

ENGINEERING SERVICES

CIVIC CAMPUS PROJECT: EAST CIVIC TOWER

March 7, 2023



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Agenda

- Why a new Civic Campus?
- Project Budget Background
- DD-2 Reduction Summary
- Staff Recommendation

Why a new Civic Campus?





RALEIGH CIVIC CAMPUS MASTER PLAN



The Opportunity

1. Generational investment in a key public asset
2. Unique, special project that will result in high-quality architecture and civic realm
3. Meaningful public input and engagement

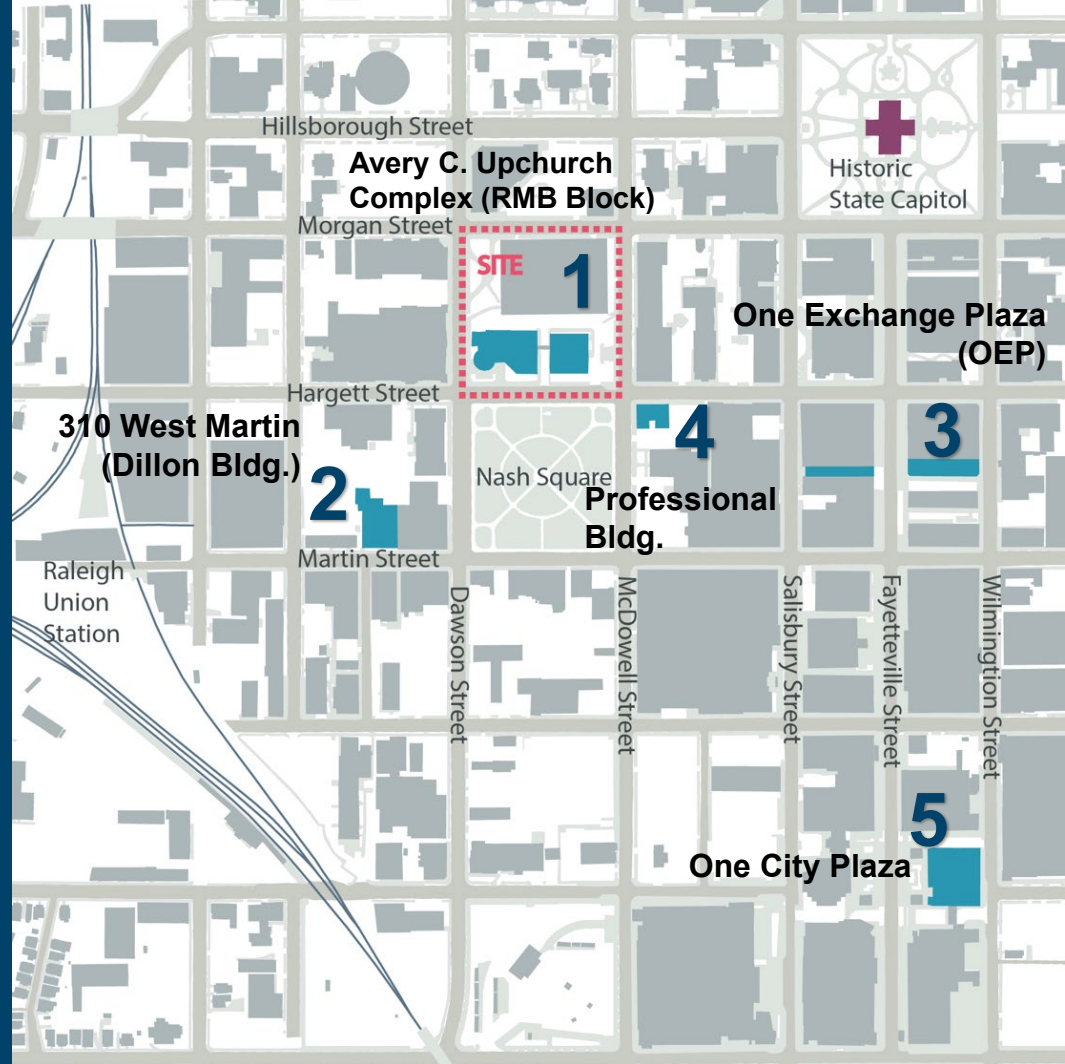
Why Now?

- Customer service
- Fiscal responsibility
- Changing workplace
- Security, safety, accessibility and equity
- Culture of collaboration



Fragmented Campus Challenges

- Security
- Infrastructure
- Use of Space
- ADA Compliance
- Customer Service
- Access
- Workforce Efficiency





Leased Costs Impacts

What are leased costs impacts? The leased costs for rented space that will continue to be incurred by the City because employees will not be relocated to the East Civic Tower.

