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Newspaper facility cost a question that yields many answers

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How much does a newspaper facility cost?

This is the most frequently asked question for any project we undertake.

Newspapers looking at renovations, additions or entirely new buildings want to know instantly how much the building will cost.

This is one of the most dangerous questions for a building architect and designer to answer because there are so many variables that affect the cost. Without a good understanding of what the newspaper actually wants, a high cost can stop a viable project and a low cost can create budget overruns later on.

But isn't there a rule of thumb that predicts the average cost per square foot of a typical newspaper facility? Of course there is. Yet even this depends upon how a newspaper and its designers define cost per square foot.

Think of it this way: Asking how much a building costs is very much like asking how much a new car costs. A new car can cost between $10,000 and $250,000. A used car might cost even less and maybe even more. Knock a couple zeros off the cost of a car and you have your answer: A newspaper plant's renovation, addition or new building can cost between $100 and $2,500 per square foot. Of course, that's not much of an answer — yet.

To get the answer, newspapers should consider five major issues: definition of cost, location, schedule, scope and the cost itself.

Definition of 'building cost'

The American Institute of Architects has a standard that defines building cost per square foot. That's a specification we acknowledge and support, but the reality is that the definition of "building cost" varies everywhere.

Here are some of the debatable items and our take on them:

•Does it include the site work and all site utilities? (Yes.)

Photo: Dario Designs

Winter in Salt Lake: When estimating construction costs, newspapers have to factor in the elements.

•Does it include the architecture, engineering, legal, testing, and permitting fees? (No.)

•Does it include owner-provided items such as voice, data and security systems? (No.)

•Does it include the cost of land or the sale of existing property? (No.)

•Does it include all new stationery, business cards and address-specific items? (No.)

•Does it include support systems to the production equipment such as compressed air, vacuum systems, and reverse osmosis water? (No; although a firm that specializes in newspapers may include this.)

•Does it include the newspaper's time, effort, management and disruption? (No.)

•Does it include the move and all the new furniture and equipment? (No.)

•Does it consider the cost of new maintenance equipment like sprinkler systems, heated sidewalks, lawnmowers, snowplows and building maintenance systems? (Yes to the built-in stuff; no to the plows and lawnmowers.)

•Does it include the cost of money, taxes, insurance, tax incentives/rebates like tax-free exchanges and building in redevelopment zones? (No.)

•Does it include all of the complex construction phasing costs if they are required? (Yes.)

Location

This is a huge factor. Some newspapers will balk at spending $200,000 to buy a 25-acre site while others can spend that, or more, for a single acre.

•What city is it in? Rich, poor, crowded, spacious, growing, shrinking, economic boom or recession...? (Varies.)

•Is it a union environment or an area lacking local skilled labor? (Add cost.)

•Is it easily accessible by truck, rail and air? (Reduce cost.)

•What are the hazardous waste conditions, soils conditions and topography in the area? Is blasting or are special foundations required (piles, caissons, surcharging)? (Add cost.)

•Is it in a seismic or hurricane zone or near a river or lake prone to flooding? (Add cost.)

•Is it in an area with severe weather conditions such as: (Add cost.)

-Extreme heat and humidity.

-Long winters and large snowfalls.

-Hot and arid with lack of water.

-High altitude thermal shock areas.

-Is it in a high crime area? (Add cost.)

-Are there special zoning requirements, design guidelines, regional covenants or is it in California? (Add cost.)

•Are utilities such as electricity, gas, sewer and water easily appropriated and readily available? (If not, add cost.)

•Are you on an island or far from the source of construction materials? (Add cost.)

•Is it in a downtown, on a brownfield site (previously developed), or on a greenfield site? (May add cost.)

Schedule

The schedule affects the cost in two major ways: timing and duration. Timing is when the project is undertaken with respect to the year and the months during the year. Duration is how long it takes for the project to be completed — from start to finish.

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Timing

•Is it in a year in which the local or national economy is currently booming or in a recession? (Add or deduct cost.)

•Is it in a year — such as this one — with escalating fuel or material costs? (Add cost.)

•Is it in a year with high or low interest rates? (Add or reduce cost.)

•Is it near an upcoming special event like the Olympics, or a major centennial? (Add cost.)

•Is the project going to start during the "wrong season," thus requiring special construction materials and techniques to overcome winter or muddy spring conditions? (Add cost.)

•Is the project going to finish during the newspaper busy season (Thanksgiving and Christmas)? (Add cost.)

