



CITC K'Teya Center

Report Type: Construction Feasibility Study

Report Date: 7.14.2026

Project Location:

Tract 1, Wickersham, Northway Business Subdivision
Anchorage, AK

Client:

SALT, LLC

645 G Street, Suite 301
Anchorage, AK 99501

Report has been prepared for: **Natasha Schmidt**

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I. Intent of Report

The purpose of this Construction Feasibility Study is to provide SALT and CITC with an overall assessment of the feasibility of the proposed CITC K'Teya Center Project located in Anchorage, AK including anticipated construction costs to better assist in the decision making process for moving the project forward and into pre-construction/design. Included within this study are the anticipated costs and scopes of work associated with two scenarios including the new construction of the proposed facility on land currently owned by the client and located adjacent to their current campus along with the scenario to purchase an existing building and renovate/expand to meet CITC's requirements.

II. Client Highlights

Budget Summary:

In Pacwest Consulting Groups professional opinion, the anticipated overall hard cost for the CITC K'Teya Center (New Construction) as currently designed totals **\$ 31,321,500.00**. The total hard cost breaks down to **\$785.00 per SF** which is within a reasonable range for projects of this type in the Alaska market. Our conclusions regarding this project are a result of our professional industry expertise, thorough review of the construction documents, comparison to similarly completed projects, and an initial site visit as well as communication with the project team.

Professional Recommendations:

Please see below for a summary of our professional recommendations and findings which may warrant additional consideration from the client. Each of these items is described in more thorough detail in the applicable referenced section of the report.

1) Scenario Recommendations

As a part of this study, Pacwest Consulting Group explored two options for the client to consider. Option #1 was to construct the conceptually designed facility on a parcel of land currently owned by the client and located across the street from their headquarters. Option #2 was to explore available properties for sale in Anchorage with the intent of purchasing the property and then renovating it to meets CITC's needs and requirements. The current market is very limited with properties that had this potential and at the time of our search/study, Pacwest narrowed this option down to one property which is the current Arctic Rec Center located at 4855 Arctic Blvd. It is a 23,000 SF facility that includes a gymnasium. While the total investment

required is less with Option #2, Pacwest Consulting Group recommends the client move forward with Option #1 for the following reasons:

- New construction will lead to a more precise design, construction and building functionality that the client requires instead of making it work with renovating an existing building. Cost difference is minimal considering overall budget.
- Location of Option #1 will further create a campus feel for the client as it is across the street from the current headquarters.

2) Budget Items (SOV)

a. Scope of Work Considerations: The following scopes of work appear to be noteworthy of additional consideration/clarification:

- i. Civil: Given that a geotechnical investigation study has not been completed, the civil scope of work presents the area for the most surprises which can lead to price adjustments. It does appear that adjacent sites that have been constructed on had typical subsurface soil conditions however, until a site specific investigation has been completed, there is the potential for scope/budget adjustments. Pacwest Consulting Group has included a contingency budget to help account for any budget adjustments required as the project progresses. Upon visual observation of the site which is level and partially cleared, the risk of civil surprises appears to be low.
- ii. Dewatering: Given that a geotechnical investigation has not been completed, an accurate assessment of groundwater levels and required excavations has not been finalized which further leads to any dewatering requirements. An assessment of adjacent sites appears to indicate that groundwater is at a level of 20'-25' below the surface. Should this be the case, it appears that the included budget is sufficient however, Pacwest Consulting Group has included a separate contingency budget to help account for any budget adjustments required as the project progresses.
- iii. Tariffs/Price Escalation: Given the early stage of the project, Pacwest Consulting Group feels it appropriate to include a separate tariff/price escalation contingency budget which has been accounted for in the projects soft cost budget.

3) Soft Costs

Soft costs typically include permits, design fees (architectural/engineering), system development charges (SDC's), inspections, appraisals, interest, tax,

etc. The current hard cost budget listed above does not include soft costs although Pacwest Consulting Group has included a projected soft cost budget below in the detailed overall project budget. We typically recommend the Owner/Contractor consider including a soft cost contingency budget, separate from the hard cost contingency budget, to assist with cost overages with these items.

4) Design & Engineering

At the time of completing this study, a geotechnical investigation had not been provided however, a due diligence report had been completed by DOWL. ECI and SALT have also completed an initial concept plan with interior floorplan and exterior renderings which were taken into account with pricing. A design had not been completed for the scenario of purchasing a building and remodeling/expanding. In this instance, cost per SF's were utilized to establish a budget range. Should this project move forward, additional coordination will be required between the design and engineering teams to ensure an appropriate building is designed for the subject site and conditions.

