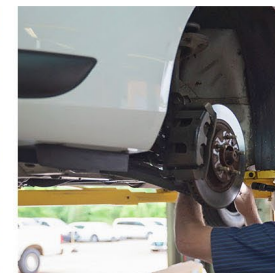
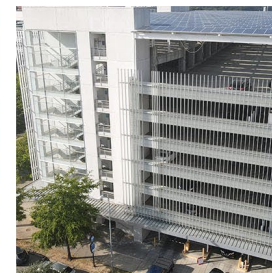
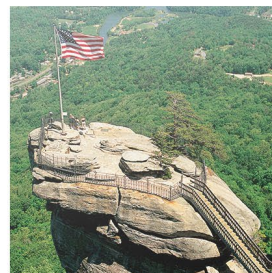
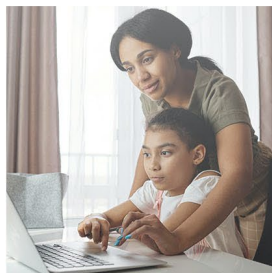
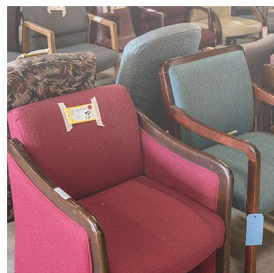
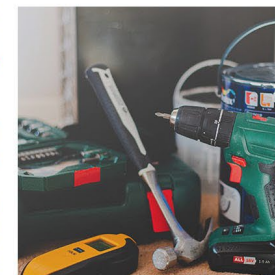
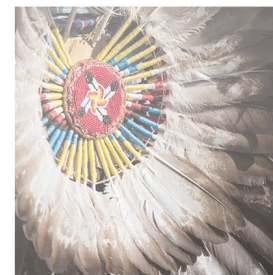
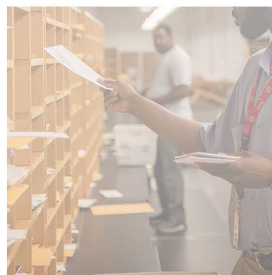