Duration

•Will the project be fast-tracked? (Add cost.)

•Will the project be design-build? (Add cost.)

•Will the project be phased over a long period of time, i.e., several years? (Add cost.)

•Will it be a complex renovation requiring temporary construction and multiple phases? (Add cost.)

•Will it be phased to accommodate presses or other equipment? (Add cost.)

Scope

The project's scope is by far the major cost determinant. Will it be a Taj Mahal or a crinkly metal warehouse? A Bentley or a Hyundai? In determining the scope, we ask questions like, "What quality levels do you prefer?" and "How long would you like the building to last?"

If a customer only wants the building to last a few years, expect the least expensive materials and systems. A building expected to last 30 to 50 years, a more likely scenario, should expect central mechanical systems, 20- to 30-year roofs and durable, low-maintenance materials. The project's scope, and cost, is totally in the control of the customer. The following are some of the major items affecting the scope and cost of a project:

•How big is the facility? (Larger costs more in total, but less per square foot.)

•What will the facility house? Press (most expensive), office (expensive), mailroom (less expensive), newsprint or insert storage (least expensive, unless it is an ASRS system). The larger presses, 4-by-2 and 4-by-1 models, cost more per square foot than 3-by-2 or 2-by-2s, which in turn cost more than 2-by-1, commercial and sheetfed presses.

•How long do you want the facility to last?

•Will it be designed for growth, flexibility, and modular?

•What are the desired quality levels of materials and systems on a scale of 1 to 10?

•Will it be durable and low maintenance?

•Are there aesthetic considerations, landscaping considerations, or an image you want to portray to the community?

•Do you want any emergency/disaster backup and if so, how much?

•Will the offices be mostly hard-walled or open furniture systems?

•Do you want rigging rails, maintenance rails or nothing above the press?

•What type of receiving, shipping and waste systems are being considered?

Cost

If you're working to a budget that is not clearly defined or is unreasonably high or low, it can add to the cost. Using inexpensive materials in unusual ways can actually add cost due to the engineering required and the contractor's unfamiliarity with the adapted use.

Conversely, specifying millwork to be made of book-matched, quarter-sawn, first generation, red, African, bubinga wood with imported, Carrara quarried marble tops can also add to costs beyond the actual cost of the materials to be used.

In some cases, low-cost budgets drive short-term, inexpensive solutions that result in long-term, high-cost operational and maintenance expenses.

Short-term cost-cutting measures can also result in less flexibility, more expensive expansions later on, less productivity due to lower morale and higher overall operating costs.

Cost-conscience projects that need cutting should look to trim in areas that can be done right or better later on. If it is too difficult to meet the budget, waiting a year or two can often prove to be the best financial move.

So how much does a newspaper facility cost? Here is our answer:

This year, we completed a newspaper facility at a cost of $80 per square foot. This was a quality, Level 4, pre-engineered facility in a no-growth area, with good soils, a single-width one-around press, with no unions, low interest rates, hungry and competent contractors, temperate climate, and materials bought prior to the recent cost hikes. The project was for a "no frills, junkyard dog" type client.

Conversely, we also completed this year a newspaper production site that cost $185 per square foot. This was a quality, Level 7 addition, in a normal market, with some unions, some fast-tracking construction-management construction, sporting a double-wide, one-around press, with normal soils conditions, full-height glass wall on the pressroom and a more long-term thinking customer who specified durable, low-maintenance materials and building systems.

Tower project

We also completed a very sophisticated press tower addition for $2,500 per square foot.

This project added two towers to an existing double-wide press and required raising the roof, extending the pressroom and press foundation, relocating the main HVAC unit, the building's main boiler and main electrical gear. It involved the use of union labor during non-standard hours, with intense phasing, all while continually printing the daily newspaper.

As you can see, the amount of money it takes to build a newspaper facility is as varied as the cost of a car.

But here's our final answer. If construction started in July and all conditions above were good to normal (normal location, normal schedule, normal scope, normal cost, good soils, medium economy and climate, etc.) an average newspaper facility (office and production with a 4-by-2, 4-by-1, 3-by-2 or 2-by-2 press, on an average greenfield site would cost about $150 per square foot.

(Editor's note: With the passage of two major hurricanes in the Gulf of Mexico, the costs quoted above may very well be higher. It is still too soon, however, to predict the short- or long-term effect on actual building costs.)

So there you are.▲

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