500,000 to the construction cost to cover attorney's fees, closing costs, etc.

Gregory M. Turner
Assistant City Manager