

Life Cycle Cost Analysis - Project Summary

Agency	Department of Transportation
Project Title	Relocation of Ferries Headquarters from Seattle to Kitsap County

Existing Description	Leased facility in Seattle central business district
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Lease Option 1 Description	New leased facility in Kitsap County
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Lease Option 2 Description	Renew the existing lease in Seattle at anticipated market rate.
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Ownership Option 1 Description	Owned new constructed facility in Kitsap County
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Ownership Option 2 Description	
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Ownership Option 3 Description	
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Lease Options Information	Existing Lease	Lease Option 1	Lease Option 2
Total Rentable Square Feet	86,510	76,895	86,510
Annual Lease Cost (Initial Term of Lease)	\$ 2,162,750	\$ 2,783,132	\$ 4,310,793
Full Service Cost/SF (Initial Term of Lease)	\$ 25.00	\$ 36.19	\$ 49.83
Occupancy Date	n/a	9/1/2020	9/1/2020
Project Initial Costs	n/a	\$ 5,632,316	\$ -
Persons Relocating	311	311	311
RSF/Person Calculated	278	247	278

Ownership Information	Ownership 1	Ownership 2	Ownership 3
Total Gross Square Feet	85,000	-	-
Total Rentable Square Feet	76,895	-	-
Occupancy Date	7/1/2021		
Initial Project Costs	\$ 3,138,850	\$ -	\$ -
Est Construction TPC (\$/GSF)	\$ 487	\$ -	\$ -
RSF/Person Calculated	247	-	-

Financial Analysis of Options

	Display Option?	No	Yes	Yes	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No
	Financial Comparisons	Existing Lease	Lease 1	Lease 2	Ownership 1				Ownership 2				Ownership 3			
Years	Financing Means	Current	Current	Current	GO Bond	COP	COP Deferred *	63-20	GO Bond	COP	COP Deferred	63-20	GO Bond	COP	COP Deferred	63-20
20	20 Year Cumulative Cash		\$ 71,741,982	\$ 100,022,992			\$ 73,507,330				\$ -				\$ -	
	20 Year Net Present Value		\$ 68,579,814	\$ 95,211,488			\$ 70,251,477				\$ -				\$ -	
	Lowest Cost Option (Analysis Period)		1	3			2									

The best NPV result for the 20 year analysis period is the Lease 1 option using Current financing. This option becomes the best financial alternative in 2018.

	Financial Comparisons	Existing Lease	Lease 1	Lease 2	Ownership 1				Ownership 2				Ownership 3			
Years	Financing Means	Current	Current	Current	GO Bond	COP	COP Deferred *	63-20	GO Bond	COP	COP Deferred	63-20	GO Bond	COP	COP Deferred	63-20
30	30 Year Cumulative Cash		\$ 123,091,180	\$ 179,557,763			\$ 91,508,165				\$ -				\$ -	
	30 Year Net Present Value		\$ 114,539,496	\$ 166,398,438			\$ 86,415,362				\$ -				\$ -	
	Lowest Cost Option (30 Years)		2	3			1									

