



## **Ninth and Jefferson Building King County Auditor's Office Oversight Project Report**

**September 15<sup>th</sup>, 2008**



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<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>SCOPE OVERVIEW.....</b>	<b>3</b>
CORE/SHELL CONSTRUCTION STATUS .....	3
TENANT IMPROVEMENT CONSTRUCTION STATUS .....	4
TENANT IMPROVEMENT DESIGN STATUS.....	5
<b>SCHEDULE OVERVIEW .....</b>	<b>5</b>
<b>BUDGET OVERVIEW.....</b>	<b>6</b>
USE OF PROJECT CONTINGENCY .....	8
TENANT IMPROVEMENT COSTS .....	8
<b>GENERAL OBSERVATIONS.....</b>	<b>9</b>

## **Executive Summary**

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The Ninth and Jefferson Building is being constructed as a public-private partnership. The scope of the project includes a 14-story multi-purpose high-rise tower and five floors of underground parking. The building will house specialty services at Harborview Medical Center. Anticipated services in the building include the King County Medical Examiner, neurosciences, orthopedics, a spine center, a sleep center, global health/research laboratories, dry labs, clinical services, and the County's Involuntary Treatment Act courtroom. The building also has retail space and four floors of underground parking for use by patients, visitors and the surrounding community. The developer of the project is Wright Runstad and the General Contractor is Turner Construction.

Jones Lang LaSalle is providing construction oversight and documentation of current progress for the King County Auditor's Office. Site visits and attendance of meetings for the Ninth and Jefferson Building at Harborview Medical Center occur on a bi-monthly basis.

As of mid-September 2008, sixty percent (60%) of the project core/shell and tenant improvements construction is complete compared to fifty-five percent (55%) last month. The forecast for substantial completion of the shell and core remains unchanged from last month at 1/5/09. Substantial completion for the Tenant Improvements have forecast dates ranging from 3/5/09 out to the third quarter of 2009. The final total development cost estimate is \$184,247,886.

## **Scope Overview**

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The original scope of the project included approximately 600+ parking spaces and 440,000 GSF in the building. As of June 9, 2008, the parking garage had 650 parking spaces and the actual GSF for the building is 437,999.

## **Core/Shell Construction Status**

Building, site and off-site improvements continue in accordance with the construction documents and local building authority of jurisdiction requirements. Current work specifically related to underground utilities will be done on weekends in order to limit impact to traffic flow in the area and around the campus.

The parking garage has a Temporary Certificate of Occupancy and has been available for Harborview Medical Center use as of July 28, 2008.

Exterior closure (Close-in) of building continues to progress according to schedule, unitized curtain wall installation is complete to the roof. Water tests performed and passed in August.

Interior framing for the core/shell and tenant improvements continues along with the rough in of MEP systems with no noticeable impacts to the substantial completion date.

Sidewalk and street work on the south end of Terry Avenue is complete to allow uninterrupted passage of vehicles entering and exiting the operational parking garage. Utilities, sidewalks and street work are progressing on the north half of Terry Avenue, along James Street and 9<sup>th</sup> Avenue.

The freight elevator is complete for construction use, which allows the removal of the exterior hoist.

Design continues within allowable time constraints and Bid Packages are coming in within allowed budgets.

Turner Construction is sending out a monthly neighborhood newsletter update to notify the area residents of upcoming potential impacts and contacts neighbors directly when needed to warn of upcoming noise issues.

## **Tenant Improvement Construction Status**

Scope Narrative-

- Level 2  
KCME & Pathology – Installation of overhead mechanical, electrical and fire protection systems are complete. Walls are constructed, ceilings installed and walls are being painted. Equipment deliveries continue, installation done as appropriate.  
  
ITA Court – Installation of stud walls is complete. Magnetic and acoustic shielding from the radiology space is complete.
- Level 3  
UW School of Medicine Labs – Installation of mechanical, sprinkler and electrical rough-in is complete. Sheetrock is now being installed.
- Levels 4, 5, 6, 11  
Guaranteed Maximum Price of \$11,126,629 has been approved for these four floors. Construction contract issued to Turner. Substantial Completion targeted for 3/5/09.
- Levels 8, 9 & 10  
UW Medicine IT Services offices – Installation of overhead piping and ductwork is being installed with framing of full-height walls underway.

