

Chapter Three: Cost Estimate Methodologies and Assumptions

The project cost estimate for each scenario combines cost data from similar projects and facilities, functional space estimates and consultant expertise. Throughout the facility planning the cost estimates have been refined. This section reviews the methodologies used to develop the cost estimates: the benchmarks, source materials, and pricing estimates used for determining construction costs, as well as the assumptions regarding the facility programming, quality, project schedule, and materials cost factors. This section discusses the initial project assumptions and data and describes how the assumptions and numbers changed over time. In addition to project capital cost estimates, this section covers the methodologies used to estimate 1) the value of land for private development, 2) facility operating and maintenance costs, and 3) major maintenance and repair costs.

Project Capital Cost Estimates

For this planning phase, the primary purpose of the construction estimates is to compare orders of magnitude among the alternatives. In addition to construction estimates, estimates have been developed for soft costs for construction, future inflation, market factors, site valuations, lease valuations, materials costs, and site and design contingencies. Capital cost estimates were developed for both phases of the facility planning process. The result is a detailed, methodically benchmarked estimate for each scenario.

Staff aimed to refine and benchmark the costs appropriate to each stage of the project. The cost estimate for the selected scenario will continue to be refined during subsequent project phases.

Phase 1 Cost Estimation Process:

As explained in the project history, the initial phase of the FMP assumed a large facility in a variety of urban and/or suburban sites. Based on these parameters, an anticipated construction cost per square foot was created for five basic space types:

- **Courts** – finishes assumed at a level similar to the RJC.
- **Offices** – finishes at Class A quality.
- **Detention** – completely new facility or expansion of existing bed count.
- **Parking** – 350 square feet per stall with double-loaded aisles - costs provided for garage above grade, garage below grade, and surface parking.
- **Renovation** – use of existing building; based on minimal retrofit (not a total remodel).

The initial cost per square foot estimate for each space type was provided by Meng Analysis, the cost estimating subconsultant for Jay Farbstein and Associates. The costs were based on a review of published construction cost indexes: R.S. Means and Lee Saylor. Meng also compared these costs to similar types of projects. A preliminary comparative analysis to similar out-of-state projects was done, adjusting the project costs using R.S. Means' city construction cost indexes, to ensure the cost values were comparable to those the Seattle region. Meng developed a range in project costs for each

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space type. The 2007 estimated base costs per square foot are listed in Table 34 below. Meng's analysis considered the differences in structure, codes, and general site requirements for a range of facility types. The general assumption was that it would cost more, on a per square foot basis, to build a high-rise building on a downtown site than a suburban campus site where there is "more room to operate" during construction.

Table 34 2007 Building Space Types - Costs per Square Foot

Type of Building Space	Low/Mid-Rise	Mid-Rise	High Rise
Courthouse	\$411	\$405	\$454
Offices	\$288	\$284	\$318
Detention	\$436	\$429	\$490
Remodel (light to medium scope)		\$130	
Parking structure:			
Above grade	\$82	\$86	\$90
Below grade		\$94	\$100
Surface parking	\$12	\$11	

The per square foot cost included the base construction cost, along with general conditions, overhead, fee, and profit for the general contractor. The base construction costs included a 20% design contingency factor per county estimating guidelines. The total construction cost for each option was presented as the amount a contractor would be expected to bid on a project.

The per-square-foot costs did not include sales tax or inflation. At the time of the cost estimate, Meng assumed the total project escalation for a 30 month project at 16%.¹³

Furnishings, fixtures and equipment (FF&E) were estimated at \$6,000 per employee work station. Finally, a 40% add-on for soft costs was included for architecture and engineering costs, construction management consultant costs, bidding costs, permit negotiations, legal fees, county administration, and other incidental costs. Both the FF&E costs and the 40% soft costs were supplied by King County Facility Management Division (FMD) staff.

Project Soft Costs

Project soft costs are costs for those items necessary to complete a building project, but that are not included in the base construction cost (a general contractor's bid price to construct the project). Based on FMD experience, these costs typically average 40% of the base construction cost. The component cost breakdown is reported in Table 35 below.

