



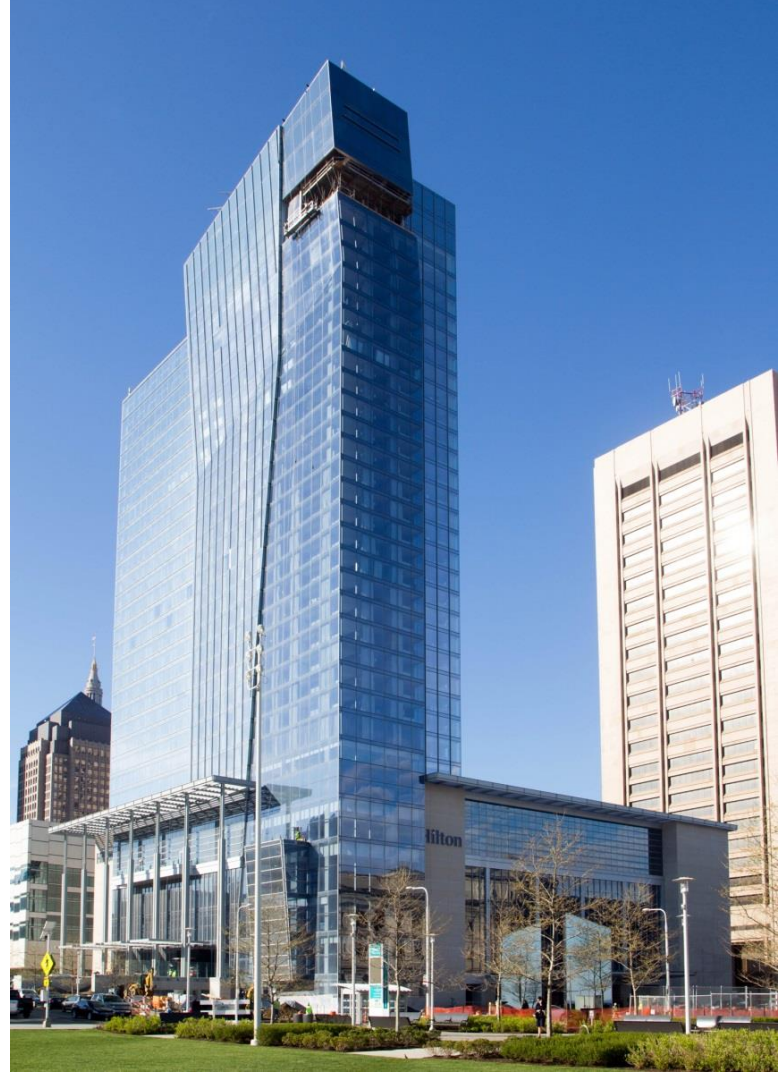
COMMITTEE PRESENTATION

May 10, 2016

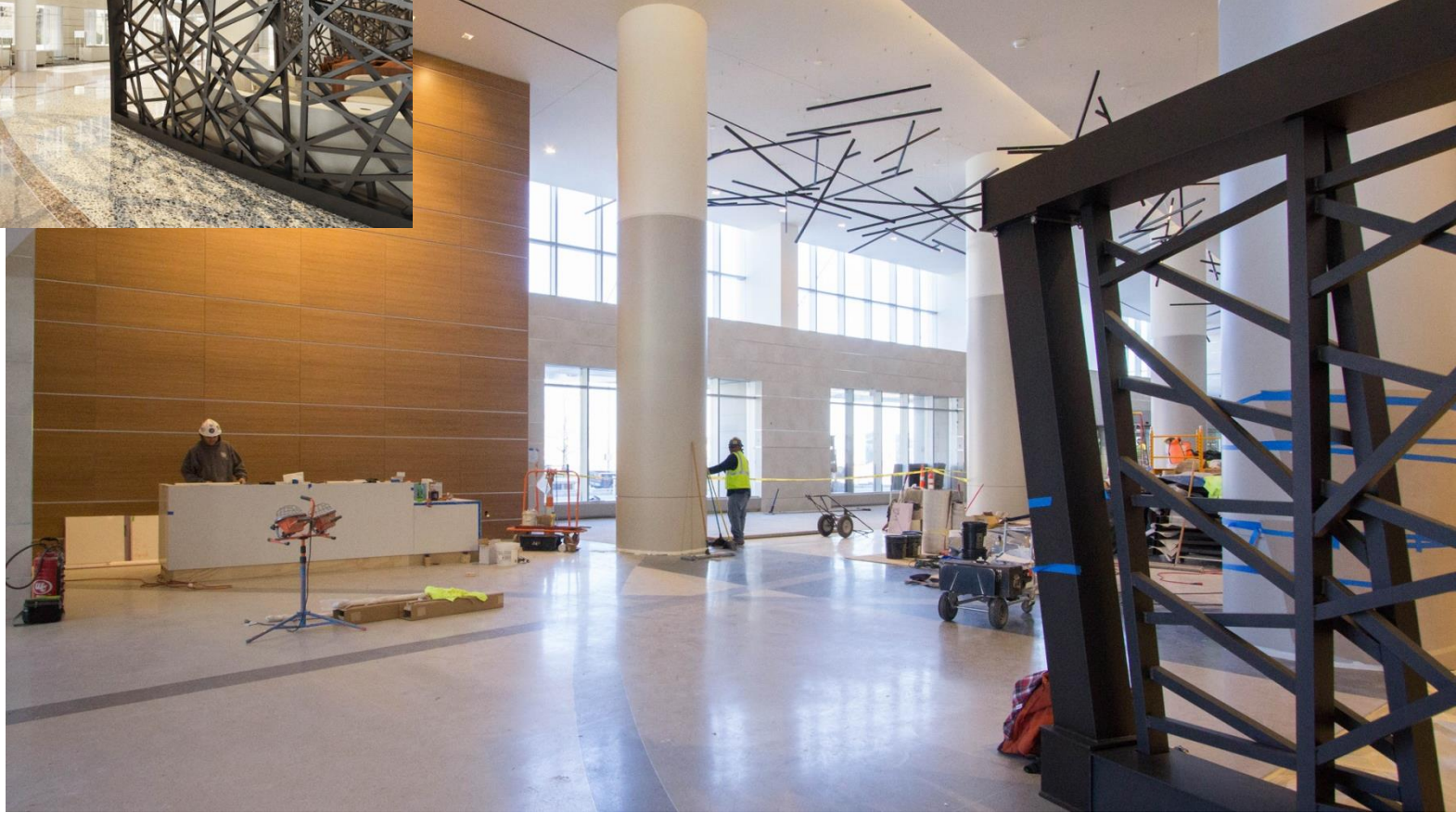