## Tenant Improvement Design Status

All tenant improvement design was originally expected to have been completed by August 30, 2008. However, as noted in Table 1, some tenant improvement design will not be complete until October 15. Construction of the tenant improvements will proceed in phases, moving up the tower as design is completed. See Table 1 for a status of tenant bid package development.

**Table 1 – TI Design Summary by Package**

<b>Building Floor</b>	<b>Design Package Number</b>	<b>Construction Documents Estimated Completion or Completion Date</b>
1	Pharmacy	No program information available from HMC currently, this is being developed with no impact to overall project anticipated. This scope of work is minor and will integrate as the information becomes available.
2	Package #1 (ITA Court, Pathology, KCME)	Complete – Under Construction
3	Design Package #1 (UW School of Medicine) Design Package #5 (remainder of level 3)	Complete – Under Construction Complete – Under Construction
4	Design Package #4 (Sleep Clinic)	Complete – Under Construction
5	Design Package #4 (Spine Clinic)	Complete – Under Construction
6	Design Package #4 (Ortho Clinic)	Complete – Under Construction
7	(Eye Clinic)	10/15/08 estimated completion
8	Design Package #2 (IT Services)	Complete – Under Construction
9	Design Package #2 (IT Services)	Complete – Under Construction
10	Design Package #2 (IT Services)	Complete – Under Construction
11	Design Package #4 (STD/Virology Clinic)	Complete – Under Construction
12	Global Health Offices	10/15/08 estimated completion
13	Global Health Offices	10/15/08 estimated completion
14	Neurosciences Offices	10/15/08 estimated completion

## Schedule Overview

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Completion of all tenant spaces is projected for the third quarter of 2009. No adverse impact to the project is anticipated if this date moves due to the phased occupancy of the building.

Reports from the month continue to support the forecasted projections described in Table 2 below. No potential impacts affecting the project's forecasted delivery dates were brought to the attention of the team.

As of September 15, 2008, there are 76 remaining workdays until substantial completion of core and shell.

**Table 2 – Substantial Completion\*\* Date by Level**

Level	Current Forecast Target Date	Previous Month Forecast Target Date	Notes
Garage	July 1st, 2008 *	Actual	
1	Not Under Design	N/A	Pharmacy - Please see notes in Table 1.
2	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
3	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
4	March 5 <sup>th</sup> , 2009	March 5 <sup>th</sup> , 2009	<u>Turner Construction was successful bidder ensuring a timely issuance of Contract.</u>
5	March 5 <sup>th</sup> , 2009	March 5 <sup>th</sup> , 2009	
6	March 5 <sup>th</sup> , 2009	March 5 <sup>th</sup> , 2009	
7	Currently Under Design	N/A	
8	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
9	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
10	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
11	March 5 <sup>th</sup> , 2009	March 5 <sup>th</sup> , 2009	
12	Currently Under Design	N/A	
13	Currently Under Design	N/A	
14	Currently Under Design	N/A	
C/S	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	

\* Date is actual

\*\* Substantial completion is described as HarborView Medical Center’s ability to gain beneficial occupancy of the building. Allowing the move in process to begin, while construction activities related to finishing the building continue to be completed

## Budget Overview

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The original project budget including Core/ Shell, Tenant Improvements, King County Overhead, and Art was \$178,237,000.

Including the scope change to add the server room to the project, the total project cost is \$185,867,251.

**Table 3 – Budget Forecast**

<b>Scope of Work</b>	<b>Current Forecast</b>	<b>Previous Month Forecast</b>
Core and Shell	100,198,000	100,198,000
Tenant Improvements	56,859,360	56,859,360
Soft costs	28,809,891	28,809,891
Total Project Budget	185,867,251	185,867,251

**Table 4 - Use of Project Contingency as of September 15, 2008**

<b>Type of Contingency</b>	<b>Total Contingency Dollars</b>	<b>Percent Committed</b>	<b>Notes</b>
Contractor's	3,973,521	50%	
Owner's	1,320,000	95%	<b>Includes \$1,070,000 for building wireless system</b>
General Use	5,103,000	4%	
Total Server Room	405,869	0%	
Tenant Design	11,454,000	0.4%	
Total Project Budget	185,867,251	185,867,251	

### **Tenant Improvement Costs**

TI Package #1 - Negotiated GMP of \$20,460,000. This package includes floors 2 and 3, Lab and Specialty Services. This sum represents approximately 35% of the consolidated TI budget and contingency. The space included in package #1 is 69,300 SF. The average cost per square foot for this package is approximately \$295 which is within the \$312/SF consolidated budget and contingency ( $\$250/\text{SF budget} + 25\% \text{ contingency} = \$312/\text{SF}$ ) contained in the tenant improvements budget.