Table 35 Project Soft Cost Components

Project Soft Cost Component	%
• Design	7.8%
• Tax (on base construction cost)	9.0%
• Permits	1.5%
• Administrative Overhead (Includes FMD and SC staff, accounting, legal work and printing costs)	4.9%

¹³ Note that the escalation column featured in Table 4.1 of the Volume I report, entitled Capital Costs of Options, listed the escalation at 15%, and later changed due to rounding.

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Project Soft Cost Component	%
• Construction Management	2.8%
• Pre-Construction Services (GC/CM)	0.7%
• Special Inspections (Construction)	0.8%
• Building Commissioning	0.6%
• Construction Contingency (including sales tax)	10.9%
• 1% for Art	1.0%
Total	40.0%

Site Acquisition Costs

Finally, although Phase 1 considered various sites for the new courts facility, the construction cost estimates as shown in Table 36 below did not include costs for site value and/or acquisition. Rather, the consultants provided a “preliminary check” on potential site costs between the Alder site, downtown core sites, and suburban sites. For example, the smallest suburban site, an eight acre site slightly smaller than the current Alder YSC site, was estimated at the low range of \$50 per square foot for a total cost of \$65.3 million. As the estimated construction costs were not comprehensive, they did not detail the total capital costs for each option.

Table 36 Phase 1 Capital Costs for 5 Options

	Capital Costs in 2007 \$\$	Thru 2032
Option 1	Centralized: One Full-Service Facility.	\$340 - \$464
Option 2	Decentralized: Two Full-Service Facilities by 2012.	\$425 – \$486
Option 3	Baseline: Retain Current Operating Structure and Accommodate Growth within Existing Facilities.*.	\$117
Option 4	Phased Decentralized Plus: One Full-Service Facility in 2012; Second Full-Service Facility in 2022; Retention of Partial Service at the RJC until 2022.	\$450
Option 5	Phased Decentralized: One Full-Service Facility in 2012; Second Full-Service Facility in 2022.	\$514

Phase 1 Construction Cost Estimates Challenges

Capital costs for the options ranged from \$117 million to \$514 million. The \$117 million figure represented a “baseline” option that expanded some court spaces at the YSC and the KCCH. However, a detailed analysis of the initial cost estimates revealed that crucial pieces had been omitted. Parking estimates were undersized in comparison to the current parking at the Alder YSC facility. Vacated space in the KCCH and the RJC was given a value offset of \$20 per square foot without taking remodeling costs into consideration or identifying potential departments to be relocated.

The baseline estimate also assumed that the current Alder tower could be remodeled for office space. But the remodel figure developed by the project consultant did not account for significant needs in the Alder Tower and Alder Wing: a comprehensive major maintenance overhaul of both buildings, county code requirements for LEED standards in major projects, and other code and operational improvements. Similarly, the remodel

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assumption failed to consider that the Alder Tower and Alder Wing were listed in the 2006-2007 Space Plan as needing complete replacement.

As a result, the \$130 per square foot figure used for the remodel estimate assuming a “light to medium remodel”, was likely too low. LEED programming requirements, new and changed operational needs (identified during space planning and building programming), and particular needs for the Alder YSC site would likely add considerably to this shortfall. Refinement of the cost estimation methodology for the next project phase was a major priority for the consultants and the project team.

Phase 2 Cost Estimating Process

Following the initial phase, staff re-examined the five options, creating five new scenarios for a new facility at the Alder YSC and an upgrade to the MRJC. Focusing on the Alder and the MRJC sites helped to refine the cost estimates, as the variability in facility types was reduced. As the scenarios were developed and sized, the cost estimates relied on the same (or similar) cost per square foot figures developed during Phase 1, with updates for inflation 2007 to 2008. These costs were used through the summer and early fall 2008.

As the space list for each scenario was completed, functional space needs changed. Staff re-examined space need assumptions and the overall cost methodologies and assumptions. Major modifications to the Phase 1 costing approach included:

- Parking needs assumptions: parking needs were determined as a range, using the City of Seattle code requirement of one space per 1,000 square feet of development as the low end of the range¹⁴ to 35 spaces per courtroom as the high end of the range.¹⁵
- Facility assumptions: the new facility would be five floors, and align with the detention facility on the southern portion of the site. Construction would be steel frame, with brick, glass and/or concrete exterior. A tunnel would connect the new facility with the current basement access to the detention facility.
- Parking garage assumptions: the parking garage was assumed to be concrete construction, with roughly half above-ground and half-below ground. The parking garage was assumed to be detached from the courthouse facility for courthouse security and to allow for possible co-use of the garage by residential and/or commercial development on the north portion of the site.
- Facility and parking breakout assumptions: as parking will be a separate building from the court facility, likely co-located with other development on the site, the cost estimates for the parking and courthouse facilities are separated into individual projects. Ideally, the costs for a parking structure accommodating the court facility needs will be offset by private development investment and/or parking fees at the site. This approach will be refined as the project moves forward, once a scenario and the development team is identified.

