

CITY COUNCIL TRANSMITTAL



Mayor Ralph Becker


Date Received: 8/13/08
Date sent to Council: 8/13/08

TO: Salt Lake City Council
Jill Remington-Love, Chair


DATE: August 13, 2008

FROM: Mayor Ralph Becker

SUBJECT: Main City Library

STAFF CONTACT: Rick Graham, Director  535-7774
Public Services Department

DOCUMENT TYPE: Briefing

RECOMMENDATION: That the City begin the process of developing and evaluating future uses of the Main Library building including but, not limited to The Leonardo project. During the process the City will honor the lease agreements currently in place between the City and The Leonardo; specifically the Interim Agreement and Body Worlds Lease Agreement. 

BACKGROUND/DISCUSSION:

In May 2001, Mayor Rocky Anderson announced that the vacated Main Library would be occupied by the Center for Documentary Arts, Utah Science Center and Global Artways; a group of three partner organizations incorporated as a non-profit organization under the title, The Leonardo.

In November, 2003, Mayor Anderson and City Council chose to include a \$10.2 million (\$.2 million for bond administration fees) general obligation bond for The Leonardo in a voter approved bond initiative. The bond funds would be used specifically for building renovation. As a condition of the bond The Leonardo was obligated to raise \$10.0 million in matching funds.

In February 2006, the City Finance Director confirmed that The Leonardo had raised its funding match through a variety of contributions.

Between 2004 and 2007, the City and The Leonardo entered into an Interim Agreement, hired an architectural design consultant, and applied for and received a FEMA grant. The Leonardo prepared a Business Plan and the City Council funded a Due Diligence Review of the Business Plan.

In February 2008, the Administration presented the Council a three-option scoping and funding plan. The Council, by straw vote, chose "the Hybrid option" costing \$19.1 million and directed The Leonardo to aggressively seek \$5.5 million in building renovation funding to close the gap between the funds on-hand and the cost of the Hybrid scope. The Council set June 1, 2008 as the date to have the funding in place.

In May 2008, The Leonardo expressed a desire that the Council grant an extension to the June 1, 2008 deadline. The Leonardo had not been successful in raising the needed funds. The Council granted a new deadline of August 2008.

On August 19, 2008, The Leonardo will report its fund raising status to the Council. It is widely reported that The Leonardo has not received significant additional contributions towards the building renovation since May 2008.

In May 2008, the Administration hired an accounting firm to review the current condition of The Leonardo's fund raising efforts since 2003. The firm was directed to review and verify the level, strength, and capacity of The Leonardo's fund raising and exhibit program bottom line. The review confirmed the following information about The Leonardo's current financial condition:

1. The November 2003 voter authorized bond initiative had a total project start-up cost of \$20.2 million.
2. The estimated start-up cost of the project today is \$50.8 million which represents a 250% increase.
3. The Leonardo still needs to independently raise \$21.2 million in operation, program, exhibit and reserve funds before the building could open in the fall of 2010. This amount includes the cost to build out the 3rd floor.
4. The total amount of outstanding funds The Leonardo still needs to raise, including the renovation cost gap, is \$29.5 million.
5. The total amount of funds raised by The Leonardo through April 2008 was \$21.3 million which includes \$13.6 million in bond and other City funds earmarked for the project. The remaining \$7.75 million comes from cash, in-kind services, pledges, outstanding receivables, a Salt Lake County donation, a State of Utah donation, and a recent grant from O.C. Tanner. As of April, 2008, The Leonardo had spent \$4.6 million of the \$7.75 million in reported donations.

6. As of April 2008, The Leonardo showed \$112,865 available cash in its operation fund after restricted funds are removed.
7. The Leonardo has a history of overspending its monthly operation budgets.

CONCLUSION:

Notwithstanding The Leonardo's efforts to get its program funded, it is time for the City to move forward with a process that finds a reliable public use for the Main Library building. The Leonardo has had time to raise the funds it needs, has been given time extensions, and has missed funding deadlines. Furthermore, the financial review performed by the accounting firm shows that The Leonardo has struggled to raise funds and has an enormous funding challenge ahead to get the building renovated and program/exhibit funds in place to deliver the program it promised the voters. Based on the past six years of experience, the City Administration is skeptical The Leonardo can deliver a reliable program and succeed in the long-run.

The City will immediately develop and implement a process to explore new uses for the building. Within 60 days the City would like to have an RFP in place and invite proposals. The Leonardo is not excluded from the process. The City will consider an alternative proposal from The Leonardo or any other respondent that satisfies a vital public need and is rooted in a thorough and reliable business plan. Any proposal will also need to have a solid financial foundation and not over burden the tax payer with program development and on-going operation subsidies.

The Leonardo

Questions and Answers

Council Staff has prepared the following document in an attempt to answer questions with regard to The Leonardo project. Management of The Leonardo has been invited to comment on question responses. Should the Leonardo choose to respond, their italicized responses will appear beneath each question in the following manner – The Leonardo – Date of Response – Response. (For example: *The Leonardo – 8/13/08 – The Leonardo...*)

1. What was the initial cost of The Leonardo Project and what was approved by the voters in November of 2003?

- The voters approved a Bond Initiative in November of 2003 of \$10.2M. The initiative required The Leonardo organization to raise a matching \$10M. At the time voters elected to support the initiative the estimated project cost for the Leonardo was \$20M. (Of the \$10.2M - \$200K was to cover bond issuance costs.)

The Leonardo – 8/13/08 – The Leonardo original project cost was \$25M (\$10M for the building and \$15M for exhibits, programs, ramp-up, and furniture, fixtures and equipment). The reality has changed since then and the following answers explain new budgets and funding situations.

2. As of August 2008, five years later, what is the estimated cost of the Leonardo project?

- The estimated total cost of the project is \$50.8M. This includes upgrading the Old Library Building at a cost of \$21.9M and Leonardo operational costs (Programming, Exhibit, Furniture/Fixtures/Equipment, Operating Reserves, and 3rd Floor Buildout) of \$28.9M.

The Leonardo – 8/13/08 – The \$50.8M project cost is accurate and reflects the full plan. The Leonardo has presented a new phased approach with a building budget of \$11M that takes advantage of the improvements made for the Body Worlds exhibit and can be funded with existing resources and a \$5M budget for exhibits, programs, ramp-up, reserves and furniture, fixtures and equipments. We believe we can accomplish our original goal with this new phased approach.

3. Why have The Leonardo costs increased by over 250% since the voters approved the bond initiative in November 2003?

- Several factors contributed to the increase in costs of the project. Defining and expanding scope of the project, inflation, and escalating construction costs caused the much of the cost increases. In addition, seismic, asbestos removal, and LEED requirements have contributed to the increase from the initial cost projections.

The Leonardo – 8/13/08 – The costs increased by over 100% (not 250%) from \$25M to \$50.8M. The major factors for the building costs (change of 100%+) were in order: escalating construction costs (more than 80% since the first estimate), higher contingency level in estimate due to the new economic conditions, seismic and asbestos, LEED and marginally scope expansion. The major factors for the exhibits, programs, ramp-up, etc (change of 60%+) were inflation and extension of the timeline before opening. Finally the 3d floor build-out added \$4.7 M. The new phased approach building budget of \$11M includes most of the third floor build-out in the first phase with a major upgrade of the auditorium and the use of the event space with the current 250 seats capacity.

4. To date, how much money has been raised for The Leonardo project?

- According to the Independent Accountant's Report on Applying Agreed-Upon Procedures performed by Hansen, Barnett, and Maxwell, P.C. – Certified Public Accountants, the contributions from inception to April 30, 2008 – cash, in-kind, pledges, and appropriations from other governmental entities – are \$21.3M.

- Building Funds Raised - Of this amount, \$13.6M is for upgrading of the building and includes:
 - Bond of \$10.2M
 - RDA contribution of \$750K
 - Salt Lake City Council Appropriation of approximately \$2.5M for seismic and asbestos removal. Of this amount \$1.025M is a FEMA grant, which will be a reimbursement from the federal government after the seismic and asbestos project is completed. The amount from the FEMA grant, \$1,025M, is to be returned to the City, unless the Council determines otherwise.
 - Blue Sky grant of \$125K.

The Leonardo – 8/13/08 – We agree with the conclusions above.

- The Leonardo Funds Raised – As of 4/30/08, funds raised for The Leonardo’s operational needs, including programming and exhibits, is approximately \$7.75M. This amount includes cash, in-kind, pledges and outstanding receivables from donors, Salt Lake County, the State of Utah, and a recent \$1M donation from O.C. Tanner, which is yet to be collected as of April 30, 2008.

The Leonardo – 8/13/08 – We agree with the conclusions above. Since February 1st 2008 The Leonardo raised \$1,581,000.

5. Was the \$10 Million required match met by The Leonardo?

- According to the terms of the Matching Funds Agreement, the matching requirements were met on April 30, 2006 in the amount of \$10.5M.
 - Cash, In Kind and Pledges - \$5.7M
 - Affiliates of The Leonardo – Utah Science Center, Center for the Documentary Arts, and Other Pledges - \$1.4M
 - Guarantees - \$3.1M and \$300K– According to the agreement the \$3.1M guarantee by an anonymous donor, this amount is “*to be contributed on September 30, 2009, reduced by the amount of funds contributed by other donors until that date.*” Since The Leonardo has raised other funds, including funds from the City, County, State, Federal entities and other donations, it appears that the terms of the \$3.1M and \$300K guarantee conditions have been met and are no longer valid. It is Council Staff’s understanding that the funds raised for the building renovation, including funds from FEMA, RDA, and the Tanner grant have in effect “backfilled” the original \$10M match in place of the guarantee, and are not in addition to the \$10M required match.
- In the recorded Matching Funds Agreement dated September 8, 2004, the purpose, criteria for “Qualifying Matching Funds”, deadline for raising the matching funds, and the reporting of the fundraising efforts to the City are defined.
 - According to the agreement the following can be considered “qualified matching funds”:
 - “Cash, goods, stock, or services donated, or written and enforceable pledges received or incurred on or after January 1, 2002”
 - Qualifying Matching Funds can be used for the following:
 - “*Building remodeling and renovation to prepare the building for The Leonardo’s occupancy and programs*
 - *Programming related to the occupancy and operation of the building*
 - *Capital improvements and expenses relating to exhibits and on-going functions of The Leonardo and its tenants – This includes donations toward any and all capital improvements, planning, and programs needs of any of The Leonardo partner organizations – Global Artways, The Center for Documentary Arts,*

and The Utah Science Center – so long as those donations are designated for the Partner organizations’ use at Library Square.”

The Leonardo – 8/13/08 – We agree with the conclusions of the reports prepared by Hansen & Barnett and the City Council Staff. Namely, that as of today’s date, the match has been unequivocally met, and that the \$3.1 million and \$300,000 guarantees have been backfilled with other funds raised and therefore are now invalid. We also understand based on the auditors’ report that the schedule of matching funds originally included these guarantees in its matching calculations and the result was that the original match was insufficient but we have since completed the requirements for the match per the matching funds agreement.

6. In order to open The Leonardo in the Fall of 2010 how much money would need to be raised for the building renovations and the operational needs of The Leonardo?

- Total funds still needed to open - \$29.5M – This includes the buildout of the 3rd floor - \$4.7M
 - Building Funding Gap - \$8.3M
 - The Leonardo Operational Needs, including reserves - \$21.2M

The Leonardo – 8/13/08 – This last figure of \$21.2M includes \$4.7M for the build-out of the third floor and \$16.5M for exhibits, programs, ramp-up, reserves and furniture, fixtures and equipments. Our new phased approach projects an opening date in fall 2009 if the proposed timeline can be respected. Because of the investments The Leonardo has already made to the building for the Body Worlds exhibits, the additional remaining Leonardo funding needs for this approach are reduced to zero for the building and to \$5M (instead of \$16.5M) for exhibits, programs, ramp-up, reserves and furniture, fixtures and equipments.

