

SECTION VII

ESTIMATED CONSTRUCTION COSTS

A. DEVELOPMENT COSTS ANALYSIS

1. Introduction

In estimating development costs for the proposed convention center in Las Cruces, we consulted with representatives of Ellerbe Becket, the prominent architectural firm specializing in public assembly facility design and construction. Ellerbe Becket based their estimates on the development costs of recently constructed, good quality convention facilities in small-to-medium U.S. cities, adjusted to reflect local construction costs in Las Cruces. As indicated earlier, the exhibit hall will be a dynamic glass-walled room, modulated by steel columns and trusses, filled with natural light predominantly from the south, providing views of the landscaped site and outdoor terraces. In the following section, we provide a summary of the estimated on-site development costs for the proposed facility, reflective of 1999 value dollars.

2. Cost Estimates

It should be noted that the estimated development costs do not include land, site acquisition costs, capitalized interest, funded reserves, off-site infrastructure, or any other charges. In other words, the development cost estimate includes only labor, materials, and architect and engineering fees (soft costs for the on-site convention center building construction).

As indicated previously, it is recommended that the proposed convention center in Las Cruces be comprised of approximately 80,000 square feet of gross building area, including 40,000 square feet of net meeting space. The proposed gross building area would also include close to 40,000 square feet of additional support space (pre-function/entry, back-of-house, kitchen, and public circulation).

Based on the foregoing sizing and configuration, Ellerbe Becket estimates that the building construction cost for the proposed facility is approximately \$10.1 million (\$124.20 per square foot), as summarized in the following table.

ESTIMATED CONSTRUCTION COSTS

Estimated Building Construction Costs Proposed Convention Center in Las Cruces, New Mexico			
Facility	Sq. Ft.	\$/Sq. Ft.	Cost
Pre-function/Entry	16,000	\$150.0	\$2,400,00
Exhibit Hall	25,000	0	0
Meeting Rooms & Breakout Rooms	15,000	\$90.00	\$2,250,00
Back-of-House:	15,000	\$125.0	0
Admin./Offices	-	0	\$1,875,00
1,200	-	\$75.00	0
General Storage	-	-	\$1,125,00
3,700	-	-	0
Table/Chair Storage	-	-	-
1,750	-	-	-
Service Corridor	4,000	-	-
4,450	-	-	-
Loading Dock	6,000	\$100.0	-
880	-	0	-
Empl. Restrooms/Locker	-	\$150.0	\$400,000
1,000	-	0	\$600,000
Restrooms	-	\$100.0	\$600,000
1,800	-	0	\$810,000
Kitchen	-	\$10.00	-
Kitchen Equipment	4,000	-	-
Public Circulation Furniture, Fixture, and Equipment ⁽¹⁾	-	-	-
Total Building Construction Cost	81,000	\$124.2 0	\$10,060,0 00

(1) Includes specialty finishes, furniture, and audio-visual equipment for a gross building area of 81,000 sq. ft. (excluding the indicated 4,000 sq. ft. of kitchen equipment); therefore, based on 81,000 sq. ft. x \$10.00 = \$810,000.
Source: **Ellerbe Becket**

In addition, it is estimated that the proposed convention center would require approximately 416,000 square feet of additional support (site work) areas. The cost estimates for the site work areas are presented in the following table.

Estimated Site Work Construction Costs Proposed Convention Center in Las Cruces, New Mexico			
Area	Sq. Ft.	\$/Sq. Ft.	Cost
Security/Site Lighting/Graphics	208,000	\$2.00	\$416,000
Parking/Roads (for approximately 600 cars)	195,000	\$2.00	\$390,000
Terrace/Landscape	13,000	\$15.00	\$195,000
Total Site Work Construction Cost	416,000	\$2.41	\$1,001,00 0

Source: **Ellerbe Becket**

ESTIMATED CONSTRUCTION COSTS

As such, the project subtotal is estimated at \$11,061,000 (\$10,060,000 + \$1,001,000). Development costs are estimated to rise at a rate of approximately three percent annually. Assuming that construction was to commence in 2000, an escalation factor of 1.03 is required, adding approximately \$332,000 to the costs. In addition, it is necessary to factor in architect and engineering fees (soft costs), which are estimated at approximately 6.5 percent of total escalated hard costs (building and site improvements), or nearly \$740,000 (\$11,383,000 x 6.5%).

3. Summary

Based on the foregoing analysis, the total construction cost for the proposed convention center in Las Cruces is, therefore, estimated at approximately \$12.1 million, as summarized below.

Total Estimated Construction Costs Proposed Convention Center in Las Cruces, New Mexico			
Cost	Sq. Ft.	\$/Sq. Ft.	Cost
Total Building Construction Cost	81,000	\$124.2 0	\$10,060,000
Total Site Work Construction Cost	416,000	\$2.41	\$1,001,000
Subtotal (Hard Costs)	-	-	\$11,061,000
Escalation Factor	X 1.03 (1999 to 2000) =		\$332,000
Subtotal	-	-	\$11,383,000
Architect and Engineering Fees (Soft Costs)	-	-	\$740,000
Total Construction Cost (Rounded) ⁽¹⁾	-	-	\$12,123,000
⁽¹⁾ Excludes land cost, capitalized interest, funded reserves, and off-site infrastructure costs. Source: Ellerbe Becket			