Current Lease Obligations

Location	COR Department	Lease Term Ends	Current Lease Amount
Professional Building	Human Resources	8/31/2024	\$2,547.12 per month
Professional Building	PRCR Arts Division	8/31/2024	\$2,697.71 per month
Professional Building	Stormwater Division	4/30/2023	\$19,351.00 per month
Highwoods Realty	Housing & Neighborhoods	3/31/2023	\$37,371.10 per month
RUS/NCDOT	Transportation	8/31/2025	\$14,406.69 per month
TOTAL			\$61,966.93 per month \$743,603.12 per year



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Operational Costs

What are the on-going operational costs?

There are costs to continue to operate the existing COR-owned facilities if the East Civic Tower is not built. These costs include utilities (water, sewer, electricity) and janitorial, mail, and security services across multiple sites. This category also includes renovation costs to upgrade spaces to accommodate employee growth and organizational realignments.



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Deferred Investment

What is deferred investment? These are capital costs for maintenance and upgrades on existing facilities that have been deferred with the expectation that the East Civic Tower would be constructed.

Immediate Maintenance Investment

Facility	Year to be completed	Scopes of work	Estimated Cost
RMB	FY 2024	Roof replacement, chiller & cooling tower replacement, pavement improvements, HVAC replacements	\$6.8M
OEP	FY 2024	Fire system replacement, mechanical system upgrades, freight elevator replacement, lift pump replacement	\$8.6M
310 W. Martin Street	FY 2024	Roof replacement, building envelope, HVAC upgrades, interior aesthetics, generator/transfer switch replacement	\$4.5M
TOTAL			\$19.9M

These repairs will require a formal budget request for inclusion in the FY24-FY25 CIP.

Slide 8

East Civic Tower

Goals & Future Building Functions

- Create a consolidated Public Service Area for an excellent customer service experience
- Improve efficiencies and collaborative workspaces for employees
- Civic Meeting Space
- Better access management for Council, Executive Management, and Staff
- Staff conference & training Rooms
- Focus on security, safety, & accessibility.



Project Budget Background





Project Budget: Approved 2018 Budget - \$190M



- February – September 2022: 100% Design Development Phase.

Initial 100% Design Development Budget	Value Management Options Accepted	Final 100% Design Development Budget
\$256.8M	\$6.6M*	\$250.2M

*Accepted options included revisions to ceiling products, some specialty finishes, fixture standardization, etc.



Project Budget

Value Management Summary

Design Phase	Total Value Management Options
Conceptual Design	\$11.2M
Schematic Design	\$11.2M
Design Development	\$6.6M
TOTAL	\$29M



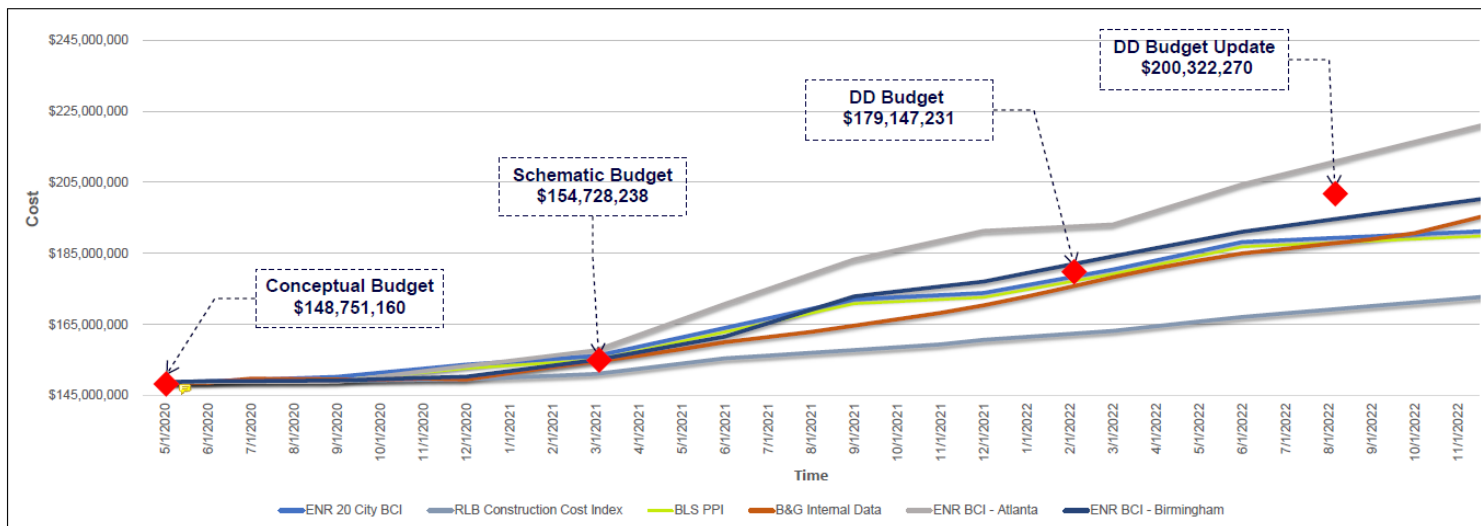
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CMAR Escalation (Construction Costs)

**BRASFIELD
& GORRIE**
GENERAL CONTRACTORS

PROJECT COST ESCALATION STUDY
City of Raleigh Civic Tower

7-Dec-22





Project Budget vs. Estimate

Project Phase	Estimated Value
2018 Approved Budget	\$190M
2022 Design Development Estimate	\$250.2M
Difference	(\$60.2M)
Percentage Over	32%



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Other Project Costs

Exclusions from the Construction Budget

Some items are not included in the current construction budget. These line items total \$28.7M include items like office furniture and workspaces, and some AV/IT equipment and software.