7. Is there any other financial information that is relevant to the Fundraising discussion?

- Cash and Investments - April 30, 2008 - \$552,036
 - Available Cash - \$112,865 – This is the amount available for the day to day operations of The Leonardo.
 - The total amount of Cash and Investments as of April 30, 2008 was \$552K, but a large portion of this balance, \$439K is restricted for projects and can not be used for the day to day operations of The Leonardo.

The Leonardo – 8/13/08 – We agree with the conclusions above.

- Accounts and Pledge Receivables to be collected as of April 30, 2008 is \$1.9M
 - An amount to be collected as of April 30, 2008 was a donation from OC Tanner of \$1M. Council Staff is not aware of whether or not the donation has been paid to The Leonardo since the April 30, 2008 date.

The Leonardo – 8/13/08 – As stated in answers to the auditors, the OC Tanner pledge is to be paid 50% in September 2008 and 50% in March 2009.

- Another component of the \$1.9M is for donor pledges. These pledges of \$951K are included in the \$10M required match, which was verified in February of 2006. Of this amount, \$200K is from in-kind donations.
- Cash Appropriations from other entities - \$650K
 - Salt Lake County - \$400K – Subject to the release of the bonds by the end of calendar year 2008.
 - State of Utah - \$250K – The agreement for this appropriation was expected in July of 2008 with payment to occur in Fiscal Year 2008/09

The Leonardo – 8/13/08 – We agree with the conclusions above.

- Outstanding Debts or Obligations – April 30, 2008 - \$491K
 - Recoverable Grant/Debt Agreement - \$455K – In September of 2007, The Leonardo secured a recoverable grant from the Robert G. Hemingway Foundation of up to

\$520K. Of this amount \$455K has been drawn and will need to be paid back to the Foundation.

- Accounts Payable - \$29K – This is the amount of money that is need to pay any outstanding bills or obligations.

The Leonardo – 8/13/08 – We agree with the conclusions above.

- Average monthly operating costs (2006 to April 2008) - \$91K
 - Actual pre-opening operating costs for The Leonardo organization have been running at an average of \$91K each month. This amount is based on actual yearly costs from 2006, 2007, and the costs from January to April of 2008. The yearly calculation was divided by the number of months for this period of time. According to The Leonardo management's Forecast Budget, the estimated costs were \$64K for April of 2008. Hansen, Barnett, and Maxwell noted that actual costs for the month of April were \$68K. As such, The Leonardo spent \$4K more than they anticipated.

The Leonardo – 8/13/08 – As an update, the current base budget of The Leonardo is \$72 K/Month on top of which come program related expenditures funded by restricted funds and the Body Worlds project which is handled as a separate entity. All net proceeds from the Body Worlds exhibit will return to the project.

As a result of the ERA report:

- *The Leonardo has concluded with Pathway Associates a review of its capital campaign plan as well as its development plan for operations.*
- *The Leonardo will launch a membership program during the Body Worlds exhibit.*
- *The Leonardo has on board a new experienced executive director, Peter Giles.*

As of June 30th 2008, the total funds available to the project are:

- *Cash and investments: \$771 K*
- *Accounts and Pledges receivable: \$1,419 K*
- *Reimbursable from the City: \$337 K*
- *Salt Lake County: \$400 K*
- *State of Utah: \$250 K*
- *Reimbursement to Hemingway Foundation: (\$520 K)*
- *Total Available: \$2,657 K*

8. Should The Leonardo meet its projected opening date in the Fall of 2010, what is the annual operating budget and what portion comes from operations and what portion comes from public support or contributions?

- Projected annual operating budget upon opening – According to a memo dated June 13, 2008 from Mary Tull, Executive Director of The Leonardo, the 1st year annual operating budget is \$4.5M.
- Projected annual income from operations – According the June 13th 2008 memo, \$4.2M is the amount of money expected to be earned by The Leonardo. The attendance assumption used was 300,000 visitors.
- Projected annual income from public support/contributions – The Leonardo expects to raise \$2.7M in funds from local, state, federal, corporate, foundations, individuals, and sponsor sources.

The Leonardo – 8/13/08 – All numbers above refer to the first year projections except the \$2.7M contributed income which is our projection for the third year of operation. The projected contributed income in year 1 is \$2.3M. All numbers were tested and confirmed in ERA's report. These numbers are carefully adjusted in the new phased approach as such:

- *Projected annual operating budget reduced from \$4.5M to \$2.9M. This reflects and adjustment of the payroll when possible considering the smaller exhibit space. The exhibit maintenance and the marketing budgets have been reduced. All other costs remain unchanged.*
- *Projected annual income from operations reduced from \$4.2M to \$1.7M in year 1 with 130,000 visitors. The attendance numbers reflect the change in exhibit space. The admission price is reduced from \$8 to \$6 for adults. The revenues related to space rental and food and beverage reflect the new attendance numbers and the reduced size of the event space.*
- *Projected annual contributed income reduced from \$2.7M to \$2.0M. This 25% reduction on average reflects the impact of the phased approach on the different components of our fundraising plan.*

9. Has The Leonardo presented alternative proposals for the project?

- A discussion of other options, including a phased approach for the buildout of the 3rd floor were discussed by the City Council at the February 12th 2008 meeting.
- The following options were discussed – none of the options include the buildout of the 3rd floor. (The 3rd floor renovations would be the responsibility of The Leonardo organization.) Details can be found in the Council Transmittal submitted
 - Basis of Design – Full buildout - \$21.9 Million
 - Hybrid Option – Reduced Scope - \$19.1 Million
 - Economy - \$16.7 Million
- The Leonardo hand delivered a new Phased project proposal on August 7. This plan has not been studied by City officials nor any outside entities for validity of the new assumptions, which may or may not affect the viability of the business plan previously reviewed by Economics Research Associates (ERA).

The Leonardo – 8/13/08 – The new phased proposal with a building budget of \$11.0 M, is designed to ensure sustainability for The Leonardo considering some necessary adjustments to the assumptions in the strategic plan reviewed by ERA – please see answer to question 9.

10. Should The Leonardo project not continue to be supported by Salt Lake City, does the City have other plans for the Old Library Building?

- There are many unmet and unfunded capital project and other needs within the City. A full study of alternative uses for the facility would have to be conducted to determine the best and most responsible use of the building.

*The Leonardo – 8/13/08 – The Leonardo believes that there may be other uses for the Old Library Building but we offer the **best** use for unleashing the full potential of Library Square to the community in partnership with the Main Library and all its partners such as KCPW. The Leonardo will also bring to the Square new partners beyond the Utah Science Center, the Center for Documentary Arts and Youth City Artways, such as the Sundance Film Festival, the Plan B Theater, the College of Humanities, Salt Lake City Film Center, etc.*

HANSEN, BARNETT & MAXWELL, P.C.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Mayor and Members of the City Council
Salt Lake City Corporation

We have performed the procedures enumerated below, which were agreed to by Salt Lake City Corporation, solely to assist you with the review of the reasonableness of the responses to an inquiry letter given to The Leonardo dated May 1, 2008. These responses were provided in a bound packet to Hansen, Barnett & Maxwell, P.C. ("HB&M"). The management of Salt Lake City Corporation and The Leonardo are responsible for the responses. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings per question from the original inquiry are as follows:

\$10 Million Match

1. How much of the \$10 million match has been received in cash, in kind and stock contributions?
 - a. On June 13, 2008, HB&M obtained a response packet to the questions with a reconciliation of the total amount of contributions from inception through April 30, 2006 from The Leonardo. Contributions per this packet were as follows:

	From inception through April 30, 2006
Cash Contributions	\$ 4.31 million
In-Kind Contributions	0.39 million
Total Contributions as Booked	\$ 4.70 million

HB&M verified that the total recorded in the audited records of The Leonardo matched the answers obtained. HB&M discussed stock contributions with management who indicated that all stock received is sold immediately for cash. The contributed stock is accounted for as cash contributions. HB&M reviewed the audited financial statements and verified that the income from

	Total cash used from inception through April 30, 2008
Program Services	
Education	\$ 909,165
Supporting Services	
Management and general	571,551
Fundraising	1,216,254
Personnel Expenses	899,067
Non-Personnel Expenses	114,037
Payments to Affiliates	117,161
Other	348
Purchase of Property and Equipment	145,822
Construction in Progress	683,963
Total Expenses and Cashflow Payments	4,657,368
Other Balance Sheet Considerations	
Prepaid Expenses	5,618
Accumulated Depreciation	(75,536)
Accounts Payable	(29,330)
Accrued Expenses	(7,086)
Total Estimated Funds Used	\$ 4,551,034

- b. How much of the contributed cash is available? What is the available cash from all sources?
- i. HB&M reviewed the amount as of April 30, 2008 as calculated in the provided packet and performed a recalculation based on the records provided. Please see the schedule of available cash below:

	As of April 30, 2008
Cash	\$ 343,530
Investments	208,506
Total Cash and Investments	552,036
Less: Restricted for Projects	(439,171)
Total Available Cash	\$ 112,865

Management indicated that the investments are highly liquid and are purchased by The Leonardo.

5. Assuming that a large portion of the \$10 million match (approximately 1/3rd) was from a pledge donor who requested to remain anonymous, provide the audit team a copy of the related contract or agreement. Is that agreement still valid and in place? When does the agreement expire? Is that donor still committed to the project?
- a. HB&M reviewed the terms of the \$3.10 million and \$300,000 guarantees as provided in the response packet. The original agreement states that the \$3.10

	From May 1, 2006 through April 30, 2008
Contributions as Booked	
Cash Contributions	\$ 278,755
Earned Revenues	116,257
In-Kind Contributions	53,660
Accounts Receivable	1,000,000
<u>Total Contributions as Booked</u>	<u>1,448,672</u>
Cash Appropriated from Other Entities	
County Appropriation (pending bond release)	400,000
State Appropriation	250,000
<u>Total Cash Appropriated from Other Entities</u>	<u>650,000</u>
Building Partnership with the City:	
RDA	750,000
FEMA PDM Grant	1,025,000
Seismic & Asbestos Abatement Appropriation	1,475,000
Blue Sky Grant	125,000
<u>Total Building Partnership with the City</u>	<u>3,375,000</u>
<u>Total Additional Contributions</u>	<u>\$ 5,473,672</u>

HB&M verified that the total \$53,660 of in-kind contributions stated in the packet provided HB&M was recorded in the audited records from May 1, 2006 through June 30, 2007 and the unaudited records from July 1, 2007 through April 30, 2008.

3. How much of the additional funding has been spent? How has the additional funding been spent?
 - i. See HB&M's response 4a of the \$10 Million Match section above. The cash contributions spent since April 30, 2006 are not individually tracked by The Leonardo per contribution received. The funding spent is as stated in response 4a.
 - b. How much of the additional funding is still available?
 - i. See HB&M's response 4b of the \$10 Million Match section above. The cash contributions spent since April 30, 2006 are not individually tracked by The Leonardo per contribution received. The funding available is as stated in response 4b.
 - c. How much of the additional funding has been committed to future projects?
 - i. HB&M reviewed the schedule of restricted assets included in the response packet in the amount of \$439,171. HB&M reconciled the total as of June 30, 2007 reported in the audited financial statements and the additions to the restricted assets to the \$439,171 total without exception.
4. What are the debts or other financial obligations of The Leonardo? Identify the amounts and to whom debts are owed.

- c. What are the expected future operating costs?
 - i. HB&M reviewed the monthly budget amount of \$63,700 per month. This amount does not include the programming budget which is carried separately with its own budget and non capital campaign revenue streams under the Body Worlds entity.

Programming/Exhibits

- 1. How much is the programming budget (including all operations and maintenance costs) for The Leonardo for the next three years?
 - i. The programming budget is not included in the response as it is carried separately with its own budget and non capital campaign revenue streams under the Body Worlds entity.
 - a. What is the expected cost of exhibits at the date of opening?
 - i. HB&M referred to the response packet received which indicated that total exhibit costs expected to be incurred through the grand opening in November 2010 in the amount of \$13.00 million. This information is based on management's assessment of expected costs.
 - b. What are the anticipated future funding needs to meet the expected costs of the operating, maintenance and programming/exhibits?
 - i. HB&M referred to the response packet received which indicated that total exhibit and program costs expected to be incurred from July 1, 2008 through the grand opening in November 2010 in the amount of \$10.2 million. This information is based on management's assessment of expected costs.
- 2. How much of this programming budget does The Leonardo currently have available? Does the Leonardo have cash / contributions to fund this programming budget?
 - a. See response to \$10 Million Match 4b and 4c. HB&M compared the amount of cash available to the programming budget and noted a significant gap between available cash and the budget.

