



COMMITTEE PRESENTATION

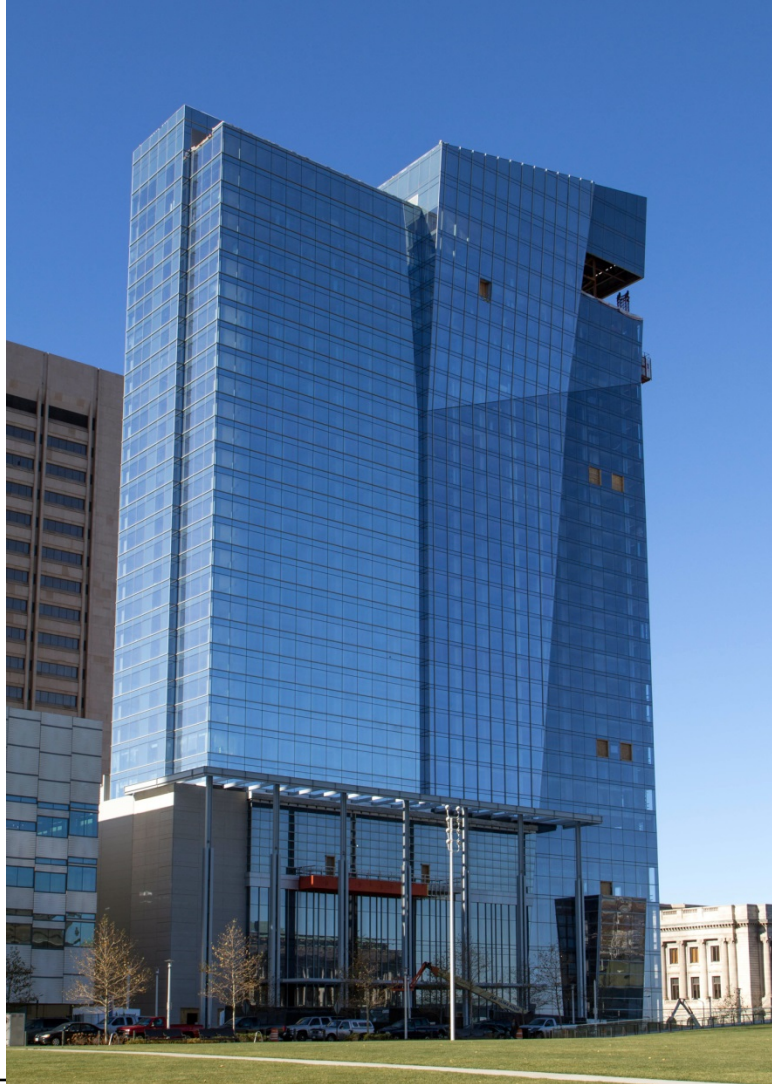
January 5, 2016

- CONSTRUCTION STATUS
- BUDGET STATUS
- INCLUSION PROGRAM STATUS
- AMENDMENT NO. 3
- HPG UNDERGROUND CONNECTOR DESIGN

AGENDA

CONSTRUCTION STATUS







Hilton
HILTON CLEVELAND DOWNTOWN

VIEW LOOKING SW FROM LAKESIDE / W. MALL DR.





















Hilton
HILTON CLEVELAND DOWNTOWN

LEVEL 32 - SKYBAR





- Construction is **81%** Complete
- GMP Buyout is **100%** Complete



- Overall Development Project is **71%** Complete
- FF&E Buyout is **65%** Complete
Examples: Carpet and Wallcovering
- Art Buyout is **50%** Complete
- OS&E Buyout is **10%** Complete
- IT Systems Buyout is **1%** Complete

Components Outside of Design Build Contract

- To date 1866 workers have performed work on the Project
- Approximately 849,295 man hours have been expended on site (through November 2015)
- 4,804 Man Months
- There has been only 1 injury that has resulted in a worker's lost time (and that was an engineer—not a construction worker!)