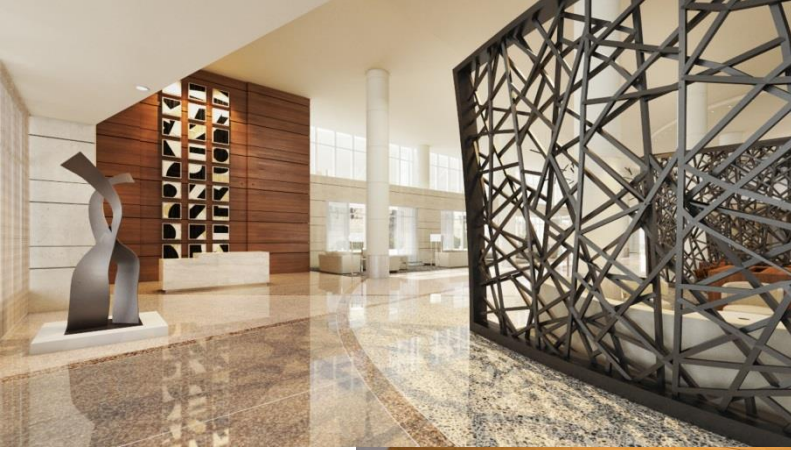
- CONSTRUCTION STATUS
- BUDGET STATUS
- INCLUSION PROGRAM STATUS
- ENCLOSED WALKWAY
- HILTON HIRING EFFORTS

