

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

URA RESOLUTION NO. 137

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE AUTHORIZING EXECUTION OF A REVISED LETTER OF INTENT WITH SPECHT DEVELOPMENT, INC., REGARDING PURCHASE AND DESIGN/BUILD OF A CITY HALL AND CERTAIN INFRASTRUCTURE

WHEREAS, Urban Renewal Agency Resolution No. 123 authorized a Letter of Intent between the Urban Renewal Agency and Specht Development, Inc., to develop City Hall project detail as required for a May 2005 community-wide vote; and

WHEREAS, on May 17, 2005, the voters of the City of Wilsonville approved Ballot Measure 3-171 entitled "Authorizes \$9,998,872 for City Hall; plus \$2,979,425 10-Year Interest Financing" by a margin of 83% yes votes to 17% no votes; and

WHEREAS, it is necessary and appropriate to enter into a revised Letter of Intent with Specht Development to allow project activities to proceed in this interim period while a Contract is drafted for City and Agency consideration; and

WHEREAS, it is the intent of the Urban Renewal Agency that this purchase and design/build of a City Hall and certain infrastructure qualify as a sole source exempt contract under public contracting laws; and

WHEREAS, all construction work on the Project shall be paid prevailing wages.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The Urban Renewal Agency Board authorizes the Agency's Executive Director to enter into and execute on behalf of the Urban Renewal Agency a revised Letter of Intent between Specht Development, Inc., and the Urban Renewal Agency of the City of Wilsonville identified on Exhibit A, attached hereto and incorporated herein

by this reference, relating to acquisition of property and design and construction of a 30,000 square foot City Hall building and related site and off-site improvements.

2. Staff shall coordinate with the City Attorney's office and Specht Development to prepare a draft Contract for Agency Board review and action.
3. The City Manager acting as the Agency's Executive Director is authorized to transfer title of identified properties in the Revised Letter of Intent to the City of Wilsonville by deed or directly through negotiation.

ADOPTED by the Wilsonville Urban Renewal Agency at a regular meeting thereof this 1st day of August 2005, and filed with the Wilsonville City Recorder this date.



CHARLOTTE LEHAN, Board Chair

ATTEST



Sandra C. King, City Recorder, MMC

SUMMARY OF VOTES:

Chair Lehan	Yes
Member Scott-Tabb	Yes
Member Kirk	Yes
Member Holt	Yes
Member Knapp	Yes

**Wilsonville City Hall
Letter of Intent
Dated August 1, 2005**

That certain Letter of Intent outlining the basic terms under which Specht Development Inc. ("Specht"), is prepared to develop a new City Hall (the "Project"), signed by Arlene Loble on January 24, 2005 on behalf of the Urban Renewal Agency of the City of Wilsonville, Oregon (the "Agency") and by Gregory L. Specht, on January 25, 2005 on behalf of Specht, is hereby revised in its entirety (the "Revised LOI").

THE PROPERTY:

The Project will be located on a portion of a 7.24 acre parcel of land (the "Property") on the west side of SW Town Center Loop East in the City of Wilsonville.

**BUILDING DESIGN AND
PARKING:**

The building will total approximately 30,000 rentable square feet, will consist of two stories, and will be designed and constructed to reflect the image and quality required by the Agency, but shall generally be designed and constructed and finished in the manner of a "Class A" suburban office building. The actual design, location and budget for the Project will be mutually agreed upon. The Project shall also contain approximately 196 parking stalls for City officials, employees and guests.

The Project shall be designed to accommodate a future 10,000 square foot addition.

The Project now includes not only ROW improvements that are part of, and adjacent to, the Property, but also ROW improvements to Town Center Loop East on land north of the Property.

COMPLETION DATE:

The Project will be completed (the "Completion Date") upon the later to occur of the dates on which (i) Specht obtains a temporary certificate of occupancy for the Project (or its functional equivalent), (ii) the mechanical, electrical and

plumbing services serving the Project are installed in good working order, (iii) access to the Project is substantially complete and all site work is complete (subject to punch list items), (iv) those Tenant Improvements which are the responsibility of Specht, are substantially complete (subject to punch list items), so as to enable the Agency to take possession and install furniture, fixtures and equipment and (v) Specht delivers to the Agency a Certificate of Substantial Completion from the Project Architect for the Project.

EARNEST MONEY:

Specht has entered into a Purchase and Sale Agreement (the "PSA") as Buyer with Kaiser Foundation Hospital as Seller. The Sale is for property as described in Exhibit #1 to this Revised LOI (the "Property").

The PSA shall be assigned by Specht to the Agency, the Agency having tendered \$50,000 to Specht as and for Earnest Money to be applied to the purchase price.

BUDGET:

The budget for the Project (the "Budget") is attached to this Revised LOI as Exhibit #2.

Specht will develop the Project based upon the Architectural Plans and Narrative included in the March 8, 2005 submittal to the Agency for a Guaranteed Maximum Price (the "GMP") of \$9,998,872 for City Hall and \$1,749,322 for certain other project activities ("Project Costs"). The GMP includes the cost for laminated glass in the EOC and direct/indirect lighting in appropriate areas of the Project.

ALLOWANCES:

The Budget includes several Allowances, which will be used by Specht and the Agency to insure that the final design and specifications will be within the accepted Budget. Exhibit #3 provides additional project detail.

Allowances	City Hall	Other Project Activities
Land	\$1,886,002	\$1,113,998
Shell & Sitework	110.00 / sf	0
Tenant Improvements	41.26 / sf	0
Architect & Engineering	382,000	0
Permits & Fees	293,698	0
Fixtures & Equipment	250,000	0
Contingency	300,000	0
Add Costs	547,954	0
EOC	273,176	0
Additional Costs - ROW	394,069	330,931
Town Center Loop East Improvements on Kaiser North Property		304,393

Specht shall have discretion as to how the Contingency Allowance is spent subject to approval of Agency, which shall not be unreasonably withheld. In addition, the Contingency may not be used to increase the Development Fee (or any other compensation directly to Specht)

The Allowances are an integral component of this Revised LOI. In the event the Agency requests, in writing, the Allowances to be exceeded, the excess will be paid by the Agency. In the event Specht requests, in writing, the Allowance to be exceeded, the excess will be paid by Specht. Any savings in any Allowance line item will be passed through in full to the Agency. All construction work on the Project shall be paid prevailing wages.