TI Package #2 - Negotiated GMP of \$4,000,000. This package includes floors 8, 9 and 10, UW Medicine Information Technology Services. This sum represents approximately 7% of the consolidated TI budget and contingency. The space included in package #2 is 58,044 SF. The average cost per square foot for this package is approximately \$75, which is within the \$94/SF consolidated budget and contingency ( $\$75/\text{SF} + 25\% \text{ contingency} = \$94/\text{SF}$ ) contained in the tenant improvements budget.

TI Package #3 & 4 (Levels 4, 5, 6 & 11 Clinics) – Turner Construction was the successful bidder amongst three other general contractors that competitively bid to perform the construction of these clinics. The GMP for this package is \$11,126,629, which represents approximately 20% of the consolidated TI budget and contingency and approximately 76,000 SF. The average cost per square foot for these clinics is approximately \$146, which is over the consolidated tenant improvements budget and contingency, but covered by the budget savings on TI Packages 1 & 2.

The estimated cost per square foot for the remaining TI packages is expected to be at, or slightly above, the original allowances but within the total project cost anticipating the use of the Tenant Improvement Design Contingency, and possibly the use of savings from the construction of the



shell and core. Continued oversight of project tenant demands and value engineering is ongoing in order to keep the total project cost within the budget.

### **General Observations**

The project team continues working together to come up with pro-active solutions for complex construction scope, schedule and budget issues as they arise. It is apparent the relationship between developer, architect, contractor and owner representative is open and fluid.

This project appears to be in good shape to finish with in Harborview / King County required timeframes and within the proposed construction budget.