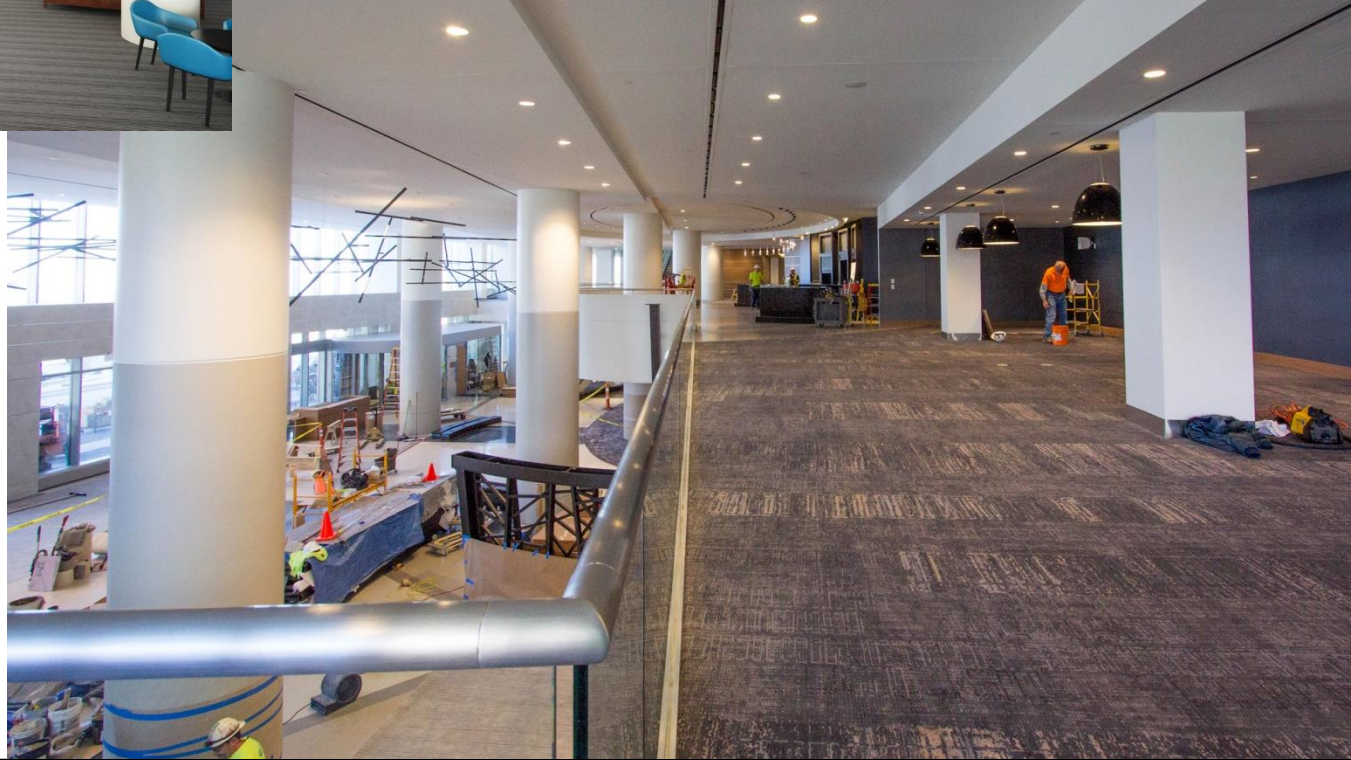
AGENDA

CONSTRUCTION STATUS



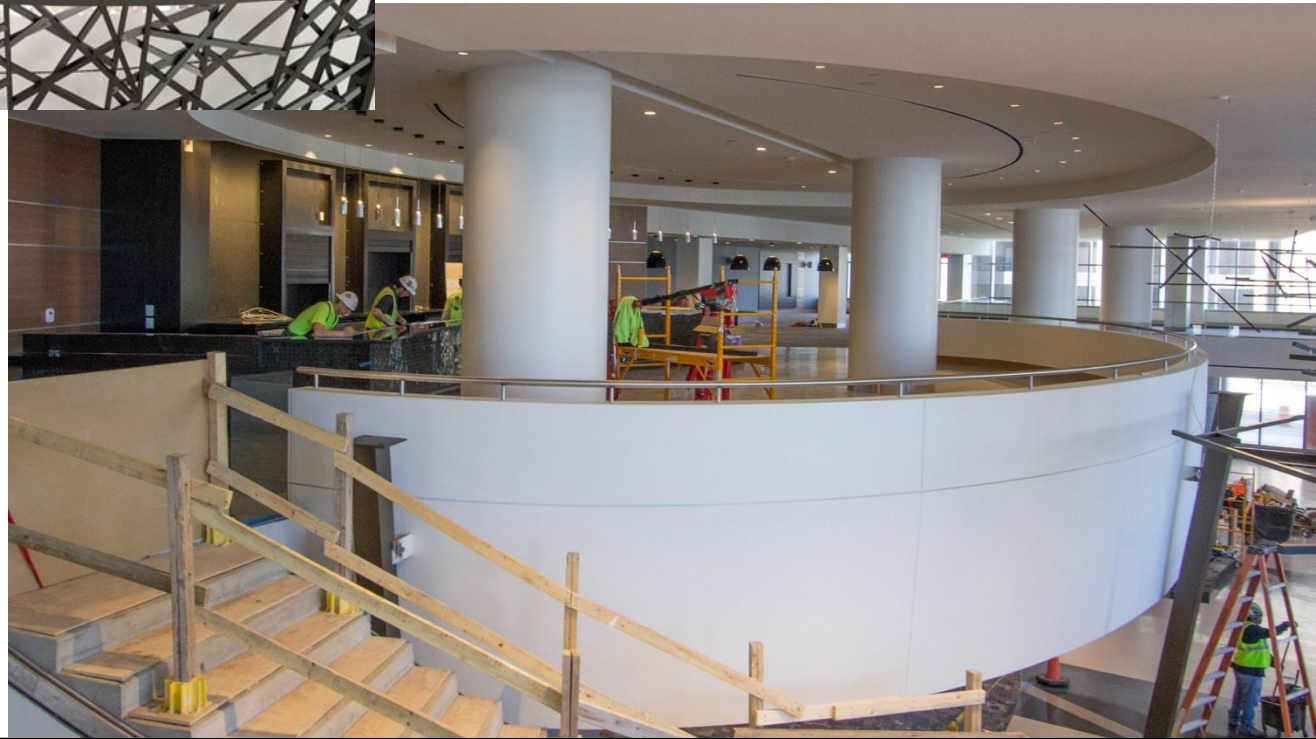














Hilton
HILTON CLEVELAND DOWNTOWN

LOBBY BAR











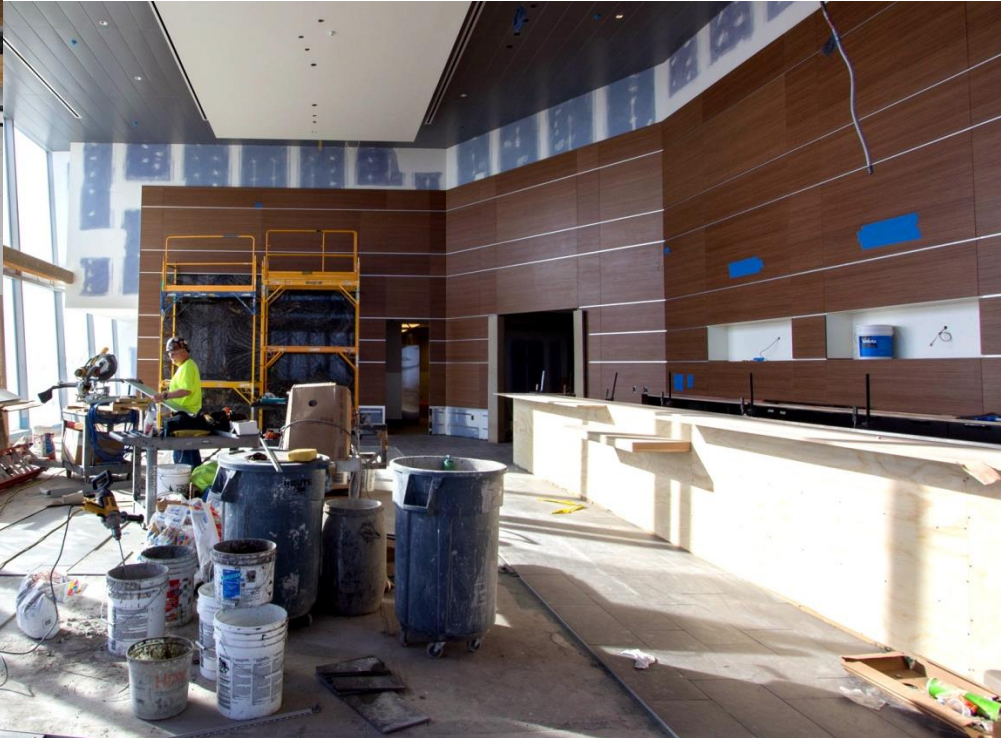




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TWO BAY SUITE





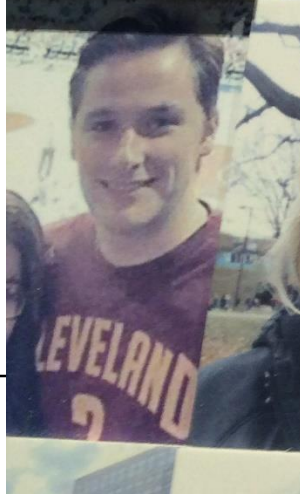
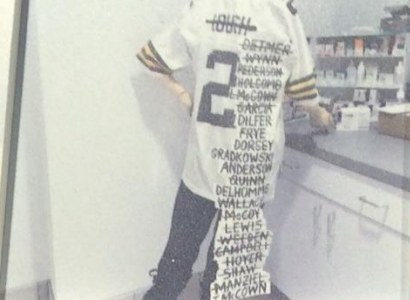
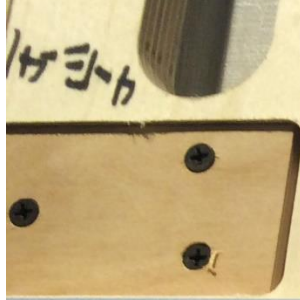


Hilton
HILTON CLEVELAND DOWNTOWN

LEVEL 32 - SKYBAR









As of March 31, 2016

- Construction is **95%** Complete
- GMP Buyout is **100%** Complete

- FF&E Buyout is **65%** Complete
Examples: Carpet and Wallcovering
- Art Buyout is **99%** Complete
- OS&E Buyout is **84%** Complete
- IT Systems Buyout is **60%** Complete



Components Outside of
Design Build Contract

As of June 1, 2016– All will be 100% Complete...
(Except Enclosed walkway)....but not 100% Billed.

As of March 31, 2016

- 2106 workers have performed work on the Project
- Approximately 1,094,470 man hours have been expended on site
- 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 March 2016)

- **Contracting Participation Goals**

- • 34.39% SBE (30% goal) — 137 contracts, \$63.650m
- • 15.88% MBE (15% goal) - 70 contracts, \$29.740m
- • 16.07% FBE (7% goal) — 68 contracts, \$29.397m
- • 15 first-time sub-prime/prime contracting (10.9%)

- **Workforce Participation Goals**

- • 50% 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)

} % of 1,094,470 Man hours

- 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
- Certificate of Partial Occupancy
- **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
4/21/16
6/1/16

Status:

Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Completed
Submitted
Completed

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

Owner Contingency Summary

Base Budget Contingency	\$11,883,620
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)</u> approx.	<u>\$ 9,876,062</u>	
+ Anticipated Additional Use (COs + Owner) approx.	\$ 4,778,749	➔ Actual: \$3,019,675
Total Contingency Use	approx. \$25,900,000	

*Potential unquantified risks:

- Excessive lost weather days (cold and wind)



Resolved

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.)