¹⁴ The City has since modified this requirement; however, it remains as the low range of the parking costs.

¹⁵ The high end of the range is from the State of California Administrative Office of the Courts planning standard. Washington State does not have a uniform parking standard for County or Municipal Courts facilities.

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- Operational assumptions: the current Alder Tower would need to remain operational during the construction of the new court facility. The facility could be constructed in stages so long as the first stage resulted in a new building for operations currently in the Alder Tower. Operations in the Alder Wing could be impacted during the project duration.
- Fixed cost assumptions: the Alder site was reviewed in detail for on- and off-site needs, along with other fixed-cost systems needs. The placeholder figure for these site improvements was increased to a total of just over \$2.8 million. FF&E cost was also re-examined. FF&E was raised to \$10,000 per workstation, accommodating potential additional costs in furniture for conference rooms and shared spaces.

FF&E typically includes all chairs, desks, partitions, tables, fixtures and equipment for the occupants to use all portions of the facility. This includes staff workstations, private offices for managers, supervisors, and elected officials, conference rooms, courtroom (spectator seating, attorney tables, chairs for judges and clerks), and building fixtures such as trash compactors, window coverings, signage, information kiosks, file storage units – the entire range of items necessary for a fully functioning facility. Table 37 below provides the components for the furnishing, fixtures and equipment cost.

Table 37 FF& E Component Costs per Employee

Component	Cost/ Employee
• Staff furniture/workstations	\$5,500 ¹⁶
• Conference room furniture/equipment	\$1,200
• Courtroom furniture	\$1,900
• Building fixtures	\$1,400
Total/Employee	\$10,000

Initially, FF&E was assumed to be \$6,000 per workstation in the Phase 1 facility costs. This assumption reflects per worker costs for staff workspaces. However, this figure did not include shared space needs: conference room furniture, and building fixtures. Based on experience, the cost component for the typical employee averages \$10,000.

Benchmarking Building Costs for Spaces Types

In addition to the above assumptions, the overall cost methodology for each of the building space types was thoroughly refined. Staff directed the consultant to provide assurances that the estimated facility costs were benchmarked to other courthouse projects. Meng performed a comparative analysis of a comprehensive range of courthouse projects. Seventeen recent courthouse projects were examined. Roughly half of the projects had lump-sum cost information, the other half had detailed cost estimates. The courthouse information is reported in Table 38 below. The Meng Analysis report is included in Attachment III

¹⁶ Note that this figure is slightly reduced from the \$6,000 assumed in Phase 1. The reduction accounts for the overlap with other furniture and equipment needs included in the Phase 2 estimate.

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Table 38 Comparison of Courts Facility Projects