Opening

- 1. What is your timeline for opening The Leonardo after you occupy the Old City Library from the City?
 - a. HB&M reviewed the estimated timeline to the grand opening date of November 2010, as indicated in the response packet. The timeline is as follows:
 - 1. Building and Design: August 2008 – March 2009
 - 2. Building Construction: April 2009 – June 2010
 - 3. Exhibit Fabrication: July 2009 – June 2010
 - 4. Building Delivery / Occupancy: July 2010
 - 5. Exhibit Installation: July – September 2010
 - 6. Shakedown: September – October 2010
 - 7. Grand Opening: November 2010

HB&M has not determined the likelihood of or methodology for funding such reserves. This also extends to the likelihood of or methodology for funding the remaining funds required for opening of \$46.98 million. Such a determination is outside the scope of this engagement.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

Hansen, Barnett & Maxwell, P.C.
HANSEN, BARNETT & MAXWELL P.C.

Salt Lake City, Utah
August 1, 2008



The Leonardo: A New Way Forward

August 2008

Executive Summary:

The Board of the Library Square Foundation for Art, Culture, and Science (The Leonardo) is grateful for the opportunity to present the Salt Lake City Council and Administration with a new proposed approach for renovating and occupying the old Main Library building at Library Square. Rather than continuing to attempt to implement the previously proposed full-scale architectural plan in one fell swoop, and bridge at one stroke the funding gap caused by construction inflation and scope creep, The Leonardo is proposing a feasible, sustainable, and appealing phased approach for building renovation and opening at Library Square. The approach we propose can leverage the \$85,000 in permanent improvements The Leonardo is making to the facility in preparation for the upcoming *Body Worlds* exhibit, take advantage of the current low-cost bidding environment, have a significant potential impact on fundraising and institutional development, and allow The Leonardo to immediately commence retrofit and repair activities on an already structurally and functionally sound facility, with a potential opening date in the fall of 2009 (subject to City processes and approvals).

Phase I of the new approach would result in a fully functioning art and science center utilizing the basement and all three floors of the facility for a budget of \$11 million, including the \$2.5 million seismic retrofit and asbestos removal package. This phase can be accomplished with funds at hand, including the 2003 voter-approved \$10.2 million bond. Phase II would primarily involve renovations to the second floor to create higher quality exhibit space, while the facilities on the third floor of the facility would be expanded and improved in Phase III. Each phase is projected to cost approximately \$5 million.

We look forward to working with the City Council and Administration in the weeks ahead to enable the realization of a world-class institution for art, science, and technology education and innovation in the heart of downtown Salt Lake City.

Introduction

In response to Salt Lake City Council and Administration suggestions, a sober assessment of present-day economic and budgetary realities, and a fresh and creative look at our earlier remodeling and programming plans, The Leonardo has developed a new proposal for occupying the old Main Library building at Library Square. The phased approach that this document outlines would allow The Leonardo to commence sustainable business operations in the fall of 2009 (subject to City processes and approvals) with existing funds and the release of the 2003 \$10.2 million voter-approved bond. Proceeding with a phased approach to occupying the building will enhance The Leonardo's development potential, as donors and sponsors will be more confident in contributing to an established, operating organization. The approach we propose would also allow the City and The Leonardo to capitalize on the \$300,000 in improvements The Leonardo is presently investing in the building—which includes approximately \$215,000 in Body Worlds-specific features as well as \$85,000 in permanent upgrades—and take advantage of the present comparatively low-cost bidding environment.

For the past year, the progress of The Leonardo has been hampered by a tremendous unforeseen inflation in construction costs, caused by global increases in energy and commodity prices, and by the unprecedented financialization of the U.S. mortgage market. Previously, The Leonardo has attempted to secure funding to bridge the gap caused by construction cost inflation, and implement the original full-scale architectural and operational plan in one fell swoop.

Recognizing that this prior strategy required a reassessment, The Leonardo is breaking with its former paradigm of attempting to secure funding for a fully remodeled building all at once. In keeping with current thinking in best practices of the science center and museum industry, The Leonardo is proposing a course that will allow the organization to open a high-quality art, science, and culture center next year, and grow incrementally upon a strong foundation of success. The Leonardo does not need a \$26 million renovation project at the beginning of its operations, as was proposed under the old plan, in order to fulfill its mission: to become a world-class educational and cultural center fusing science, technology, and the arts in experiences that inspire human creativity and innovation.

In brief, the new approach proposed by The Leonardo would permit us to immediately commence seismic retrofitting, asbestos mitigation, and necessary upgrades beyond those The Leonardo has already made to the building. The release of the 2003 general obligation bond and the commitment of existing building-designated capital campaign funds would fund these improvements. This would, in turn, allow The Leonardo to implement a substantial portion of the competitive and innovative exhibits and programming it has developed in consultation with Gyroscope on all three floors in a phased approach opening no later than fall 2009. Continued energetic capital campaign activities, made more viable by the opening of a functioning facility, would allow future renovations to the third floor of the building. In the meantime, however, the third floor would still be functional as a meeting and catering facility as it currently is for the Body Worlds exhibit. The Leonardo is also in the process of establishing the third floor

auditorium as an additional location for the Sundance Film Festival in the heart of Utah's capital city.

Phase I of the new approach would result in a fully functioning art and science center utilizing the basement and all three floors of the facility for a building budget of \$11 million, including the \$2.5 million seismic retrofit and asbestos removal package. The primary improvements that would occur during Phase I comprise seismic renovation, asbestos mitigation, and improvements to the first floor. Phase II would primarily involve renovations to the second floor to create higher quality exhibit space, while the facilities on the third floor of the facility would be expanded and improved in Phase III. The operations, exhibits, and programming component of each phase is projected to cost approximately \$5 million per phase.

The new approach has developed from conversations with a new City Administration that is focused on exploring creative solutions to The Leonardo's funding shortfall, closer collaboration with the City Council, the addition of experienced museum executive Peter Giles to The Leonardo team, input from new members of the Leonardo Board, consultation with local architects, and a more exacting assessment of the present economic situation. We believe the phased development of The Leonardo at Library Square represents an appealing, viable way forward for The Leonardo and Salt Lake City Corporation in developing a world-class art, science, and culture institution at Library Square, enhancing municipal economic development and innovation, and creating a nexus of community pride, unity, and inspiration for generations to come.

Timeline (subject to City processes and approvals):

- Building Design: August 2008 - January 2009
- Construction Bidding: January 2009 - February 2009
- Building Construction: February 2009 - July 2009
- Exhibit Fabrication: February 2009 - July 2009
- Building Delivery/Occupancy: July 2009
- Exhibit Installation: July 2009 - September 2009
- Shakedown: September 2009 - October 2009
- Grand Opening: October 2009

Part I

Building Concept and Estimate

At its inception six years ago, The Leonardo, a proposed art, culture, and science museum, was planned to occupy the former Salt Lake City Library following a renovation projected to cost approximately \$10 million. Since then, for reasons that include scope creep, optimistic fund-raising assumptions, and significant construction cost inflation **amounting to more than 80% during that period**, the cost estimate for the full-scale renovation, done in one fell swoop, has risen to \$26 million. Given the reality of fund-raising limitations, especially in the present faltering economy, and given the performance deadlines imposed by the City, we believe it is time to take a new, practical, and feasible approach to realizing The Leonardo project.

Our proposal is a simple, proven, and time-honored method employed on most construction projects undertaken by cultural and non-profit organizations. We propose to complete a three-phase project, with Phase I renovation sufficiently extensive for full and useful occupancy of the building, yet reduced in scope sufficiently to limit the cost to an amount fundable by the \$10 million bond funding and the other funds raised by The Leonardo and the City. Subject to City processes and approvals, this first phase would be commenced immediately following the *Body Worlds* occupancy, which will end on January 11, 2009. The renovation would be conducted from February through July 2009, at the same time as the already-planned seismic upgrade and hazardous materials removal.

From the start, The Leonardo anticipated taking one of two approaches to the renovation, one full-scale in nature and the other a less expensive, reduced scope option. The approach taken depended on available funding sources. As it turns out, even the lesser option has proven to be too scope-excessive and expensive given present economic and budgetary constraints. Moreover, some of the reasons for the high costs are related to employed systems analyses and design solutions advanced by an out-of-state firm that was not familiar with local methods and resources and also not committed to the scope, schedule, and budget adherence required locally for a successful project.

Thus, we have started with the existing reduced-scope scenario, value-engineered it, eliminated additional excessive or lower-priority scope items, and developed a new scope and cost model which will result in a safer, healthier, more functional, more energy-efficient, and sustainable facility which will be fully usable on all three levels. That is, the first phase will be sufficient and complete within itself and will result on completion of the major renovation elements needed to create a functional facility. A second, optional, later phase could include the less essential scope items deleted from the first phase.

Phase I of The Leonardo's new proposed plan would include:

- A full seismic upgrade

- A full heating and cooling system (HVAC) upgrade
- A major electrical upgrade
- A fire suppression (sprinkler) system upgrade
- Escalator and elevators upgrade (being completed now as part of a \$300,000 remodeling program to accommodate the *Body Worlds* exhibit)
- An extensive and complete Auditorium upgrade
- Added restrooms on the main level, which presently lacks these facilities
- ADA and code-compliance upgrades
- New insulations and roofing
- Photovoltaic cell array (partially funded by the Blue Sky grant and donations)
- Architectural finishes upgrades

When the old Main Library was closed five years ago, it had been well-maintained and was in good condition. Nothing has happened since then to significantly degrade its condition. The Leonardo has been impressed with the high quality and good condition of the interior of the building. It is a well-designed and well-built structure and it contains high-quality materials and systems that have a long life expectancy. These include the interior travertine, wood paneling, hard-plastered posts and walls, solid-core doors, institutional-grade mechanical and electrical systems, and a structural system that lends itself well to a less-expensive and less-invasive-than-normal seismic upgrade.

We have examined the building with local, renovation-experienced architects, engineers, and estimators. Together we have developed a new scope and estimate and we include it herein. Review it and you will get a sense of the still-extensive renovation scope proposed. We estimate the cost of this proposal to be \$11.0 million (M), including some bid alternatives.

The estimate includes:

• Base building scope:	\$7.0 M
• Auditorium renovation:	\$0.7 M
• Hybrid mechanical system:	\$3.1 M
• Blue Sky solar panels:	\$0.2 M
• TOTAL:	\$11.0 M

The total amount for Phase I improvements can be funded with the money presently available. If we consider the seismic and asbestos package of \$2.5 M, the balance of the needed funds is \$8.5 M, which leaves a balance that can be saved as a contingency or reserve for future improvements. Phase II would primarily involve renovations to the second floor to create higher quality exhibit space, while the facilities on the third floor of the facility would be expanded and improved in Phase III.

There are many significant benefits to adopting this phased proposal:

- 1) It takes immediate and direct advantage of the value of the renovation being done in the building for the Body *Worlds* exhibit and maintains continuity and momentum for The Leonardo project by virtue of continued occupancy in the building.
- 2) This first phase of renovation will mean a significant upgrade of the facility, resulting in a safer, healthier, more functional, more energy efficient ,and sustainable building. It will become a major, positive community resource rather than a vacant liability. The renovation will include a full seismic upgrade, a major or possibly full mechanical upgrade, significant electrical upgrade, code and ADA-compliant upgrades, major upgrade of the theater for Sundance and other larger venues, hazardous materials removal, new restrooms (now non-existent) on the main level, and architectural finishes upgrades throughout.
- 3) This proposal will allow all three floors to be usable for programmed activities.
- 4) Retaining the existing floor plan and exterior and interior character, and adopting the approach of repairing rather than replacing, is a more preservation-friendly approach which will make it more likely to obtain historic building tax credits if needed. It is also an inherently more green and sustainable strategy.
- 5) Despite the redefined scope, the project should be able to obtain a LEED-CI (Certified) rating. See the end of this document for substantiation of our projected LEED designation.
- 6) The phased scope and cost will allow a quicker design and construction time, taking advantage of the much more favorable 2008-2009 bidding environment.
- 7) Spending less on the building renovation now will allow more money to be spent on first phase exhibits, giving The Leonardo momentum and income with which to cover operations and maintenance costs from initial occupancy.