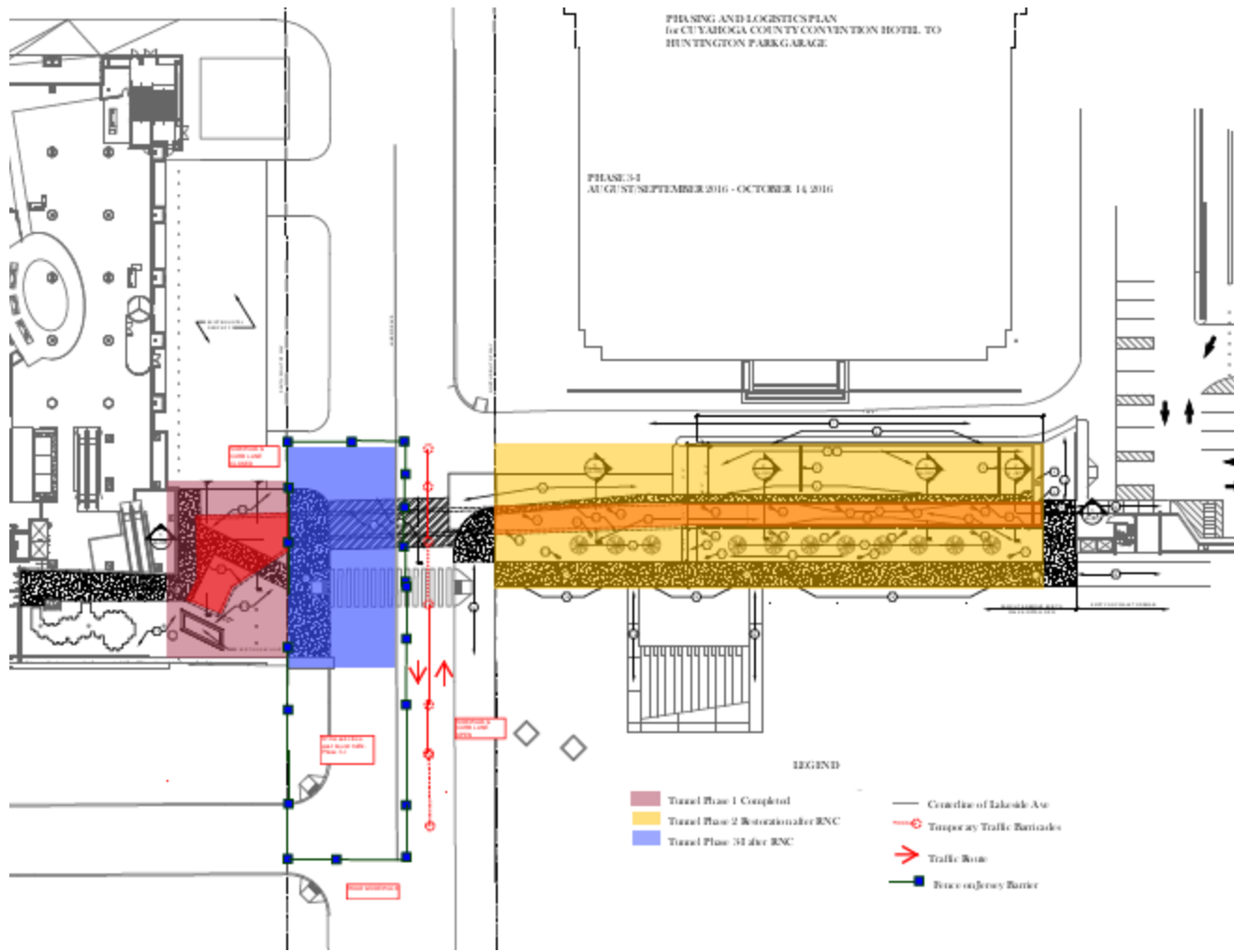
ENCLOSED WALKWAY UPDATE

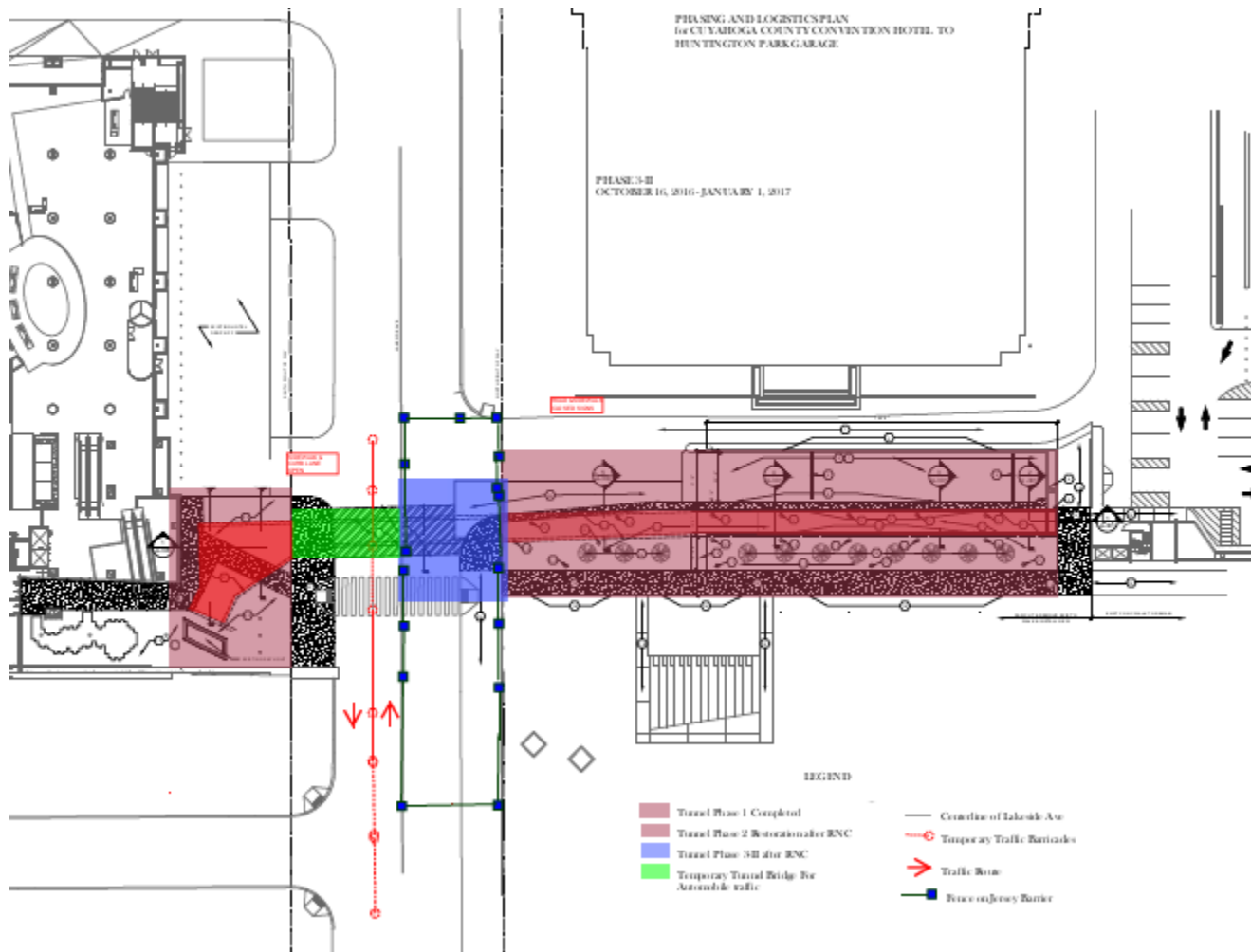
- Connects HPG with Hotel and Convention Center
- Facilitates Drive-up and Valet Parking (510 Guaranteed Spaces)
- Improves parking opportunities in conjunction with
 - (1) reconfigured and increased space
 - (2) enhanced parking technology
 - (3) managed garage and valet operations
 - (4) other potential parking options