PROJECT SCHEDULE:

A Project Schedule is attached as Exhibit #4.

It is the intent of the Parties that t this Revised LOI for acquisition of land and design and construction of City Hall and certain infrastructure qualify as a sole source exempt contract under the public contracting laws.

Unless caused by negligence by Specht, its employees, or agents, any appeals of land use approvals shall increase the Project Schedule without penalty to Specht, and any additional costs associated with such appeals shall be in addition to the GMP, and paid by the Agency. The Development Fee shall not be increased in the event of such appeal.

PROJECT TEAM:

General Contractor

Skanska USA, Inc.
Ross Vroman, Area General Manager
Gordon Childress, Project Manager

Architect/Structural/Civil Engineering

Group Mackenzie
Jeff Reaves, President
Jeff Humphreys, Project Principal

Tenant Improvements

TI Design
Linda Smith

Specht shall have the right to change team members for the Project, subject to the reasonable approval of the Agency.

PAYMENT OF PROJECT COSTS:

The Agency shall be obligated to pay all Project Costs. Any request for payment of Project Costs shall be accompanied by such documentation as the Agency may reasonably require. In the event that the Agency elects to terminate this Project, the Agency will provide written notice of termination to Specht, and Specht shall expeditiously cease further expenditures on the Project; however, the Agency shall be responsible for any Project Costs incurred on the Project.

The Project Schedule calls for the contract for Purchase and Design/Build of a City Hall and Certain Infrastructure (the "Contract") to be executed no later than September 19, 2005. The Contract shall detail obligations of the Parties.

BROKERAGE:

A brokerage fee will be paid by the seller of the land upon acquisition of the Property by Specht. Otherwise, no brokerage fees will be paid as a part of this transaction.

LEGAL ACCEPTANCE:

Except for the Payment of Project Costs including, but not limited to, land purchase, the purchase obligation of the Agency detailed above, this Letter of Intent is non-binding upon the parties, however, both Specht and the Agency agree to work in good faith to further define the Project towards the goal of entering into a Development Agreement pursuant to the Performance Schedule detailed in this Letter of Intent.

Specht Development, Inc.

The Urban Renewal Agency of the City of Wilsonville

By: Gregory L. Specht

By: Arlene Loble

Date: _____

Date: _____

LEGAL DESCRIPTION

Order No.: 401366

A tract of land located in the Minkler Donation Land Claim, within the Southwest one-quarter of Section 13, Township 3 South, range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon and being more particularly described as follows:

Commencing at the Northeast corner of that tract described in Book 634, Page 265, Deed Records of Clackamas County, and running thence South $00^{\circ}02'56''$ West along the East line of said tract, 450.00 feet to a 5/8 inch iron rod with a yellow plastic cap marked "W&H Pacific" and the point of beginning; thence continuing South $00^{\circ}02'56''$ West along said East line 360.82 feet to a point of curvature; thence 287.93 feet along a 323.20 foot radius curve to the right, said curve having a long chord bearing South $25^{\circ}34'14''$ West, 278.50 feet and a central angle of $51^{\circ}02'34''$; thence leaving said East line, North $39^{\circ}00'15''$ West, 141.31 feet to a point of curvature; thence 174.68 feet along a 200.00 foot radius curve to the left, said curve having a long chord bearing North $64^{\circ}01'32''$ West, 169.18 and a central angle of $50^{\circ}02'34''$; thence North $89^{\circ}02'49''$ West, 51.65 feet to a point of curvature; thence 248.26 feet along a 338.67 foot radius curve to the right, said curve having a long chord bearing North $68^{\circ}02'49''$ West, 242.74 feet and a central angle of $42^{\circ}00'00''$, to a point of reverse curvature; thence 93.82 feet along a 317.33 foot radius curve, said curve having a long chord bearing North $55^{\circ}30'59''$ West, 93.48 feet and a central angle of $16^{\circ}56'21''$, to the East line of Partition Plat No. 1991-164, Plat Records of Clackamas County; thence North $00^{\circ}03'01''$ East along said East line, 276.26 feet to a 5/8 inch iron rod with yellow plastic cap marked "W&H Pacific"; thence leaving said East line North $89^{\circ}24'51''$ East, 715.13 feet to the point of beginning.

KAISER PROPERTY CITY HALL

REVISED LETTER OF INTENT
GUARANTEED MAXIMUM PRICE

	Specht Proposal - (30,000 gsf)	Specht Proposal - Apportionment for Ballot Measure
Market Value of Land (*1)	\$ 3,000,000	\$ 1,886,002
Design	\$ 382,000	\$ 382,000
Preconstruction	\$ 18,900	\$ 18,900
Construction Mgmt./Developer's Fee	\$ 914,386	\$ 914,386
SDCs	\$ 293,698	\$ 293,698
Permits	\$ -	\$ -
Building Costs (*2)	\$ 5,085,671	\$ 5,085,671
Landscape Costs	Included in Building Cost.	Included in Building Cost.
Access Costs/Offsites (*3)	\$ 725,000	\$ 394,069
Kaiser North - Town Center Loop East Improvements (*4)	\$ 304,393	\$ -
Parking Costs	Included in Building Cost.	Included in Building Cost.
Special Inspections	\$ 40,000	\$ 40,000
Other Soft Costs thru Construction	\$ 160,970	\$ 160,970
Contingency	\$ 300,000	\$ 300,000
Fixtures & Equipment (*5)	\$ 250,000	\$ 250,000
EOC Seismic Upgrade	\$ 273,176	\$ 273,176
PRELIMINARY PROJECT TOTAL	\$ 11,748,194	\$ 9,998,872
Interest (5% over 10 years; for costs to be incurred). (*6)		\$ 2,829,425
Bond Costs		\$ 150,000
BOND & INTEREST TOTAL		\$ 2,979,425