III. Project Description

Overall Building Summary:

Property Address:	Tract 1, Wickersham, Northway Business Subdivision
Construction Type:	Commercial Mixed
Site Area:	Parcel – 5.178 acres (225,562 SF)
Building Area:	39,900 SF Total 28,000 SF (Main Level) 11,900 SF (Level 2)
Detailed Breakout of Building:	Subject project includes the new construction of a commercial mixed-use facility including a daycare, gymnasium, offices, classrooms, commercial kitchen, multi-purpose room, restrooms/showers, and site improvements throughout. An additional scenario was included in this study which included the purchase of an existing 23,000 SF building with plans to renovate the existing and expand onto it in order to bring the building to the desired size and requirements for CITC.
Parking:	Parking and site improvements have been accounted for in the concept design and construction budget with anticipated parking stalls of (135) onsite.
Additional Amenities:	Landscaping throughout, onsite dumpster, drive aisles, access to building from parking lot and street frontage leading into reception, outdoor play area for daycare.

IV. Project Documents

Plans & Specifications

The construction plans provided as a part of this study seemed reasonable for a project of this type, location and stage of design. The plans provided consisted of the following:

CITC K'Teya Center:

Architectural (Concept Design):

- (4) Plan Sheets Total
- Date: 6.25.2026
- Firm: ECI
- Registered Architect: Monica Sullivan

Note: Concept Design included both interior floorplan and exterior renderings which have been reviewed with the client (CITC) and minor adjustments accounted for. Should the project move forward, full design and engineering to be prepared in order to establish a permit set of construction documents.

Engineering, Geotechnical & Specialty Reports

It does not appear that a geotechnical engineering report was completed on the property at the time of completing this feasibility study. DOWL did complete a Due Diligence Study of the proposed project and site which has been provided and included an appropriate amount of information for Pacwest Consulting Group to accurately price the proposed project at this stage of design.

Note: Should design continue to move forward, it is Pacwest Consulting Groups recommendation that the client have a full geotechnical investigation completed for the subject site to further assist in accurate engineering of the building regarding the civil and structural components.

V. Project Budget

Budget Summary (Option 1 New Construction):

The current hard cost total for the CITC K'Teya Center Project based on the design provided to Pacwest Consulting Group is \$ 31,321,500.00. Included within this budget amount are all of the hard costs associated with the building construction costs for the new project. Please see below for further breakdown of the cost. Not included in the hard cost budget are the anticipated project soft costs which typically include permits, design fees (architectural/engineering), system development charges (SDC's), inspections, appraisals, insurance, etc. Pacwest Consulting Group has included an anticipated soft cost budget below to better assist the client in determining the full project budget.

In Pacwest Consulting Groups opinion, the subject project as currently designed justifies a hard cost total of **\$ 31,321,500.00 or (\$ 785.00 per SF)**. The construction cost for commercial types of projects can vary depending upon location, scope and finishes. Based on Pacwest Consulting Groups construction knowledge and estimating experience, along with our study of the current project/site and comparison to recently completed similar projects, it is our professional opinion that a cost per SF of \$785.00 is sufficient to complete the subject project as currently designed and discussed in our meetings to date.

Budget Summary (Option 2 Buy and Renovate):

The current hard cost total for the CITC K'Teya Center Project based on the option of purchasing an existing building and expanding/renovating to meet CITC's needs is in the range of \$ 25,980,000.00 to \$ 29,970,000.00. Included within this budget amount are all of the hard costs associated with the renovation of the existing facility and expansion in order to increase the building size to accommodate CITC's requirements and building functionality. The purchase price of the subject building has also been included in our model and the costs listed above. Please see below for further breakdown of the cost. Not included in the hard cost budget are the anticipated project soft costs which typically include permits, design fees (architectural/engineering), system development charges (SDC's), inspections, appraisals, insurance, etc. Pacwest Consulting Group has included an anticipated soft cost budget below to better assist the client in determining the full project budget.

VI. Schedule of Values Summary

Schedule of Values (Hard Cost – New Construction)