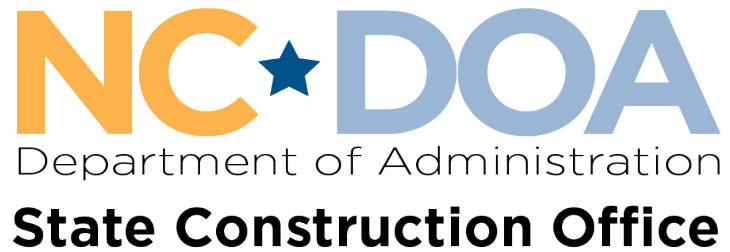
# DHHS Campus Update

**Joint Legislative Oversight Committee on Capital Improvements**  
**April 3, 2024**

**William C. Johnson, RA**  
Assistant Director  
Capital Project Management Section  
State Construction Office



# DHHS Campus – Our Team



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

WORKPLACE STRATEGY, PROGRAMMING,  
DESIGN & ARCHITECTURE

BASKIN STRATEGIES  
PROGRAMMING

LS3P  
ARCHITECT OF RECORD  
& PROJECT MANAGEMENT

GENSLER  
PROGRAMMING,  
SPACE PLANNING, &  
WORKPLACE STRATEGY

TRUSTED CONSULTANTS

LYNCH MYKINS  
STRUCTURAL ENGINEER

MCADAMS  
CIVIL ENGINEER

SURFACE 678  
LANDSCAPE ARCHITECT

NEWCOMB & BOYD  
MEP ENGINEER

DAVENPORT  
TRAFFIC ENGINEER

MBP  
COST ESTIMATOR



**Balfour Beatty**

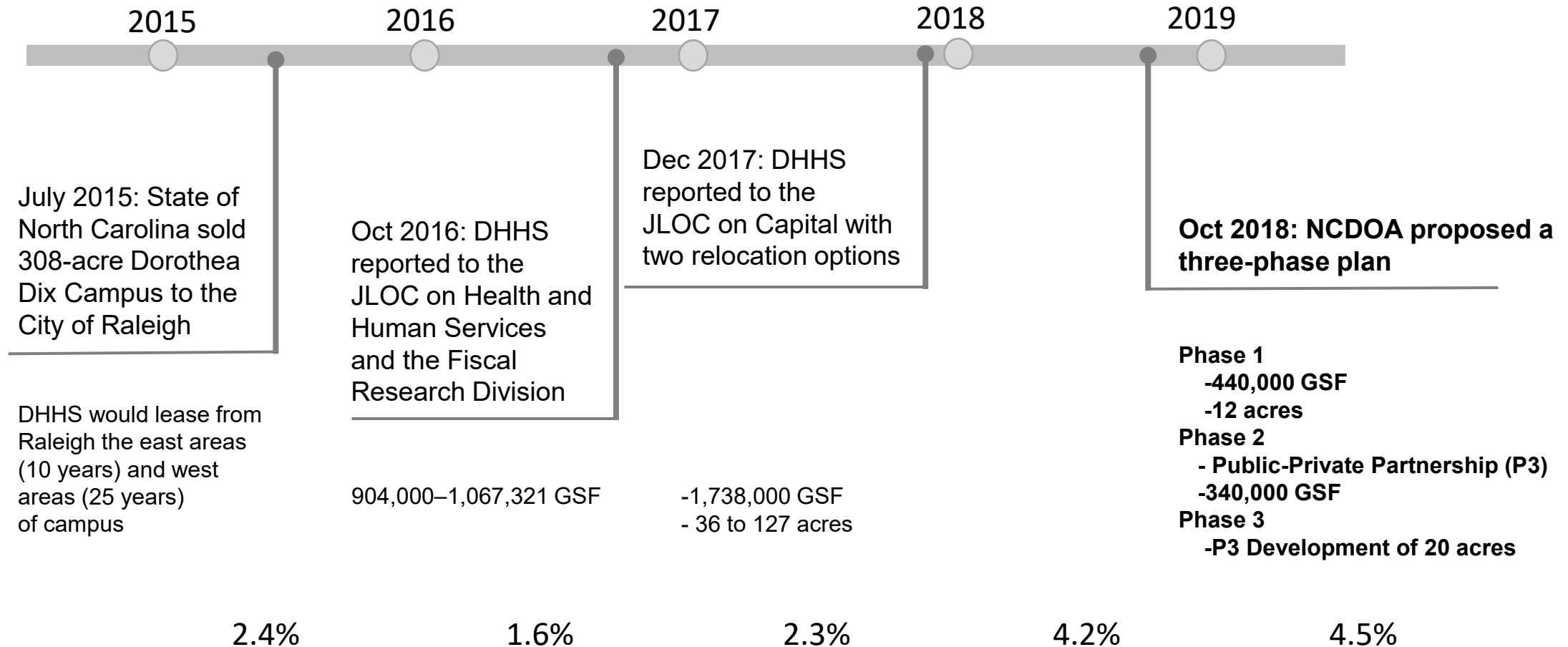


