January 21,2013

COST ANALYSIS
HANGAR # 11
MR. ANDY KNIGHT
SLIDELL AIRPORT

Hangar size: 55'4" x 60'4" x 19"H
Year Built: 1992
Total S.F.: 3,338

Included Areas:
1. Shop
2. Toilet
3. Office/Storage Room

Exterior:
Ramp Size 30' x 55'
Hangar door 16' x 50', vertical bifold, with electric Operator. (Mr Knight has the original Hanger Door invoice as delivered, and the estimate includes this cost with the 1.375 mark up below (See item 1. of "Reviewing the cost increases on page 3)

This building was constructed in 1992. The ground required mucking, filling & compaction prior to slab and ramp construction. The toilet was connected to a septic tank and drain bed, but later connected to the airport's disposal system.

The basic building is a pre-engineered metal building, with the interior build outs for the toilet, and office/storage. The building is insulated and has a high intensity lighting system, and Electrical outlets located as needed.

The building slab and the ramp are concrete (approximately 7.5" thick) with grade beams. Preparation for slab required approximately 450 cy of fill dirt. (Muck, haul, Haul fill, spread & Compact) The slab required approximately 105 cy of concrete and the approach slab 30 cy.

Bryan Haggerty - City Attorney

COST 131,524

CURRENT VALUE 182,993

* FAIR MARKET VALUE — What Bryan needs

182,993 current value
X 1.25 25%
1.26 ?
1.27 ?

228,741 FMV
− 131,524 COST
97,177 increase in value from cost

I need ~~$~~ $100,000 more than cost

clean up, Need

554 Old Spanish Trail
Slidell, LA 70458
Phone: 985-649-5832
Fax: 985-641-5950
dammonengineering.com
dammoneng@bellsouth.net

January 21, 2013

Mr. Andy Knight
Hangar #11
Slidell Airport

RE: Your Aircraft Hangar at Slidell Airport

Dear Sir,

Attached please find the requested information for your hangar that was constructed in 1992. I have used the RS Means Estimating Handbook, and prices from local contractors, to provide you with the cost to duplicate the building in today's (2012) market, and the referenced estimating information to derive the probable cost of building the hangar in 1992.

Using the figures shown in the estimate and the escalation factors during the last 20 years, it becomes obvious that the cost to build your facility in 1992, using a General Contractor, was approximately $131,564.00
The cost to duplicate the Hangar in today`s Market is estimated to be $182,993.00 ~~247,040.00~~
The " Fair Market" value," the expected Value, should decide to sell",is ~~$236,241.00~~
This estimate does not include cost of Land lease Engineering Fees, or Fire Marshal Review'.

If I can be of further assistance in this matter, please call me. (1.35 x)

Sincerely,

Emmett G. (Pete) Dammon, P.E.
La #8796

The following estimated costs are based on RS Means "Building Construction Cost Data," and actual building cost supplied by local contractors.

COST ESTIMATE-
Construct with 2012 Dollars

ITEM	SIZE	UNIT COST	TOTAL
1.* Metal building & build-outs	3338 s.f.	$29/s.f.	$96,802.00*
2. Bldg. slab (7.5" L&M)	105yd^3	$150/yd^3	$15,750.00
3. Approach slab (7.5")	30 yd^3	$150/yd^3	$ 4,500..00
4. Muck & fill (compact)	450 yd^3	$50/yd^3	$ 22,500.00
5. Hangar door	734 s.f.	---------	$ 6,405.00
6. Electrical power & lights	3,338 s.f.	4.75/s.f.	$ 15,855.00
* Includes Erection			
			$161,812.00
		10% Contingency	$ 16181.00
			$177,993.00
		Taxes, permits, etc.	$ 5,000.00
		Grand Total:	$182,993.00

Reviewing the Cost Increases of Material and Labor since the building was built

1. Materials of Construction
   According to the "U.S. Bureau of Labor Statistics," "Producer Price Indexes," starting in 1989 through the year 2010, the cost of materials used in construction has risen 125%. Adjusting for 2011 and 2012, the rise is estimated to be 12.5%, with a total of 137.5% increase for the time since the building was erected.
2. Total Construction Cost (Labor & Material)
   The RLB Construction Cost Escalation shows the increase in construction cost (labor and material) from 1990 through 2011. From 1990 through 2011, construction cost escalated 158%.

The above percentages of #1 & #2 pretty well agree with each other, remembering that Item #1, is % materials increase per year only, neither including the cost of permits, etc. Therefore, it is fair to estimate that construction cost has escalated more than 140% from the cost associated with construction of this building in 1992.
A reasonable current cost to construct the building today as described above would be $182,993.00.This is with toilet and plain unfinished materials, where not factory finished, on the interior.

The calculated cost to construct the hangar in 1992 is then
Cost 1992=$182,943,.00 / 1.37. = $133,571.00. This include insulation, electrical would outlets, overhead
Again, the 1992 cost to construct the total facility is estimated to be $133,571.00.

Estimate of fair market value
The fair market value of the includes all the improvements made by the owner and inflation , general condition of the facility, value change of the area (neighboring buildings, condition of roads, nearness to restaurants, Investopedia.com/terms/fairmarketvalue/.asp#ixzz21cjxv8gq under " Replacement cost vs Fair Market Value." Mr Hurst states that the added expense

4
(continued)

between Building cost and Fair Market Value is between 20 and 50 percent. In this estimate I have selected 35% of the cost to build using today`s Dollars, or 182,993.00 X 1.35 = $247,040.00

References:

1. RLB Construction Cost Escalation
2. Bureau of Labor Statistics "Production Price Indexes"
3. RS Means Construction "Cost Estimating Handbook" (20010/2011)
4. Internet Google –Fair Market value vs replacement cost.

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Emmett G. (Pete) Dammon, P.E
La. License No. 8796

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