Part II

Exhibits and Programs

The Leonardo is committed to providing unique and significant educational and personal development opportunities for its visitors and participants. The Leonardo will be a completely new kind of public facility, interweaving the arts, sciences, technology, and hands-on involvement to inspire passion for innovation and exploration. Our goal is to encourage and empower learning, creativity, and engagement. Although outstanding and innovative facilities, exhibits, and programs are crucial to achieving this mission, it is only through caring, dynamic, motivated, informed, and creative staff and volunteers that real interest and passion are ignited. Accordingly, The Leonardo is committed to fostering a culture of excellence in staff and volunteer selection, training, and development that meets our needs and goals.

The Leonardo will open in part in mid-September 2008 for a four-month run of the world-renowned *Body Worlds 3 & The Story of the Heart* exhibit. The installation will include a “Leo Zone” with a range of interactive exhibits and programs to complement and enhance the *Body Worlds* experience.

With the support of the Administration and City Council, The Leonardo can embark on Phase I of the project immediately following the completion of the *Body Worlds* exhibit run. The Leonardo can implement the fundamental, necessary upgrades outlined in the Introduction, which will cost approximately \$300,000, and the building will reopen in the fall of 2009, subject to City processes and approvals, using the full first floor as “Leonardo’s Workshop” – a 20,000 square feet (SF) space dedicated to creativity, invention, and innovation. Uses during Phase I of the second and third floors, as well as the use of the basement, are discussed in greater detail toward the end of this section. As an integral part of its mission, The Leonardo will continually attract and recruit innovative traveling exhibits to complement and enhance its permanent offerings.

We estimate the cost for exhibits and programming for Phase I at \$2 million.

Phase I Exhibits and Programs:

First Floor

Visitor and participant experiences in “Leonardo’s Workshop,” located on the first floor of the building, will include:

Entrance Lobby with Interactive Exploration Wall (2,000 SF)

Here, participants will listen to stories recorded by other patrons using directional sound sculptures, see previews of current activities and exhibits, and leave their own comments and sketches behind, including—if they so choose—their own digital images and metrics.

Special Exhibit Gallery (10,000 SF)

After *Body Worlds*, the next exciting exhibit in The Leonardo will celebrate the creative genius of Leonardo da Vinci together with that of modern-day “Leo’s”—scientists, artists, engineers, and inventors, with a special focus on Utah’s prominent innovators. Functioning models of Leonardo’s inventions, digitized and animated versions of his famous notebooks, and the work of up to ten “Local Leo’s” (e.g., Mario Capecchi, Robert Redford) will be presented and employed in highly interactive ways.

In this workshop-like exhibit setting, visitors also can play and work with recent inventions or artworks, and spend time in a hands-on workshop to create their own pieces. We will use contests, competitions, and commissions to empower the community to create models, exhibits, and inventions for interactive display in this space and in an expansion or overflow space on the second floor. A Leonardo Shop component will offer workshops on the building and development of Leonardo’s inventions as well as those of selected local Leo’s. Leonardo’s bridges, carts, robots are all part of the list of projects.

The Leonardo on Wheels (LOW) Shop (2,000 SF)

The Leonardo’s traveling program, The Leonardo on Wheels, will again operate from the Leonardo building, with its colorful trailer loading and unloading exhibits and activities, as it travels statewide serving schools, students, parents, and teachers.

LOW’s exhibit development and maintenance shop will become the centerpiece of a public program geared for teens, involving them in the creation of traveling exhibits and helping them participate as floor staff. Other volunteers, craftsmen, and retirees can also participate in these activities, particularly by mentoring teens and other participants.

The Leonardo Café (1,200 SF)

More than simply a place to enjoy fresh, nutritious cuisine, The Leonardo Café will be a dynamic educational resource for visitors and families, focusing on critical issues in health and education.

Artist/Scientist (“Cool Person”) in Residence (1,000 SF)

This space will provide visible work space for artists, scientists, and inventors as part of The Leonardo’s residency program. It can also double as a lab and visual arts studio. The “cool people” selected will be encouraged to develop projects which can involve visitors—allowing them to be part of an ongoing, significant project or activity.

Retail space (800 SF)

Public Forum (2,000 SF)

This space will provide a flexible location for community discussions, dialogue, and performances, inviting visitors to linger and savor their experience of The Leonardo. On weekend evenings, the Forum will be transformed into Club Leo, an art and science salon.

Second Floor:

In Phase I, the second floor will be used as overflow space for activities in Leonardo's Workshop, as well as exhibit space for The Leonardo's partners and affiliates, including the Center for Documentary Arts, Youth City Artways, and the Ogden Nature Center, among others. The Leonardo's plans to involve local programming and education partners will be enhanced by the available space on the second floor. Local health and patient groups will hold seminars, workshops, and related programming, consistent with The Leonardo's goals of individual involvement and empowerment. The Leonardo's close collaboration with the Utah State Office of Education and the Governor's Office of Economic Development facilitate an array of workshops, classes, and seminars for students, teachers, parents, entrepreneurs and related communities. Major renovations to the second floor, which is currently highly usable space, will take place during Phase II of our new plan.

An exciting opportunity for a never-before-seen exhibit appropriate for the light controlled second floor is John Warnock's rare book private collection with digitized interactive book exhibits which he has agreed to make available to The Leonardo. This exhibit would be in conjunction with his role as the first Leonardo Lecture speaker after our proposed opening. As founder and CEO of Adobe Systems, his experience and influence in the area of innovation and creativity is legendary.

Third Floor:

During Phase I, Floor 3 will offer a catering space suitable for 260 seated guests, or for receptions of up to 400 people. The Auditorium, without significant upgrades, will continue to be used for lectures and panels, film screenings programmed by the Sundance Film Festival and the Salt Lake Film Center, plays by local theater companies, and dance performances and jams hosted by Movement Forum. The Leonardo will use the remainder of the third floor as office and classroom space. Significant upgrades to enhance the capabilities of the third floor will occur during Phase III of our new plan.

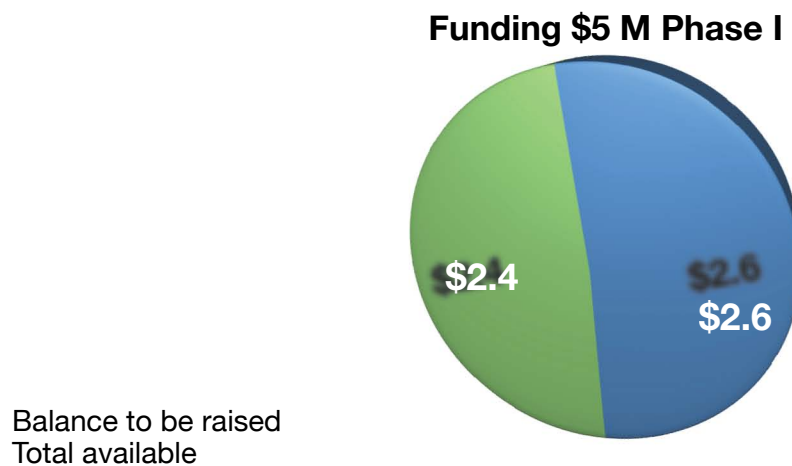
Basement:

The basements will be used for storage, as a lunchroom and gathering space for school field trips, and for black box theater performances.

Part III

Fundraising Plan
Fall 2008 to Projected Opening in 2009

The proposed phased approach outlined in the previous sections relies on utilizing a combination of \$2.4 M in existing committed funds, as well as securing \$2.6 M in new funding for Phase I operations, exhibits, and programs. This plan then builds on on-going funding for Phases II and III.



We believe the following fundraising plan is credible and realistic based on the following factors:

- The engagement with the regional community that the *Body Worlds* exhibit makes possible will provide fundraising momentum for The Leonardo that is potentially unprecedented in the organization's history. The exhibit provides the project with a clear example of what The Leonardo will mean to the community, and gives us the opportunity to communicate the exciting new exhibits and programs proposed for the fall of 2009. To the public, the perception is that from café to exhibit to auditorium, The Leonardo is open and developing along a highly promising path. Action by the City Council to release funds for renovation will enable confidence that The Leonardo is a vital and supported project.
- The following fundraising plan is based on new donations from qualified prospects, including current donors, proposals currently pending, and potential donors with interests relevant to The Leonardo's mission, with whom significant connections exist..
- The range of donations available encompasses individual giving, foundation grants, and corporate sponsorships as well as the launch of both corporate and individual "Friends" memberships.
- The size of the majority of gifts is at the low end of the range of gifts. As The Leonardo begins its individual and corporate "Friends" campaign with the opening of Body Worlds, its

reputation for quality educational and cultural programming will be established, and larger gifts will likely emerge from the now expanded donor base, with new prospects from a widening circle of supporters.

- There will in addition be a continued effort to secure sponsors to name the entire building as well as featured interior areas, including the Auditorium, cafe, special exhibits gallery, and individual floors. Many of these current efforts at cultivation would be encouraged by the release of the voter-approved bond and the start of building renovation.
- The continued involvement of Pathway Associates as consultants for this final phase of the capital campaign with an expanded fundraising board and board giving programming. Pathway Associates has recently completed a capital campaign fundraising plan as well as a post-opening on-going fundraising plan. This was at the suggestion of ERA consultants.

Funding Budget:

Funds already in hand or committed:

Cash & Investments as of July 1 st 2008	\$771,000
Salt Lake County	\$400,000
State of Utah	\$250,000
Micron Corporation	\$200,000
Tanner Charitable Trust	\$1,000,000
Reimbursable from the City	\$337,000
Reimbursement to Hemingway Fdn	(\$520,000)
Total funds committed	<u>\$2,438,000</u>
Balance to be raised	<u>\$2,562,000</u>
Total	\$5,000,000

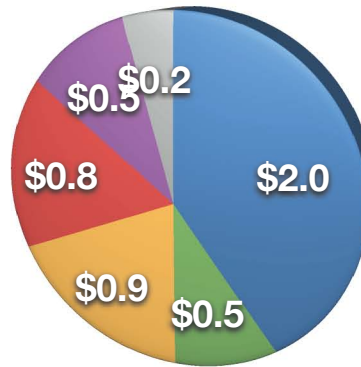
Fundraising Plan/Prospects

DONATION LEVEL	# OF DONATIONS	# OF QUALIFIED PROSPECTS	# OF NEW QUALIFIED PROSPECTS
\$500,000	1	4	0
\$250,000	2	6	2
\$100,000	5	10	5
\$50,000	10	10	20
\$25,000	15	20	25
\$15,000	20	25	35
\$10,000	25	30	45

The building retrofit for Phase I can be funded by existing sources for \$8.5 M.

The \$5.0 M needed for The Leonardo operations, exhibits, and programs in Phase I includes \$2.0 M for exhibits, \$0.5 M for FF&E, \$1.8 M for ramp-up until opening, and \$0.5 M for the project's initial marketing launch. A reserve of \$0.2 M will be available at opening.

Capital Budget



Exhibits
Ramp up FY 09 12 months
Marketing campaign

FF&E
Ramp up FY 10 9 months
Reserve

Part IV

The Leonardo: Building Capacity

With City acceptance of The Leonardo's phased proposal for building renovation and occupation, The Leonardo can embark upon a capacity building effort equal to the challenge of opening *Leonardo's Workshop* as early as the fall of 2009.

In August 2008, The Leonardo staff and Board are taking steps to develop our potential fund raising capability. To this end, the Board Chair has appointed a strategic planning committee to review what steps the board and staff need to take to attract and engage the necessary leadership to achieve the fund raising goals in this plan. This committee will present at a Board retreat now planned for August 28, 2008.