**StorrOffice**  
ENVIRONMENTS

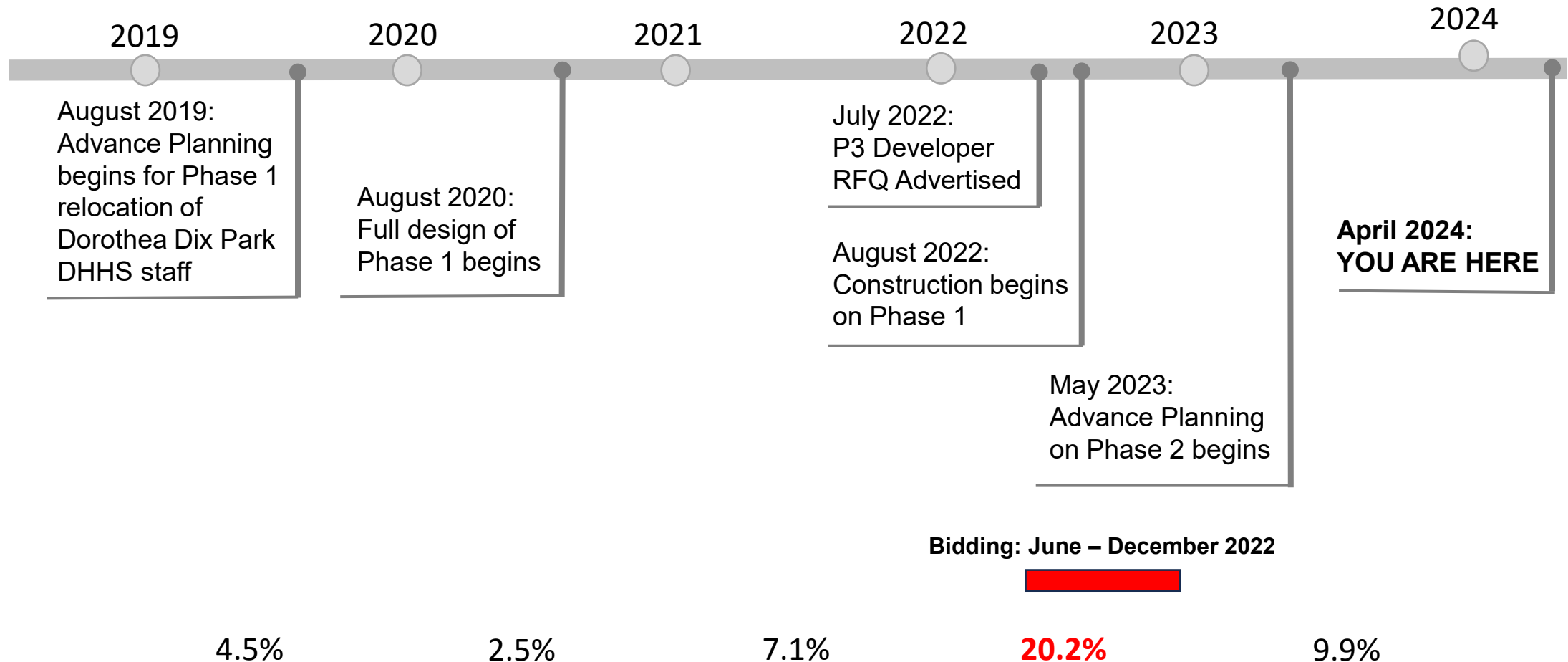
# DHHS Campus – 2015 Session Law

**Session Law 2015-241 (31.10)(a)** states that the Department of Health and Human Services (DHHS) in consultation with the Department of Administration (DOA) shall develop a plan for relocating all DHHS administration personnel and resources on the Dorothea Dix Campus and in other property leased or owned by the State in the Greater Triangle Area (Durham, Johnston, Orange, and Wake counties) to one site available to the State.

# DHHS Campus - 2015 - 2018 Studies



# DHHS Campus - 2018 - 2024 Inflation





# DHHS Campus - 2018 - 2024 Inflation



U.S. BUREAU OF LABOR STATISTICS

## 12-Month Percent Change

Series Id: PCU236223236223

Series Title: PPI industry data for New office building construction, not seasonally adjusted