King County Ninth and Jefferson - Speed Report

Date: September 15, 2008

STATUS / ISSUES		GENERAL OBSERVATIONS																																																	
<p><b>NJB Building Construction</b></p> <ul style="list-style-type: none"> <li>Shell and Core work is on track for completion.</li> <li>Work has begun on street and with underground utilities work being done over weekends, this work</li> </ul>		<p>1. TI Packages for 5,6 and 11 were bid in late August and were awarded to Turner Construction in September.</p> <p>2. Construction Drawing Target Schedules are slipping, but the WRC, Turner and User teams have a plan to occupy building in phases by Q3 of 09.</p> <p>3. Scope needs to be monitored in balance of projects to keep cost within Original Budget.</p>																																																	
<p><b>Harborview / Tenant Improvement Issues</b></p> <ul style="list-style-type: none"> <li>TI packages continue to progress through design phase with some dates slipping. No time concerns at this point of project reported by team as a phased occupancy will occur in building.</li> <li>The concept of sending out the last package of TI's to multiple contractors was successful in keeping costs in alignment with budgets allowed.</li> </ul>		<p style="text-align: center;"><b>Tenant Plan % Complete</b></p> <table border="1"> <caption>Tenant Plan % Complete Data</caption> <thead> <tr> <th>Floor</th> <th>July 08 (%)</th> <th>August 08 (%)</th> </tr> </thead> <tbody> <tr><td>1</td><td>100</td><td>0</td></tr> <tr><td>2</td><td>100</td><td>0</td></tr> <tr><td>3</td><td>100</td><td>0</td></tr> <tr><td>4</td><td>100</td><td>0</td></tr> <tr><td>5</td><td>100</td><td>0</td></tr> <tr><td>6</td><td>100</td><td>0</td></tr> <tr><td>7</td><td>100</td><td>0</td></tr> <tr><td>8</td><td>100</td><td>0</td></tr> <tr><td>9</td><td>100</td><td>0</td></tr> <tr><td>10</td><td>100</td><td>0</td></tr> <tr><td>11</td><td>100</td><td>0</td></tr> <tr><td>12</td><td>100</td><td>0</td></tr> <tr><td>13</td><td>100</td><td>0</td></tr> <tr><td>14</td><td>100</td><td>0</td></tr> </tbody> </table>					Floor	July 08 (%)	August 08 (%)	1	100	0	2	100	0	3	100	0	4	100	0	5	100	0	6	100	0	7	100	0	8	100	0	9	100	0	10	100	0	11	100	0	12	100	0	13	100	0	14	100	0
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<p><b>Schedule Status/Issues (Design/Construction/Other)</b></p> <ul style="list-style-type: none"> <li>Turner continues to find and suggest ways to move ahead with general TI backbone work while specific TI details for several of the lower floors has lagged slightly.</li> <li>Design Milestones have been set and team is working towards those goals progressively.</li> </ul>																																																			
<p>Budget or Schedule at Risk</p>	<p>Some Concern-Topic Being Reviewed</p>	<p>Currently No Issue. Follow up shows on extended report.</p>																																																	
COST SUMMARY		ORIG KC APPROVED BUDGET	Budget Revisions	FORECAST @ COMPLETION (WRC Sept. 08)	COMMITMENTS (Not yet in forecast. See Summary)	ACTUAL COST TO DATE (WRC 9/08)	REMAINING * Incomplete																																												
<b>SHELL AND CORE</b>																																																			
ARCH. & ENGINEERING	\$4,472,000	\$105,517	\$4,577,517		\$4,289,500	\$288,017																																													
CONSTRUCTION (Incl. WRC Contingency)	100,198,000	\$31,025,980	\$131,223,980		\$96,952,276	\$34,271,704																																													
MISCELLANEOUS	1,234,000	\$27,500	\$1,261,500		\$602,331	\$659,169																																													
GENERAL CONTINGENCY	5,103,000	\$1,800,000	\$6,903,000		\$0	\$6,903,000																																													
PROJECT ADMINISTRATION	6,705,000	\$371,994	\$7,076,994		\$4,011,239	\$3,065,755																																													
<b>SUB-TOTAL</b>	<b>\$117,712,000</b>	<b>\$33,330,991</b>	<b>\$151,042,991</b>	<b>\$0</b>	<b>\$105,855,346</b>	<b>\$45,187,645</b>																																													
<b>SERVER ROOM = CO#1 &amp; #2</b>																																																			
CONST./AE/WRC	\$6,922,057	Incl. Above	Incl. Above		Incl. Above	Incl. Above																																													
CONTINGENCY	\$346,103	CO # 1 & 2	CO # 1 & 2		CO # 1 & 2	CO #1&2																																													
ESCALATION	389,856	Most in CO #1 & 2	Most in CO #1 & 2		Most in CO #1 & 2	27,775																																													
<b>SUB-TOTAL</b>	<b>\$7,658,016</b>	<b>Incl. Above</b>	<b>Incl. Above</b>	<b>Incl. Above</b>	<b>Incl. Above</b>	<b>\$27,775</b>																																													
<b>TENANT IMPROVEMENTS</b>																																																			
TENANT IMPROVEMENT COST	\$47,423,000	-\$26,064,974	\$21,358,026		\$4,083,741	\$17,274,285																																													
TENANT DESIGN CONTINGENCY	\$11,500,000	-\$46,000	\$11,454,000		\$0	\$11,454,000																																													
SERVER ROOM GENERAL CONTINGENCY	\$0	\$267,869	\$267,869		\$0	\$267,869																																													
SERVER ROOM OWNER CONTINGENCY	0	\$125,000	\$125,000		\$0	\$125,000																																													
<b>SUB-TOTAL</b>	<b>\$58,923,000</b>	<b>\$58,923,000</b>	<b>\$33,204,895</b>	<b>\$0</b>	<b>\$4,083,741</b>	<b>\$29,121,154</b>																																													
<b>TOTAL PROJECT</b>	<b>\$184,293,016</b>	<b>\$92,253,991</b>	<b>\$184,247,886</b>	<b>\$0</b>	<b>\$109,939,087</b>	<b>\$74,336,574</b>																																													