



UDI COMMUNITY DEVELOPMENT CORPORATION

631 United Drive

Durham, NC 27713

NEIGHBORHOOD COMMERCIAL REVITALIZATION

“OLD FIVE POINTS”

GATEWAY PROJECT SUMMARY

March 15, 2012

Attn: Chris Dickey, Economic Development Senior Manager

Office of Economic and Workforce Development

From: R. Edward Stewart, President/CEO

UDI Community Development Corporation

The content of this document proposes to assist with the final phase of construction, of a revitalization initiative in N. E. Central Durham.

In Continuing to build on and learn from prior year development initiatives, UDI/CDC has ideally positioned itself to move forward with the Gateway Project in order to have an even greater and more sustained impact in helping to eradicate blight and stimulate the formation of new businesses in the OEWD targeted Neighborhood Commercial area.

With the Gateway Project, UDI/CDC will create approximately twelve new jobs, growth opportunities for small businesses, thereby creating additional job opportunities, and an affordable, very functional, energy efficient dwelling unit with enhanced living conditions.

In pursuit of the above stated goal, UDI/CDC is requesting \$100,000.00

Gateway Project Summary:

In order to further improve the environment at Old Five Points in Northeast Central Durham, the idea is to revive as much blight as possible with available funds. This means improving the esthetic values by changing the appearance and use of existing structures.

UDI/CDC has selected the 727 Mangum Street site to serve as an anchor in an effort to revitalize the area. It is my understanding, that if an anchor store is opening or expanding, this can greatly influence the success or failure of other ventures. Also, if you enhance the features and amenities of a building it will generate greater income.

The plan is to reconstruct a building, creating three levels of approximately 1500 square feet per level for a total of 4500 square feet.

The final cost of construction is attached with a source and use of funds projection.

Points of interest are:

- If the office, commercial and condo spaces are to effectively compete on the market, its location requires that special attention be given to certain details. To address these details, it requires that “state of the art” office equipment, services and furnishings are available to satisfy customer’s needs.
- UDI proposes to negotiate with the adjacent property owner to purchase or lease the vacant lot. This would be converted into a parking lot and satisfy a critical need. I prefer to disclose the cost for the property only during a personal discussion.
- Finally, the total City grant is essential for UDI/CDC to complete the project as proposed, including quality design and “state of the art” furnishings and amenities to satisfy the goal of revitalizing the Old Five Points Corner. This should be of strong interest to the City because the site is a Gateway into Downtown Durham. If properly done, it will serve to greatly enhance the image of Durham, especially, to visitors and new arrivals.

Other valuable benefits include jobs created, services provided, and the project becoming an economic catalyst for additional improvements and growth.