1* = Kaiser property price of \$9.51 per sq.ft; apportioned for City Hall Kaiser project = 4.55 acres; Kaiser property including excess acreage is 7.2

2* = Building Costs consists of Shell and Sitework Costs of \$3,300,000, Additional Shell Costs of \$547,954, and Tenant Improvement Costs of \$1

3* = Civic Center Drive and Town Center Loop E. frontage improvements (totalling \$725,000) apportioned to the City Hall Project total \$394,06

4* = Roadway improvements adjacent to property to be retained by Kaiser.

5* = City allowance - not included in Specht Proposal

6* = Interest and Bond Costs are City's estimates. Semi-annual principal and interest payments.

WILSONVILLE CITY HALL BUILDING SHELL NARRATIVE DATED 3/9/05

ASSUMPTIONS AND CLARIFICATIONS

- The Shell Budget pricing is the description of the scope of services provided by Skanska USA Building, Inc. and its subcontractor forces for the shell building for the City of Wilsonville. This narrative is intended to describe our assumptions and clarifications used for the budgeting in order to establish a baseline for budgeting purposes.
- This budget was established using concept design drawings as developed by Group Mackenzie.

Skanska USA Building, Inc. specifically excludes the following within the scope of this proposal:

1. Building permit and plan check fees.
2. System development and LID costs.
3. Utility and connection fees.
4. Power and gas company charges for development service.
5. Architectural and/or engineering fees.
6. Owner's legal and financing costs.
7. Furnish and install of furniture systems and tenant FFE items.
8. Environmental assessment survey.
9. Hazardous and Toxic waste removal.
10. Removal of soil contaminated by Hazardous or Toxic wastes.

SITWORK

- ***All on-site sitework is designed and will be provided to Private Development Standard.***
- The site is balanced. On-site materials are assumed to be acceptable for fill.
- Storm sewer, sanitary sewer, fire water and domestic water utility services are included. The services are assumed to be available adjacent to the site and of sufficient capacity to meet the project requirements.
- Over-excavation of footings has not been included.
- Asphalt paving is 3" ACP in one lift over 10" of base rock in travel aisles and 2" ACP over 8" rock in parking stall areas.
- Landscaping and irrigation system is included. A Landscape allowance of \$2.25 per square foot of landscaped area has been included.

FOUNDATION AND STRUCTURAL

- The slab-on-grade is 5" reinforced concrete with a minimum compressive strength of 3000 psi.
- Perimeter foundation drains are included.
- The structure for this brick building is assumed to be steel wide flange columns, beams and girders with metal deck roof and floor systems.
- Structural provisions for HVACs units are included in this pricing.
- Three sets of steel pan stairs with concrete fill at treads and landings are included.
- Fire-safing at the perimeter of the second floor is included in this pricing, however, fireproofing of the structural steel framing and metal decking is not budgeted.
- This non-essential structure is based on 10.5 lb/gsf (braced framed) for the building. Structural and miscellaneous steel structure will be upgraded under the alternate for an essential, moment framed EOC facility.
- Footings are budgeted based on Group Mackenzie initial footing size declarations. Approximately .0034 cy/gsf.

EXTERIOR CLOSURE

- Brick Veneer per the drawings is based on Mutual Material 2-1/2" Norman Brick in the field areas w/accent areas.
- All brick veneer to be laid in place at 1/3rd running.
- Standard hot dipped galvanized seismic ties: Hohmann and Barnard's DW-10HS assembly with (2) #12 x 2" coated screws by Elco with washer and a single #9 hot dipped galvanized seismic wire @ steel stud backup. Hohmann & Barnard's #315 BT dovetail assembly @ concrete backup. Air space to be 2" max.
- Type "S" mortar – one single color as selected by Architect or Owner. No white cement or white sand is included.
- 2" mortar net cavity drainage with open head joint weeps at 2'-0" on center at brick veneer only.
- Brick sealer budgeted as Hydrozo Clear 40 VOC.

WOOD & PLASTICS

- Plastic laminate countertops are budgeted for the vanities in the toilet rooms.

ROOFING AND SHEETMETAL

- Roofing system to be 3-ply built up roofing with a cap sheet over R19 rigid insulation. We will provide a bid alternate to upgrade the roofing to a single-ply membrane Energy Star compliant system.
- Roof access to be gained through a single roof hatch.
- We have included 850 square feet for the steel framed exterior canopies. These canopies will be made with painted metal decking and will be sloped to drain.
- The coping and cornice has been budgeted as 20 gauge pre-finished sheet metal custom color.

GLAZING

- The window systems are dark anodized aluminum with storefront material being utilized exclusively. No curtain-wall systems are included in this budgeting.
- Standard PPG, low-e gray glazing is included.
- We have included 4 each pair of storefront doors and 2 each single storefront doors in this budget. All other exterior doors are to be hollow metal.

DOORS, FRAMES AND HARDWARE

- Core area doors are budgeted as 3080 plain sliced white birch pre-finished clear.
- Timely door frames are included in standard colors.
- Schlage cylindrical locks with removable cores are included.
- An allowance has been included for a key-card system.

INTERIOR CONSTRUCTION

- Shell costs are limited to the lobby, center stairwell, elevator core, electrical room, elevator machine room, janitor's room and the core toilet rooms.
- Framing on the interior face of the perimeter walls is included.
- Acoustical ceiling grid is installed in a 4'x4' pattern and tile is stocked on floor. Ceilings to be standard 2'x4' lay in tile.
- Bathroom finishes figured as ceramic tile flooring and base with painted gypboard walls and ceilings.
- Wet wall ceramic tile is included in this pricing.
- The North and South steel stairs are budgeted to be painted with exposed broom finished concrete treads and landings.