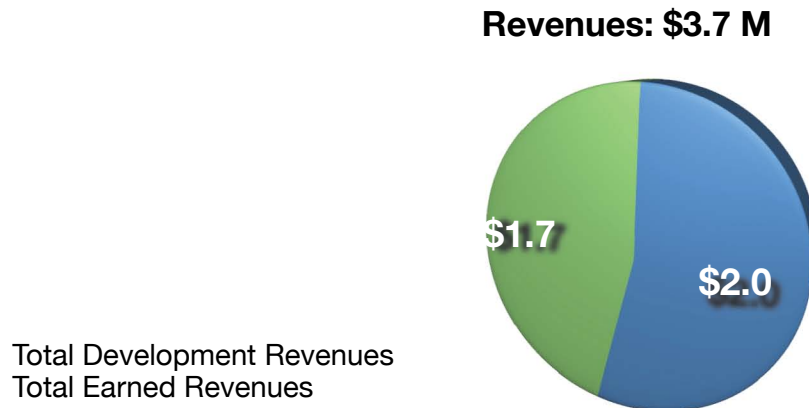
At the retreat, the Board will strengthen The Leonardo's fundraising goals and strategies, and make additional focused efforts to identify Board members and Renaissance Advisory Board members, business and community leaders, and current donors who can leverage their stature and networks for our organization to realize the next phase of The Leonardo. Executive Director, Peter Giles and Director of Operations Philippe Wyffels will combine their fundraising experience and skills with those of Mary Tull, Director of Community Partnerships and Support, to help the Board and staff members build the necessary fundraising momentum. Key to this will be recruiting and supporting volunteer leadership with whom the staff team can work closely in meeting with existing gift prospects and developing and meeting with new prospects. The staff has already shifted a significant number of its responsibilities to fundraising to support the implementation timetable proposed.

To further accelerate the fundraising program, The Leonardo will launch a corporate and individual "Friends of Leonardo" program with the opening of *Body Worlds*. This will provide opportunities to embark on a substantial grassroots fundraising campaign, and introduce a host of prospects into early stages of cultivation. A Board with a heightened potential and sense of urgency, combined with a realistic feasible plan, will energize the community with new project credibility and necessary support from new and existing donors.

Part V

Sustainability

The total revenues projected for year 1 are \$3.7 M, including earned and development revenues:

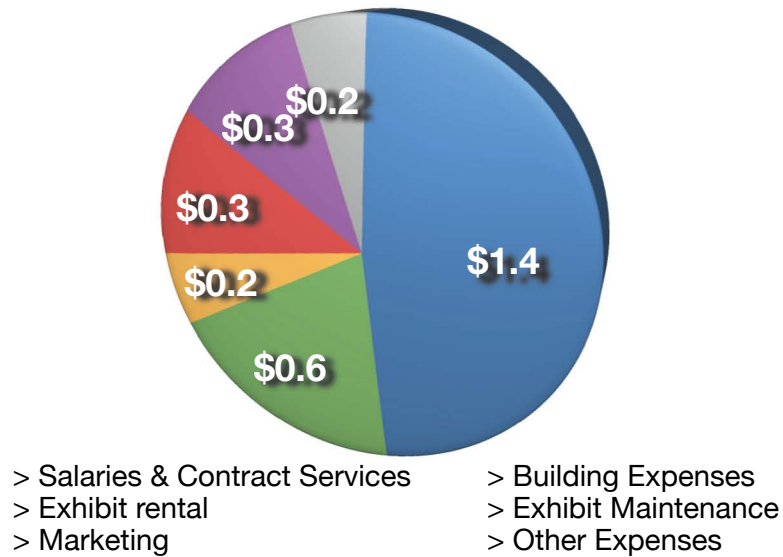


The projected earned revenues in year 1 will reach \$1.7 M or 46% of total revenues. This assumes 130,000 visitors for 20,000 SF of programs, extrapolated from our earlier substantiated and vetted estimate of 300,000 visitors for 53,000 SF of programs. The admission price is reduced 25% to \$6 for adults. The rental and catering revenues of \$0.6 M are adjusted to reflect the seating capacity of 250 vs. 450 in the original plan. All other revenues (cafeteria, retail, workshops) are adjusted for the new attendance level.

While the goal for projected contributions in year 1 will be \$2.0 M or 54% of total revenues, the conservative planning basis is \$1.5 M. This compares to the original plan of \$2.7 M for contributions.

The projected operating budget in year 1 is \$2.9 M. This includes \$1.4 M for salaries and contracts, reflecting a reduction of 46% compared to the original plan, with a corresponding reduction in attendance of 56%.

Operating Budget: \$2.9 M



All other costs remain equal, such as building operations and marketing.

The positive net income in year one could be as high as \$0.8 M (anticipated revenues minus operating budget).

The Leonardo will be in line with the industry standard of 45% earned revenue and 55% contributed revenues during Phase 1.

The projections for years ahead show sustainability. This is based on a conservative attendance of 83,000 patrons vs. year 1 projected attendance high of 130,000 and low of 98,000. For The Leonardo Workshop to operate sustainably, attendance must be in the 83,000 range annually which, by industry and local standards is achievable, as demonstrated by Discovery Gateway, the Clark Planetarium, Hogle Zoo, and Thanksgiving Point.

PROJECT ESTIMATE CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE LOCATION.....SALT LAKE CITY, UT ARCHITECT.....CRSA STAGE OF DESIGN.....PROGRAMMING		
DESCRIPTION	BOD PROGRAM CHANGES	
TOTAL PROJECT COSTS		
PHASE 1 INTERIOR REMODEL		
LEED- Not Included	\$	5,163,351
TOTAL CONSTRUCTION COST	\$	5,163,351
INFLATION TO JAN 09' 5%	\$	283,468
TOTAL ESCALATED CONSTRUCTION COST		5,446,819
PROJECT PROGRAMMING EXPENSES 7/2005 THRU 7/2007	\$	350,000
Demolition Permit	\$	2,165
Plan Check Fees	\$	17,035
Building Permit	\$	26,208
1% State Permit Fee	\$	262
Impact Fees- TBD		
Geotechnical/ Soils Study	\$	30,000
Environmental Studies/Remediation	\$	10,000
City Engineering Mngmt Fee 1.5%	\$	81,702
Architectural design fees 7%	\$	381,277
Architectural Reimbursables	\$	15,000
Enhanced Commissioning	\$	75,000
Owner's Construction Contingency 10%	\$	544,682
Special Inspections & Testing .75%	\$	40,851
Art- NIC		
TOTAL BARE MINIMUM PROJECT COST	\$	7,021,001
ALTERNATE #1 AUDITORIUM RENOVATION	\$	679,859
ALTERNATE #3 HYBRID MECHANICAL SYSTEM	\$	3,119,680
ALTERNATE #2 BLUE SKY SOLAR PANELS WITH PARTIAL RMP GRANT	\$	200,000
SEISMIC UPGRADE BREAKOUT (Costs included in estimate)	\$	2,375,478
**ESTIMATE IS LIMITED TO SCOPE ITEMS LISTED, ALL OTHER WORK IS EXCLUDED **		

PROJECT ESTIMATE CONSTRUCTION CONTROL CORPORATION			8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE			
LOCATION.....SALT LAKE CITY, UT			
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684
STAGE OF DESIGN.....PROGRAMMING			
CSI #	DESCRIPTION	UNIT QTY	UNIT COST
7/17/2007			
BUILDING COST SUMMARY			
02	SITEWORK & DEMOLITION		
		\$ 3.83	\$ 251,876
03	CONCRETE		
		\$ 0.60	\$ 39,196
04	MASONRY		
		\$ 0.69	\$ 45,000
05	METALS		
		\$ 1.10	\$ 72,200
06	WOODS & PLASTICS		
		\$ 0.96	\$ 63,120
07	THERMAL & MOISTURE PROTECTION		
		\$ 4.51	\$ 296,213
08	DOORS & WINDOWS		
		\$ 2.23	\$ 146,792
09	FINISHES		
		\$ 6.80	\$ 446,680
10	SPECIALTIES		
		\$ 1.17	\$ 77,043
11	EQUIPMENT		
		\$ -	\$ -
12	FURNISHINGS		
		\$ 0.10	\$ 6,257
13	SPECIAL CONSTRUCTION		
		\$ 19.43	\$ 1,276,260
14	CONVEYING SYSTEM		
		\$ 0.53	\$ 35,000
15	MECHANICAL		
		\$ 11.43	\$ 750,706
16	ELECTRICAL		
		\$ 9.52	\$ 625,000
SUBTOTAL		\$ 62.90	4,131,341
GENERAL CONDITIONS		9%	\$ 5.97 392,064
OVERHEAD & PROFIT		5%	\$ 3.45 226,811
DESIGN CONTINGENCY		10%	\$ 6.29 413,134
TOTALS		\$ 78.61	\$ 5,163,351
**ESTIMATE IS LIMITED TO SCOPE ITEMS LISTED, ALL OTHER WORK IS EXCLUDED **			

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE				
LOCATION.....SALT LAKE CITY, UT				
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684	
STAGE OF DESIGN.....PROGRAMMING				
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007
02	<u>SITEWORK & DEMOLITION</u>			
	Demolition			
	Wall Sawcutting 8"	80 LF	\$ 21.00	\$ 1,680
	Wall Sawcutting 12"	20 LF	\$ 35.00	\$ 700
	Remove Existing Lockers	15 LF	\$ 15.00	\$ 225
	Demo Exterior Glazing at Shearwalls	2340 SF	\$ 6.50	\$ 15,210
	Asbestos Abatement (Per Study provided by the Leonardo)	1 LS	\$ 80,000.00	\$ 80,000
	Remove Existing Roof	25964 SF	\$ 1.15	\$ 29,859
	Electrical Demolition	68196 SF	\$ 0.65	\$ 44,327
	Mechanical Demolition	68196 SF	\$ 0.65	\$ 44,327
	Painting Protection	1 LS	\$ 5,000.00	\$ 5,000
	Miscellaneous Sawcutting	1 LS	\$ 10,000.00	\$ 10,000
	Subtotal for Demolition			\$ 231,328
	Site Concrete			
	Repair Concrete Steps	250 SF	\$ 29.65	\$ 7,413
	Vehicle Access	2500 SF	\$ 4.75	\$ 11,875
	Pedestrian Walk at Vehicle Access	350 SF	\$ 3.60	\$ 1,260
	Subtotal for Site Concrete			\$ 20,548
	Landscaping- NIC			
	TOTAL SITEWORK & DEMOLITION			\$ 251,876
	03	<u>CONCRETE</u>		
Miscellaneous Concrete Repair		1 Allow	\$ 30,000.00	\$ 30,000
Floor Patch		65684 SF	\$ 0.14	\$ 9,196
TOTAL CONCRETE			\$ 39,196	
04	<u>MASONRY</u>			

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE				
LOCATION.....SALT LAKE CITY, UT				
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684	
STAGE OF DESIGN.....PROGRAMMING				
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007
05	CMU Infills	60 EA	\$ 750.00	\$ 45,000
	TOTAL MASONRY			\$ 45,000
	<u>METALS</u>			
	Modify Existing Railing	296 LF	\$ 75.00	\$ 22,200
	Existing Firestair Rail to Code	1 LS	\$ 10,000.00	\$ 10,000
06	Miscellaneous Steel	10000 LB	\$ 4.00	\$ 40,000
	TOTAL METALS			\$ 72,200
	<u>WOOD & PLASTICS</u>			
	Carpentry:			
	Wood Plates & Blocking	3500 BF	\$ 3.68	\$ 12,880
	Fire-Rated Plywood Backing	16000 SF	\$ 1.89	\$ 30,240
	Subtotal for Carpentry			\$ 43,120
	Millwork:			
	Ticket Counter	1 LS	\$ 20,000.00	\$ 20,000
	Subtotal for Millwork			\$ 20,000
07	TOTAL WOOD & PLASTICS			\$ 63,120
	<u>THERMAL & MOISTURE PROTECTION</u>			
	R-30 Rigid Insulation	25964 SF	\$ 2.65	\$ 68,805
	R-19 sprayed in at 3rd floor plenum	25900 SF	\$ 2.65	\$ 68,635
	Sound Batt	8000 SF	\$ 0.48	\$ 3,840
	Singly Ply roof membrane	25964 SF	\$ 2.65	\$ 68,805
	Metal Wall Cap (Kynar)	1850 LF	\$ 9.65	\$ 17,853
	Metal Flashings	3500 SF	\$ 6.65	\$ 23,275
	Cap at Precast Panels & Misc repair	1 LS	\$ 25,000.00	\$ 25,000
	Caulking & Sealants	1 LS	\$ 20,000.00	\$ 20,000

