



January 11, 2010

Mr. Jerry Moss

RE: Chadron Community Center in Chadron, NE

Mr. Moss:

In regard to our discussion pursuant to the proposed Community Center, I have compiled some estimated construction cost information. Let me first explain my basis for these figures.

Our company's expertise is based on 51 years in the construction industry. Fuller Construction has completed tens of millions of dollars worth of commercial, institutional and municipal projects in Nebraska, South Dakota and Wyoming. We have built hundreds of projects in this area and it is partly from that base of experience that we draw to try to determine the projected costs involved with this project.

Additionally, I have utilized the 68th annual edition of the R.S. Means Building Construction Cost Data for project and square foot estimating purposes. Means compiles over 10,000 construction projects annually to project costs on similarly designed projects for the next year. We have utilized Means for this type of cost comparison and for actual estimating information for over thirty years.

Means states that regarding community centers, the average square foot cost of construction last year was \$132.00 per square foot of building. This cost includes all aspects of constructing the actual building, but does not include any items outside of the footprint of the building such as lot price or parking requirements. Means also states that the lower ¼ of those projects were completed for an average cost of \$107.00 per square foot.

After brief research and utilizing your conceptual drawing for this particular project, I believe that the new construction could legitimately be constructed for approximately \$125.00 per square foot.

The cost for renovating and altering the existing portion of the building could vary greatly and are more difficult to budget. I think a figure of \$80.00 per square foot is a good number to use at this point in the process.

Below I have assembled a preliminary budget for this project. I have included allowances for both exterior improvements such as parking, landscaping, etc..., and also a contingency for unforeseen conditions that often arise as part of a project of this magnitude. The cost of acquiring land and/or existing buildings, operational costs, or maintenance costs are **not** included in this budget.

With those qualifications, the approximate construction budget for The Chadron Community Center is as follows:

Estimate of Total Building Costs for Chadron Community Center Building:

33,489sf of renovated space @ \$80.00/sf =	\$2,679,120.00
30,126sf of new space @ \$120.00/sf =	\$3,615,120.00
Parking/Sidewalk/Landscaping allowance:	\$100,000.00
Contingency allowance (appx. 3% of building cost):	\$190,000.00
Total Estimated Project Cost:	\$6,584,240.00

If the entire project were to be new construction of the same approximate size, I would estimate the construction budget as follows:

Estimate of Total Building Costs for Chadron Community Center Building:

63,615sf of new construction @ \$120.00/sf =	\$7,633,800.00
Utility/Parking/Sidewalk/Landscaping allowance:	\$600,000.00
Contingency allowance (appx. 1% of building cost):	\$100,000.00
Total Estimated Project Cost:	\$8,333,800.00

These numbers are conservative approximations, but they are the most accurate budget figures that I can assemble at this point in the process. I realize that these costs may be more than what the group anticipated. The amount of space is enormous, over 2/3 the size (in square feet) of the new hospital building.

If the size of the building is adjusted, the same square foot costs would generally apply. If you have any questions about this information or if I can be of additional assistance, please call me.

Sincerely,

Eric A. Fuller
Vice President and General Manager
Fuller Construction Inc.