Industry: New office building construction

Product: New office building construction

Base Date: 200606



Download: [XLS](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2014	2.9	2.9	2.9	3.0	3.1	3.0	3.0	3.1	3.1	2.4	2.2	2.1	2.8
2015	2.5	2.5	2.5	2.3	2.3	2.2	2.4	2.4	2.4	2.6	2.7	2.6	2.4
2016	1.6	1.4	1.2	2.2	2.2	2.3	1.4	1.4	1.3	1.2	1.3	1.3	1.6
2017	1.9	2.0	2.3	1.6	1.6	1.6	2.7	2.8	2.9	2.6	2.5	2.6	2.3
2018	2.9	2.9	3.0	4.1	4.1	4.4	4.0	4.0	4.1	5.4	5.6	5.6	4.2
2019	5.5	5.4	5.4	4.9	4.9	4.4	4.8	4.8	4.8	3.3	3.3	3.6	4.5
2020	3.3	3.5	3.4	2.7	2.7	2.9	2.4	2.0	1.7	1.7	1.9	1.5	2.5
2021	1.8	2.1	3.3	4.1	5.3	5.4	6.8	7.4	7.9	13.2	13.2	13.9	7.1
2022	17.1	18.0	17.7	19.7	18.8	20.1	23.9	23.8	23.7	20.2	19.9	19.6	20.2
2023	20.0	18.7	17.9	14.9	14.3	13.0	5.7	5.7	5.4	2.6(P)	2.5(P)	2.3(P)	9.9(P)
2024	-1.3(P)												