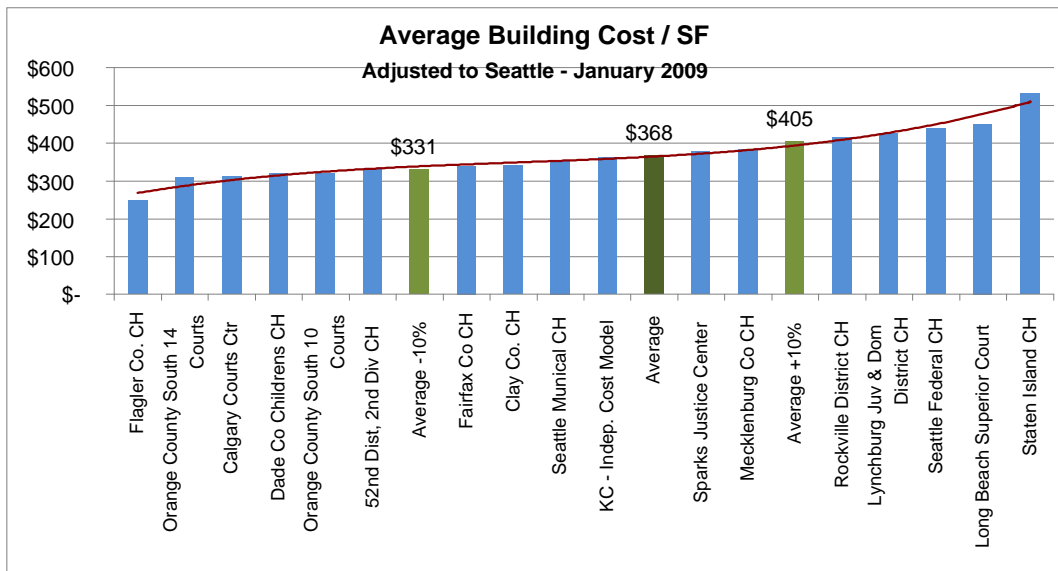
Facility	ST	Status	Year	COST		Floors	Parking
				(Millions)	SF		
52nd Dist, 2nd Div CH	MI	Built	O-04	\$15.9	67,762	\$234	2+1b g 85+30 secure
Calgary Courts Ctr	AL	Built	A-07	\$314.0	1,012,000	\$310	24
Clay Co. CH	FL	Built	J-05	\$161.7	615,000	\$263	10 Garage
Dade Co Childrens CH	FL	DD	A-08	\$133.2	375,000	\$355	14 min
Fairfax Co CH	VA	Built	D-08	\$94.5	312,000	\$303	
Flagler Co. CH	FL	Built	A-07	\$25.5	137,800	\$185	4 451 surf
Long Beach CH	CA	DD	A-07	\$171.3	306,480	\$559	
Lynchburg Juv & Dom District CH	VA		N-09	\$12.0	35,000	\$343	3.5 7 secure
Mecklenburg Co CH	NC	Built	N-07	\$121.0	440,000	\$275	
Orange County 10 CH	CA	DD	D-03	\$48.4	133,000	\$364	
Orange County 14 CH	CA	DD	D-03	\$58.5	175,210	\$334	
Rockville District CH	MD		N-10	\$59.9	167,072	\$359	6.5
Seattle Federal CH	WA	Built	A-01	\$161.7	615,000	\$263	
Seattle Munical CH	WA	Built	J-05	\$69.2	306,153	\$226	13.5
Sparks Justice Center	NV	DD	A-08	\$21.5	45,650	\$471	
Staten Island CH	NY	DD	J-08	\$137.0	183,049	\$749	

Each of the courthouse projects above were adjusted to Seattle costs by using the R.S. Means city cost index. Notably, the cost per square foot of the recent Seattle Municipal Courthouse project is close to the estimated building cost for the Alder YSC project

Benchmarking Costs for Comparable Courthouse Projects

The project consultants compared the average building costs per square foot for the range of courthouse projects reviewed. Table 39 below shows the average building costs excluding site and soft costs.

Table 39 Average Building Costs – Adjusted for Seattle



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For projects with detailed material costs, Meng Analysis compared each construction materials specification with comparable city index costs, and then averaged the revised materials cost to a total per square foot cost for the project, escalating the project cost to January 2009 dollars and prevailing wages. Thus, each of the major materials specifications in the detailed projects are benchmarked for a comparable Seattle cost – not just an average cost for a typical courthouse project. The results are refined estimates as to the potential costs for each scenario.

From the benchmarking analysis, new values for the costs of the courthouse building space types, specific to the Alder facility were developed. They are displayed in Table 37 below. While a range of costs per square foot is presented, the average cost per square foot was used to develop the scenario cost estimates.

Table 40 2008 Building Space Types - Costs per Square Foot

Type of Building Space	Cost per Square Foot		
	-10%	Average	+10%
Shell and Core Only	\$187	\$208	\$229
with Courthouse TI ¹⁷ s	\$374	\$415	\$456
with Office TIs	\$273	\$303	\$333
with School TIs	\$285	\$317	\$349
Parking Garage	\$86	\$96	\$106

When applied to the square footage for these space types for each scenario, the average cost per square foot ranged from \$350 to \$360. These averages are consistent with the average costs displayed in Table 36.