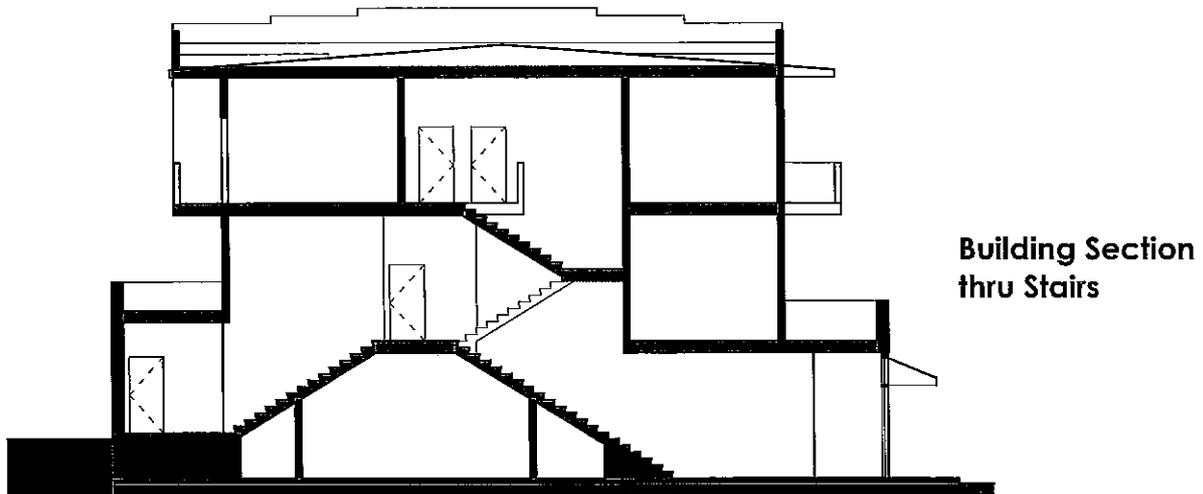
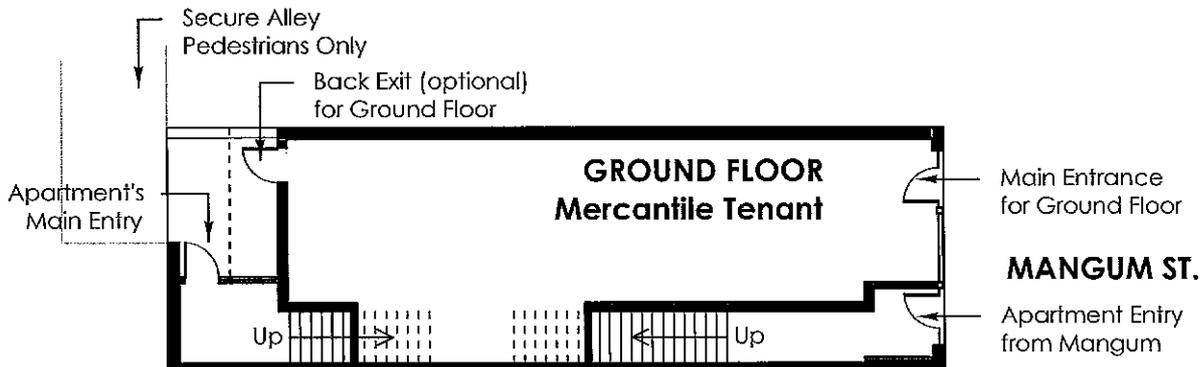
Please realize this project is designed to be an economic revitalization of the entire block, by encouraging other owners to upgrade their property. Some have already expressed an interest in doing so.

With UDI serving as the catalyst, this development would stimulate the upgrading of the remaining properties in the block. The City of Durham would realize a tremendous growth in taxes from this community as generated by new jobs, and delivery of certain economic services that are not available now.



ADDITION TO EXISTING BUILDING

PROJECT: Little Five Points Lofts
DATE: 06.10.10
TITLE: PreDesign Plans and Section
ADDRESS: 727 Mangum St.
Durham, NC 27704
Architect: Ellen Cassilly Architect, Inc.



UDI/CDC proposes the "Old Five Points" Gateway Project as an economic development effort designed to remove blight and stimulate new businesses in the Office of Economic and Workforce Development (OEWD) Targeted Neighborhood Commercial Area (TNCA). This is a collaborative project utilizing the skills and expertise of local nonprofits, business, and educational institutions.

The following table displays the variety of partners invested in this community project, and their respective roles.

Name	Project Role	Contact Information	Responsibilities
UDI/CDC	Proposer and Property Manager	631 United Drive Durham, NC 27713 919-544-4957	<p>Responsibilities: UDI/CDC will be the fiscal agent of the Old Five Point Revitalization Project. It will be responsible for overseeing the development and operation of all phases of the project from beginning to end. UDI/ CDC will maintain an ongoing dialogue with representatives of the business and residential segments of the community in order to maintain a current awareness of residential and service needs.</p> <p>Experience: UDI/CDC has an extensive experience base and successful track record in developing economically beneficial and sustainable affordable housing and economically beneficial entrepreneurial opportunities for low-wealth neighborhoods. A notable example of program accomplishment which was a prime catalyst to helping ameliorate many of the impediments to social and economic investment in the Five Points area. Other program examples include the following: 91 acre industrial park, service center featuring a major super market (Food Lion), 32 unit elderly housing center and restoration of a 25,000 square feet structure which led to the creation of 85 jobs and 2 residential sites.</p>
The Institute for Minority Economic Development	Principle Partner	114 West Parrish St. Durham, NC 27701 919-688-4492	IMED will be responsible for market research and strategic business planning.

