

MEMORANDUM

Clark Energy Cooperative
Winchester, Kentucky

Building Expansion vs. New Construction

Our recommendation for the renovation and modest expansion of Clark Energy's headquarters office is based on the needs of the client and the desire to keep construction cost low. Two options exist to provide Clark Energy adequate office space, which are summarized within the table below. Option 1 emphasizes renovation of existing space and construction of minimal new space to keep costs low. Renovation and continued use of the existing space minimizes Clark Energy's present and anticipated additional space needed for business operations. The minimal amount of new space proposed for construction is sufficient for an expanded dispatch area, operations offices, safety and training space, and a little additional lobby space. Alternately, Option 2 assumes no part of the existing headquarters can be used; the existing office would be razed and replaced with an all-new office headquarters complex on present Clark Energy grounds. Option 2 is over twice the cost of renovating all existing offices and providing minimal new space although total square footage needs remain unchanged.

<u>Option 1 - Renovation & Expansion</u>	<u>Estimated Cost</u>
4200 ft ² office addition @ \$194/ft ²	~ \$814,800
12200 ft ² renovation @ \$31.50/ft ²	~ \$384,300
Rounded Total Cost	~ \$1,200,000
<u>Option 2 - All New Construction</u>	<u>Estimated Cost</u>
16400 ft ² new construction @ \$150/ft ²	~ \$2,460,000

With the significant cost difference, I would have to recommend the Renovation and Expansion as the best option to pursue to meet your anticipated space needs.


Duane Culp, AIA
Project Manager
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