Cost Escalation

Cost escalation was also re-examined by the consultants and the staff team. The average escalation in construction costs in the Seattle area between June of 2001 and January of 2009 was calculated at roughly five percent with general inflation averaging 3.75 percent.

To escalate construction costs for the first phase of construction, the costs were adjusted by five percent annually through the mid-point of construction. For the second phase of construction in 2021 and 2022, construction costs were first inflated by five percent through 2012 and then by 3.75 percent to 2022.

Construction Cost Variability

The construction cost benchmarking completed to date considers projects completed over the last 5 years. Such benchmarking is a standard approach to analyzing proposed construction estimates. However, a review of very recent construction costs could result in a different set of average costs given the current economic climate. Construction prices appear to be dropping as a result of changes in construction material prices and contractor margins. Labor rates may remain steady or continue to rise more slowly than in the past. These conditions may be offset by government stimulus efforts accelerating public infrastructure resulting in increasing cement, asphalt and steel prices. These changing conditions make it extremely important to revisit the assumed construction

¹⁷ Tenant improvements.

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timing and the construction cost estimates immediately prior to establishing the funding request in a proposed public vote for a proposed property tax adjustment.

Parking

Meng Analysis' estimate for parking used a blended figure that assumed some above ground and some underground parking on the site – a roughly 3½ story structure with 1½ levels underground and two above.¹⁸ Meng then compared its estimate for parking garage construction costs to six regional parking garages:

- Everett Station, Phase 2 (\$12,320,000; \$81/SF)
- Providence Regional Medical Center – Everett, WA (\$30,000,000; \$87/SF)
- Inter-modal Transit Facility, Phase 1 – University Place, WA (\$6,225,000; \$68/SF)
- Sound Transit Lakewood Station – Lakewood, WA (\$32,900,000; \$128/SF)
- West Campus Garage Expansion UW – Seattle, WA (\$9,840,000; \$95/SF)
- Issaquah Transit Center – 815 stalls (\$29,482,000; \$36,174/Stall = \$106/SF using the 340SF/Stall allowance)

Per the above, the parking estimated cost of \$96 per square foot, with a ten percent plus/minus range of \$86 to \$106 comports with other recent parking garage projects in the Puget Sound region.

Value of Land for Private Development On-Site

To determine the potential amount of land available for private development on the Alder site, staff first determined the footprint required for each scenario through 2032. The total square footage for each facility was divided by the five floors assumed for the facility. This footprint was added to the existing detention facility footprint. A 20 percent buffer for the facilities was added to account for site access and setbacks. The result represents the King County footprint for each scenario. Depending on the scenario, the total space needed by King County for the existing detention facility and the new courthouse ranges from 146,000 square feet for a 7 courtroom facility to about 190,000 square feet for a 19 courtroom facility. The results for each scenario are shown in Table 41 below.

Table 41 Calculation of King County Square Footage Requirements

Scenario	Detention Facility	Square Footage for New Facility	Footprint for 5 story building	Detention facility & New Facility	20% buffer	Total KC Footprint
1	88,000	123,200	24,640	112,640	33,792	146,432
2	88,000	161,750	32,350	120,350	36,105	156,455
4	88,000	144,250	28,850	116,850	35,055	151,905
5	88,000	173,770	34,754	122,754	36,826	159,580
5.5	88,000	243,080	48,616	136,616	40,985	177,601
6	88,000	279,890	55,978	143,978	43,193	187,171

¹⁸ Note that assumptions for parking costs are not included in the project costs, since the parking component of the project is determined during the next phase; Meng's approach was to provide a per square foot cost that was reasonable for both above-ground and underground approaches to site parking.

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With the King County footprint determined, staff next identified the footprint for a parking garage, the existing open space, and the amount of space required for internal circulation on the site. To determine the parking garage footprint, the high range of parking stalls was divided into the 3 levels assumed for the parking facility. Internal site circulation was calculated at five percent. Taking the site's total square footage of 396,845, the amount of site available for potential private development was determined for each scenario.

As any parking garage on the site could eventually be placed below ground, the square footage for private development is expressed in a range, with the low range assuming a parking facility partially above ground and the high range assuming a parking facility below ground with opportunities for development above the garage. As shown in Table 42 below, the square footage available for private development ranges from a low of 60,000 square feet for Scenario 6 to 153,428 square feet for Scenario 1 should the garage be built above ground.

