



**DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICE  
DIVISION OF REAL ESTATE SERVICE**

MUNICIPAL BUILDING, - Room 2053S  
NEW YORK, N.Y. 10007  
(212) 669-3640 Fax (212) 669-2666

**WILLIAM J. DIAMOND**  
*Commissioner*

**LORI FIERSTEIN**  
*Deputy Commissioner*

February 11, 1998

Mr. Conan Freud  
Assistant Director  
Office of Management & Budget  
75 Park Place, 9<sup>th</sup> floor  
New York, New York 10007

Re: OEM, 7 WTC

Dear Mr. Freud,

Pursuant to your discussions with First DC Iris Weinshall and me, I am forwarding to you a copy of the February 3, 1998 cost estimate developed by Ambassador Construction (Silverstein's designated CM) for the referenced project.

The construction estimate totals \$10,879,068, however, it contains many clarifications, exclusions, and does not have a contingency. In addition, the fees for general conditions, overhead & profit, and financing have not been negotiated. The estimate was given to us without any detail or backup (which Ambassador does not have) so that we may evaluate it's merits.

Based on the Ambassador estimate the project cost could be:

|                                      |                               |               |
|--------------------------------------|-------------------------------|---------------|
| Construction Costs                   | \$10,879,068                  | \$ 10,879,068 |
| Financing Costs                      | \$ 500,000                    | -             |
| Furniture Costs                      | \$ 1,500,000 *                | -             |
| Telephone & Communication Costs      | \$ 1,000,000 *                | -             |
| Cooling Tower on Roof                | \$ 650,000                    | 650,000       |
| Security System                      | \$ 100,000                    | 100,000       |
| Sales Tax                            | \$ 500,000                    | -             |
| Misc. & Contingency                  | \$ 1,500,000                  | 1,500,000     |
| A & E fees (FOR CHANGE ORDERS, ETC.) | \$ 750,000 - \$ 591,082 =     | 158,918       |
| Subtotal                             | \$17,379,068                  | \$ 13,287,986 |
| -Minus Landlord contribution         | - \$ 2,252,925 - \$ 591,082 = | = 1,661,843   |
| Total City Costs                     | \$15,126,143                  | \$ 11,626,143 |

\* Preliminary numbers subject to discussions with OEM.

OEM, 7 WTC

Many scope and cost items still need to be resolved and we will update you as we receive information. Please call me at 669-8086, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Ramos', written over the word 'Sincerely,'.

Richard Ramos  
Executive Director  
Space Design

cc: 1<sup>st</sup> DC Iris Weinshall  
DC Lori Fierstein  
Glen Pymonto  
Vinicius Castagnola  
Josep Domingvez