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Architecture
Engineering
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Date: July 24, 2013

Mr. Brian Maliske
General Manager
Rushmore Plaza Civic Center
444 Mt. Rushmore Road
Rapid City, SD 57701

Re: Infrastructure Review
Rushmore Plaza Civic Center (RPCC)
TSP#: 03130876

Dear Brian;

TSP is delighted to present our initial findings on the general status of the Barnett Arena and support facilities. We have reviewed the age and condition of the facilities and outlined a conceptual scope of work and budget for general repairs and upgrades that will be needed for the years ahead. The goal being to develop an initial conceptual budget to address the upcoming capital commitment that will be required, in today's dollars, to sustain the facilities for the next twenty years or so of successful operations.

Scope of Work

This study covers the two floors of the main arena (134,200sf), and the supporting facilities including the two story staging addition (21,000sf), the two story central kitchen (11,100sf), and first floor connecting access corridors (44,000sf) within the civic center.

In this review we will present an outline of budget costs and required improvements, to supplement the costs associated with the 2013 ADA study completed by FourFront Design. We will also include with this summary, a list of next step recommendations to be considered by the RPCC Board. There are three focus areas that we included in this review: 1) the general age and condition of the facilities and equipment; 2) the overall budget impact of updating the facilities to meet current building and fire codes; and 3) the need to make some limited operational improvements to better support current events for the next 15-20 years of operations.

This summary complements the "as-is" scenario as identified in the report prepared for the RPCC by AECOM (dated July 9, 2012). As this report is intended to be used only for an initial review of strategic alternatives for reinvestment in the facilities, the information has been

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Marshall, MN
Minneapolis, MN
Rochester, MN
Omaha, NE
Rapid City, SD
Sioux Falls, SD
Sheridan, WY

prepared at a conceptual level only and will require additional development and verification, depending upon the strategic decisions made.

In general, the TSP team review included a survey of existing information provided on the Barnett arena and supporting facilities from previous studies. The information considered in the preparation of our budgets include a review of the budgets and scope of work provided from previous studies prepared by FourFront Design, Arc International, recent reviews by CodeWorks, the Rapid City Fire Department, and the RPCC management and staff.

Study Findings

To summarize our initial findings concerning the Barnett portion of the facilities:

1. General Condition of Facilities:

The facilities as a whole are well maintained, but aged and outdated. The facility is nearing a period of time where at a minimum substantial refurbishment efforts will be required. Given the age of the facility, over the next 5-10 years, considerable code, building systems and equipment upgrades will be needed to support another twenty plus years of successful operations. There are also some key adjustments needed to better support existing and future operations and events. These costs have been identified in the Budget Section below.

In summary,

- Building and Fire Code upgrades primarily include stair & egress modifications, and updating sprinkler and fire alarm systems. Also new space will be needed to free up vital egress corridors currently used for events and/or storage.
- The General Building Systems Improvements include major electrical work including power, lighting, information technology, communications, etc.; major mechanical upgrades including air handling systems and controls; building shell improvements (roof systems, etc.); the refurbishing of the service kitchen; and interior finish improvements.
- Event Equipment needs include an allowance for updating everything from seating to stage lighting, upgrades in sound systems, digital communications and technology, sport floors, etc.

- Operational Improvement needs at a minimum include a new stage addition, a service entrance, and small contingency for additional unidentified needs at this time.

2. ADA Study (By Others):

Our study and budget review is independent of the ADA study previously provided by others for the RPCC. The ADA study included roughly a 35% expansion of the existing facility (by 45,000sf) to address needs for ADA issues including circulation and compliant restrooms and concessions. Due to the conceptual nature of the work and costs budgeted in the ADA study, there will be budget overlaps to some degree with our effort. To accommodate this we have adjusted the costs developed for this infrastructure review.

3. Budget:

To essentially maintain the existing operations at the facility “as-is” for this study, we developed a conceptual level scope of work, construction budgets, and a project fee and costs review. The projected budget required for the renovation, plus design, management and administration costs, in today’s dollars, will roughly require \$30-\$35 million dollars. (See attached budget spreadsheet for more complete breakdown of budgets. Note that this cost is in addition to ADA improvement costs developed in previous reports prepared by others.)