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE				
LOCATION.....SALT LAKE CITY, UT				
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684	
STAGE OF DESIGN.....PROGRAMMING				
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007
	TOTAL THERMAL & MOISTURE PROTECTION			\$ 296,213
08	<u>DOORS & WINDOWS</u>			
	New Interior Single Wood Doors	3 EA	\$ 1,090.00	\$ 3,270
	New Double Aluminum Doors 6x7	2 PR	\$ 3,850.00	\$ 7,700
	N/S Entrance New Storefront- Tempered	595 SF	\$ 36.50	\$ 21,718
	New Hardware at existing Door	21 EA	\$ 500.00	\$ 10,500
	Modification at existing entry doors	4 EA	\$ 1,400.00	\$ 5,600
	Replace Stairwell Doors w/ rated doors	18 EA	\$ 1,450.00	\$ 26,100
	Interior Glazing 3rd floor stair enclosure- for atrium	1004 SF	\$ 28.50	\$ 28,614
	Re-install Glazing at Concrete Shearwall	2340 SF	\$ 18.50	\$ 43,290
	TOTAL DOORS & WINDOWS			\$ 146,792
09	<u>FINISHES</u>			
	6" Metal Stud Interior Partition	8000 SF	\$ 2.85	\$ 22,800
	5/8" Abuse Resistant Gypsum	16000 SF	\$ 1.60	\$ 25,600
	Tie in new walls at existing	4 EA	\$ 500.00	\$ 2,000
	Patch and Repair Existing Walls	10000 SF	\$ 0.55	\$ 5,500
	Suspended Gyp Board Ceilings	900 SF	\$ 4.25	\$ 3,825
	Skim Patch Existing Ceilings	860 SF	\$ 1.65	\$ 1,419
	Texture Existing Beams	31878 SF	\$ 1.90	\$ 60,568
	Ceramic Floor Tile at Restroom	900 SF	\$ 11.50	\$ 10,350
	Ceramic Tile Base	228 LF	\$ 10.00	\$ 2,280
	Ceramic Wall Tile at restrooms	1824 SF	\$ 11.00	\$ 20,064
	Carpet	300 SY	\$ 35.00	\$ 10,500
	Resilient Flooring-	27495 SF	\$ 4.00	\$ 109,980
	Rubber Base	1000 LF	\$ 1.45	\$ 1,450

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE				
LOCATION.....SALT LAKE CITY, UT				
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684	
STAGE OF DESIGN.....PROGRAMMING				
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007
10	Paint/ Stain Doors & Frames	54 EA	\$ 105.00	\$ 5,670
	Paint/ Stain Existing Doors & Frames	38 EA	\$ 105.00	\$ 3,990
	Paint Interior Masonry	3850 SF	\$ 0.56	\$ 2,156
	Paint Interior Gyp	16000 SF	\$ 0.50	\$ 8,000
	Paint Ceiling	900 SF	\$ 0.55	\$ 495
	Paint Exposed Ceiling	7954 SF	\$ 1.89	\$ 15,033
	Architectural Repair @ Shear walls	13500 SF	\$ 10.00	\$ 135,000
	TOTAL FINISHES			\$ 446,680
	<u>SPECIALTIES</u>			
	Fire Extinguisher	23 EA	\$ 185.00	\$ 4,255
	Toilet Partitions ADA	6 EA	\$ 950.00	\$ 5,700
	Toilet Partitions- Standard	15 EA	\$ 900.00	\$ 13,500
	Toilet Partition Doors at 2nd & 3rd floor	20 EA	\$ 450.00	\$ 9,000
	Urinal Screens	4 EA	\$ 450.00	\$ 1,800
	Grab Bars	6 Sts	\$ 195.00	\$ 1,170
	Restroom Mirrors	12 SF	\$ 12.65	\$ 152
	Toilet Tissuee Dispensers	30 EA	\$ 65.00	\$ 1,950
	Electric Hand Dryers	16 EA	\$ 700.00	\$ 11,200
	Locker Bench	24 LF	\$ 59.00	\$ 1,416
	Relocate Existing Lockers	20 EA	\$ 95.00	\$ 1,900
Identifying Devices	1 LS	\$ 25,000.00	\$ 25,000	
TOTAL SPECIALTIES			\$ 77,043	
11	EQUIPMENT			
	TOTAL EQUIPMENT			\$ -
12	FURNISHINGS			

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE				
LOCATION.....SALT LAKE CITY, UT				
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684	
STAGE OF DESIGN.....PROGRAMMING				
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007
13	Entrance Mat	360 SF	\$ 15.65	\$ 5,634
	Shower Curtains	21 LF	\$ 29.65	\$ 623
	TOTAL FURNISHINGS			\$ 6,257
	SPECIAL CONSTRUCTION			
	Tray Garden Repair	1 Allow	\$ 25,000.00	\$ 25,000
	Water Feature at tray garden (donor)	1 LS	\$ 75,000.00	\$ 75,000
	<u>SEISMIC UPGRADE</u>			
	Pile Cap	40 CY	\$ 420.00	\$ 16,800
	Micropiles at new footings	136 EA	\$ 1,500.00	\$ 204,000
	Core Drilling at existing footing/slab	136 EA	\$ 225.00	\$ 30,600
	18" Concrete Shear Wall Full Height- 5,000 PSI	9,900 SF	\$ 54.00	\$ 534,600
	Reinforce Pre-cast panels- angle @ 2 floors	1,460 LF	\$ 79.00	\$ 115,340
	Epoxy Dowels at Existing Beams	5,267 EA	\$ 25.00	\$ 131,670
14	Epoxy Dowel Connection at Foundation Wall	3,960 EA	\$ 25.00	\$ 99,000
	Epoxy Dowel Connection at Columns	1,250 EA	\$ 25.00	\$ 31,250
	Core Drilling at Floor Beam	1 LS	\$ 6,500.00	\$ 6,500
	Miscellaneous Sawcutting	1 LS	\$ 6,500.00	\$ 6,500
	TOTAL SPECIAL CONSTRUCTION			\$ 1,276,260
	CONVEYING SYSTEMS			
	Escalator Renovation 2-3rd floor	1 LS	\$ 35,000.00	\$ 35,000
	TOTAL CONVEYING SYSTEMS			\$ 35,000
	<u>MECHANICAL</u>			
	HVAC- Per Colvin Engineering Estimate			
15	General Cleanup of motors, belts, valves	1 LS	\$ 50,000.00	\$ 50,000
	Add Fire Smoke Dampers at shaft penetrations	1 LS	\$ 100,000.00	\$ 100,000

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008	
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE					
LOCATION.....SALT LAKE CITY, UT					
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684		
STAGE OF DESIGN.....PROGRAMMING					
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007	
16	Smoke Control System	1 LS	\$ 250,000.00	\$ 250,000	
	Control Modifications	1 LS	\$ 150,000.00	\$ 150,000	
	Subtotal for HVAC			\$ 550,000	
	Fire Sprinkler- Modifications Only	65684 SF	\$ 1.35	\$ 88,673	
	Plumbing:				
	Toilets ADA	4 EA	\$ 720.00	\$ 2,880	
	Toilets- Standard	10 EA	\$ 680.00	\$ 6,800	
	Waterless Urinals	10 EA	\$ 1,650.00	\$ 16,500	
	Showers	4 EA	\$ 950.00	\$ 3,800	
	Lavs	10 EA	\$ 265.00	\$ 2,650	
	New faucets at existing lavs	6 EA	\$ 265.00	\$ 1,590	
	3rd floor handicap toilets	2 EA	\$ 8,000.00	\$ 16,000	
	One Compartment Sink @ exhibits	4 EA	\$ 580.00	\$ 2,320	
	Wall Mounted Lavs	3 EA	\$ 665.00	\$ 1,995	
	Thermostatic Mixing Valves	12 EA	\$ 650.00	\$ 7,800	
	Floor Drains	4 EA	\$ 125.00	\$ 500	
	Mop Sink	1 EA	\$ 680.00	\$ 680	
	Water Lines	2400 LF	\$ 9.65	\$ 23,160	
	Waste/ Vent Lines	1608 LF	\$ 14.65	\$ 23,557	
	Clean & Flush Lines	1 LS	\$ 1,800.00	\$ 1,800	
	Subtotal for Plumbing			\$ 112,032	
	TOTAL MECHANICAL			\$ 750,706	
	<u>ELECTRICAL- Per Spectrum Engineers Estimate</u>				
		New Fire Alarm System	1 LS	\$ 225,000.00	\$ 225,000
		New Main Electrical Service	1 LS	\$ 175,000.00	\$ 175,000

PROJECT ESTIMATE CONSTRUCTION CONTROL CORPORATION			8/7/2008
PROJECT NAME.....THE LEONARDO PHASE 1 SCOPE			
LOCATION.....SALT LAKE CITY, UT			
ARCHITECT.....CRSA		LEVEL 1&2 SF	65684
STAGE OF DESIGN.....PROGRAMMING			
CSI #	DESCRIPTION	UNIT QTY	UNIT COST
	Lighting Retrofit (New lamps and ballasts in existing fixtures)	1 LS	\$ 150,000.00
	Lighting Controls	1 LS	\$ 75,000.00
	TOTAL ELECTRICAL		\$ 625,000

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION			8/7/2008
PROJECT NAME.....THE LEONARDO PHASE ALTERNATES					
LOCATION.....SALT LAKE CITY, UTAH					
ARCHITECT.....CRSA					
STAGE OF DESIGN.....PROGRAMMING					
UNI #	DESCRIPTION	UNIT QTY	UNIT COST		
ALTERNATE #1 AUDITORIUM RENOVATION					
	Auditorium Carpet	379 SY	\$ 35.00	\$	13,261
	New Stage Floor Structure	336 SF	\$ 50.00	\$	16,800
	New Stage Stairs	60 SF	\$ 40.00	\$	2,400
	HVAC Upgrade	3,410 SF	\$ 18.50	\$	63,085
	Electrical- Power	3,410 SF	\$ 3.65	\$	12,447
	Electrical- Lighting	3,410 SF	\$ 10.65	\$	36,317
	New Stage Lighting	1 LS	\$ 150,000.00	\$	150,000
	Special Systems	3,410 SF	\$ 1.85	\$	6,309
	Sound	3,410 SF	\$ 2.65	\$	9,037
	New Auditorium Sound Reinforcement	1 LS	\$ 50,000.00	\$	50,000
	Auditorium Finish Repair	3,410 SF	\$ 19.65	\$	67,007
SUBTOTAL					426,661
GENERAL CONDITIONS		9%		\$	38,400
OVERHEAD & PROFIT		5%		\$	21,333
DESIGN CONTINGENCY		10%		\$	42,666
INFLATION TO FEB 09'		5%		\$	21,333
TOTAL CONSTRUCTION COST				\$	550,393
Plan Check Fees				\$	2,742
Building Permit				\$	4,219
1% State Permit Fee				\$	42
City Engineering Mngmt Fee		1.5%	1.5%	\$	8,256
Architectural design fees		9%	9%	\$	49,535
Owner's Construction Contingency		10%	10%	\$	55,039
Special Inspections & Testing		.75%	0.75%	\$	4,128
Art		1%	1%	\$	5,504
TOTAL COST ALTERNATE #1			\$ 199.37	\$	679,859