City of Durham	Principle Partner	101 City Hall Plaza Durham, NC 27701 919-560-4965	The City of Durham is being asked to provide funding for the Gateway project and the improvement of the surrounding area.
North Carolina Community Development	Principle Partner	2209 Century Dr. 2 nd Floor Raleigh, NC 27612 919-828-5655	The North Carolina Community Development Initiative will assist with strategic planning.
Ellen Cassily	Architect	600 Foster St., Durham, NC 27701 919-530-1149	This architectural firm will design the proposed three-story facility.
North Carolina Central University/ CEDI	Principal Partner	800 N. Mangum St., Durham, NC 27702 919-688-9552, ext. 242	NCCU will provide intermediate program entrepreneurial training
PAC 1	Principal Partner	800 North Mangum St. Durham, NC 27702	PAC 1 is a community involvement group vested with the responsibility of initiating and encouraging area support for the proposer's project. This organization will serve as the community's voice and provide UDI-CDC with a foundation and forum for desired and actively solicited feedback.
Bobbitt Design-Build Construction	General Contractor	600 Germantown Rd., Raleigh, NC 27607 919-851-1980	



January 25, 2011

Ed Stewart
UDI Community Development Corporation
631 United Drive #100
Durham, NC 27713-1660

RE: BUDGET PRICING FOR THE 727 NORTH MANGUM STREET REVITALIZATION PROJECT

Dear Mr. Stewart:

Thank you for the opportunity to provide you with this Budget Proposal for the revitalization project at 727 North Mangum Street in Durham. The price and scope of work herein are based upon our conversations and the conceptual architectural plans by Ellen Cassilly Architect, PA marked received on October 20, 2010. Once the final plans are complete, a final contract value can be determined.

The total project budget is divided into different categories for the evaluation of the structural system of the new building. The first category is a base estimate number, consisting of demolition, interior finishes, plumbing, mechanical and electrical systems, etc. The second category is for a wood based structural system and the third is for a load bearing light gage steel structural system from Carolina Steel Corporation. The second and third categories include items such as the walls, floors, roof structure and exterior finishes.

The following items are included in the base estimate budget category:

- Building permit allowance of \$3,000.
- Full time, on-site supervision.
- Demolition of the existing structure, except for the front masonry façade.
- Temporary utilities.
- Builder's risk insurance and safety.
- Progressive and final cleanup.
- Compaction testing.
- Jobsite cleanup and cleaning of the addition prior to owner occupancy.
- We have not made any allowances for site work related activities other than demolition of the existing building. Light grading and sidewalks may be required, as will multiple water meters if desired.
- New footings and concrete slab for the on-grade slab. All on grade slabs have been priced as 3,000 psi 4" thick concrete with wire mesh reinforcing.
- Subsurface termite treatment.
- Concrete block foundation walls.
- Point-up and repair of the existing front masonry façade. Shoring, bracing and clean-up of the same.

signed 1/26

600 GERMANTOWN ROAD RALEIGH, NORTH CAROLINA 27607 PHONE 919-851-1980 FAX 919-851-1982
500 LAWAND DRIVE COLUMBIA, SOUTH CAROLINA 29210 PHONE 803-731-5650 FAX 803-731-6580

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DESIGN • CONSTRUCTION • FINISHING