The budget for this work include as follows:

Building and Fire Code Improvements	\$ 5.6 Million
General Building Systems Improvements	\$11.3 Million
Event Equipment Budget	\$ 7.4 Million
Operational Improvements	<u>\$ 1.9 Million</u>
Subtotal Construction & Equipment Budget	\$26.2 Million
Project Related Costs (owner exp., fees, PM, etc.)	<u>\$ 4.5 Million</u>
Total Project Budget	\$30.7 Million

These budget costs shown, in today’s dollars, reflect a 6% contingency, and assume a project that would be completed in a single phase. The amounts are based on current market values and a highly general scope of work limiting the restoration work to a minimal level. With our limited review a \$30-35million budget range is reasonable at this level of study. A much more detailed review of project phasing, a further analysis of systems and equipment, and a more detailed estimating effort will be required to

develop a more accurate budget. Please note that this study does not include any site costs or upgrades, or costs associated with event based changes.

4. Operations:

The Barnett Arena was designed originally to host mostly basketball events over 40 years ago (and slightly modified for stage shows). It was not originally designed to accommodate current needs for major conventions and concerts, or alternative sporting events. Although there have been improvements over the years, it is our understanding that, in the current configuration, it has become increasingly limited as a facility in attracting and supporting the new types and diversity of events that are currently available.

The cost of a limited refurbishment and expansion of the arena will be considerable. Should this be the approach selected, per the RPCC, the facility in its current configuration will still fall short in meeting critical events and operational needs. To address these long-term operational needs, the additional expansion and renovation requirements should also be identified and budgeted as well. Although the scale and program requirements for this component of the project have yet to be determined, it may be an essential component for determining the ultimate viability of the facility to support these future needs.

5. Phasing:

The expansion and refurbishment of the existing structure, although not fully defined, will be extensive and will require a comprehensive construction effort affecting most areas of the facility. Closing the facility down for a couple of years to expand and renovate the facility would be more cost effective; however this approach may not be possible operationally. The viability of a renovation and expansion approach must also include the development of a feasible phasing strategy to complete this work while the facility continues to operate (as much as possible) at or near full capacity. Also, a determination as to when the work will be implemented and how it will be phased will have a significant impact on cost and will need to be considered in future budgets and estimates.

6. Repurposing Options for the Existing Barnett:

As the existing Barnett Arena space may not be viable to expand as an arena, as an existing asset, it will still require added investment to meet current infrastructure, code, and ADA requirements to be operationally viable. This cost could be avoided by simply tearing the facility down. However, the structure as an asset has much value and could possibly be repurposed to provide added or expanded venues.

As an option, perhaps the expansion of the convention facilities component of the Center into this space is a way to take full advantage of the current investment in the structure, while also adding an expanded capability to competitively attract major regional events. This approach also may better complement the new stadium & hotel options, assuming the expanded convention capability would provide a return on investment.

7. Site Limitations:

If it is determined that the expansion of the facilities (with a new larger stadium and perhaps the expanded convention component and corresponding hotel) will be the direction RPCC takes, a clear downtown and site development strategy should be developed to identify and address the transportation and parking issues associated with a significantly expanded facility.

Summary

In summary, the Barnett arena as a whole has been well maintained and given its age is in good condition. Unfortunately many of the systems will be nearing the end of their useful life and/or are outdated and need replacement. At a minimum, a major investment of approximately \$30,000,000 - \$35,000,000 will be required in the years ahead to upgrade and modernize the Barnett Arena (in addition to the ADA improvement costs). The upgrades primarily include addressing significant code deficiencies and a refitting of key building system components of the facilities, as well as in providing a significant replacement of event associated equipment.

As the existing structure may be viable structurally, the limited size of the facility does not appear to adequately support the current and/or future needs of critical events and operations. These event and operational requirements should be defined and addressed in order to ultimately determine the viability of the existing structure (vs. the need for a new facility). With the development of new market, business, and economic goals for the facilities as a whole, a program of space requirements can then be developed which will inform the decisions associated with either the expansion of the existing arena, or the development of a new facility. This research can also impact planning for the possible repurposing of the existing Barnett Arena structure and convention facilities as a whole.

Central to this plan will be the existing Barnett Arena structure itself, which upon initial review may be more viable if repurposed (in concert with the development of a new arena). A possible option could be to convert this structure into convention space. With the possibility of an expanded convention hall, new arena and possibly new hotel, a site program and master plan will need to be developed to verify the feasibility of this approach.

Finally, should an expansion of the civic center facilities as a whole be considered, a feasibility study and strategy must be developed with the City that will address the increased scale of traffic, parking, and pedestrian issues for the properties as well as downtown growth for the long-term.

