



Livable Streets Update (FIVE IN FIVE)



February 9, 2006

Volume 3, Number 55

IN THIS ISSUE

RALEIGH, WAKE OFFICIALS APPROVE CONVENTION CENTER'S INCREASED BUDGET PAGE 1

COUNCIL TO HAVE SPECIAL MEETING ON HOTEL FEB. 21 PAGE 3

MAYOR MEEKER TO ADDRESS STATE OF THE CITY FEB. 27 PAGE 4

CITY COUNCIL DEFERS ACTION ON CHANDELIERS PROPOSED FOR FAYETTEVILLE STREET PAGE 4

RALEIGH, WAKE OFFICIALS APPROVE CONVENTION CENTER'S INCREASED BUDGET

The Raleigh City Council and the Wake County Board of Commissioners approved a 12 percent increase in the cost of the new convention center at a joint meeting Feb 2. To fund this increase the officials amended the interlocal agreement to accommodate directing some of the needed additional \$23.5 million from the prepared food and beverage and hotel/motel tax to the project.

The \$23.5 million increase comes in three parts: \$15.5 million for cost of work increases; \$3.5 million in additional scope; and \$4.5 million to replenish contingencies. The elected officials agreed to draw the additional funding from: projected increased interest earnings on the convention center bond proceeds -- \$13 million; withdrawals from the fund balance -- \$10 million; and increased sales tax savings of \$538,000.

The City's Chief Financial Officer Perry James said that these actions leave the model in strong financial position, assuming that tax revenues grow in the expected levels of 3 percent for the hotel tax and 5 percent for the food and beverage tax.

The Raleigh City Council also authorized the final guaranteed maximum price (GMP) package of \$93,229,781.

City Manager J. Russell Allen, County Manager David Cooke, Barnhill Contracting Vice President John Muter, and members of the convention center design team Dudley Lacy and Stephen Shuster presented the need to increase the convention center project's bottom line to \$215,538,000.

The architects prefaced their comments by assuring the elected officials that, while they had trimmed millions from the center's budget through value engineering, the project is as planned and requested.

(Continued on page 2)

Contacts

City of Raleigh
Planning Department
Mitchell Silver, Director
Mitchell.silver@ci.raleigh.nc.us
(919) 516-2626

Urban Design Center
133 Fayetteville Street Mall
Dan Douglas
(919) 807-8441
Daniel.douglas@ci.raleigh.nc.us

Raleigh Convention and
Conference Center
500 Fayetteville Street Mall
(919) 831-6011
Roger Krupa, Director
roger@raleighconvention.com

Fayetteville Street Mall
Renaissance
City of Raleigh
Public Works Department
Dean Fox
(919) 890-3030
dean.fox@ci.raleigh.nc.us

City of Raleigh
Public Works Department
Carl Dawson, Director
(919) 890-3030
carl.dawson@ci.raleigh.nc.us

Regulatory Reform
City Of Raleigh
City Attorney
Thomas McCormick, Jr.
(919) 831-6560
Tom.McCormick@ci.raleigh.nc.us

Newsletter &
Communications
City of Raleigh
Public Affairs Department
Jayne Kirkpatrick, Director
(919) 890-3100
jayne.kirkpatrick@ci.raleigh.nc.us

Ending Homelessness
Ken Maness
(919)460-8687 ext:273
KManess@unitedwaytriangle.org

(Continued from page 1)

In the construction update, Mr. Muter stated that the Skanska/Barnhill construction-manager-at-risk team recently celebrated its first safety milestone - more than 160,000 man hours worked with no time lost due to accidents.

He said that 14 percent or \$23,841,330 of the project work has been completed. Another 28 percent or \$46,803,833 is in construction. The remaining 58 percent or \$94,323,637 is to be bid and approved.

Mr. Muter said that the excavation is nearly complete with more than 265,000 cubic yards having been excavated. Construction has begun on the foundation grade beams and vertical concrete walls, he said. Mr. Muter anticipates the steel erection will begin in April.

The Barnhill vice president said that GMP packages 5 and 6 were issued for construction documents and completed on schedule in late December and that more than 98 percent of the project was bid by Dec. 31. He said that final construction documents will be issued March 15.

Among the challenges the design team and the construction-manager-at-risk mentioned at the joint meeting, which was held in the Progress Energy Center for the Performing Arts, were: remaining unknowns related to site work; cost impacts associated to fuel costs; Portland Cement shortages; cost increases due to Hurricanes Katrina and Rita; and competition for subcontractors.

Regarding cost increases Mr. Muter noted that the national construction cost index has risen 25.6 percent from 2001 through 2005 and construction costs for public schools in North Carolina have catapulted 40.2 percent during that period.

Local businesses are making the most of the convention center project with: 72 percent of the subcontractors being from the immediate 13-county area; 19 percent from the remainder of the state; and just 9 percent from outside of North Carolina.

