

5 Year Operating and Capital Costs for HERC 1 based on Nov. 2018 HERC Task Force Final Report

Operate HERC1 as-is for 5 years with money put aside for demolition at Year 6

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (demolition)</u>	5 Year Total	5 Year Total with Prelim. Feasibility Study
Annual Operating Cost (assuming current level of use)	35,280	35,280	35,280	35,280	35,280	-		
Maintenance (ie. broken windows, fire extinguisher check, etc) & Capital Needs	?	?	?	?	?	-		
Roof replacement*	-	250,000	-	-	-	-		
Study of how to demolish building	35,000	-	-	-	-	-		
(Potential Option) Preliminary feasibility study for a Multi-Use Community Center		(250,000)	(250,000)					
HERC 1 Seed Money (total needed for demolition estimated at \$750,000)	150,000	150,000	150,000	150,000	150,000	-		
Total	185,280	435,280	185,280	185,280	185,280	-	1,176,400	1,676,400

Barebones minimum renovation and management to extend life of the HERC1 by 10 years and operate the building with some additional services/management; demo needed at end of 10th year***

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>		5 Year Total	10 Year Total
Annual Operating Cost (assuming current level of use)	35,280	35,280	35,280	35,280	35,280			
Maintenance (ie. broken windows, fire extinguisher check, etc) & Capital Needs	?	?	?	?	?			
Community Rec. Building Manager (assuming .5FTE salary & benefits)	-	-	-	50,000	50,000			
Study of long term improvements	-	65,000	-	-	-			
Roof replacement*	-	250,000	-	-	-			
Renovation**	-	-	1,000,000	-	-			
Total	35,280	350,280	1,035,280	85,280	85,280		1,591,400	2,426,680
							+ demo costs	+ demo costs

*This is a **rough** cost estimate for just replacing the roof - there may be other structural needs of the building that are not accounted for in this cost.

** The Task Force did not include an itemized breakdown of costs associated with renovation however on page 22 of the Final Report, they listed the need for a fire sprinkler system for the entire building; fire wall separation; convert building to natural gas heat; hot mop roof; convert all lighting fixtures to LED; repartition former UofA office area; other repairs/renovation as needed to meet IBC "E" occupancy with total costs ranging from \$900,000 - \$1.3 million.

***The Task Force noted in the Final Report on page 6 that "the only way a ten-year timeframe would be a desirable financial consideration for the City is if there is a long term lease or partnership agreement in place."