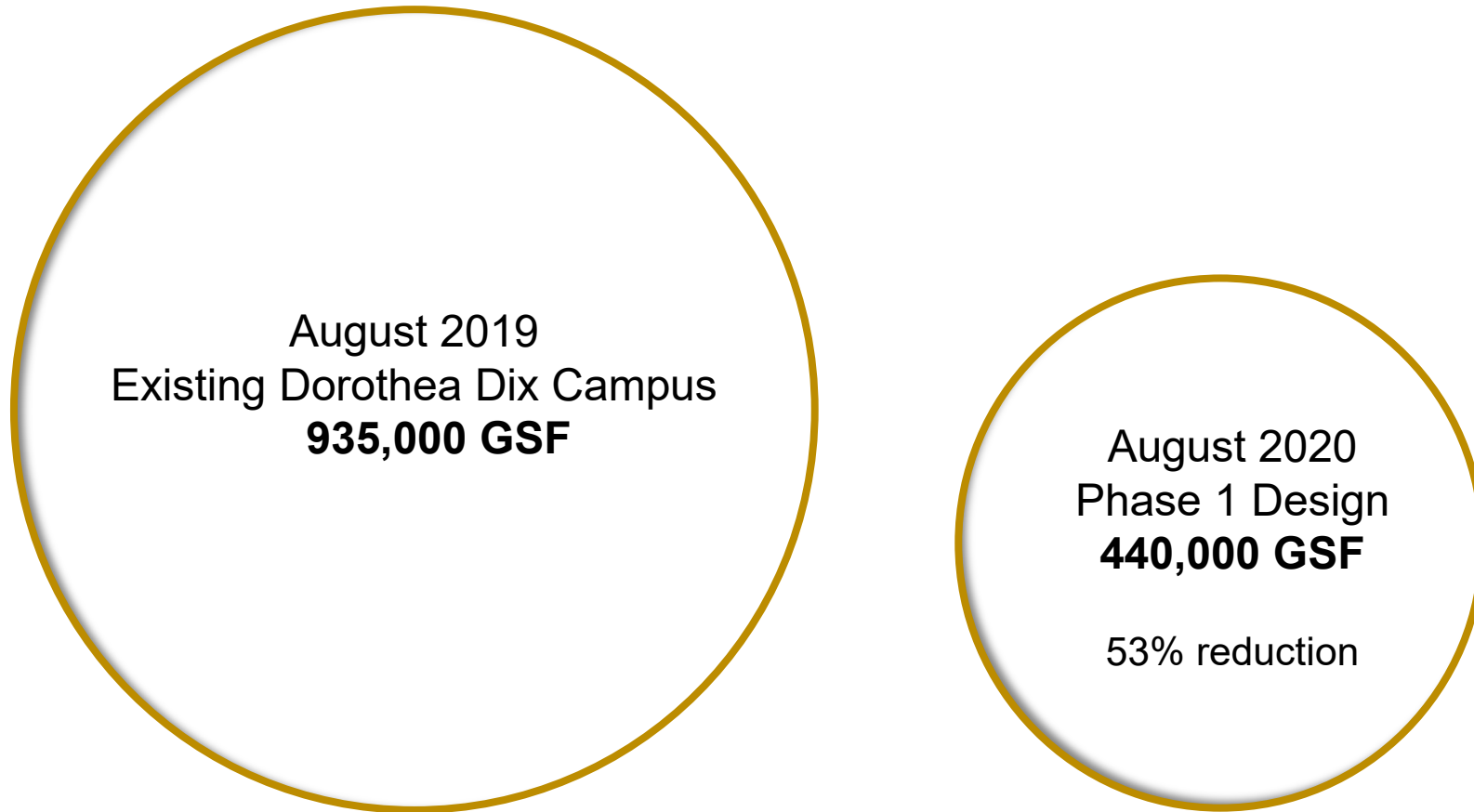
P : Preliminary. All indexes are subject to monthly revisions up to four months after original publication.