Project:	CITC K'Teya Center		
Address:	Tract 1, Wickersham, Northway Business Park Subdivision		
Building Area (SF)	39,900.00		
Site Area (SF)	225,562.00		
Quantity of Units (Floor)	2.00		
Budget Line Item	Amount	Cost/SF	Cost/Unit
Division 1 - General Condition	\$ 3,591,000.00	\$ 90.00	\$ 1,795,500.00
Division 2 - Existing Conditions	\$ -	\$ -	\$ -
Division 3 - Concrete	\$ 997,500.00	\$ 25.00	\$ 498,750.00
Division 4 - Masonry	\$ -	\$ -	\$ -
Division 5 - Steel	\$ 2,394,000.00	\$ 60.00	\$ 1,197,000.00
Division 6 - Woods & Plastics	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 7 - Thermal & Moisture Protection	\$ 997,500.00	\$ 25.00	\$ 498,750.00
Division 8 - Openings	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 9 - Finishes	\$ 3,192,000.00	\$ 80.00	\$ 1,596,000.00
Division 10 - Specialties	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 11 - Equipment	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 12 - Furnishings	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 13 - Special Construction	\$ 199,500.00	\$ 5.00	\$ 99,750.00
Division 14 - Conveying Equipment	\$ 399,000.00	\$ 10.00	\$ 199,500.00
Division 21 - Fire Suppression	\$ 1,396,500.00	\$ 35.00	\$ 698,250.00
Division 22 - Plumbing	\$ 1,396,500.00	\$ 35.00	\$ 698,250.00
Division 23 - HVAC	\$ 1,795,500.00	\$ 45.00	\$ 897,750.00
Division 25 - Integrated Automation	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 26 - Electrical	\$ 2,593,500.00	\$ 65.00	\$ 1,296,750.00
Division 27 - Communications	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 28 - Electronic Safety & Security	\$ 199,500.00	\$ 5.00	\$ 99,750.00
Division 31 - Earthwork	\$ 1,396,500.00	\$ 35.00	\$ 698,250.00
Division 32 - Exterior Improvements	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Division 33 - Utilities	\$ 798,000.00	\$ 20.00	\$ 399,000.00
Overhead & Profit	\$ 3,591,000.00	\$ 90.00	\$ 1,795,500.00
Hard Cost Contingency	\$ 1,596,000.00	\$ 40.00	\$ 798,000.00
Hard Cost Total (Base Bid Core & Shell)	\$ 31,321,500.00	\$ 785.00	\$ 15,660,750.00

Additional Project Costs	\$ 5,187,000.00	\$ 130.00	\$ 2,593,500.00
Design and Engineering (10%)	\$ 2,793,000.00	\$ 70.00	\$ 1,396,500.00
Permitting	\$ 399,000.00	\$ 10.00	\$ 199,500.00
Special Inspections	\$ 199,500.00	\$ 5.00	\$ 99,750.00
Bonding and Insurance	\$ 598,500.00	\$ 15.00	\$ 299,250.00
Contingency (Design)	\$ 399,000.00	\$ 10.00	\$ 199,500.00
Contingency (Tariffs/Escalation)	\$ 798,000.00	\$ 20.00	\$ 399,000.00

Total Project Cost	\$ 36,508,500.00	\$ 915.00	\$ 18,254,250.00
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Please note that the budget and cost per SF listed above is a rough order of magnitude budget based upon the completed conceptual design and site due diligence report. Should the project and design progress, additional estimating exercises should be completed to ensure design is tracking with the budget.

Schedule of Values (Hard Cost – Purchase and Renovate)

Project:	CITC K'Teya Center (Purchase Building and Renovate)		
Address:	4855 Arctic Blvd		
Existing Building Area (SF)	23,000.00		
Additional Building Area Required (SF)	16,900.00		
Site Area (SF)	85,500.00		
Quantity of Units (Floor)	2.00		

Purchase Price of Building		\$/SF
Sale Price	\$ 4,950,000.00	\$ 215.22

TI Budget Costs			
Tenant Improvement Budget + Ext	\$ 9,200,000.00	\$ 400.00	\$ 4,600,000.00
Tenant Improvement Budget + Ext	\$ 10,350,000.00	\$ 450.00	\$ 5,175,000.00
Tenant Improvement Budget + Ext	\$ 11,500,000.00	\$ 500.00	\$ 5,750,000.00

New Construction Budget Costs			
New Construction Budget	\$ 11,830,000.00	\$ 700.00	\$ 5,915,000.00
New Construction Budget	\$ 12,675,000.00	\$ 750.00	\$ 6,337,500.00
New Construction Budget	\$ 13,520,000.00	\$ 800.00	\$ 6,760,000.00

Project Soft Costs		
Soft Costs (15% of Hard Cost Budget Low)	\$ 3,154,500.00	
Soft Costs (15% of Hard Cost Budget Mid)	\$ 3,453,750.00	
Soft Costs (15% of Hard Cost Budget High)	\$ 3,753,000.00	
Total Investment Range		
Low	\$ 29,134,500.00	
Mid	\$ 31,428,750.00	
High	\$ 33,723,000.00	

Please note that the budget and cost per SF listed above are rough order of magnitude budgets based upon Pacwest Consulting Groups professional experience in the local Anchorage construction market. Design of this option has not been completed, should this option be pursued, additional conceptual design and construction estimating will be required. Reference our comment above regarding our recommendation to pursue Option #1 in lieu of Option #2.

VII. Project Photographs

Photographs of current site conditions from our site visit on 7.09.2026:







VIII. Project Documentation

Sources and Documents utilized to prepare this Construction Feasibility Report:

Document	Preparer	Date
Conceptual Drawings – (4 Sheets)	ECI	6.25.2026
Due Diligence Report – (39 Pages)	DOWL	June 2026
Site Visit	Pacwest	Multiple Visits
Coordination Meetings with Project Team	CITC, SALT, ECI, PacWest	Numerous