PURPOSE OF WALKWAY



	Budget				
	Original	Approved	Pending	Approx.	Revised
Concrete	\$2,015,500	\$0	\$0	\$0	\$2,015,500
Earthwork	\$3,519,100	\$84,977	\$0	\$25,000	\$3,629,077
Waterproofing	\$247,800	\$0	\$0	\$0	\$247,800
HVAC	\$34,100	\$0	\$0	\$0	\$34,100
Electrical	\$381,900	\$0	\$0	\$0	\$381,900
Plumbing	\$26,600	\$0	\$0	\$0	\$26,600
Fire Protection	\$32,500	\$0	\$0	\$0	\$32,500
Landscape	\$33,300	\$0	\$0	\$0	\$33,300
Drywall / Ceilings	\$19,600	\$0	\$0	\$0	\$19,600
Doors, Frames, Hdwr, Carp, Gen Trades	\$45,500	\$0	\$0	\$0	\$45,500
General Requirements	\$58,400	\$0	\$0	\$0	\$58,400
Glass	\$57,300	\$0	\$0	\$0	\$57,300
Signage	\$16,100	\$0	\$0	\$0	\$16,100
Misc Metals	\$19,600	\$0	\$0	\$0	\$19,600
Paint	\$23,500	\$0	\$0	\$0	\$23,500
Utilities Allowance	\$1,300,000	\$0	\$0	\$275,000	\$1,575,000
Curtainwall	\$22,500	\$0	\$0	\$0	\$22,500
Vibration Monitoring	\$10,000	\$0	\$0	\$0	\$10,000
Subcontractor Default Insurance	\$90,400	\$0	\$0	\$6,900	\$97,300
Escalation	\$198,800	\$0	\$0	\$0	\$198,800
Construction Contingency	\$407,600	\$0	\$0	\$0	\$407,600
Preconstruction Services	\$22,000	\$0	\$0	\$0	\$22,000
Design Fees	\$384,300	\$0	\$0	\$0	\$384,300
Construction Staff & Reimbursables	\$421,000	\$0	\$0	\$0	\$421,000
CM Fee	\$197,100	\$0	\$0	\$12,600	\$209,700
Corporate Guarantee	\$47,200	\$0	\$0	\$3,069	\$50,269
CCIP	\$244,400	\$0	\$0	\$15,300	\$259,700
Total	\$9,876,100	\$84,977	\$0	\$337,869	\$10,298,946





Encroachment Easement (Lakeside Ave.)