- Interior steel stairs with concrete treads.
- Handrails at the porches.
- Soffits at the porches.
- Kitchen cabinetry in the residential unit (3rd Floor) as shown. The bathroom vanity, shelving and the bench/storage in the foyer are included as shown.
- Waterproofing at the block retaining walls and porches.
- Single ply white TPO roof with roof drains and roof hatch.
- Doors and hardware on the 1st and 2nd floor are to be commercial grade doors with hollow metal frames. Doors and hardware on the 3rd floor are to be residential grade with wood trim.
- Storefront windows and doors at the front entry.
- Sliding glass doors at the porches, windows as per the elevations.
- Sound attenuating insulation in all interior walls.
- Acoustical ceiling tile in the 1st and 2nd floor restrooms as well as the 2nd floor lobby.
- Vinyl Composition Tile (VCT) in the 1st and 2nd floor restrooms.
- Carpet allowance of \$22 per square yard (installed allowance) on the 1st and 2nd floor as well as the 3rd floor bedrooms.
- Flooring for the 3rd floor, other than in the bedrooms, is to be sheet vinyl.
- Rubber base on the 1st and 2nd floor.
- Wood profile rubber base on the 3rd floor.
- Painting interior walls with 3 coats of paint.
- Painting the sheetrock ceilings.
- Painting stairs and railings.
- Walk-off mat at the ground floor front entries.
- Toilet accessories for the bathrooms.
- \$1,500 allowance for a fabric awning at the front entry.
- \$4,000 allowance for a roll-up security grate at the front entry.
- (4) fire extinguishers and cabinets.
- Residential appliances and hook-up including: refrigerator, range, microwave, dishwasher, garbage disposal, stacked washer/dryer.
- Plumbing as shown on the plans with (2) commercial bathrooms and (1) residential bathroom with fiberglass shower. Tying to the existing sewer in the space and two backflow preventers for the domestic water lines are assumed. We have also included (2) 10 gallon water heaters for the commercial spaces (small electric instant water heaters could be utilized), and a 40 to 50 gallon water heater for the 3rd floor.
- Heating, ventilation and air conditioning (HVAC) is included on each floor. We have included approximately (10) tons of HVAC for the building, assuming separate units for each floor.
- (2) heaters for the stairwells.
- Ventilating the bathrooms.

since 1946

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- Direct/indirect fluorescent lighting throughout the space.
- Wall sconces for the porches and entries.
- Interior emergency lighting and exit lighting.
- Receptacles and GFI receptacles, with shunt trip receptacles for the bedrooms.
- Phone/data boxes.
- Electrical trough with (4) 200 amp meter bases and disconnects.
- (3) 200 amp panels (one per floor) and a 100 amp house panel.
- \$1,000 allowance for connecting to Duke Power.
- Smoke detectors for the 3rd floor and duct detectors for the commercial space.
- We have not included an area of rescue assistance or fire protection system in the building.

The following items are included in the wood structure category:

- Load bearing wood structural system (floors, walls, and roof).
- Exterior sheathing of densglass.
- Exterior siding with a mixture of metal siding and cement board siding (Hardi) with an installed allowance of \$7.00 per square foot.
- Drywall ceilings (for fire rating, sound and finish) – 1-hour rating on the 2nd floor and roof, 2-hour rating on the 3rd floor.
- Structural steel beam to support the porch over the masonry façade.
- Interior drywall on wood studs.
- Drywall in the interior side of the exterior wall for a 2-hour rating on the 1st and 2nd floor and a 1-hour rating on the 3rd floor.
- Wood stairs (deducting steel stairs from the base estimate)
- Insulation in the exterior walls.

The following items are included in the light gage structure category:

- Load bearing light gage steel system (floors, walls, and roof).
- Exterior sheathing of densglass.
- Exterior siding with a mixture of metal siding and cement board siding (Hardi) with an installed allowance of \$7.00 per square foot.
- Drywall ceilings (for fire rating, sound and finish) – 1-hour rating on the 2nd floor and roof, 2-hour rating on the 3rd floor.
- Structural steel beam to support the porch over the masonry façade.
- Interior drywall on metal studs.
- Drywall in the interior side of the exterior wall for a 2-hour rating on the 1st and 2nd floor and a 1-hour rating on the 3rd floor.
- Plywood subflooring.
- Gyp-crete topping on the 3rd floor for a 2-hour rating.
- Wood stairs (deducting steel stairs from the base estimate) *SM*

sin 10/16



- Insulation in the exterior walls.
- This is using Nucon light gage steel with a material quote from Nucon of \$35,000 without tax delivered to the jobsite. We have included Carolina Steel erecting the walls and floors and installing the sheathing and siding as an allowance of \$30,000.