- The shell lobby carpeting allowance includes installation of carpeting on the center stairway to the second floor.

LOBBY FINISHES

- We have included an allowance for 150lf of lobby ceiling cove or soffit detailing.
- We have included an allowance of \$28/sy of installed carpeting in the lower level lobby.
- The lobby walls are currently budgeted as painted.

CONVEYING SYSTEMS

- Elevators are to be two-stop hydraulic with a 2500 lb capacity and speed of 125 fpm. Finishes to be manufacturer's standard.

HVAC SYSTEMS

We have based our rooftop unit sizing on a criteria specification for "Standard Office" use for this facility and typical construction standards for buildings of this type and size.

HVAC DESIGN CRITERIA

Building envelope and HVAC system heating and cooling load calculations were performed utilizing the following values

Weather: **Summer Design 95°DB / 67°WB**
 Winter Design 17°DB

Thermostat Setting: **75° cooling /70° heating**

Construction: Glass – U-value = .37
 Glass – SC = .35
 Wall – U-value = .13 (R-11)
 Roof – U-value = .05 (R-19)

Notes

- 1) Oregon Energy Code Prescriptive Envelope defaults used for wall and roof insulation values
- 2) Glazing values reflect Oregon Energy Code Prescriptive requirements for glass to wall ratio greater than 30%.

<u>Airflow:</u>	20 CFM/person ventilation at all times	
<u>Lighting:</u>	1.2 W/SF	
<u>Miscellaneous Load:</u>	General Office	1.8 W/SF
	Meeting Room	0.5 W/SF
	Emergency Op Center	2.5 W/SF
<u>Occupant Density:</u>	General Office	7 people/1000sf
	Meeting Room	150 people/1000sf
	Emergency Op Center	14 people/1000sf

LOAD ANALYSIS

Building envelope and HVAC system heating and cooling load calculations were performed using Trane Trace 700 software, based on concept drawings provided by Group Mackenzie Architects. Load calculations will be reviewed by the City and Specht based on the completion of final design.

PROPOSED MECHANICAL SYSTEM DESIGN

Heating/ Cooling Equipment

We propose to utilize a rooftop mounted, self-contained, direct expansion VAV air-conditioning system. Merv 13 filter media is included in this budget. The unit will be mounted on the roof. Medium pressure ductwork will be distributed to both floors of the building and extended to connect to (6) fan powered boxes with electric reheat at perimeter zones. Future interior zones will be served by cooling-only VAV terminal units in the Tenant Improvement work.

Exhaust Systems

We have included general building exhaust systems to serve the restroom cores and janitor's closet, including exhaust duct and grilles. In addition, the electrical/telecom room and the elevator machine room will be equipped with a cabinet exhaust fan ducted to the return air plenum.

Noise Attenuation

The rooftop unit will require proper sound attenuation in order to achieve satisfactory noise levels within the second floor tenant space. To accomplish this, we propose for the unit to be mounted on an elevated concrete curb. A minimum of 4" of concrete should be placed between the curb and the unit and

extend approximately 6'-0" out from all sides of the curb. Our main supply riser shall be constructed of K-27 through the 2nd floor. Lined return air boots or silencers shall be included at each floor.

Temperature Controls

We have included in our proposal Trane Summit direct digital controls (DDC) to operate the rooftop units and control the terminal units serving the individual zones. We have budgeted for the system to be networked to a central workstation located within the building.

PLUMBING SYSTEMS - Fixtures

Shell and Core - Standard Tenant Occupancy

- (6) Water closets, floor-mounted, FV
- (2) Urinals
- (6) Countertop mounted lavatories
- (5) Floor drains (one for each restroom and fire sprinkler riser room)
- (2) Bi-level ADA drinking fountains
- (1) Janitors Sinks
- (2) 3" canopy roof drains
- (2) 4" Roof drains with overflow drains
- (1) BFP and PRV station
- (4) Wall hydrants located on two sides of the building exterior
- (1) 50-gallon natural gas fired water heater serving the main core toilet rooms
- (1) Hot water circulation pump
- (1) Lot storm, hot and cold water piping insulation
- (1) Elevator pit sump pump

ELECTRICAL

The following assumptions were made in order to facilitate this narrative.

Site Electrical

- Site electrical includes primary conduit from the street location to an on-site transformer pad.
- Site lighting includes 10 each parking lot (shoebox style) light poles with concrete pedestals.
- Site electrical conduits to sprinkler vault for power to a sump pump is included.
- Seven (7) specialty light fixtures have been included in addition to the parking lot light poles.

- One (1) 2" conduit will be provided between the building and the existing City Hall.

Shell Service and Distribution

- Electrical is not Design-Build.
- Design is based on 800 AMP 480/277 Volt 3-Phase 4-wire switchboard.
- Connection of the main Roof-Top mechanical unit and the elevator is included in the shell pricing.
- Connection of the shell mechanical scope is included also.
- We will be providing an Add alternate for indirect 2x4 light fixtures and cable hung linear indirect light fixtures during the bid process.

Shell Lighting

- Cost for purchasing 280 each 2x4 parabolic lights is included in the shell pricing.
- Lighting in the shell corridors, toilet rooms, janitor's closet, electrical rooms is included in the shell pricing.
- Exit fixtures per code have been included in the shell pricing.

Shell Power

- Shell power consists of power to the areas described in shell lighting, complete wiring for elevators and equipment.

Shell Fire Alarm

- Fire Alarm system with addressable control panel, strobes, and pull stations for the shell and core areas.

ADDITIONAL SHELL IMPROVEMENTS

The following shell improvements are included in the budget. The final scope quantity and specification of the materials will be determined as the project is developed.