\$53 Million Inflationary Impact / Value Engineering \$29 Million / \$24 Million OSBM SCIF Flex Fund

# DHHS Campus – Funding History

Funding Source	Year	Purpose	Amount
DHHS	2019	Advance Planning	\$ 1,000,000
S.L.2020-88, Section 1.(b)	2020	Design	\$ 15,000,000
S.L.2021-180	2021	Construction	\$ 237,700,000
OSBM Flex Fund	2022/2023	Construction/Inflation	<u>\$ 24,000,000</u>
			<b>\$ 277,700,000</b>

# DHHS Campus – Phase 1 Planning






# DHHS Campus – Phase 2 Planning



Greater Triangle Region  
Existing Lease Space:  
490,605 RSF  
Existing State-Owned Space:  
125,934 RSF  
Total: **616,539 RSF**



March 2024  
Phase 2 Program  
**340,000 GSF**

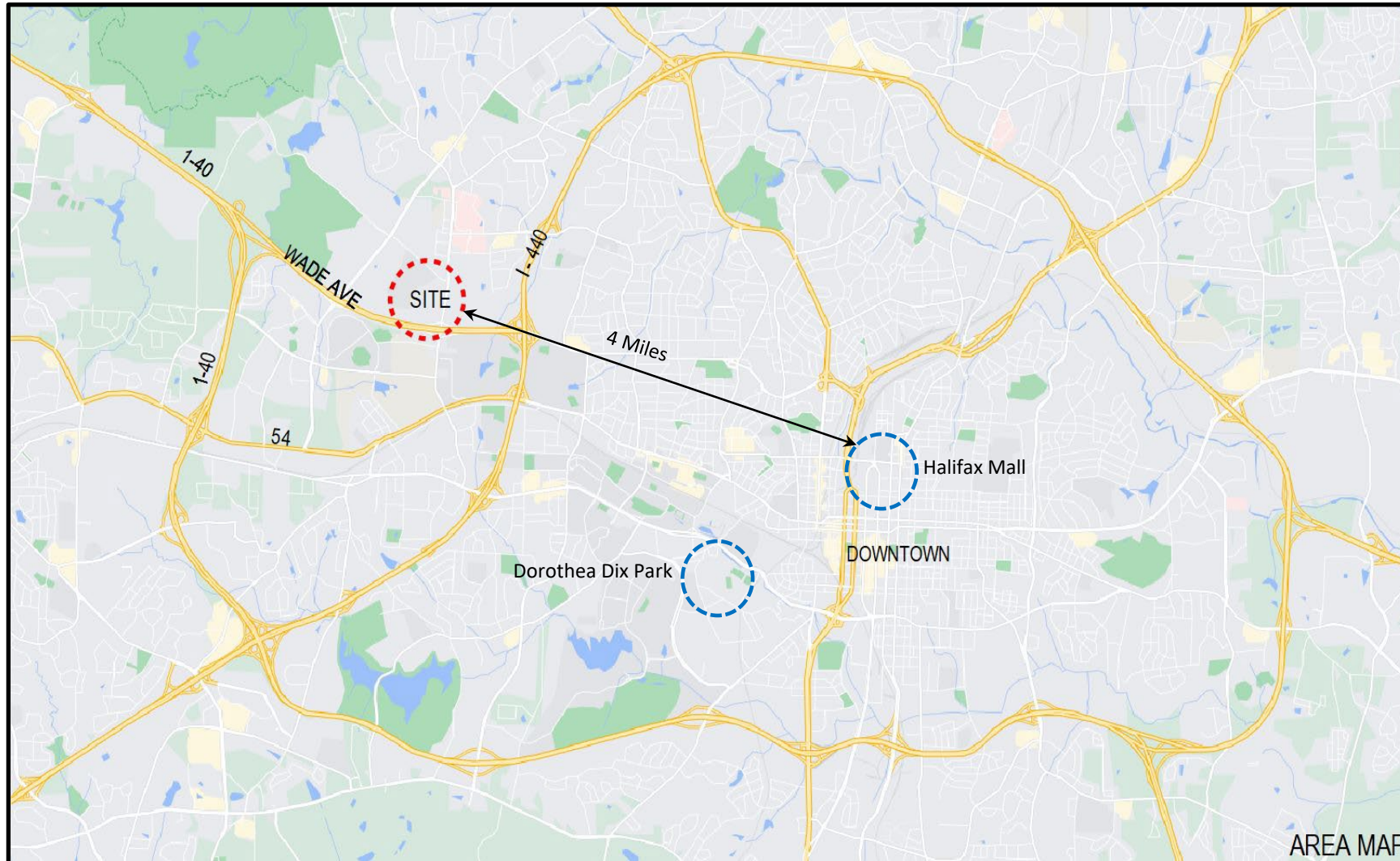
51% reduction