Nearly \$31 million of the project's work has been awarded to MWBE participants with: 64 percent being Wake County businesses; 9 percent being from the 13-county area surrounding Wake; 24 percent from the remainder of the state; and 3 percent from outside of North Carolina.

(Continued on page 3)

Wake County

David Cooke, County Manager
(919) 856-6160
dcooke@co.wake.nc.us

The Downtown Raleigh Alliance

Nancy Hormann, Pres. & CEO
nancyhormann@downtownraleigh.org
120 S. Wilmington St.,
Suite 103
Raleigh, NC 27601
(919) 832-1231

Greater Raleigh Chamber of Commerce

800 S. Salisbury Street
(919) 664-7000
Harvey Schmitt,
President & CEO
hschmitt@the-chamber.org

Greater Raleigh Convention & Visitors Bureau

421 Fayetteville Street Mall,
Suite 1505
Raleigh, NC 27601
(919) 834-5900 or
(800) 849-8499
David L. Heinl, CDME
President and CEO
dheinl@visitraleigh.com

Web links

City of Raleigh
www.raleighnc.gov

Wake County
www.wakegov.com

Downtown Raleigh Alliance
www.downtownraleigh.org

Greater Raleigh Chamber of Commerce
www.raleighchamber.org

Greater Raleigh Convention & Visitors Bureau
www.visitraleigh.com

(Continued from page 2)

The new 500,000-square-foot convention center will open in the spring of 2008. It will feature a 150,000-square-foot exhibit hall, 16 meeting rooms and a grand ballroom with a seating capacity of 2,400. The building will front onto Salisbury Street with a grand public plaza. To view the construction of the new convention center or for more information on the project visit www.rccproject.com.

RTN BROADCASTS OF JOINT MEETING

A tape of the Feb. 2 joint meeting of the Raleigh City Council and the Wake County Commissioners will be shown on cable channel 11, RTN at the following times:

Friday, Feb. 10	8:30 a.m.
Saturday, Feb. 11	10 a.m.
Sunday, Feb. 12	11:30 a.m. and 9:30 p.m.
Monday, Feb. 13	3 p.m.
Tuesday, Feb. 14	3 p.m. following the Planning Commission meeting
Wednesday, Feb. 15	9:30 a.m., 3 p.m. and 9 p.m.
Thursday, Feb. 16	10:30 a.m.
Friday, Feb. 17	9 p.m.
Saturday, Feb. 18	10:30 a.m. and 5 p.m.
Sunday, Feb. 19	11:30 a.m. and 9:30 p.m.

COUNCIL TO HAVE SPECIAL MEETING ON HOTEL FEB. 21

Citing concerns over the materials and appearance of the proposed downtown Marriott hotel, the Raleigh City Council at its Feb. 7 meeting scheduled a special meeting dedicated to this issue. The City of Raleigh Comprehensive Planning Committee voted 3-1 on Feb. 1 to recommend denial of the Marriott Hotel preliminary site plan to the Raleigh City Council. The 400-room Marriott being developed by Noble Investment Group will be adjacent to the City's new \$215 million convention and conference center.

The use of Exterior Insulation and Finish Systems (EIFS) on the hotel tower is a major issue. The original memorandum of understanding between Noble Investment Group and the City of Raleigh called for the principal use of stone, masonry, wood and metal for the tower. Mitesh Shah, chief executive officer of Noble Investment Group, said that the material was chosen for its longevity.

(Continued on page 4)

(Continued from page 3)

Other issues regarding the preliminary site plan include:

- The entrance along Salisbury Street outside of the hotel's pre-function rooms;
- Minor design modifications to the hotel tower;
- The height of the ground floor facade along Fayetteville Street and entrance into the grand lobby; and,
- Design modifications to the entrance on Cabarrus Plaza.

The hotel designers are working to address these concerns.

MAYOR MEEKER TO ADDRESS STATE OF THE CITY FEB. 27

Mayor Charles Meeker will deliver his state-of-the-City address at noon on Feb. 27 in the lobby of the Progress Energy Center for the Performing Arts.