1. Emergency Back-up Generator
 - Generator Equipment
 - Sound attenuating cover.
 - Expanded masonry enclosure.
 - Expanded footings and slab.
2. Emergency Operations Center.
 - Grade beam concrete
 - Grade beam reinforcing steel.
 - Added steel weight for essential moment frame building.
 - Added steel erection due to above added weight.

- Added special inspection costs.
 - Added RTU's/Concrete Curbs/Screens for EOC area.
 - Add for dual electrical feeds for EOC.
3. Shower / Mudroom.
 - Per TI Design Group Concept drawings for inspectors and field personnel.
 4. Unisex Restroom.
 - Per Group Mackenzie drawings.
 5. Secured Parking.
 - Security fencing and screening around city vehicles.
 6. Voice / Data.
 - Low voltage cabling/conduits for phone and computer station connections.
 7. Computer Room HVAC.
 - For cooling of City computer equipment and staffing.
 - Approximate 2-Ton split system.
 8. Computer Room UPS.
 - Uninterrupted Power Source (UPS) for protection of city computer systems.
 - Approximate 10kVA UPS.
 9. Signage Allowance.
 - To cover interior and exterior way-finding signage.
 10. Miscellaneous Specialty Items.
 - Operable partition in meeting hall.
 - Open grille at reception area.
 - Specialty exterior lighting at entry.
 - Lockers and bench.
 - Projection screens.
 - Window blinds.
 11. Coffee Bars.
 - Four (4) each approximate 6' long coffee bars with sinks and electrical.

**WILSONVILLE CITY HALL BUILDING
TENANT IMPROVEMENT NARRATIVE DATED 3/9/05**

ASSUMPTIONS AND CLARIFICATIONS

GENERAL

- The Tenant Improvement pricing is the description of the scope of services provided by Skanska USA Building, Inc. and its subcontractor forces for the interior build-out of the City of Wilsonville Shell building. This narrative is intended to describe our assumptions and clarifications used for the budgeting in order to establish a baseline for budgeting purposes.
- This budget was established using the TI Design Group and Group Mackenzie Concept drawings.

Skanska USA Building, Inc. specifically excludes the following within the scope of this proposal:

1. Building permit and plan check fees.
2. System development and LID costs.
3. Utility and connection fees.
4. Power and gas company charges for development service.
5. Architectural and/or engineering fees.
6. Owner's legal and financing costs.
7. Furnish and install of furniture systems and tenant FFE items.
8. Environmental assessment survey.
9. Hazardous and Toxic waste removal.
10. Removal of soil contaminated by Hazardous or Toxic wastes.

STRUCTURAL STEEL

- An allowance of \$1500 per location has been included for structural upgrades to the beam sizing under the areas noted for rolling files. We did not include any costs for providing or installing these rolling files.

WOOD & PLASTICS

- We have included an allowance of \$15,000 for reception desks at each floor. This cost can be reconciled after further design and material selections are made.
- We have included costs for plastic laminate vanity countertops in the tenant toilet rooms.

- We have included budgets for casework as shown in the drawings and clarified in our proposal as plastic laminate cabinet fronts and countertops, with standard color melamine interiors.
- An Alternate has been provided for a bench and lockers in the locker area.
- An Allowance has been provided for the kitchen, break-room/workroom, and coffee bar cabinetry on the 2nd floor.
- An Alternate for providing 1500 lineal feet of wood base and/or chair rail has been provided.

ROOFING AND SHEETMETAL

- Minor roof patching for added vent penetrations for Tenant Improvements has been included.

GLAZING

- Tempered glazing for full height door side-lites has been included at the door locations indicated on the drawings.

DOORS, FRAMES AND HARDWARE

- TI area doors are budgeted as 3080 plain sliced white birch pre-finished clear.
- Timely door frames are included in standard colors with side-lites as indicated on the drawings.
- Schlage cylindrical locks with removable cores are included. A budget for keying of the cylinders has also been included.

DRYWALL AND FRAMING

- The following tenant improvement walls were assumed to be constructed full height to structure for either privacy, sound restriction or food odor control purposes:
 1. Meeting Hall.
 2. EOC Area.
 3. Toilet room.
 4. Shower room & locker room.
 5. Tenant/lobby demising wall.
 6. Director CD Office.
 7. City Engineer Office.
 8. City Manager Office.
 9. City Attorney's Office.
 10. 2-hour records room.
- All other framed walls for the Tenant Improvement have been budgeted to extend to the underside of the ceiling grid as a typical detail. This will

provide the most flexibility for the tenant in the future because walls can be moved while keeping the ceiling grid intact.

- Costs for installing the acoustical ceiling tees and tiles are included in the tenant improvement.
- Gypboard is installed, finish taped and painted in the tenant improvement costs at the inside face of all the exterior walls.
- An allowance for gyp soffit and ceiling work is included for the perimeter of the Meeting Hall room. The majority of the ceiling area is to be acoustical ceiling tile.

PAINTING

- Walls are budgeted to be smooth finish (as opposed to textured) with a few accent wall colors (as opposed to stripes.)
- There are no wall coverings currently budgeted for this project.
- An allowance for 120sf of wall talkers has been included in the budget for the TI.

FLOOR COVERINGS

- We have included carpeting for the tenant improvement areas as standard carpeting.
- The budget for TI carpeting is based on \$28/sy (installation included) with a portion of the extended size lobby carpet being allocated to the TI at \$43.00/sy. The \$43.00/sy cost is based on the installation of the carpeting on the stair cores at either end of the building. This work is much more labor intensive than flat carpet installation. There will be a cost savings if stairway carpeting is eliminated and sealed concrete is specified for the stair core areas.
- VCT has been included for rooms with sinks, the server room, and the voice/data room.