Overview

- Cuyahoga County has adopted an 11-point Best Practices Plan for the SBE Diversity and Inclusion Program
- Diversity and Outreach Team – Cuyahoga County, Minority Business Solutions, The Sanchez Group, Turner/Ozanne/VAA

INCLUSION STATUS

Participation Tracking (through November 2015)

- **Contracting Participation Goals**

- • 34.94% SBE (30% goal) — 138 contracts, \$61.485m
- • 16.51% MBE (15% goal) - 69 contracts, \$29.048m
- • 16.65% FBE (7% goal) — 67 contracts, \$29.304m
- • 15 first-time sub-prime/prime contracting (10.9%)

- **Workforce Participation Goals**

- • 49% Cuyahoga County residency (40% goal)
- • 19% City of Cleveland residency (20% goal)
- • 8% "Low Income Person" (4% goal)
- • 20% Minority Workforce (20% goal)
- • 6% Female Workforce (6% goal)
- • 3% Hispanic Workforce (voluntary)

- Progress on Apprenticeship
 - 77 New Apprentices
 - 22% Minority
- Access to Education
 - JV Team has funded 30 Pre-Apprentice Scholarships at CCC
 - CMSD Interns

Milestones:

- Abatement Complete
- Demolition Complete
- Deep Foundations Complete
- Concrete Foundations Complete
- Start of Steel Erection
- Podium Structure Complete
- Tower Structure Complete
- Exterior Wall Complete
- Build Out Complete
- Substantial Completion
- **Hotel Grand Opening**

Date:

1/24/14
2/28/14
6/11/14
9/3/14
9/17/14
12/8/14
9/18/15
10/20/15
3/30/16
4/1/16
6/1/16

Status:

Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Projected
Projected

BUDGET STATUS

Project Development Budget

	Design Builder GMP	\$217,053,982	(incl. \$12 mil contingency)
+	FF&E	\$ 27,806,815	↑
+	Art	\$ 1,565,000	
+	Utility Costs	\$ 1,768,241	
+	Permits	\$ 1,356,610	
+	Soft Costs (Consultants)	\$ 12,742,496	
+	Insurance	\$ 674,582	
+	<u>Owner Contingency</u>	<u>\$ 9,285,274</u>	
	Sub-Total	\$272,253,000	
+	<u>Additional Design Contingency</u>	<u>\$ 4,000,000</u>	
	Development Sub-Total	\$276,253,000	
+	<u>Additional Owner Contingency</u>	<u>\$ 34,128,105</u>	
	Total Development Budget	\$310,381,105	

Project Development Budget

	Design Builder GMP	\$217,053,982	(incl. \$12 mil contingency)
+	FF&E	\$ 25,208,469	↑
+	Art	\$ 1,565,000	
+	Utility Costs	\$ 1,768,241	
+	Permits	\$ 1,356,610	
+	Soft Costs (Consultants)	\$ 12,742,496	
+	Insurance	\$ 674,582	
+	<u>Owner Contingency</u>	<u>\$ 11,883,620</u>	
	Sub-Total	\$272,253,000	
+	<u>Additional Design Contingency</u>	<u>\$ 4,000,000</u>	
	Development Sub-Total	\$276,253,000	
+	<u>Additional Owner Contingency</u>	<u>\$ 34,128,105</u>	
	Total Development Budget	\$310,381,105	

Note: FF&E Buyout Savings in kitchen and laundry equipment of \$2,598,346 is returned to Owner contingency

Initial Operations Budget

Hilton Pre-Opening	\$ 6,300,000
+ Hilton Working Capital	\$ 900,000
+ Property Taxes during Const.	\$ 2,100,000
+ Interest Costs during Const.	\$ 23,812,200
+ Hotel Security Escrow	\$ 4,750,000
+ <u>Operating Reserve</u>	<u>\$ 4,750,000</u>
Total Operations Budget	\$ 42,612,200

Total Development and Initial Operations Budget (Uses)

Project Development Budget	\$310,381,105
+ <u>Initial Operations Budget</u>	<u>\$ 42,612,200</u>
Grand Total	\$352,993,305