# DHHS Campus – Evolution of Scope

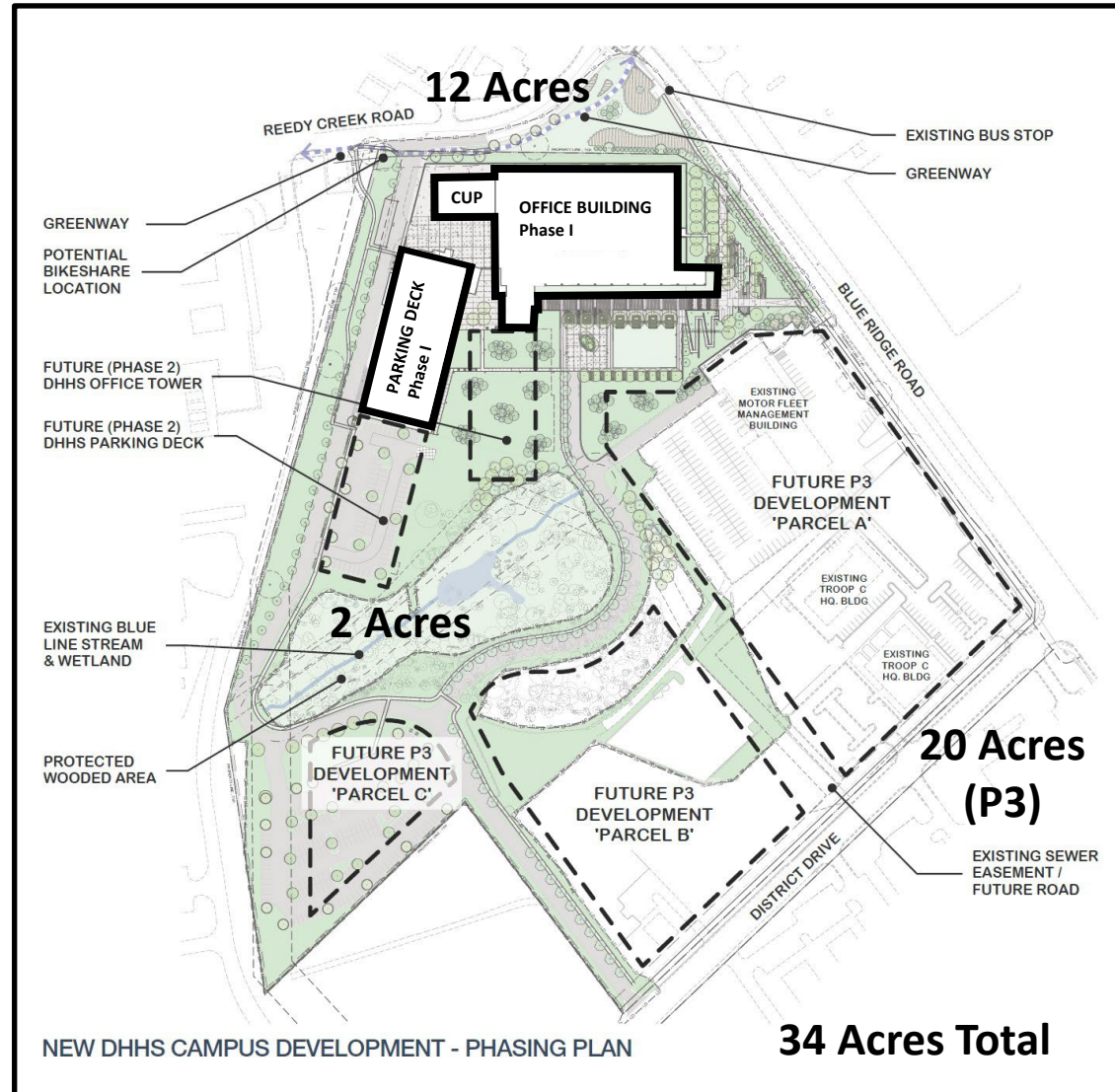
## 2024 Analysis

	2016 Report GSF	2017 Report GSF	New DHHS Campus GSF	
Dorothea Dix Park:	na	638,000	440,000	Phase 1 - \$277,700,000
Greater Triangle Region:	na	<u>1,100,000</u>	<u>340,000</u>	Phase 2
Total Gross Square Footage:	1,067,321	1,738,000	780,000	
	x	x	x	
2022 Cost Per Gross Square Foot:	<u>\$584</u>	<u>\$584</u>	<u>\$584</u>	(2022 dollars/GSF of Phase 1)
2022 Total Project Cost:	\$623,315,464	\$1,014,992,000	\$455,520,000	(2022 dollars)
2024 Escalated Total Project Cost:	<b>\$685,647,010</b>	<b>\$1,116,491,200</b>	<b>\$501,072,000</b>	<b>(2024 dollars)</b>
Acreage for Campus:	<b>40 acres</b>	<b>36 to 127 acres</b>	<b>12 acres</b>	

