

August 30, 2016

REVISED

Mario Iezzoni, CPA CVA
Economic Development Director
City of New Port Richey
5919 Main Street
New Port Richey, FL 34652

Re: Hacienda Hotel Future Phase Construction

Dear Mario,

As requested, I have evaluated work items remaining on the Hacienda with a goal of opening the Hacienda to the public in two years. As part of this evaluation, I have considered the following:

Funding available now is about \$60,000 with an additional \$100,000 available on October 1, 2016. This money is planned for some interim window repairs, balcony restoration, the bank street entrance door and the kitchen beam repair.

Anticipated grant funding includes:

DHR Small Matching Grant, \$50,000 plus \$50,000 match available July 2017 and expires on June 30, 2018.

DHR Special Category Grant \$500,000 plus \$250,000 match available July 1, 2017 and expires on June 30, 2019.

The above Small Matching Grant Funding, which totals \$100,000 will be used to repair the arched wall with a new steel beam and foundation system, restore the historic lobby stair, repair the north patio, and address site landscaping on the north and west sides.

The Special Category Grant Funding, which totals, \$750,000 is designated for restoration of the historic steel windows and the remaining exterior doors.

Since both of these scopes are being funded with state grant funds that will not be available until July 2017, it makes sense to combine them as a single project if the schedule can be accommodated. The construction cost of this work can be estimated from bids received last year when Phase One work was completed. Estimates for those basic components were compiled by Marshall White from D.L. Porter Constructors and provided to me in letters dated June 14, 2016 and June 20, 2016. I was also given the sub contract proposals for the purchase and installation of the Hope's Windows. My review of these

documents and the follow up with Marshall White determined that these are base costs. Therefore, an allowance needs to be added for general contractor overhead, profit, bonds, and general conditions. Additionally, the funding for this work will not be available until a year from now. I have found that construction costs have increased, on average, 3.5% per year. Both of these costs are reflected in the estimates below. Architectural services are required as a condition of the DHR Grant. Using the referenced documents, total construction costs for a Phase Two Scope are estimated as follows:

Restore exterior balconies	\$ 60,000
Arched wall repair	25,000
Lobby stair	25,000
Steel beam at kitchen repair	15,000
North patio, north & west side site-work	35,000
Hope's Windows (fixed window option)	350,000
Plaster repairs at windows	65,000
<u>New exterior doors & hardware</u>	<u>430,000</u>
Subtotal	\$1,010,000
General Conditions & O.H. (7%) Profit (5%) Bond (1.5%)	136,350
<u>Construction Inflation, Bid January 2018 (3.5%)</u>	<u>35,350</u>
Total Construction Cost	\$1,181,700
<u>A/E Services per Florida DMS Schedule</u>	<u>103,300</u>
Total Phase Two Funding required	\$1,285,000

*Please note that the above does not include any contingency funding. I suggest some contingency funding be budgeted for unforeseen conditions or inflation trends.

Based on our meeting, you have identified the following Phase Two funding sources:

Current Available (Mario's Budget)	\$ 50,000
City Budget October 1, 2016	100,000
Small Matching Grant (\$50,000/50,000) July 2017	100,000
<u>Special Category Grant (\$500,000/\$250,000) July 2017</u>	<u>750,000</u>
Total Identified Funding Sources	1,000,000

Based on the above, there is a funding shortfall of approximately \$300,000 without allowing for contingencies.

Additional work required to allow public access and use will require ADA Access, including an elevator, and Code Compliant Exits. Since you don't currently have a tenant for the building, I recommend making minimal modifications to the current floor plan configuration. This approach will minimize your

expenses while obtaining a functional building. For budgeting purposes, I have estimated this additional work as follows:

Exterior wall repairs	\$ 50,000
Clean, patch porch floors	20,000
Repair metal balconies	25,000
West wing elevator & exit stair elevator	70,000
Concrete and masonry work	75,000
<u>Miscellaneous work for install</u>	<u>60,000</u>
Subtotal	\$ 300,000
General Conditions & O.H. (7%) Profit (5%) Bond (1.5%)	40,500
<u>Construction inflation, Bid January 2018 (3.5%)</u>	<u>10,500</u>
Total (Phase Two A)	\$ 351,000

The combination of Phase 2 and Phase 2A will provide code compliant exits and allow for limited use of the building, but not a full-time tenant.