- Hearing this morning before City Council Development, Planning and Sustainability Committee –City Ord. 31-16

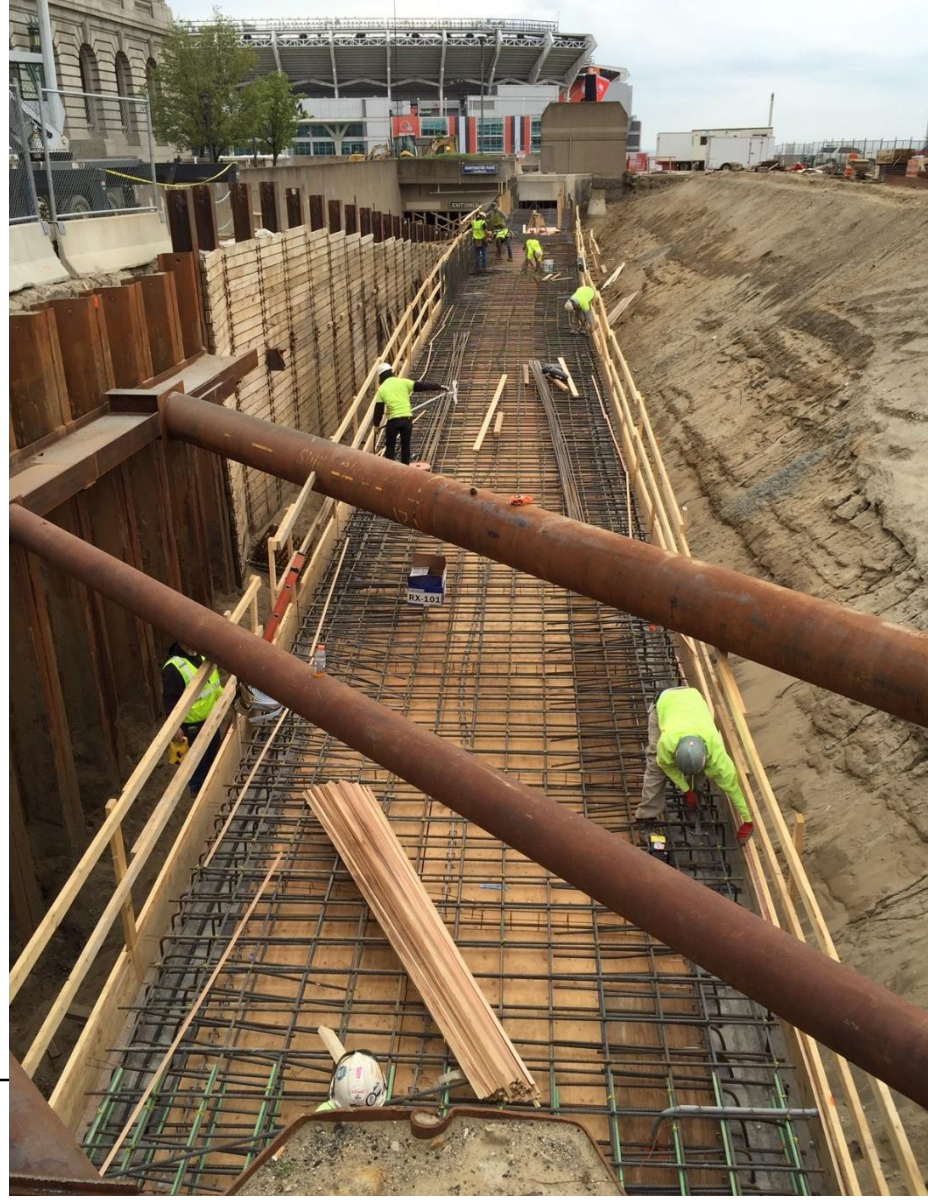












OPERATIONS-HIRING

Hilton Hiring Fairs

267 Hired!

- 181 African Americans (Goal:138)
- 13 Hispanics (Goal: 26)
- 2 Asians (Goal: 4)
- 71 Other
- Includes
 - 132 Female (Goal: 136)
 - 5 individuals with disabilities
 - 9 Veterans

Hires from Organizations:

- CEOGC (Cleveland Economic of Greater Cleveland) - 2
- Cleveland Job Corps- 2
- Catholic Charites- 11
- Kent State- 1
- Koinina (Disabilities)- 5
- Ohio Means Jobs- 7
- The Real Black Friday Event (AA Organization)- 2
- Towards Employment - 11
- Tri-C-25

Overall Hilton Hiring

- 370 Team Members
 - 66 Hired prior to job fair (managers and pre-opening office) (11 minority/55 non-minority/32 females/4 Vets)
 - 267 at hiring fair
 - 37 full and part-time left to hire

QUESTIONS?