# DHHS Campus - Location

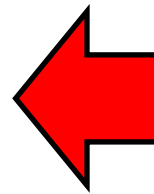


# DHHS Campus - Phasing Plan





# DHHS Campus Phase I – YOU ARE HERE



**March 2024: 55% Construction Complete**

**Occupancy scheduled for December 2025**

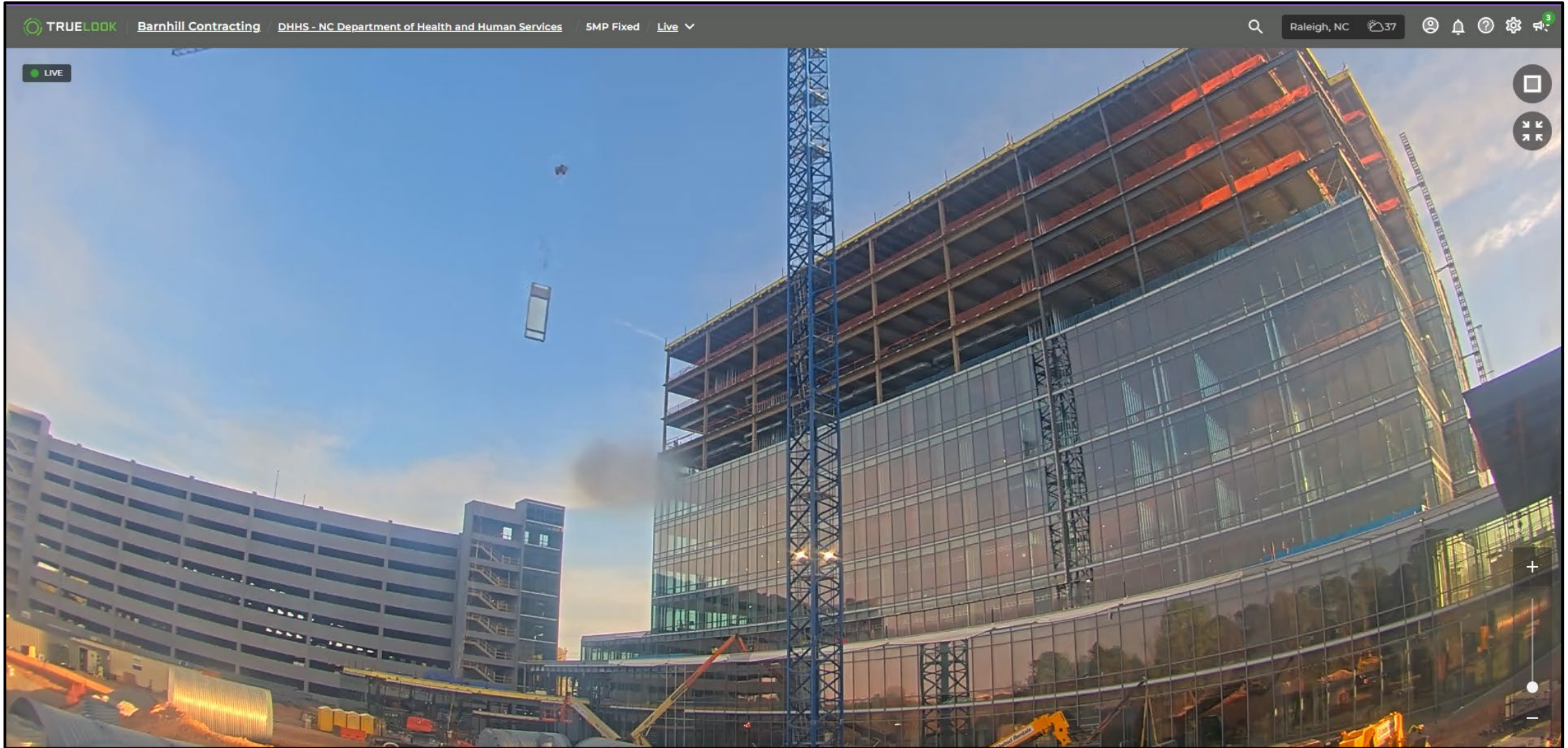


# DHHS Campus Phase I – YOU ARE HERE



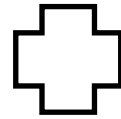
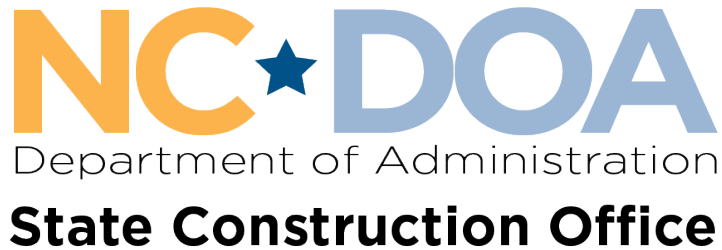


# DHHS Campus Phase I – Webcam Live



# DHHS Campus – Phases 2 & 3

Public–Private Partnership  
(P3)



# DHHS Campus – P3 Authority

The scope of work for our developer partner is to deliver both Phase 2 and Phase 3 to complete the development of the 34-acre Blue Ridge Road property following NCGS 143-128.1C via a Public-Private Partnership (P3) with the State of North Carolina.

# DHHS Campus – P3 Status

## **Developer Contribution**

- DHHS Phase 2 will be programmed, designed, and constructed to the account of the developer.
- Developer financial contributions to Partnership from Phase 3 revenues ensure that the State receives the best possible financial performance for Phase 2.
- DHHS Phase 2 does not exist without proceeds from Phase 3 private development applied (51% Rule)

## **State Contribution**

- Land and Infrastructure Improvements
- Zoning (Commercial Mixed Use CX-12)
- 100% Occupancy for Phase 2 (DHHS Staff Greater Triangle Region)
- Over 20 Acres Available for Private Development



# Thank You

**William C. Johnson, RA**  
Assistant Director  
Capital Project Management Section  
State Construction Office