Next Steps

Interim Recommendations:

- Fire Egress issues: For major events such as the Stock Show and major concerts, a high percentage of fire exits are often blocked off, which is a significant concern of the Rapid City Fire Marshal. RPCC should develop an interim strategy with the Fire Marshal to address these egress deficiencies during major events. This may require limiting the scale and arrangement of events in the Barnett arena as well as the use of major egress corridors for exhibitor/vendor space. There is also a need to remove tables in the egress corridor adjacent to the food court, and to address storage issues in the Barnett Arena.
- While planning for the Barnett Arena expansion is critical, the age and condition of the existing convention facilities should not be overlooked. These facilities will also need to be addressed in terms of ADA, Building and Fire Codes, and long-term infrastructure upgrades, to parallel re-investment in the Barnett Arena.

Long-Term Project Recommendations

Further study will be required to define the proposed events, develop a program of space requirements to support these events, and to review the impact of these needs on the existing structure. The study could include a review of the “lost business” value where modifications to the existing structure are not feasible. Finally, a review opportunity for the alternative option for the conversion of the Barnett Arena to new or expanded uses is also recommended.

Should a new facility be the determined approach, there are also site issues which should be addressed early on which include:

- Working with the City, provide an initial study to determine a strategy for long range comprehensive traffic/parking/transit plan for the downtown which will also accommodate the long term growth possibilities of the Civic Center Complex.
- As the Complex is somewhat landlocked, a site master plan should be prepared that, in addition to the sports/entertainment expansion, also considers the potential for long-

term growth at the facilities. It would include the possible expansion of the convention/hotel, and possibly the theatre business, to meet long-range objectives of the Rushmore Plaza Civic Center complex as a whole.

Sincerely

A handwritten signature in black ink that reads "Timothy Roach". The signature is written in a cursive, flowing style.

Timothy Roach, AIA
Project Architect

CC: Robert Morcom, PE, Principal

Attachments:

Probable Budget Summary Worksheet
Probable Construction Budget – Detail Sheet
Area Plan



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57104-1333

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PROBABLE PROJECT BUDGET SUMMARY

PROJ: Rushmore Plaza Civic Center - Infrastructure Review
TSP #03130876.20

DATE: 07/24/13

PRELIM FINAL X OTHER

LOC: Rapid City, SD

ESTIMATOR: SLL ARCH X MECH X
PROJECT NO. ELEC X SITE X

The amounts stated herein are our best estimate of probable construction costs based on current information. Because costs are influenced by market

DIV.	DESCRIPTION	Percent	UNITS	UNIT COST	CONSTR. OH&P	TOTAL
1	<u>Barnett Arena (& Staging Building, Kitchen)</u>					
	Building & Fire Code Requirements			\$ 4,442,019	\$ 1,166,871	\$ 5,608,890
	General Building Systems			\$ 8,948,313	\$ 2,350,627	\$ 11,298,940
	General Equipment Upgrades			\$ 5,850,000	\$ 1,536,733	\$ 7,386,733
	Operational Upgrades (min.)			\$ 1,500,000	\$ 394,034	\$ 1,894,034
	Subtotal			\$ 20,740,332	\$ 5,448,266	\$ 26,188,598
	<u>Project Related Costs Summary</u>					
	Project Management	3%				\$ 785,658
	A/E Design & CA Fees (renov.)	10%				\$ 2,618,860
	Speciality Design Fees allow(acoust,lighting, etc..)	2%				\$ 523,772
	Administrative cost Allowance	2%				\$ 523,772
	Subtotal Project Costs					\$ 4,452,062
	Total Project Budget - Barnett Arena					\$ 30,640,659

General Notes:



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PROBABLE CONSTRUCTION BUDGET - DETAIL SHEET

DATE: 07/24/13

PROJ: Rushmore Plaza Civic Center	ESTIMATOR: SLL	ARCH X	MECH X
TSP #03130876.20	PROJECT NO.	ELEC X	SITE X
LOC: Rapid City, SD			