The following work items will allow full occupancy of the building. I have assumed, for purposes of this exercise that minimal alteration of existing spaces will occur. When a tenant is identified, they may need to make interior modifications for whatever adaptive use is proposed.

Electrical upgrades: 21,500 s.f. @ \$10/s.f.	215,000
Update fire sprinkler: 21,500 s.f. at \$3.50 per s.f.	\$ 75,000
Plumbing repairs & upgrades: 21,500 s.f. at \$7.00/s.f.	193,500
New A/C system: 90 tons at \$5,250/ton	472,500
General Interior Renovations: 21,500 s.f. at \$70/s.f.	1,505,000
General Exterior Renovation: 21,500 s.f. at \$10/s.f.	215,000
<u>Site work budget (approximately 10% of above subtotal)</u>	<u>246,000</u>
Subtotal	\$2,922,000
General conditions and Overhead (7%) Profit (5%) Bond (1.5%)	394,470
<u>Construction, Inflation, Bid January 2018 (3.5%)</u>	<u>102,270</u>
Total (Phase Two B)	\$3,418,740

Summary Total of all Phase Two Work:

Phase 2 (without A/E Services)	\$1,181,700
Phase 2A	351,000
<u>Phase 2B</u>	<u>3,418,740</u>
Total All Phase 2 work	\$4,951,440
<u>A/E Services per Florida DMS Fee Guide Schedule</u>	<u>400,560</u>
Total	\$5,352,000
<u>Recommended contingency at 5%</u>	<u>268,000</u>
Grand Total Recommended Budget	\$5,620,000

For comparison purposes, I checked the construction cost estimates from the Hacienda Hotel Assessment prepared by Atelier AEC in 2015. Those costs were for construction only and are in 2015 dollars.

Phase 1:

Low, \$2,495,115 to high \$3,326,820

Phase 2:

Low, \$2,715,666 to high, \$4,688,951

Total for both Phases:

Low, \$5,210,781 to high \$8,015,771

The Phase 1 Construction scope that was recently completed by D.L. Porter was adjusted to work within the available funds. The contract was for \$892,235. The methodology used above projects construction cost for Phase Two of \$4,950,000 to provide a building that may be occupied for a number of adaptive uses. The level of work anticipated does not anticipate new kitchen equipment, since that work will fall under "Tenant Improvements". The Total projected construction cost for Phase One as contracted and Phase Two as projected is \$5,843,675 which is at the low end of the Aetelier Projected costs.

Funding Required:

The grand total Phase Two recommended budget is \$5,620,000. The current budget is anticipated to be \$1,010,000 which results in a funding shortfall of \$4,610,000 for construction only. You will need to budget for soft costs and internal expenses in addition to construction.

Schedule: You have requested that all the work be completed within two years. There are a number of factors that will impact the ability to meet a two-year time frame, including but not limited to, time lines required by grants and having the required funding in place or committed in future budgets.

There are two DHR Grants planned for this project, a Small Matching Grant with funding available on July 1, 2017 and ending on June 30, 2018 and a Special Category Grant with funding available on July 1, 2017 and ending on June 30, 2019. Architectural and Engineering Services are required under the terms of these grants and if listed in the grant, cannot begin until the grant is awarded. There are several possibilities for execution of this work.

Multiple contracts will likely be required with the work to be bid in several phases.

The grants expire in different years. If the work for both grants is combined as a single project, then the expiration date of June 30, 2018 for the Small Matching Grant will control. A 90-day extension to September 30, 2018 is possible for justifiable reasons. The Special Category Grant expires on June 30, 2019. Under this option you could bid each grant package as a separate project or, combine them as a single bid package but break them out as separate contracts with different completion dates. The remaining work required for an operational facility could be bid as a separate project or combined with the Special Category Grant Scope as a single project. A combined scope will be dependent on funding the additional work. Based on grant completion deadlines, it is my recommendation that the work be separated into two construction phases, with the Small Matching Grant items awarded as a stand-alone project.

Phase 2A, Small Matching Grant:

Pricing for this work was obtained during the phase one construction. Architectural details will need to be developed for the historic stair, patio and site-work. But the arched wall structural repairs were a part of the Phase One Construction Documents. Therefore, it would be reasonable and appropriate for D.L. Porter to perform this work without going through a formal advertised bidding phase. I recommend that we request a waiver to the bidding requirement for this work and award to D.L. Porter based on the fact that they were the low bidder and subsequently served as the contractor for Phase One.