Project Funding (Sources)

Net Bond Proceeds	\$230,885,000
+ Construction Reserves	\$ 41,088,210
+ City of Cleveland Contrib.	\$ 8,000,000
+ Bond Proceeds	\$ 23,812,200
+ Interest earned during Const.	\$ 643,230
+ Residual Sales Tax Collection	\$ 43,814,665
+ <u>Key Money from Hilton</u>	<u>\$ 4,750,000</u>
Total Funding	\$352,993,305

AMENDMENT NO. 3

GMP:	\$217,053,982
Amendment No. 1 (to formalize the GMP)	\$ 0
Amendment No. 2: (to hire Osborn for connector)	\$ 425,000
Amendment No. 3:	
Base Building Change Order Total:	\$ 11,245,189
Underground Connector: Allowance of	\$ 9,876,062*
<u>Grand Total</u>	<u>\$238,600,233</u>

* Note: Overlap with Osborn fee and connector allowance

Owner Contingency Summary

Base Budget Contingency	\$11,883,620 (Increased!)
Additional Design Contingency	\$ 4,000,000
+ <u>Additional Owner Contingency</u>	<u>\$34,128,105</u>
Total Contingency	\$50,011,725

Contingency Use To Date*

Contingency Use (Change Orders thru Nov) approx.	\$11,245,189
+ <u>Underground Connector (Turner Allow) approx.</u>	<u>\$ 9,876,062</u>
+ Anticipated Additional Use (COs + Owner) approx.	\$ 4,778,749
Total Contingency Use	approx. \$25,900,000

*Potential unquantified risks:

- Excessive lost weather days (cold and wind)

Total Owner Contingency	\$50,011,725
<u>Less Anticipated Contingency Use to Date</u>	<u>- \$25,900,000</u>
Remaining Contingency	\$24,111,725

Additional Opportunities: Return of DB Contingency; Owner Holds and Unused Allowances; FF&E Buyout Savings

To Build the Underground Connector the Project will need to draw additional contingency, included above, to cover additional Owner paid costs (testing, utility costs, Owner contingency, etc.)

Key Change Orders (greater than \$200,000):

• BP18 Millwork Buyout	\$1,510,071 - reconciliation of scope against allowance
• Audio and Video Systems	\$ 921,422 - transfer from FF&E budget to DB
• Concrete Scope Adjustment	\$ 556,678 - buyout modifications
• Operable Walls	\$ 519,583 - to enhance marketability of meeting rooms
• CCTV System and Access Control System	\$ 494,582 - transfer from FF&E budget to DB
• Cornice Steel DD Phase 2	\$ 449,435 - reinstalled VE to match approved aesthetics
• Additional Granite @ East Side	\$ 388,504 - needed for waterproofing and durability
• Site Reconciliation	\$ 306,529 - to improve site experience
• Cornice Steel	\$ 287,942 - reinstalled VE to match approved aesthetics
• Escalators to B1	\$ 278,217 - to improve guest movement from CC
• 90% CD Pricing Updates; HVAC	\$ 249,133 - added design scope after GMP
• Junior Ballroom Ceiling	\$ 244,169 - to improve ballroom acoustics
• Porch Column/Trellis	\$ 231,316 - reinstalled VE to match approved aesthetics
• Main Ballroom Ceiling	\$ 229,013 - to improve ballroom acoustics
• General Requirements (Owner Allowance)	\$ 217,907 - allowance based on change orders
• WAP's on Guest Room Floors	\$ 212,068 - per Hilton due to increase use of guest tech
• Porch Column Bases	\$ 205,970 - reinstalled VE to match approved aesthetics
• BW Model Rm and Laundry	\$ 203,416 - transfer from FF&E budget to DB
• Credit Guest Room Closet Installation	\$ (270,805) - moved to FF&E
• Give back on unused owner allowances	\$ (549,581) - scope not required
• Modified Guest Exhaust	\$ (597,074) - value engineering design revision