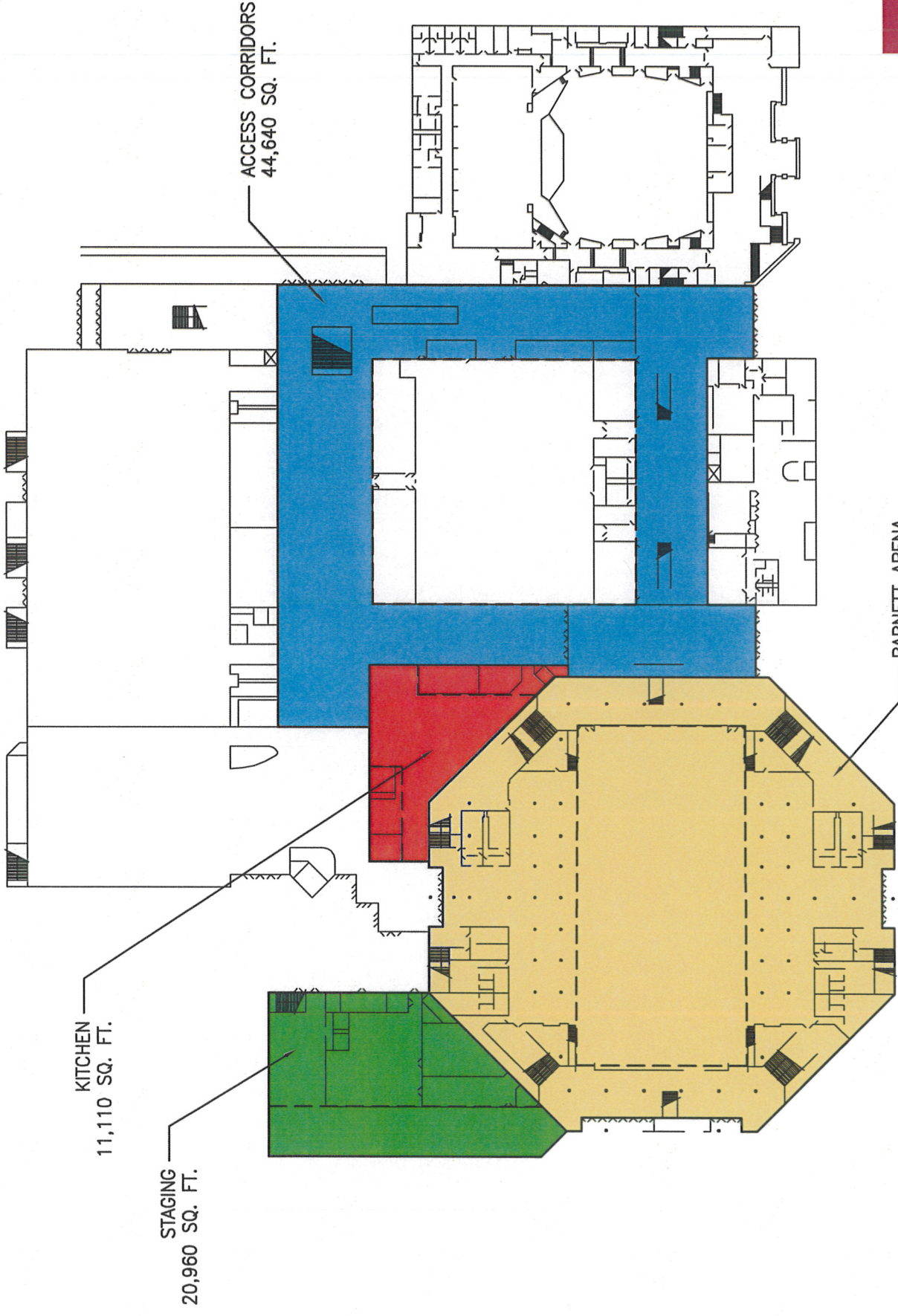
The amounts stated herein are our best estimate of probable construction costs based on current information. Because costs are influenced by market conditions, changes in project scope, and other factors beyond our control, we cannot guarantee that actual construction costs will equal this estimate.