These line items are not immediately required at the start of construction and are envisioned to be funded through one-time sources and/or leases. Staff will investigate the most advantageous procurement options.

DD-2 Scope Reduction Proposals





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DD-2 Scope Reductions

Items of Work	Amount
Current Total Project Estimate	\$250.2M
Remove 3 Shell Floors	(\$10.0M)
Remove Wood paneling	(\$4.5M)
Shell 3 Floors for Future Upfit	(\$9.0M)
Reduce Escalation Allowance	(\$12.6M)
Other Interior/Exterior Reductions	(\$8.1M)
Project Cost Estimate at DD-2	\$206.0 M



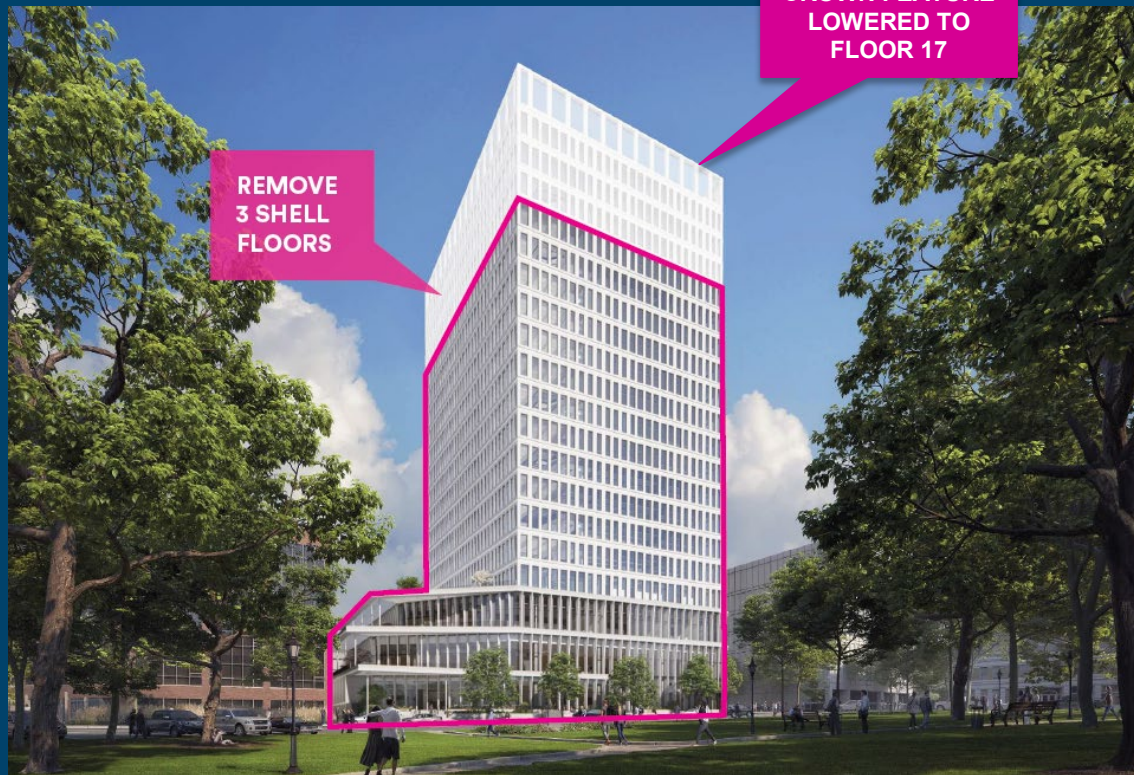
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DD-2 Scope Reductions

Floor Reduction

- 12 Finished Floors
- 3 Floors Unfinished
- 1 Additional Unfinished Floor (Alternate Bid)
- Architectural Crown/Mechanical Penthouse

= 17 Floors





Revised Project Timeline

Activity	Milestone
Redesign Commencement	Upon approval, NLT March 7, 2023
Project Development Reviews	May/June 2023
Construction Documents NTP	June 2023
GMP Approval	November 2023



Recommendation from Staff

- Approve the contract amendment of \$700,000 to complete the design and bid the project. Bids will provide accurate cost data for future Council decisions on project advancement into construction.

Questions