UNDERGROUND CONNECTOR DESIGN

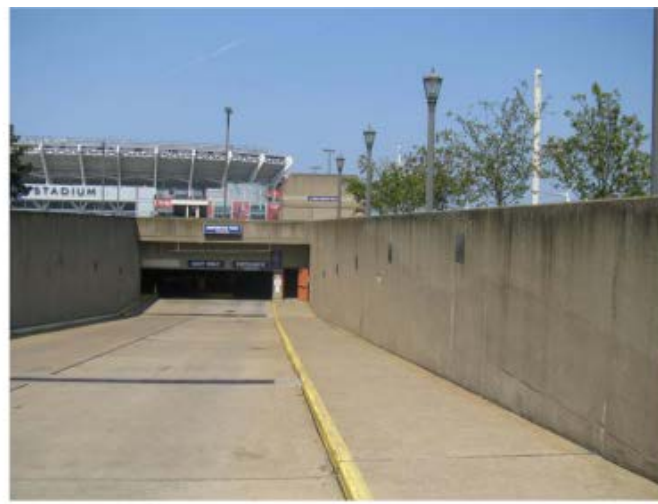
BUILDING SYSTEM

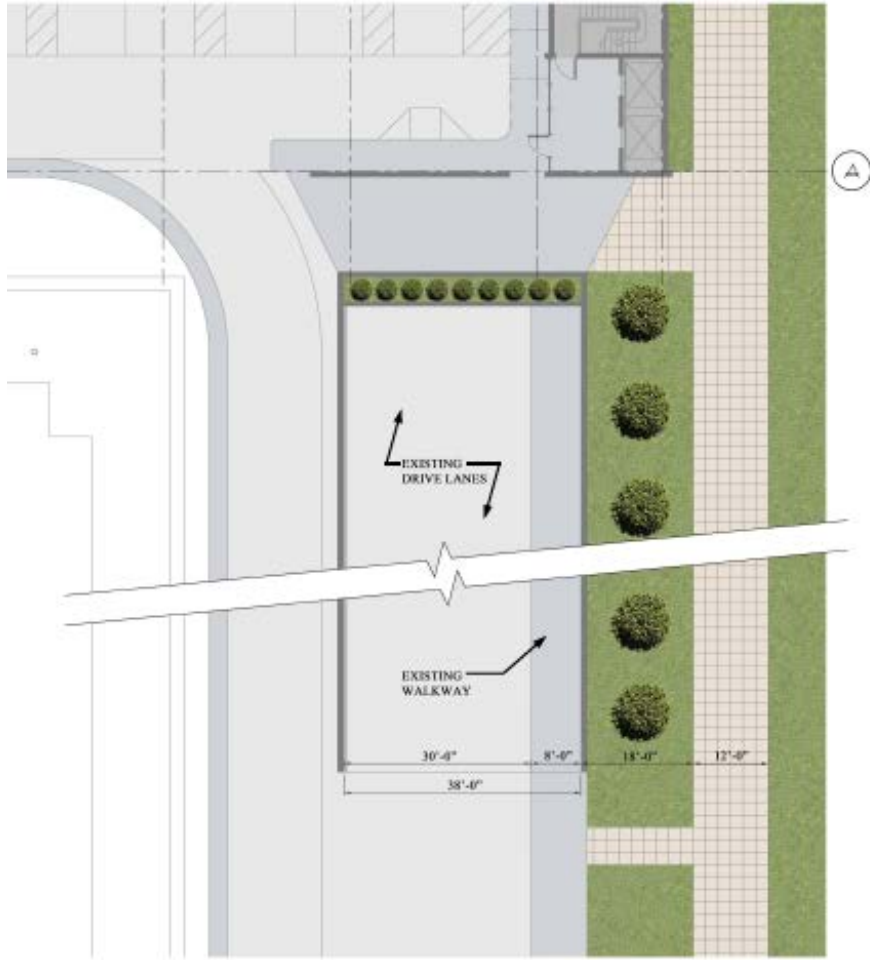
DD ESTIMATE ALT EAST
Docs Dated Oct. 9, 2015