DIV.	DESCRIPTION	QUAN	UNITS	UNIT COST	X-TEND	
1. Building Code & Fire Code improvements (Codeworks & Rapid City Fire)						
<u>Barnett Arena & Staging & Kitchen.</u>						
	Demo and Rebuild Stadium floor level stairs (4)	1	Isum	\$ 50,000.00	\$ 50,000.00	
	Address Snow Drift Roof Structural Limitations	10,000	sf	\$ 50.00	\$ 500,000.00	
	Update Sprinkler System	134,278	sf	\$ 1.25	\$ 167,847.50	
	Upgrade Fire Alarm System/Voice Evac.	134,278	sf	\$ 1.50	\$ 201,417.00	
	LLConcourse Corridor Fire Alarm/voice/, & sprinkler Upgrades	44,638		\$ 2.75	\$ 122,754.50	
	Added Electrical code upgrades (allowance)	1	Isum	\$ 250,000.00	\$ 250,000.00	
	Address Egress for Stage	1	Isum	\$ 50,000.00	\$ 50,000.00	
	Address Egress for Major Events (ref fire marshal rpt.)	1	Isum	\$ 100,000.00	\$ 100,000.00	
	Address Egress @ North Entrance foyer, and temporary storage - (provide Truck Dock & Staging & General Storage Additon, & site)	12,000	Isum	\$ 250.00	\$ 3,000,000.00	
	Subtotal				\$ 4,442,019.00	
	<u>Contractor Overhead & Profit</u>					
	General Conditions	5.0%		\$ 222,101		
	Estimating Contingency	6.0%		\$ 279,847		
	Contractor Overhead & Profit	9.0%		\$ 444,957		
	Bonds and insurance	2.0%		\$ 107,778		
	Excise tax	2.041%		\$ 112,188		
	Subtotal: Building & Fire Code Improvements Budget			\$ 1,166,871	\$ 5,608,890	
2. General Building Systems Improvements						
<u>Arena, Staging & Kitchen:</u>						
	Shell Repairs & window & door replacement, Roof & Drainage	68,113	sf	\$ 18.00	\$ 1,226,034.00	
	Interior Finishes, misc. repairs and upgrades	134,278	sf	\$ 7.00	\$ 939,946.00	
	Replace Slab, plumbing, add drainage & utility	24,072	sf	\$ 14.00	\$ 337,008.00	
	Roof deck Grid Extension	1	Isum	\$ 750,000.00	\$ 750,000.00	
	Mechanical Allowance (Ventilation, Hydronics and Controls)	134,278	sf	\$ 11.00	\$ 1,477,058.00	
	General Lighting, controls, Power, communications/ IT	134,278	sf	\$ 14.00	\$ 1,879,892.00	
	Provide additional 2000 Amp service	1	Isum	\$ 100,000	\$ 100,000.00	
	Back up Generator Replacement - expand from 100kw to 300kw	2	Isum	\$ 175,000	\$ 350,000.00	
	Stage Electrics, and Lighting (included in Equipment Costs)				\$ -	
	Sound System upgrades (included in Equipment Costs)				\$ -	
	Kitchen Remodel & expand.Storage Mezz., & equipment	15,107	sf	\$ 125.00	\$ 1,888,375.00	
						\$ 8,948,313.00
					\$ 8,948,313	
	<u>Contractor Overhead & Profit</u>					
	General Conditions	5.0%		\$ 447,416		
	Estimating Contingency	6.0%		\$ 563,744		
	Contractor Overhead & Profit	9.0%		\$ 896,353		
	Bonds and insurance	2.0%		\$ 217,116		
	Excise tax	2.041%		\$ 225,999		
	Subtotal: General Building Systems Improvements			\$ 2,350,627	\$ 11,298,940	

DIV.	DESCRIPTION	QUAN	UNITS	UNIT COST	X-TEND
3. General Equipment Upgrades					
<u>Arena and Staging</u>					
	General Event Equipment (Includes, event & Stage equipment, sound system, sport flooring a/v eq., sound & security systems, stage lighting & electrical, stage & event curtains, bleacher & baseball seating, signage, etc..)				\$ 4,500,000.00
	Digital Communications and Technology Upgrades, displays, etc	1	lsum	\$ 1,350,000.00	\$ 1,350,000.00
	Subtotal				\$ 5,850,000
	General Conditions	5.0%		\$ 292,500	
	Estimating Contingency	6.0%		\$ 368,550	
	Contractor Overhead & Profit	9.0%		\$ 585,995	
	Bonds and insurance	2.0%		\$ 141,941	
	Excise tax	2.041%		\$ 147,748	
	Subtotal: General Equipment Upgrades			\$ 1,536,733	\$ 7,386,733
4. Operational Upgrades (Minimal)					
<u>Arena, Staging, kitchen</u>					
	Stage & Back Stage Addition/Expansion	3,000	sf	\$ 350.00	\$ 1,050,000.00
	New Entrance and Parking	800	sf	\$ 250.00	\$ 200,000.00
	General Allowance for Misc. & unknowns	1	lsum	\$ 250,000.00	\$ 250,000.00
	subtotal				\$ 1,500,000
	General Conditions	5.0%		\$ 75,000	
	Estimating Contingency	6.0%		\$ 94,500	
	Contractor Overhead & Profit	9.0%		\$ 150,255	
	Bonds and insurance	2.0%		\$ 36,395	
	Excise tax	2.041%		\$ 37,884	
	Subtotal: Operational Upgrades			\$ 394,034	\$ 1,894,034
	Total Construction Budget			\$ 5,448,266	\$ 26,188,598
<p>1. Budgets shown are very preliminary and based on an assumed scope and scale of work, and represent only "order of magnitude" budget assessments/ 2. Budgets shown are not adjusted for a possible phased multi-year approach to construction, they were developed in todays costs as a single project. 3. Budgets do not include site associated costs (parking or access).</p>					



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KITCHEN
11,110 SQ. FT.

STAGING
20,960 SQ. FT.

ACCESS CORRIDORS
44,640 SQ. FT.

BARNETT ARENA
113,320 SQ. FT.

Rushmore Plaza Civic Center