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Date: March 3, 2025

**RE: Preliminary Budget for New 3,000-Bed Prison Facility**

Dear Arkansas Department of Corrections,

In response to questions about the project budget, I am writing to provide an overview of the preliminary budget for the proposed 3,000-bed prison facility in Arkansas. The estimated total project cost of \$825 million is based on industry benchmarks and recent comparable projects but remains a high-level estimate due to several outstanding analyses and studies.

This budget includes all major components required for a fully functional prison, including housing units, administrative and support spaces, inmate programming areas, security infrastructure, and an on-site wastewater treatment plant. The figure accounts for both direct construction costs and soft costs such as professional services, contingencies, and escalation factors. However, it is important to note that the cost model is subject to refinement as critical assessments are completed.

Key evaluations that have yet to be conducted include:

- Department of Corrections Programming & Operational Needs Assessment: Collaboration with the Department of Corrections throughout design to establish facility requirements, staffing models, and security protocols.
- Design Team Coordination Selection: Engagement of a design team to develop site-specific layouts and cost-saving efficiencies.
- Environmental Requirement Studies: Evaluations to ensure compliance with state and federal environmental regulations.

Additionally, this budget reflects current market conditions. The \$825 million budget is therefore a preliminary projection based on best-available data and industry minimums. As the above evaluations progress, refinements to scope, design, and cost allocations will provide a more precise budget. We appreciate your consideration and look forward to continued collaboration to ensure an efficient and cost-effective approach to meeting the prison needs of the State of Arkansas.

Please do not hesitate to reach out with any questions or requests for further information.

Sincerely,

A handwritten signature in black ink that reads 'M Beaber'.

Mike Beaber, Project Director  
Vanir Construction Management, Inc.