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008
PROJECT NAME.....THE LEONARDO PHASE ALTERNATES				
LOCATION.....SALT LAKE CITY, UTAH				
ARCHITECT.....CRSA				
STAGE OF DESIGN.....PROGRAMMING				
UNI #	DESCRIPTION	UNIT QTY	UNIT COST	
ALTERNATE #2 HYBRID MECHANICAL SYSTEM				
	Air Handler- 120,000 CFM	1 EA	\$ 474,000.00	\$ 474,000
	Air Handler- 40,000 CFM	1 EA	\$ 158,000.00	\$ 158,000
	Cooling Tower on Roof w/ coil	1 EA	\$ 60,000.00	\$ 60,000
	Repair Existing Ductwork	92127 SF	\$ 1.00	\$ 92,127
	New Pumps	6 EA	\$ 7,500.00	\$ 45,000
	New Reheats at shaftwall penetration	45 EA	\$ 6,000.00	\$ 270,000
	Heat Exhchanger	1 LS	\$ 65,000.00	\$ 65,000
	Connect to Plant piping	1 LS	\$ 20,000.00	\$ 20,000
	Hydronic Piping	92127 SF	\$ 2.65	\$ 244,137
	Valves	70 EA	\$ 195.00	\$ 13,650
	Smoke Evac System- Smoke detect. In Div 16	1 LS	\$ 250,000.00	\$ 250,000
	New Ductwork	50000 LB	\$ 5.50	\$ 275,000
	Ductliner	35500 SF	\$ 1.45	\$ 51,475
	Temperature Controls	92127 SF	\$ 2.65	\$ 244,137
	Exhaust Fans- Medium	6 EA	\$ 3,650.00	\$ 21,900
	Fire Dampers at 3rd floor penetrations	1 LS	\$ 100,000.00	\$ 100,000
	New Registers and Grilles	100 EA	\$ 155.00	\$ 15,500
	Utility Metering	1 LS	\$ 20,000.00	\$ 20,000
	Outdoor Air Monitoring	1 LS	\$ 23,500.00	\$ 23,500
	Test and Balance	300 HR	\$ 54.50	\$ 16,350
	Smoke Evac already in base estimate	-1 LS	\$ 250,000.00	\$ (250,000)
	Temperature Controls already in base estimate	-1 LS	\$ 150,000.00	\$ (150,000)
	Fire Dampers already in base estimate	-1 LS	\$ 100,000.00	\$ (100,000)
SUBTOTAL				1,959,775
GENERAL CONDITIONS		9%		\$ 176,380
OVERHEAD & PROFIT		5%		\$ 97,989
DESIGN CONTINGENCY		10%		\$ 195,978
INFLATION TO FEB 09'		5%		\$ 97,989
TOTAL CONSTRUCTION COST				\$ 2,528,110
Plan Check Fees				\$ 11,381
Building Permit				\$ 17,509
1% State Permit Fee				\$ 175
City Engineering Mngmt Fee	1.5%	1.5%		\$ 37,922
Architectural design fees	9%	9%		\$ 227,530
Owner's Construction Contingency	10%	10%		\$ 252,811
Special Inspections & Testing	.75%	0.75%		\$ 18,961
Art	1%	1%		\$ 25,281
TOTAL COST ALTERNATE #2				\$ 3,119,680

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		8/7/2008	
PROJECT NAME.....THE LEONARDO SEISMIC UPGRADE BREAKOUT					
LOCATION.....SALT LAKE CITY, UT					
ARCHITECT.....CRSA		LEVEL 1&2 SF		68196	
STAGE OF DESIGN.....PROGRAMMING					
CSI #	DESCRIPTION	UNIT QTY	UNIT COST	7/17/2007	
SEISMIC UPGRADE BREAKOUT					
	Wall Sawcutting 8"	80 LF	\$ 21.00	\$ 1,680	
	Wall Sawcutting 12"	20 LF	\$ 35.00	\$ 700	
	Demo Exterior Glazing at Shearwalls	2340 SF	\$ 6.50	\$ 15,210	
	Asbestos Abatement	1 LS	\$ 80,000.00	\$ 80,000	
	Miscellaneous Steel	10000 LB	\$ 4.00	\$ 40,000	
	Re-install Glazing at Concrete Shearwall	2340 SF	\$ 18.50	\$ 43,290	
	Architectural Repair @ Shear walls	13500 SF	\$ 10.00	\$ 135,000	
	Pile Cap	40 CY	\$ 420.00	\$ 16,800	
	Micropiles at new footings	136 EA	\$ 1,500.00	\$ 204,000	
	Core Drilling at existing footing/slab	136 EA	\$ 225.00	\$ 30,600	
	18" Concrete Shear Wall Full Height- 5,000 PSI	9,900 SF	\$ 54.00	\$ 534,600	
	Reinforce Pre-cast panels- angle @ 2 floors	1,460 LF	\$ 79.00	\$ 115,340	
	Epoxy Dowels at Existing Beams	5,267 EA	\$ 25.00	\$ 131,670	
	Epoxy Dowel Connection at Foundation Wall	3,960 EA	\$ 25.00	\$ 99,000	
	Epoxy Dowel Connection at Columns	1,250 EA	\$ 25.00	\$ 31,250	
	Core Drilling at Floor Beam	1 LS	\$ 6,500.00	\$ 6,500	
	Miscellaneous Sawcutting	1 LS	\$ 6,500.00	\$ 6,500	
SUBTOTAL				1,492,140	
GENERAL CONDITIONS		9%		\$ 134,293	
OVERHEAD & PROFIT		5%		\$ 74,607	
DESIGN CONTINGENCY		10%		\$ 149,214	
INFLATION TO FEB 09'		5%		\$ 74,607	
TOTAL CONSTRUCTION COST				\$ 1,924,861	
Plan Check Fees				\$ 8,746	
Building Permit				\$ 13,456	
1% State Permit Fee				\$ 135	
City Engineering Mngmt Fee		1.5%	1.5%	\$ 28,873	
Architectural design fees		9%	9%	\$ 173,237	
Owner's Construction Contingency		10%	10%	\$ 192,486	
Special Inspections & Testing		.75%	####	\$ 14,436	
Art		1%	1%	\$ 19,249	
TOTAL SEISMIC UPGRADE BREAKOUT				\$ 2,375,478	



Sustainable Sites

	Possible Points	<small>confidence</small> 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
credit 1 Site Selection (3 points possible)				
Select a LEED Certified Building (3 points) OR Locate the tenant space in a building that has in place two or more of the following characteristics at time of submittal:	0	10%	CRSA	not applicable
A. Brownfield Redevelopment (1/2 point) A building developed on a site that has been deemed a brownfield & remediated OR documented by ASTM E1903-97	0	10%	CRSA	
B. Stormwater Management: Rate & Quantity (1/2 point) Building which prior development had: Less than or equal to 50% imperviousness & has implemented a stormwater management pan that equals or is less than the pre-development 1.5 year, 24 hour rate & quantity discharge. OR If greater than 50% imperviousness, has implemented a stormwater management plan that reduced 1.5 year, 24 hour rate & discharge by 25% of the annual stormwater load.	0	10%	CRSA	Existing site will not comply- no site alterations planned.
C. Stormwater Management: Treatment (1/2 point) A building with site stormwater treatment systems designed to remove 80% of the average annual TSS and 40% average annual TP.	0	10%	CRSA	Existing site will not comply- no site alterations planned.
D. Heat Island Reduction, Non-Roof (1/2 point) A building that provides shade within 5 years of installation and/or uses materials with a Solar Reflectance Index (SRI) of at least 30, and/or open grid pavement that equals at least 30% of the site's non-roof impervious surfaces. OR Has a minimum of 50% of parking spaces underground or covered by structural parking OR Used an open-grid pavement system (less than 50% imperviousenss) for 50% of the parking lot	0.5	70%	CRSA	No above ground dedicated parking.
E. Heat Island Reduction, Roof (1/2 point) A building with roofing having a Solar Reflectance Index (SRI) greater than or equal to 78(low-slope) or 29(steep-slope) for 75% or more of the roof OR a building with a "green" roof for at least 50% of the roof OR a building having a combination high SRI and vegetated roof that satisfy a specific area requirement calculation	?	50%	CRSA	Point addresses the existing building prior to work being done. Check for possibility of gaining point since the roof is being replaced.
F. Light Pollution Reduction (1/2 point) A building that meets or exceeds IESNA requirements for light levels, uniformity, exterior luminaires, & having no light crossing the property boundary.	0	10%	CRSA	Exterior lighting will likely not comply and no exterior lighing changes or possible retrofit of interior lighting planned.
G. Water Efficient Irrigation: Reduced Potable Water Consumption (1/2 point) A building with high-efficiency irrigation technology OR uses captured rain or recycled site water to reduce potable water consumption by 50%.	0	10%	CRSA	Existing landscaping will not comply and no new landscaping or new or rennovated irrigation system planned.
H. Water Efficient Irrigation: No Potable Use or No Irrigation (1/2 point) A project eliminating all potable water use for site irrigation OR does not have permanent landscaping irrigation systems	0	10%	CRSA	Existing buildingn will not comply and cistern to catch rainwater not planned- may be difficult to catch and store sufficient water.
I. Innovative Wastewater Technologies (1/2 point) A building that reduces the use of municipally provided potable water for building sewage conveyance by 50% OR treats 100% of wastewater on-site to tertiary standards.	0	10%	CRSA	not available in this area
J. Water Use Reduction: 20% (1/2 point) A building that meets the 20% reduction in water use for the entire building and has an ongoing plan to require future tenants to comply,.	0	10%	CRSA	Existing Fixtures will not meet requirements.
K. Onsite Renewable Energy (up to 1 point) A building that supplies at least 5% of the buildings total energy use through on-site renewable enegry syustems 5%(1/2 point) or 10%(1 point)	?	50%	CRSA	Point addresses the existing building prior to work being done. Check for possibility of gaining point if PV panels are added- currently shown as an alternate. If credit isn't availbale- may be possible as an ID point.
L. Other Quantifiable Environmental Performance (1/2 point) A building that had in place at the time of selection other quantifiable environmental performance for which the requirements may be found in other LEED rating systems.	0	10%	CRSA	
credit 2 Development Density & Community Connectivity (1 point possible) Channel development to urban areas with existing infrastructures, protecting greenfields and preserving habitat and natural resources. An existing development density of 60,000 SF/acre (2 story downtown development). OR Select a space in a building located within 1/2 mile of a residential zone or neighborhood with a goal density AND with pedestrian access to at least 10 basic services within 1/2 mile	1	70%	CRSA	Check area adjacency and density or residential zone
credit 3 Alternative Transportation (1 point possible)				
3.1 Public Transportation Access Building within 1/2 mile of commuter rail or 1/4 mile of two or more bus lines	1	70%	CRSA	Verify location of bus and light rail stations
3.2 Bicycle Storage & Changing Rooms Provide secure bicycle storage, with convenient changing/showering facilites (within 200 yards of the bldg) for 5% or more or the tenant occupants	0	10%	CRSA	Requires showering stall and changing area to be provided
3.3 Parking Availability <u>Case A:</u> If occupying less than 75% of the building, parking spaces not to exceed minimum required by zoning AND priortiy parking for carpools provided for 5% of tenant occupants <u>Case B:</u> If occupying 75% or more of the building, parking capacity not to exceed minimum zoning AND priority parking for carpools provided for 5% of tenant occupants OR not new parking for rehabilitation projects AND preferred parking for carpools capable of serving 5% of building occupants	1	70%	CRSA/Client	Provide signage for preferred parking for car/van pool.



Water Efficiency

	Possible Points	<i>confidence</i> 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
credit 1 Water Use Reduction Maximize water efficiency within thenant spaces. 1.1. 20% Reduction Reduce water use by 20% over EPA 1992 requirements 1.2. 30% Reduction Reduce water use by 30% over EPA 1992 requirements	1 1	80% 60%	Mechanical	Calculations to confirm reduction.