Gross SF = 5,380

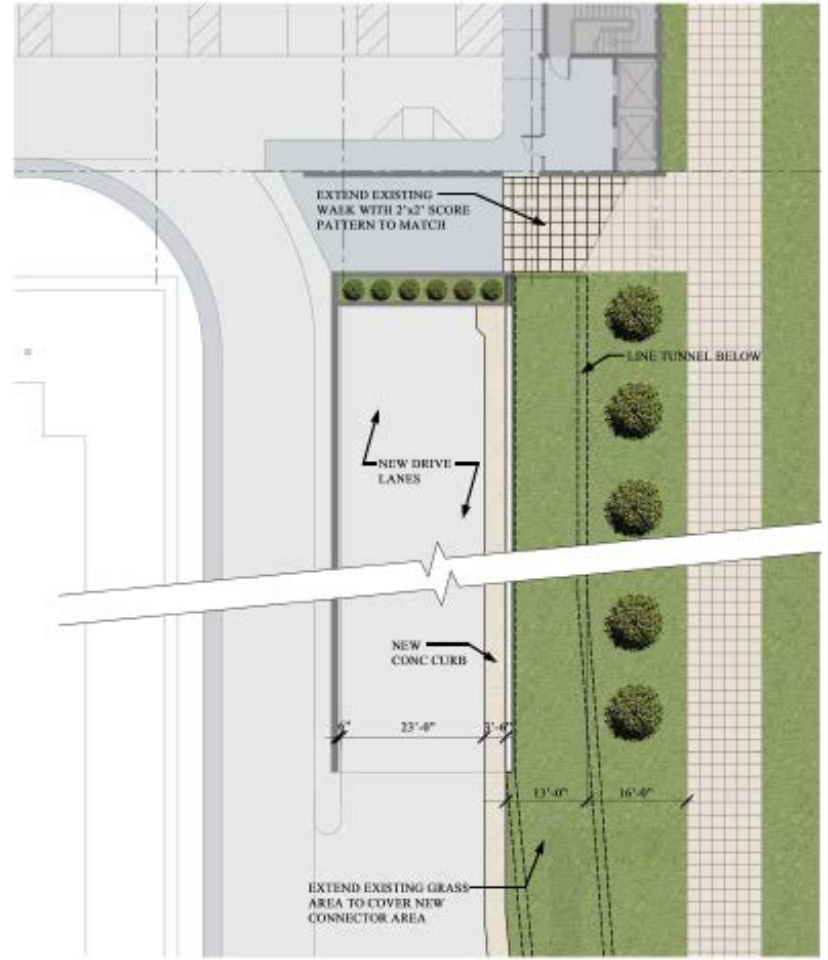
		Cost	Cost / SF
Demolition		\$134,800	\$25.06
Sitework		\$1,568,800	\$291.60
Excavation & Foundations		\$5,360,000	\$996.28
Structural Frame		\$0	\$0.00
Roofing & Waterproofing		\$0	\$0.00
Exterior Wall		\$21,800	\$4.05
Interior Construction		\$143,000	\$26.58
Special Requirements		\$18,200	\$3.38
Vertical Transportation		\$0	\$0.00
Plumbing		\$86,000	\$15.99
Fire Protection		\$32,500	\$6.04
HVAC		\$34,100	\$6.34
Electrical		\$333,400	\$61.97
Technology		\$48,400	\$9.00
General Requirements		\$82,000	\$15.24
Subcontractor Default Insurance	1.15%	\$90,400	\$16.80
Escalation	2.5%	\$198,800	\$36.95
Construction Contingency	5.0%	\$407,600	\$75.76
Preconstruction Services		\$22,000	\$4.09
Design Fees		\$384,562	\$71.48
Construction Staff & Reimbursables		\$421,000	\$78.25
CM Fee	2.1%	\$197,100	\$36.64
Corporate Guarantee	0.50%	\$47,200	\$8.77
CCIP	2.55%	\$244,400	\$45.43
Subtotal - Direct Costs		\$9,876,062	\$1,835.70