If a wood structural system is chosen the total project budget is \$570,000.00.

If a light gage structural steel system is chosen the total project budget is \$622,000.00.

Additional cost items that are not included above and need to be incorporated into UDI's budget for the project:

- Design fees.
- Impact fees, development fees, transportation fees, or other fees assessed by the City of Durham.
- Site improvement costs such as sidewalks, grading, water meters, etc.
- Furnishings.
- Energy modeling, energy testing (Energy Star or HERS ratings).
- Costs to run a gas line to the building.

Potential costs saving strategies:

- If selecting the light gage structure project, deduct \$20,000 from the price for wood stairs in lieu of metal stairs. The architect has indicated this is an option if the design team selects a Type 3B building type.
- If a more economical exterior finish system is selected, an allowance of \$5.00 per square foot of exterior skin could be achieved. This could save an additional \$15,000 from either structural system.

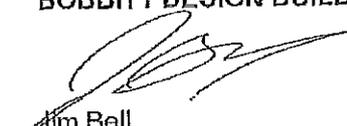
This proposal is valid for thirty (30) days. Please sign below indicating your acceptance of this proposal and your intent to contract with Bobbitt Design Build, Inc. for the preconstruction services and construction of this facility.

I hope that this information is helpful and that we can continue in the pursuit of performing and delivering a high quality construction project of which we can all be proud.

If you have any questions, please call on me.

Sincerely,

BOBBITT DESIGN BUILD, INC.


Jim Bell
Senior Project Developer

Owner:

Signature _____
Name: _____
Title: _____
Date: _____

signed 10/16

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727 Mangum- Gateway Construction Project

Source of Funds

HHS	\$270,000.00	
EDI (HUD)	\$200,000.00	
CITY OF DURHAM	<u>\$100,000.00</u>	
		<u>\$570,000.00</u>

Use of Funds

<u>HHS</u>		
Construction	\$270,000.00	
<u>EDI (HUD)</u>		
Upfitting	\$200,000.00	
<u>CITY OF DURHAM</u>		
Construction	<u>\$100,000.00</u>	
		<u>\$570,000.00</u>

727 Mangum Street Redevelopment

CM PROCESS

Preliminary Timeline

Receive Plans from Ellen Cassilly (Architect)	March 21, 2012
Dan Jewel submit for site plan approval	March 22, 2012
Solicit Bids	June 22- July 2, 2012
Prepare Estimate/GMP	July 2-5, 2012
Review Subs & GMP w/UDI	July 7, 2012
Revise Scope/Subs/GMP (if needed)	July 10-14, 2012
Submit Choice of subcontractors to owner	July 15, 2012
Owners confirm subcontractors	July 20, 2012
Ellen Cassilly Submit Building	Aug. 1, 2012
Estimated Site Plan Approval	Sept. 1, 2012
Receive Building Permit	Sept. 13, 2012
Begin Work	Sept. 16, 2012
Complete Construction	February 2013

NON-CM PROCESS

Preliminary Timeline

Receive Plans from Ellen Cassilly (Architect)	March 21, 2012
Dan Jewel submit for site plan approval	March 22, 2012
Solicit Bids	June 22- July 2, 2012
Revise Scope/Subs (if needed)	July 10 2012
Submit Choice of subcontractors to owner	July 15, 2012
Owners confirm subcontractors	July 20, 2012
Ellen Cassilly Submit Building	Aug. 1, 2012
Estimated Site Plan Approval	Sept. 1, 2012
Receive Building Permit	Sept. 13, 2012
Begin Work	Sept. 16, 2012
Complete Construction	February 15, 2013

Note: Dates are subject to change due to approval process and weather.