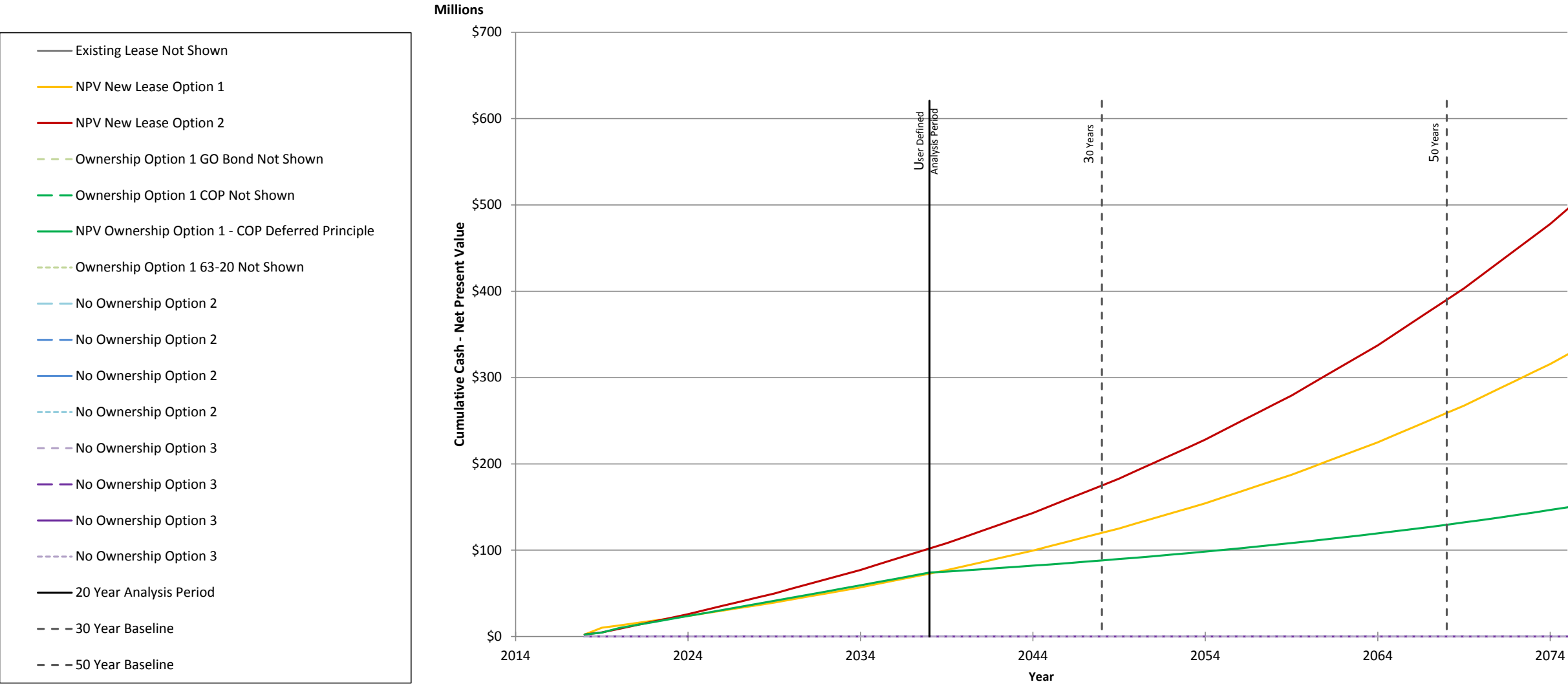
The best NPV result for the 30 year analysis period is the Ownership 1 option using COP Deferred * financing. This option becomes the best financial alternative in 2040.

	Financial Comparisons	Existing Lease	Lease 1	Lease 2	Ownership 1				Ownership 2				Ownership 3			
Years	Financing Means	Current	Current	Current	GO Bond	COP	COP Deferred *	63-20	GO Bond	COP	COP Deferred	63-20	GO Bond	COP	COP Deferred	63-20
50	50 Year Cumulative Cash		\$ 284,990,346	\$ 430,323,377			\$ 139,704,462				\$ -				\$ -	
	50 Year Net Present Value		\$ 249,789,181	\$ 375,886,671			\$ 126,682,712				\$ -				\$ -	
	Lowest Cost Option (50 Years)		2	3			1									