SPECIALTIES / EQUIPMENT

- Toilet accessories and partitions are budgeted as shown on the drawings and assumptions have been made to make up for the early nature of the drawings.
- Projection screens and audio visual equipment are not included in this tenant improvement and are assumed to be included in the owner's FFE budget.
- Appliances for the kitchen and breakroom are also considered to be supplied by the owner under FFE for the purposes of this estimate.
- Window coverings are shown as an Alternate and are not included in the current budgeting.

- Interior and Exterior signage are shown as an Alternate and are not included in the current budgeting.
- An allowance has been included for costs associated with a sliding glass wall/door in the Meeting Hall room. This door would retract into the wall and be supported in the ceiling by structural framing.
- We have not included any costs for Owner Fixtures, furniture or equipment. (FFE)

FIRE PROTECTION

- Cost for dropping sprinkler heads to from the structure to the finished ceiling are included in the TI.

HVAC / PLUMBING SYSTEMS

The Tenant Improvement HVAC costs include the following:

- This is not a design-build HVAC system. It is assumed to be fully engineered by others.
- Upgrading the size of the HVAC system from a 60-Ton to a 75-Ton system. This includes the cost of a larger unit and upsized ductwork.
- Purchase and installation of (16) Variable Air Volume (VAV) boxes above the ceiling grid for control of the air distribution. The interior zones will be cooling only boxes and the exterior zones will be equipped with electric heater coils. This is over and above the initial (6) VAV boxes which were purchased and installed in the shell proposal.
- An alternate has been provided for providing and installing a separate unit for the Meeting Hall space.
- An alternate has been provided for providing and installing two (2) separate units for the EOC space.
- Furnish and installation of all the low pressure ductwork downstream of the VAV boxes is included in the TI.
- Furnish and installation of all grilles and diffusers.
- Furnish and installation of thermostats, testing and balancing of the system, and all necessary permitting has been included.

The Tenant Improvement Plumbing costs include the following:

- This is not a design-build Plumbing system. It is assumed that it will be fully engineered by others.
- All plumbing fixtures are budgeted to be manual. Electronic flush valves are not included.
- The budget includes increasing the number of water closets and urinals in the core area toilet rooms to accommodate the additional tenant load.
- The budget includes adding the toilet rooms and shower room shown on the TI drawings.

- The budget includes providing and installing water and waste to sinks in coffee areas and lunchrooms as shown on the drawings.

ELECTRICAL

The following assumptions were made in order to facilitate this narrative.

TI Service and Distribution

- Electrical is not Design-Build.
- Connection of the TI mechanical scope is included.
- Includes the portion of the Shell gear that needs to be upgraded in order to accommodate the added tenant load for the building.

TI Power

- Included In T.I. Power Is 110 General Purpose Duplex Receptacles, 10 Dedicated Duplex Receptacles, 13 Combination Floor Outlets, Wiring For 2 Kitchen Areas As Needed, Power To Modular Partitions, And Power To Low Voltage Panels.

Ti Lighting

- Included In T. I. Lighting Is 280 Layin Parabolic Fixtures, 70 Compact Fluorescent Downlights, 6 Surface Wraparound Fluorescents, 2 – 4 Foot Wall Bracket Fluorescents, 1 Shower Fixture, 24 Exit Fixtures, 4 Lobby Fixtures, 43 Wall Mounted Occupancy Sensors, 14 Ceiling Mounted Occupancy Sensors, 8 Override Switches, 2 Lighting Control Panels, And Miscellaneous Control Wiring. We Include Ceiling Wires For All Lighting. General Layout Is For 50 Footcandles In Working Areas.

Ti Fire Alarm

- Ti. Fire Alarm To Include Auxiliary Power Supply For Additional Devices, Five Manual Pull Stations, Remote Annunciator, Thirty Six Horn Strobes, Ten Strobes, Twelve Heat Detectors, Four Fire Smoke Dampers.

Todd Sheaffer, COO / Update Bob Porter
Specht Development, Inc.

Mon 7/25/05

Wilsonville City Hall - Kaiser Land Project Schedule - Best Case Update 7-25-05 (7/11 Stage 1, 9/12 Stage 2 DRB Hearings)