Energy & Atmosphere

	Possible Points	<i>confidence</i> 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
prereq 1 Fundamental Commissioning	req'd	60%	Authority	Requires involvement of commx agent.
prereq 2 Minimum Energy Performance Establish the minimum level of energy efficiency for the base bldg& systems. Comply with ASHRAE/IESNA 90.1-2004.	req'd	60%	Mechanical	Needs review if available with existing system.
prereq 3 CFC Reduction in HVAC&R Equipment Reduce ozone depletion. Zero CFC-based refrigerant.	req'd	60%	Mechanical	Needs review of exisitng system.
credit 1 Optimize Energy Performance (1-7 points possible) Achieve increasing levels of energy performance above the prerequisite standard to reduce environmental impacts associated with excessive energy use. Create baseline off of ASHRE 90.1.				
1.1 Lighting Power (1-3 points possible) Option A Reduce lighting power density to 15% below the standard (1 point) Option B Reduce lighting power density to 25% below the standard (2 points) Option C Reduce lighting power density to 35% below the standard (3 points)	?	50%	Electrical	Review lighting renovations- likely not able to make these lighting power densities.
1.2 Lighting Controls (1 point) Install daylight responsive controls in all regularly occupied spaces wtihin 15 feet of windows and under skylights.	1	70%	Electrical	Lighting controls outlined in cost estimate.
1.3 HVAC (2 points possible) Option A- Implement one or both of the following: Equipment Efficiency (1 point) Install HVAC systems which comply with the efficiency requirements in the Advanced Buildings: Energy benchmark for High Performance Buildings perscriptive criteria for mechancial equipment efficiency requirements Appropriate Zoning and Controls (1point) Every Solar Exposure mush have a separate contol zone, interior spaces must be separately zoned, and private offices and specialty occupancies (conf. rooms, kitchens) must have active controls capable of sensing space use and modulating HVAC system in response to space demand	1 ?	60% 50%	Mechanical Mechanical	Needs confirmation of HVAC retrofits to be made to see if it will comply with requirements. Needs confirmation of HVAC retrofits to be made to see if it will comply with requirements.
Option B- HVAC system component performance criteria used are 15% better than ASHRAE/IESNA 90.1-2004 (1 point) OR HVAC system component performance criteria used are 30% better than ASHRAE/IESNA 90.1-2004 (2 points)	?	50%	Mechanical	
1.4 Equipment & Apliances (2 points possible) For all Energy Star elegible equipment and appliances installed in the project, appliances, office equipment, electronics (excluding HVAC, lighting and building envelope): 70%, by rated-power Energy Star rated equipment and appliances (1 point) 90%, by rated-power Energy Star rated equipment and appliances (2 points)	0	10%	Client	Requires Energy Star Appliances & Equipment- how much new equipment is planned?
credit 2 Enhanced Commissioning (1 point) Verify and ensure that the tenant space is designed, constructed, and calibrated to operate as intended.	0	10%	Authority	Enhanced commx has been removed from estimate.
credit 3 Energy Use, Measurement & Payment Accountability (2 points possible) Case A: For projects with an area that constitute less than 75% of the total building: Install sub-metering equipment to measure and record energy uses within the tenant space (1 point) Negotiate a lease where energy costs are paid by the tenant and not included in the base rent (1 point)	0 0	10% 10%	Mechanical Mechanical	Spaces not separated into tenants
Case B: For projects with an area that constitutes more than 75% of the total building, install continuous metering equipment for perscribed uses (2 points)	0	10%	Mechanical	requires continuous metering to be installed into the project.
credit 4 Green Power (1 point possible) Encourage the development and use of grid-source energy technologies on a net zero pollution basis, 50% of the building's electricity for two years .	?	50%	Electrical	Green power purchase



Materials & Resources

	Possible Points	confidence 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
prereq 1 Storage & Collection of Recyclables Facilitate the reduction of waste generated by building occupants that is hauled to and disposed of in landfills. At a minimum, provide recycling for paper, corrugated cardboard, glass, plastics, and metals.	req'd	90%	CRSA	
credit 1.1 Tenant Space, Long-Term Commitment (1 point) Encourage choices that will conserve resources, reduce waste and reduce the environmental impacts of tenancy as they relate to materials, manufacturing and transport Occupant commits to remain in the same location for not less than 10 years.	1	70%	Client	
credit 1.2-1.3 Building Reuse (1-2 points possible) Extend the life cycle of existing building stock, conserve resources, retain cultural resources, reduce wates and reducec environmental impacts of new buildings.				
1.2 Maintain 40% of Interior Non-Shell, Non-Structural Components	1	80%	Contractor	Retaining finishes.
1.3 Maintain 60% of Interior Non- Shell, Non-Structural Components	1	60%		
credit 2 Construction Waste Management (1-2 points possible) Salvage/Recycle- Divert construction, demolition and land clearing debris from landfill disposal. Redirect recyclable material back to the manufacturing process.				
2.1 Divert 50% from Landfill	?	50%	Contractor	Use of construction waste manager with recycling services.
2.2 Divert 75% from Landfill	0	30%		
credit 3 Resource Reuse (1-3 points possible) Reuse building materials and products in order to reduce demand for virgin materials and to reduce waste.				
3.1 Use slaviged, refurbished or reused materials for at least 5% of building materials (1 point)	0	10%	Contractor	Likey cost prohibitive
3.2 Use slaviged, refurbished or reused materials for at least 10% of building materials (1 point)	0	10%		
3.3 Use slaviged, refurbished or reused furnitruue and furnishings for 30% of the total furniture and furnishings budget (1 point)	0	10%		
credit 4 Recycled Content (1-2 points possible) 4.1 Use a minimum of 10% (post-consumer + 1/2 post-industrial) materials, furniture and furnishings with recyceld content	1	60%	Contractor	May be available- dependent on new materials needed.
4.2 Use a minimum of 20% (post-consumer + 1/2 post-industrial) materials, furniture and furnishings with recyceld content	?	30%		
credit 5 Local/Regional Materials (1-2 points possible) 5.1 Use a minimum of 20% of combined value of construction and Division 12 (Furniture) materials manufactured within a 500mi radius.	1	60%	Contractor	May be available- dependent on new materials needed.
5.2 of the above 20%, 50% is also extracted locally	?	10%		
credit 6 Rapidly Renewable Materials (1 point possible) Reduce the use and depletion of finite raw materials, and long-cycled renewable materials by replacing them with rapidly renewable materials. 5% cost of construction materials and Division 12 (Furniture and furnishings) to be made from plants that are harvested within a 10-year or shorter cycle, i.e., bamboo flooring, wool carpet, etc.	0	10%	Contractor	Likey cost prohibitive
credit 7 Certified Wood (1 point possible) Encourage environmentally responsible forest management. When using new wood-based products and materials, use a minimum of 50% that are certified with the Forest Stewardship Council (FCS). Division 12 material is included in the credit.	?	50%	Contractor	May be cost prohibitive- evaluate wood needs.



Indoor Environmental Quality

	Possible Points	confidence 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
prereq 1 Minimum IAQ Performance Establish minimum indoor air quality (IAQ) performance to prevent the development of indoor air quality problems in buildings, maintaining the health and well being of the occupants. Meet ASHRAE 62-2004	req'd	60%	Mechanical	Needs review if available with existing system.
prereq 2 Environmental Tobacco Smoke (ETS) Control Prevent exposure of bldg occupants and systems to Environmental Tobacco Smoke. (don't put outside smoking areas near windows, intakes or doors)	req'd	90%	CRSA	Utah Clean Air Act
credit 1 Carbon Dioxide Monitoring (1 point possible) Provide capacity for indoor air quality monitoring to sustain long-term occupant health and comfort.	0	10%	Mechanical	Requires addition of monitors
credit 2 Increase Ventilation (1 point possible) Provide for the effective delivery and mixing of fresh air to support the health, safety, and comfort of building occupants. Increase breathing zone outdoor air ventilation rates to all occupied spaces by at least 30% abover minimum rates required by AHRAE 62.1-2004	?	50%	Mechanical	Needs review if available with existing system.

credit 3 Construction IAQ Management Plan (1-2 points possible)				
3.1. During Construction Develop and implement an Indoor Air Quality (IAQ) Management Plan. MERV 8 filters, protect stored on-site and installed absorptive materials from moisture damage, etc.	1	60%	Contractor	
3.2. Before Occupancy Option A Flush- Out Procedure Option B IAQ test Procedure	1	60%		
credit 4 Low-Emitting Materials (1-5 points possible)				
4.1 Adhesives & sealers must meet or exceed the VOC limits	1	60%	Contractor	
4.2 Meet or exceed VOC limits by Green Seal and SMAQMD for paint and coatings.	1	60%	Contractor	
4.3 Carpet must meet or exceed Carpet Institute Green Label Plus Indoor Air Quality Test Program. Pad must meet Greel Label and adhesive must meet EQ 4.1 Standards.	1	60%	Contractor	
4.4 Composite wood and agrifiber products must contain no added urea-formaldehyde resins.	1	60%	Contractor	
4.5 Systems furniture and seating that has been manufactured, refurbished or refinished within one year prior to occupancy must meet one of the following: Option A Greenguard Indoor Air Quality Certified Option B ETV vocs and aldehydes limits	0	10%	Contractor	No systems furniture planned in scope.
credit 5 Indoor Chemical & Pollutant Source Control (1 point possible)				
Avoid exposure of building occupants to potentially hazardous chemicals that adversely impact air quality. Issue 1: Permanent entryway systems at high-volume entries. Issue 2: janitorial closets, bathrooms, copy rooms & chemical mixing rooms all vented to exhaust ducts and have deck to deck partitions. Issue 3: Chemical mixing drains are plumbed for appropriate disposal of waste. Issue 4: Use MERV 13 or better filters	?	50%	CRSA	Will retrofit system be able to handle MERV 13 filters? New entrance mats planned to be recessed. Chemical use rooms (restrooms, janitors closets, etc) to have hard gyp ceiling.
credit 6 Controllability of Systems (1-2 points possible)				
Provide a high level of individual occupant control of thermal, ventilation, and lighting systems to support optimum health, productivity, and comfort conditions.				
6.1 Lighting Provide lighting controls for at least 90% of occupants AND all shared multi-occupant spaces where transient groups must share lighting controls	?	50%	Electrial/ Mechanical	System to be evaluated
6.2 Temperature & Ventilation Provide thermal and ventilation controls for: At least 50% of the space occupants AND all shared-multi-occupant spaces- operable windows may be used in lieu of individual controls for occupants near windows	?	50%		System to be evaluated
credit 7 Thermal Comfort (1-2 points possible)				
7.1. Compliance Comply with ASHRAE 55-2004, Thermal Comfort Conditions for Human Occupancy	1	60%	Mechanical	To confirm with mech.
7.2. Monitoring (in addition to EQ 7.1) Provide a permanent monitoring system and process for corrective action to ensure performance as determined by EQ 7.1	0	10%		
credit 8 Daylight & Views (1-2 points possible)				
Provide a connection between indoor spaces and outdoor environments through the introduction of sunlight and views into the occupied areas of the building.				
8.1 Achieve a minimum Daylight factor of 2% in 75% of all spaces occupied OR achieve at least 25 footcandles using a computer simulation model AND provide glare control devices	?	50%	Electrical	Need to verify with building
8.2 Achieve a minimum Daylight factor of 2% in 90% of all spaces occupied OR achieve at least 25 footcandles using a computer simulation model AND provide glare control devices	?	50%		
8.3 Give access to views from 90% of all occupied spaces	1	60%	CRSA	



Innovation & Design Process

	Possible Points	confidence 0-40% = 0 41-65% = ? 66-100%= 1	Responsible Party	Project Notes
credit 1 Innovation in Design (1-4 points possible)				
Exceptional performance above requirements set by the LEED Green Building Rating System and/or innovative performance in Green Building categories not specifically addressed by LEED.				These credits are MORE difficult to achieve than the others, and may require more documentation.
1.1. Education	1	60%		
1.2. On-Site Renewable Energy	?	50%		PV Panels listed as an alternate. Explore as an innovation point if not available under SS.
1.3.	0	10%		
1.4.	0	10%		
credit 2 LEED Accredited Professional (1 point possible)				
To support and encourage the design integration required by a LEED Green Building project and to streamline the application and certification process.	1	100%	CRSA	

total possible points 22 + 14 other possibles

21-26 Certified 27-31 Silver 32-41 Gold 42-57 Platinum