Phase 2B, Special Category Grant and Project Completion:

This phase assumes additional funding will be obtained for completion of the work. In the event that the funding for a complete project is not obtained the scope would be scaled back to the Special Category only.

Based on the above, the following schedule is possible.

October 2016: Prepare funding options for Discussion with the City Council.

November, December 2017: City Council workshops and meetings to develop funding options.

January – June 2017: Finalize and confirm additional funding. Actions required may include referendum votes, issue and sale of bonds, conduct budget hearings, etc.

Phase 2A

July – September 2017: Prepare construction documents, obtain bidding waiver from DHR.

October- November 2017: Execute construction contract, obtain permits.

December 2017 – April 2018: Construction

May-June 2018: Project and grant closeout.

Phase 2B

July – August 2017: Preliminary design for occupiable spaces.

September- November 2017: Construction documents

December 2017: DHR review period.

January – February 2018: Bidding period

March – April 2018: Bid Review and award of Construction Contract

May 2018: Notice to proceed and start construction.

May 2018 -April 2019: Construction period

May – June 2019: Project and Grant closeout

July 4, 2019: Grand Opening and Rededication Ceremony

Please review the above information and call to discuss as appropriate. I believe the budget and timelines are realistic, additionally, there is sufficient flexibility to allow for various contingency plans should the need arise.

I look forward to your feedback.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bert L. Bender', with a long horizontal flourish extending to the right.

Bert L Bender

BLB/ta

See attachments

June 14, 2016

(VIA Email) bbender@benderarchitects.com
Mr. Bert L. Bender
Bender & Associates, P.A.
410 Angela Street
Key West, FL 33040

RE: Hacienda Hotel Renovations - New Port Richey
Change Request

Dear Bert & Mario:

As requested, we have put together budget pricing for Mario's use in applying for a DHR Grant application. The following is a breakdown of that pricing:

1. Restore the two historic exterior second floor balconies, we have previously provided a price of \$61,888.00. I would budget the work at \$65,000.00.
2. New doors and windows, assuming you want to use fixed Hopes windows, which I recently sent you pricing on, I suggest the following:

Hopes windows installed	\$350,000.00
New doors & hardware installed as originally specified	\$430,000.00
Exterior stucco and interior plaster repairs at windows	<u>\$ 65,000.00</u>
Total	\$845,000.00
3. Restore the historic Lobby stair - \$25,000.00
4. Structural repairs to the interior arched walls - \$25,000.00

Additional items:

1. Patch the entire historic plaster exterior of the building. Make all areas match the historic "swirl" pattern and remove all conduits, duct work, etc. from the exterior of the building.
Budget - \$50,000.00
2. Clean, patch and seal damage porch floors - \$15,000.00
3. Repair, patch and paint the historic metal balconies - \$20,000.00
4. Install elevator and exit stairs at the west wing:

Elevator	\$ 70,000.00
Concrete and masonry work	\$ 75,000.00
Miscellaneous work required for this install	<u>\$ 50,000.00</u>
Total	\$195,000.00

Hacienda Hotel
June 14, 2016
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With the windows at a reasonable number, I believe we should look at some alternatives on the doors to try and save some dollars, which would certainly help the budget as you move forward.

Please let me know if you have any questions regarding this information. Keep in mind we want to help any way possible to keep this exciting project moving forward.

Sincerely submitted,

D. L. PORTER CONSTRUCTORS, INC.



C. Marshall White
Vice President

CMW/kam

Cc: Mario Iezzoni, City of New Port Richey
David Salay, Bender & Associates Architect



June 20, 2016

(VIA Email) bbender@benderarchitects.com
Mr. Bert L. Bender
Bender & Associates, P.A.
410 Angela Street
Key West, Fl 33040

RE: Hacienda Hotel Renovations - New Port Richey
Change Request

Dear Bert & Mario:

As requested, we have put together budget pricing for Mario's use in applying for a DHR Grant application. The following is a breakdown of that pricing, which now reflects the Hopes Window pricing based on the original specifications:

1. Restore the two historic exterior second floor balconies, we have previously provided a price of \$61,888.00. I would budget the work at \$65,000.00.
2. New doors and windows:

Hopes windows installed per original specifications	\$ 860,000.00
New doors & hardware installed as originally specified	\$ 430,000.00
Exterior stucco and interior plaster repairs at windows	<u>\$ 65,000.00</u>
Total	\$1,355,000.00
3. Restore the historic Lobby stair - \$25,000.00
4. Structural repairs to the interior arched walls - \$25,000.00

Additional items:

1. Patch the entire historic plaster exterior of the building. Make all areas match the historic "swirl" pattern and remove all conduits, duct work, etc. from the exterior of the building. Budget - \$50,000.00
2. Clean, patch and seal damage porch floors - \$15,000.00
3. Repair, patch and paint the historic metal balconies - \$20,000.00
4. Install elevator and exit stairs at the west wing:

Elevator	\$ 70,000.00
Concrete and masonry work	\$ 75,000.00
Miscellaneous work required for this install	<u>\$ 50,000.00</u>
Total	\$195,000.00



Hacienda Hotel
June 20, 2016
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Keep in mind that there is an approximate savings of \$500,000.00 to use "fixed" Hopes Windows.

Please let me know if you have any questions regarding this information. Keep in mind we want to help any way possible to keep this exciting project moving forward.

Sincerely submitted,

D. L. PORTER CONSTRUCTORS, INC.



C. Marshall White
Vice President

CMW/kam

Cc: Mario Iezzoni, City of New Port Richey
David Salay, Bender & Associates Architect

HACIENDA HOTEL ASSESSMENT

- Re-configuration of fire protection system to accommodate the floor plan changes and conceal the piping as much as is possible.
- Landscaping and site work.
- Tenting the building for termite prevention.

5.3 Cost Estimate

Probable estimate of cost is based on the Proposed Schematic Design Drawings included under Section 7. A range of cost per square foot is given at this time due to the unknown level of quality of finishes, low and high. These costs are exclusive of furniture, fixtures and equipment.

Exterior Demolition and Stabilization (Phase 1)

23,763 sq ft	@ \$ 75/sq ft	\$ 1,782,225.00
	@ \$100/sq ft	2,376,300.00

Interior Demolition and Hotel Build-Out (Phase 2)

21,498 sq ft	@ \$ 60/sq ft	\$ 1,289,880.00
	@ \$125/sq ft	2,687,250.00

Electrical	155,000.00
Electrical Service	\$ 20,000
Electrical Distribution	\$ 40,000
Lighting	\$ 60,000
Fire Alarm System	\$ 15,000
Security Alarm System	\$ 20,000

HVAC

1st Floor

Replace 10 split units	\$100,000
Replace ductwork	\$60,000
Replace air devices	\$20,000
Test + Balance	\$10,000
Subtotal	\$190,000

2nd Floor

Replace split system	\$10,000
Replace RTU's	\$40,000
Replace ductwork	\$50,000
Replace air devices	\$16,000
Test + Balance	\$10,000
Kitchen Hood and Fan	\$40,000
Subtotal	\$166,000

HACIENDA HOTEL ASSESSMENT

Plumbing

Grease trap	\$10,000
Replace plumbing fixtures	\$100,000
Subtotal	\$110,000

Fire Sprinkler

Repaint exterior piping	\$4,000
Repair riser components	\$2,000
Hood Ansul System	\$5,000
Relocate backflow	\$20,000
Adjust head spacing	\$10,000
Subtotal	\$41,000

TOTAL **\$507,000**

Sub-Total Phase 1 (Low) **\$ 1,782,225.00**

Constructability Factor	15%	267,334.00
General Conditions	15%	267,334.00
Contractor's O+P	10%	178,222.00
TOTAL		\$ 2,495,115.00

Sub-Total Phase 1 (High) **\$ 2,376,300.00**

Constructability Factor	15%	356,445.00
General Conditions	15%	356,445.00
Contractor's O+P	10%	237,630.00
TOTAL		\$ 3,326,820.00

Sub-Total Phase 2 (Low) **\$ 1,951,880.00**

Constructability Factor	15%	292,782.00
General Conditions	15%	292,782.00
Contractor's O+P	10%	178,222.00
TOTAL		\$ 2,715,666.00

Sub-Total Phase 2 (High) **\$ 3,349,250.00**

Constructability Factor	15%	502,388.00
General Conditions	15%	502,388.00
Contractor's O+P	10%	334,925.00
TOTAL		\$ 4,688,951.00