ID	Task Name	Duration	Start	Finish	Predecessors	Successors	Responsibility	2005												2006											
								Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	PSA Requirements	229 days?	Tue 11/16/04	Fri 9/30/05			Specht	[Gantt bar from 11/16/04 to 9/30/05]																							
2	Execution	1 day	Tue 11/16/04	Tue 11/16/04		8FF, 11, 29FS+3 wks, 30FS+3 wks, 31FS+3 wks, 33FS+3 wks, 3	Specht	[Gantt bar at 11/16/04]																							
3	Due Diligence	226 edays	Thu 6/30/05	Tue 6/30/05	2	4FF	Specht	[Gantt bar from 6/30/05 to 6/30/05]																							
4	Earnest Money - Promissory Note converted to Cash, becoming nonrefundable	1 day?	Thu 6/30/05	Thu 6/30/05	3FF	5, 6	Agency	[Gantt bar at 6/30/05]																							
5	Right to Enter Property	1 day?	Fri 8/19/05	Fri 8/19/05	4, 6FS-31 days	67	Kaiser	[Gantt bar at 8/19/05]																							
6	Closing (Latest Date - assuming Amendment #2 is executed. Current Finish is 8/31/05)	1 day	Fri 9/30/05	Fri 9/30/05	40, 4	5FS-31 days	Agency	[Gantt bar at 9/30/05]																							
7	Title	16 days?	Tue 11/16/04	Tue 12/7/04			Specht	[Gantt bar from 11/16/04 to 12/7/04]																							
8	Receive Title Report	1 day?	Tue 11/16/04	Tue 11/16/04	2FF	9	Specht	[Gantt bar at 11/16/04]																							
9	Notice to Buyer of Objections to Title	15 days	Wed 11/17/04	Tue 12/7/04	8		Specht	[Gantt bar from 11/17/04 to 12/7/04]																							
10	A/E	223 days	Fri 11/26/04	Tue 10/4/05			Group Mackenzie	[Gantt bar from 11/26/04 to 10/4/05]																							
11	Complete Concept Drawings	2 wks	Fri 11/26/04	Thu 12/9/04	2	12	Group Mackenzie	[Gantt bar from 11/26/04 to 12/9/04]																							
12	Schematic Design	4 wks	Thu 1/20/05	Wed 2/16/05	11, 26	65, 32, 42	Group Mackenzie	[Gantt bar from 1/20/05 to 2/16/05]																							
13	Stage I Application	2 wks	Wed 5/18/05	Tue 5/31/05	39	45	Group Mackenzie	[Gantt bar from 5/18/05 to 5/31/05]																							
14	Modify existing design	2 wks	Fri 5/27/05	Thu 6/9/05		15, 16	Group Mackenzie	[Gantt bar from 5/27/05 to 6/9/05]																							
15	DRB Application (Stage II)	2 wks	Thu 7/14/05	Fri 7/1/05	39, 42FS+2 wks, 14, 48FF+3 d	53, 43	Group Mackenzie	[Gantt bar from 7/14/05 to 7/1/05]																							
16	Design Development	27 days	Thu 6/23/05	Fri 7/29/05	39, 42, 14, 53FF+2 wks	21FF, 66, 17SS	Group Mackenzie	[Gantt bar from 6/23/05 to 7/29/05]																							
17	Design Development Pricing Set	5.3 wks	Thu 6/23/05	Fri 7/29/05	16SS	43, 66	Group Mackenzie	[Gantt bar from 6/23/05 to 7/29/05]																							
18	Construction Documents for ROW Improvements, Site Grading, Foundations, and Site Utilities	30 days	Tue 6/28/05	Tue 6/28/05	39	19, 62	Group Mackenzie	[Gantt bar at 6/28/05]																							
19	Construction Documents	8 wks	Wed 8/10/05	Tue 10/4/05	60FF, 18, 51	63, 22FF	Group Mackenzie	[Gantt bar from 8/10/05 to 10/4/05]																							
20	TI Architecture	67 days	Mon 7/4/05	Tue 10/4/05			TI Design	[Gantt bar from 7/4/05 to 10/4/05]																							
21	TI Design Development	4 wks	Mon 7/4/05	Fri 7/29/05	16FF	66	TI Design	[Gantt bar from 7/4/05 to 7/29/05]																							
22	TI Construction Documents	4 wks	Wed 9/7/05	Tue 10/4/05	19FF	63	TI Design	[Gantt bar from 9/7/05 to 10/4/05]																							
23	Due Diligence	66 days?	Mon 1/10/05	Mon 4/11/05			Specht	[Gantt bar from 1/10/05 to 4/11/05]																							
24	Wetlands Determination	2 wks	Tue 1/11/05	Mon 1/24/05			Specht	[Gantt bar from 1/11/05 to 1/24/05]																							
25	Survey	20 days?	Mon 1/10/05	Fri 2/4/05			Specht	[Gantt bar from 1/10/05 to 2/4/05]																							
26	Boundary & Topo	8 days?	Mon 1/10/05	Wed 1/19/05		12	Specht	[Gantt bar from 1/10/05 to 1/19/05]																							
27	Utilities	15 days?	Mon 1/10/05	Fri 1/28/05			Specht	[Gantt bar from 1/10/05 to 1/28/05]																							
28	ALTA	20 days?	Mon 1/10/05	Fri 2/4/05			Specht	[Gantt bar from 1/10/05 to 2/4/05]																							
29	Geotechnical	4 wks	Wed 1/19/05	Tue 2/15/05	2FS+3 wks, 37		Specht	[Gantt bar from 1/19/05 to 2/15/05]																							
30	Environmental	4 wks	Wed 1/19/05	Tue 2/15/05	2FS+3 wks, 37		Specht	[Gantt bar from 1/19/05 to 2/15/05]																							
31	Tree Survey	4 wks	Wed 1/19/05	Tue 2/15/05	2FS+3 wks, 37	53	Specht	[Gantt bar from 1/19/05 to 2/15/05]																							
32	Traffic Study	6.6 wks	Thu 2/24/05	Mon 4/11/05	12, 37	53	Agency	[Gantt bar from 2/24/05 to 4/11/05]																							
33	Confirm Utilities	4 wks	Wed 1/19/05	Tue 2/15/05	2FS+3 wks, 37		Specht	[Gantt bar from 1/19/05 to 2/15/05]																							
34	Provide Project GMAX to City	1 wk	Thu 3/3/05	Wed 3/9/05	65	38	Specht	[Gantt bar from 3/3/05 to 3/9/05]																							
35	City Approvals / Requirements	231 days?	Tue 1/11/05	Tue 11/29/05			Agency	[Gantt bar from 1/11/05 to 11/29/05]																							
36	Approval of \$100k	1 day	Tue 1/11/05	Tue 1/11/05			Agency	[Gantt bar at 1/11/05]																							