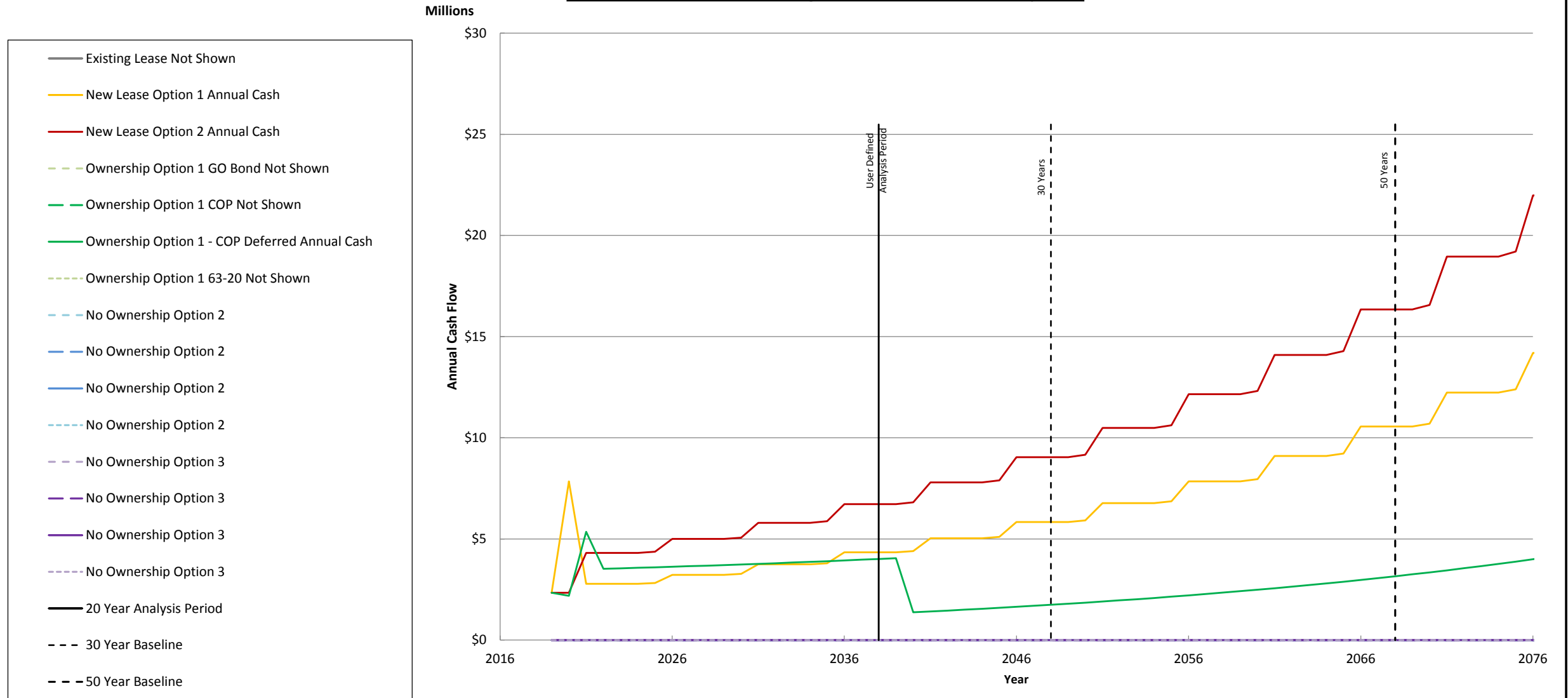
The best NPV result for the 50 year analysis period is the Ownership 1 option using COP Deferred * financing. This option becomes the best financial alternative in 2040.

* - Defers payment on principle for 2 years while the building is being constructed. See instructions on Capitalized Interest.

Cumulative Cash - NPV of Exist, Lease, and Own Options



Annual Cash Flow of Existing, New Lease, and Own Options



Financial Assumptions

Date of Life Cycle Cost Analysis:	12/19/2016
Analysis Period Start Date	9/2/2018
User Input Years of Analysis	20

All assumptions subject to change to reflect updated costs and conditions.

	Lease Options			Ownership Option 1			Ownership Option 2			Ownership Option 3		
	Existing Lease	Lease Option 1	Lease Option 2	GO Bond	COP	63-20	GO Bond	COP	63-20	GO Bond	COP	63-20
Inflation / Interest Rate	3.006%	3.006%	3.006%	3.160%	3.460%	3.660%	3.160%	3.510%	3.710%	3.160%	3.510%	3.710%
Discount Rate	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%	0.441%
Length of Financing	N/A	N/A	N/A	20	20	20	20	20	20	20	20	20

See Financial Assumptions tab for more detailed information
COP Deferred and 63-20 Financing defer the payment on principle until construction completion.

New Lease Assumptions

Real Estate Transaction fees are 2.5% of the lease for the first 5 years and 1.25% for each year thereafter in the initial term of the lease.
Tenant Improvements are typically estimated at \$15 per rentable square foot.
IT infrastructure is estimated at \$6655.95 per person.
Furniture costs are estimated at \$8600 per person and do not include new workstations.
Moving Vendor and Supplies are estimated at \$1010.45 per person.

Default Ownership Options Assumptions

Assumes a 2 month lease to move-in overlap period for outfitting building and relocation.
Assumes surface parking.
The floor plate of the construction option office building is 25,000 gross square feet.
The estimated total project cost for construction is \$420.00 per square foot.
See the Capital Construction Defaults tab for more construction assumptions.