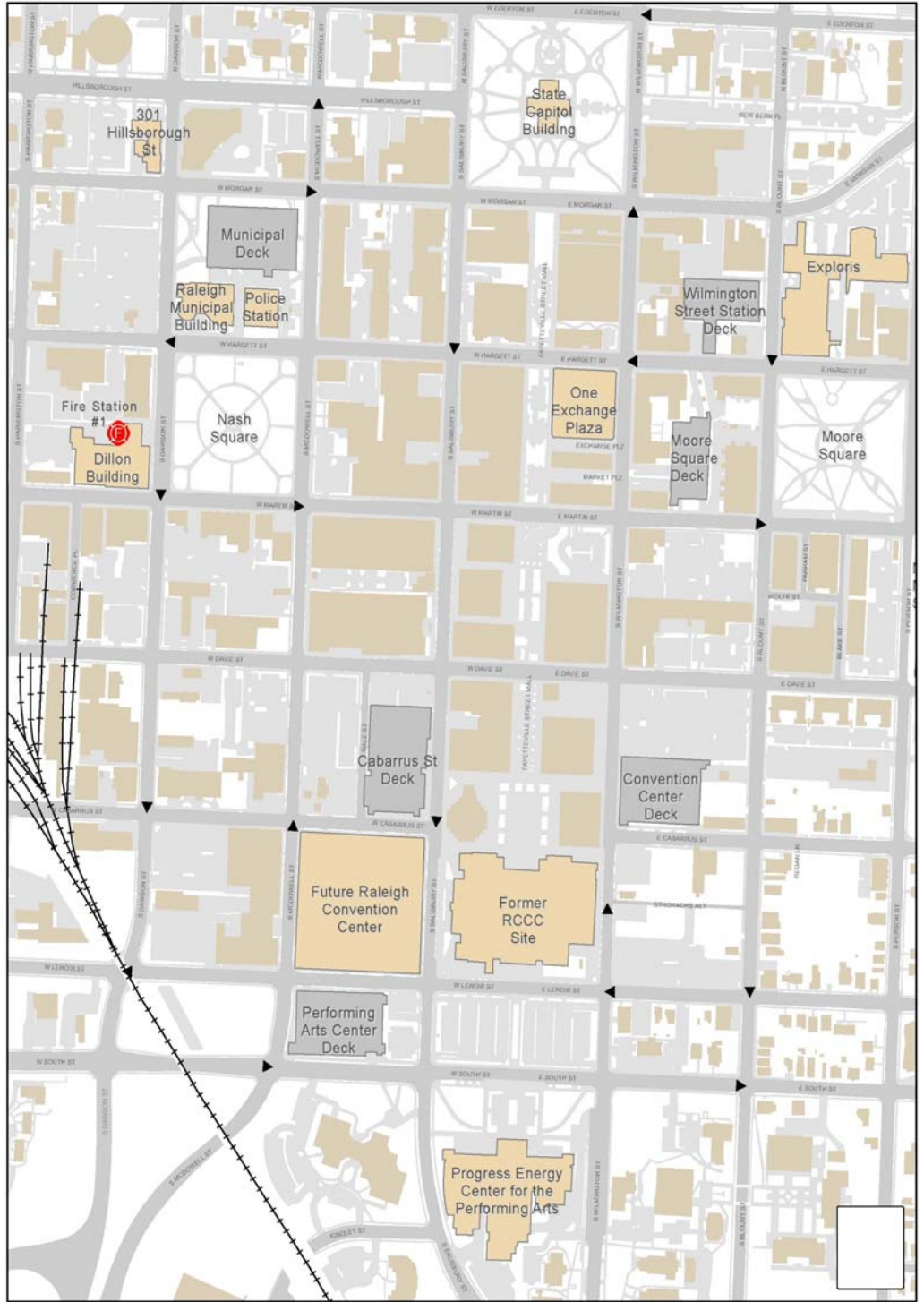
The public is invited to attend. A \$10 luncheon buffet will be offered, payable at the door.

The address will be shown on RTN, cable channel 11, throughout March. For RTN show schedules, please visit the City's website at www.raleighnc.gov and click "Find the RTN" schedule in the "How Do I" box on the home page.

For more information on the state-of-the-City address, please contact the City of Raleigh Public Affairs Department at 890-3100.

CITY COUNCIL DEFERS ACTION ON CHANDELIERS PROPOSED FOR FAYETTEVILLE STREET

The Raleigh City Council Feb. 7 deferred taking action on installing dichroic glass chandeliers along Fayetteville Street as part of the City's Renaissance Project for the downtown thoroughfare. Council members want more time to review the chandeliers and how they will fit in with other public art planned for downtown. The chandeliers would be paid for by private donations.





www.rccproject.com
Questions? Michelle Boyette 302-9062

THE FIVE IN FIVE GOALS

Complete a Fayetteville Street Renaissance to reinvigorate the

Street as the heart of Raleigh, our ceremonial corridor and the premiere address for office, events and cultural activity.

2. **Fund and build a new Convention Center & Hotel** to attract conventions and trade shows and improve the business environment for hotels, restaurants and other visitor services.

3. **Improve the pedestrian environment** making downtown accessible to everyone. Balance the needs of pedestrians against those of the car. Create an attractive, well lit, safe environment that links office and residential uses to amenities such as restaurants, museums and other venues.

4. **Undertake regulatory reform** to improve the business climate by removing regulatory impediments, making it just as easy to do business downtown as any place in the region. Explore adding incentives in the regulations.

5. **Expand downtown management** to take a one stop approach to management and advocacy.