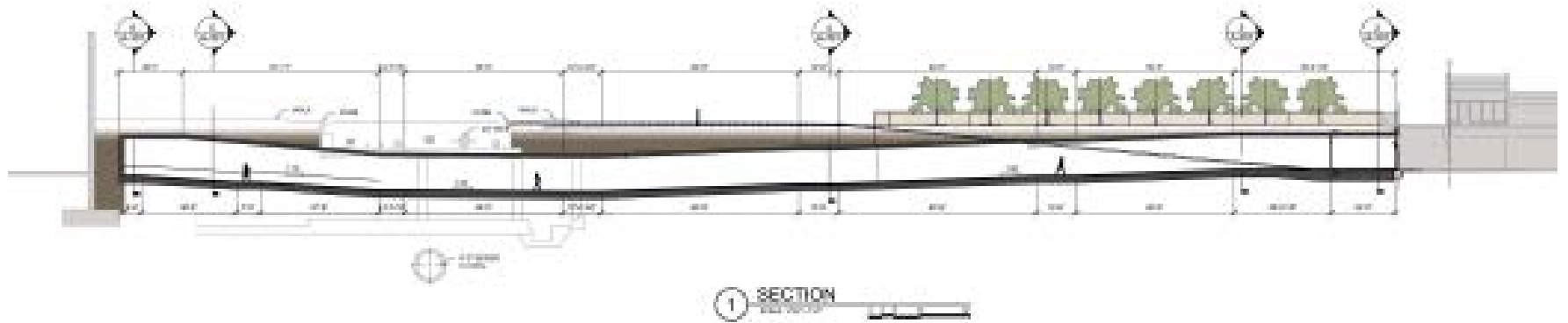


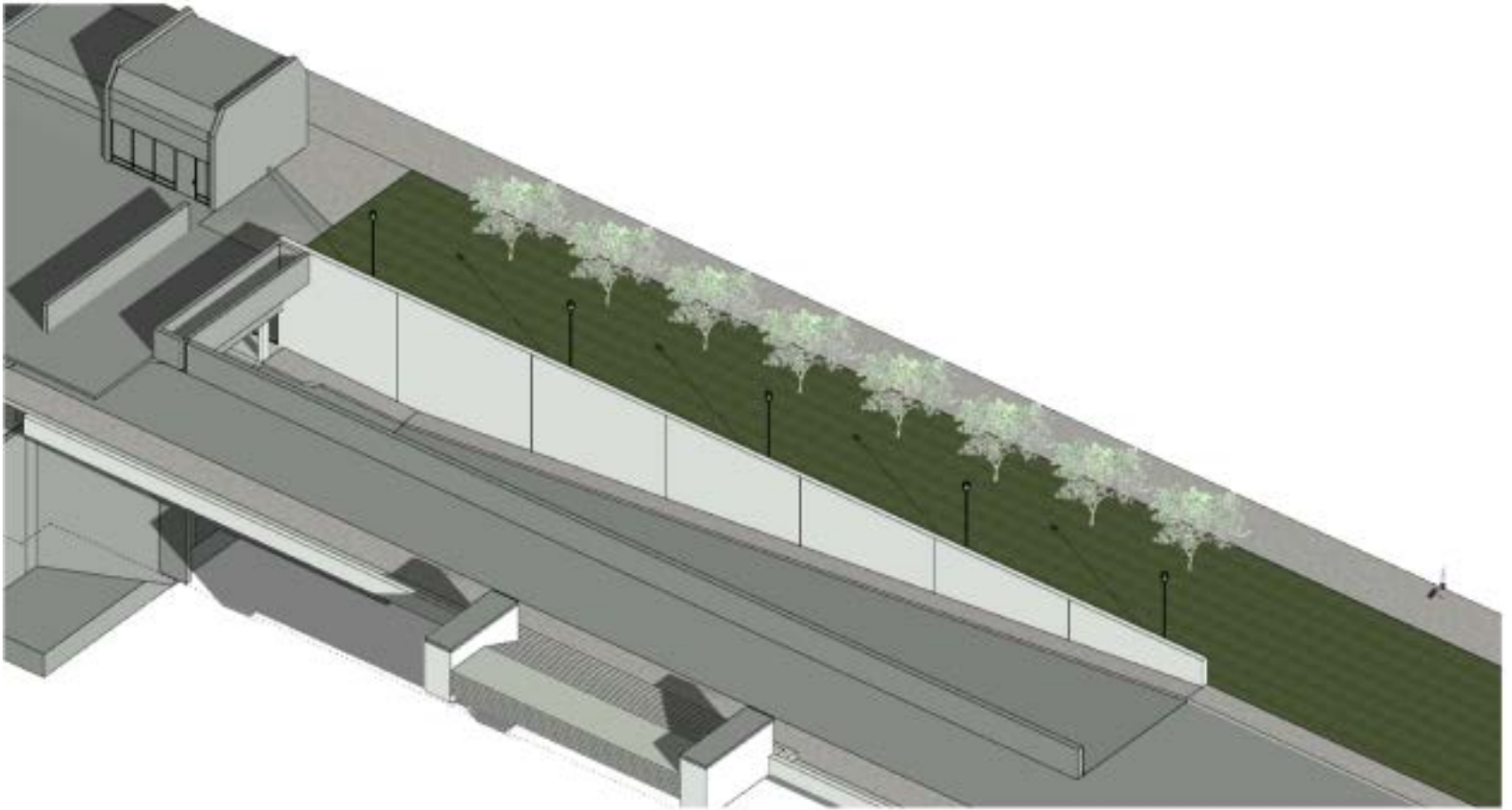


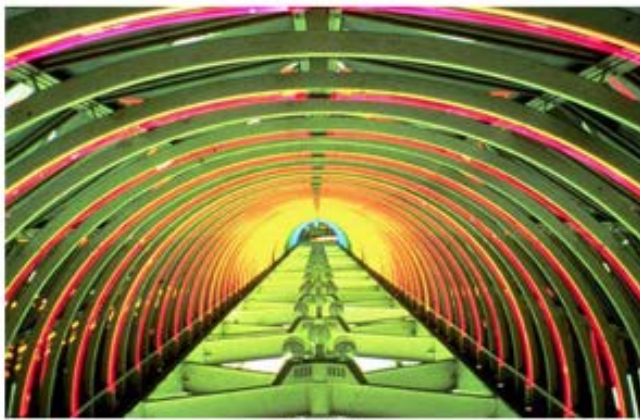
1 EXISTING PLAZA PLAN
SCALE: 1/8" = 1'-0"



2 PROPOSED PLAZA PLAN
SCALE: 1/8" = 1'-0"







Michael Hayden

Toronto- Arc En Ciel

158 glass tubes making a "neon rainbow" inside the transparent ceiling of the Yeebdale Subway station, with 79 colors forming this spectrum.



Michael Hayden

Chicago- Sky's the Limit

23,600 SF of mirror reflecting over 1 mile of "neon", (all impact protected by a spray coated transparent rubber) controlled by 3 solid state computers. 1 hour of electronic music, commissioned for specially fabricated CD sound system.



Michael Hayden

Charlotte- Quadrille

1,640 feet of neon, 17 pieces per 4 orientations at 4 levels, over 1000 feet articulated holographic mirrored grating, laminated onto 2 foot wide aluminum blades. Hundreds of patterns in ever changing configurations & variable intensity, displayed from dusk to dawn



Michael Hayden

Los Angeles- Generators of the Cylinder

Infrared sensor interfaced, computer addressed "neon" within Polycarbonate semi-cylinders affixed to 2,000lb of stainless steel. This sculpture responds to pedestrian and vehicular traffic in its vicinity.

QUESTIONS?