37	Approval of LOI	1 day	Tue 1/18/05	Tue 1/18/05		30, 31, 32, 33, 29	Agency	[Gantt bar at 1/18/05]																							
38	Submission of Ballot Measure (Public Notice Package)	1 day	Thu 3/17/05	Thu 3/17/05	34		Agency	[Gantt bar at 3/17/05]																							
39	Ballot Measure Approved & Certified	1 day	Tue 5/17/05	Tue 5/17/05		40, 15, 18, 13, 16	Agency	[Gantt bar at 5/17/05]																							
40	Development Agreement Negotiation/Execution	125 edays	Tue 5/17/05	Mon 9/19/05	39	67FS-21 days, 6	Agency / Specht	[Gantt bar from 5/17/05 to 9/19/05]																							
41	A/E Approvals	126.5 days	Thu 2/17/05	Fri 8/12/05			Agency	[Gantt bar from 2/17/05 to 8/12/05]																							
42	Schematics	2 wks	Thu 2/17/05	Wed 3/2/05	12	15FS+2 wks, 16	Agency	[Gantt bar from 2/17/05 to 3/2/05]																							
43	Design Development	2 wks	Fri 7/29/05	Fri 8/12/05	15, 17		Agency	[Gantt bar from 7/29/05 to 8/12/05]																							
44	Stage I Approval (DRB)	45 days?	Wed 6/1/05	Tue 8/2/05			Group Mackenzie	[Gantt bar from 6/1/05 to 8/2/05]																							
45	Application Filed	1 day	Wed 6/1/05	Wed 6/1/05	13	46	Group Mackenzie	[Gantt bar at 6/1/05]																							
46	Completeness Determined	26 days	Thu 6/2/05	Thu 7/7/05	45	47	Group Mackenzie	[Gantt bar from 6/2/05 to 7/7/05]																							
47	Response to City Issues	1 day	Fri 7/8/05	Fri 7/8/05	46	48	Group Mackenzie	[Gantt bar at 7/8/05]																							
48	1st DRB Hearing & Approval	1 day	Mon 7/11/05	Mon 7/11/05	47	49, 15FF+3 days	Group Mackenzie	[Gantt bar at 7/11/05]																							
49	Notice of Decision	5 days	Tue 7/12/05	Mon 7/18/05	48	50	Group Mackenzie	[Gantt bar from 7/12/05 to 7/18/05]																							
50	Appeal Period	10 days	Tue 7/19/05	Mon 8/1/05	49	51	Group Mackenzie	[Gantt bar from 7/19/05 to 8/1/05]																							
51	Final Decision (Assuming no appeals)	1 day?	Tue 8/2/05	Tue 8/2/05	50	62FF, 19	Group Mackenzie	[Gantt bar at 8/2/05]																							
52	Stage II, Site and Design Review, Master Site Plan Approval, and Tentative Partition (DRB)	58 days?	Fri 7/15/05	Tue 10/4/05			Group Mackenzie	[Gantt bar from 7/15/05 to 10/4/05]																							
53	Application Filed	1 day	Fri 7/15/05	Fri 7/15/05	15, 31, 32	16FF+2 wks, 54FS+15 days, 55	Group Mackenzie	[Gantt bar at 7/15/05]																							
54	Panel A DRB Work Session	1 day?	Mon 8/8/05	Mon 8/8/05	53FS+15 days		Specht	[Gantt bar at 8/8/05]																							
55	Completeness Determined	30 days	Mon 7/18/05	Fri 8/26/05	53	56	Group Mackenzie	[Gantt bar from 7/18/05 to 8/26/05]																							
56	Response to City Issues	1 wk	Mon 8/29/05	Fri 9/2/05	55	57	Group Mackenzie	[Gantt bar from 8/29/05 to 9/2/05]																							
57	1st DRB Hearing & Approval	6 days	Mon 9/5/05	Mon 9/12/05	56	58, 66FF-5 wks	Group Mackenzie	[Gantt bar from 9/5/05 to 9/12/05]																							
58	Notice of Decision	5 days	Tue 9/13/05	Mon 9/19/05	57	59	Group Mackenzie	[Gantt bar from 9/13/05 to 9/19/05]																							
59	Appeal Period	10 days	Tue 9/20/05	Mon 10/3/05	58	60	Group Mackenzie	[Gantt bar from 9/20/05 to 10/3/05]																							
60	Final Decision (Assuming no appeals)	1 day?	Tue 10/4/05	Tue 10/4/05	59	19FF	Group Mackenzie	[Gantt bar at 10/4/05]																							
61	Permit Review / Issuance	110 days	Wed 6/29/05	Tue 11/29/05			Group Mackenzie	[Gantt bar from 6/29/05 to 11/29/05]																							
62	Permit for ROW Improvements, Site Grading, Foundations, and Site Utilities	6 wks	Wed 6/29/05	Tue 8/9/05	18, 51FF	67	Group Mackenzie	[Gantt bar from 6/29/05 to 8/9/05]																							
63	Building Permit	8 wks	Wed 10/5/05	Tue 11/29/05	19, 22	68	Group Mackenzie	[Gantt bar from 10/5/05 to 11/29/05]																							
64	General Contractor	405 days	Thu 2/17/05	Wed 9/6/06			Skanska	[Gantt bar from 2/17/05 to 9/6/06]																							
65	GMAX Commitment from GC	2 wks	Thu 2/17/05	Wed 3/2/05	12	34	Skanska	[Gantt bar from 2/17/05 to 3/2/05]																							
66	Completed DD Pricing	2 wks	Mon 8/1/05	Fri 8/12/05	16, 57FF-5 wks, 21, 17		Skanska	[Gantt bar from 8/1/05 to 8/12/05]																							
67	Construction of ROW Improvements, Site Grading, Foundation Prep, and Site Utilities	13 wks	Mon 8/22/05	Fri 11/18/05	40FS-21 days, 62, 5	68	Skanska	[Gantt bar from 8/22/05 to 11/18/05]																							
68	Building Construction	34 wks	Wed 11/30/05	Tue 7/25/06	63, 67	69	Skanska	[Gantt bar from 11/30/05 to 7/25/06]																							
69	Substantial Completion	1 day	Wed 7/26/06	Wed 7/26/06	68	70	Skanska	[Gantt bar at 7/26/06]																							
70	Temporary Certificate of Occupancy	2 wks	Thu 7/27/06	Wed 8/9/06	69	71	Skanska	[Gantt bar from 7/27/06 to 8/9/06]																							
71	Certificate of Occupancy	4 wks	Thu 8/10/06	Wed 9/6/06	70		Skanska	[Gantt bar from 8/10/06 to 9/6/06]																							

Those lines that have been modified with hard entered data from 6/16/05 Schedule are shown in italics.