Table 42 Calculation of Potential Square Foot Available for Private Development

Scenario	Total KC Space	Parking Garage	Potential Sale to Private Developer square footage potential		Open Space "Spirit of Our Youth"	5% for internal circulation	Total Square Footage at Alder Site
			Low	High (Garage Underground)			
1	146,432	25,843	153,428	179,271	51,300	19,842	396,845
2	156,455	37,286	131,962	169,248	51,300	19,842	396,845
4	151,905	30,086	143,712	173,798	51,300	19,842	396,845
5	159,580	40,886	125,237	166,123	51,300	19,842	396,845
5.5	177,601	63,771	84,331	148,102	51,300	19,842	396,845
6	187,171	78,171	60,360	138,531	51,300	19,842	396,845

Based on a December 19, 2007 valuation of the site performed by Greenleaf Valuation Group, Inc., the property is valued at \$45 million if vacant, with an "as is" value of \$42 million. Using the latter figure, staff developed a range of values for potential development for each scenario. As shown in Table 43 below, the potential for property sale ranges from a low of \$6.4 million for Scenario 6 to a high of \$16.2 million for Scenario 1.

Table 43 Potential Land Values For Private Development

Private Development: Potential Property Sale Millions \$		
Scenario	Low Range Garage above ground	High Range Garage below ground
1	\$16.2	\$19.0
2	\$14.0	\$17.9
4	\$15.2	\$18.4
5	\$13.3	\$17.6
5.5	\$8.9	\$15.7
6	\$6.4	\$14.7

The low range estimate for the sale of property for private development was used for the life cycle cost estimate.

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Given the early stage of the project and that the current economic climate is unsettled; there is a high degree of uncertainty regarding the above valuations. Further analysis on the current property value should be conducted as part of the pre-development phase.

Estimated facility operating and maintenance costs

A specific facility operating and maintenance cost estimate for each scenario could not be developed during this phase, as only the general functional needs for the facility have been identified. As a surrogate for future operating requirements, FMD's facility maintenance cost model was used. The Facilities Management Division maintains a cost model which allocates the direct, indirect and overhead costs of each building maintained by the Division. The model divides these costs into two major categories: 1) County, Department and Division Overhead, and 2) Direct Building Costs.

County, Department and Division Overhead costs are made up of building services overhead, the FMD Director's Office, FMD Capital Planning, and related charges from other support agencies: Finance, the Prosecuting Attorney's Office, etc. These costs are allocated based on the total square footage of the facilities maintained by FMD. As a result, all facilities have the same per-square-foot overhead costs. As these costs are dependent on the total square footage of all facilities, they are included in the analysis.

Direct Building Costs are costs specific to each facility. They are divided into four categories: building direct non-labor costs, building direct labor costs, pooled and supervisory labor, and FMD security. Building direct non-labor cost components are supplies, services, fuel, electricity, water, waste, and other utilities, if applicable. Building direct labor costs are the personnel costs for staff likely to be assigned to maintain the facility. Pooled and supervisory labor is an estimate of the additional maintenance needed from the maintenance pool, as well as an allocation of supervisory staff costs. Lastly, FMD security costs are the estimated costs for assigned FMD security and screeners. Note these security costs do not include the costs for King County Sheriff's Office Deputy Sheriff's officers. For the 2009 model the cost per square foot for building direct costs for specific facilities was allocated as shown in Table 44 below.

**Table 44 Facility O&M Costs:
Building Direct Costs – Costs per square foot**

	Non Labor	Labor	Pooled and Super Labor	Security Org 2897	Total O&M charge
Administration Bldg	\$ 3.61	\$ 3.37	\$ 3.93	\$ 1.34	\$ 13.61
King County Courthouse	\$3.71	\$1.94	\$3.93	\$2.88	\$13.82
Maleng Justice Ctr. ¹⁹	\$ 4.45	\$ 3.08	\$ 3.93	\$ 1.65	\$ 14.47
Youth Services Facility	\$ 4.05	\$ 5.34	\$ 3.93	\$ 2.18	\$ 16.87

Combining the Overhead allocation square foot costs with the building direct costs results in the annual square foot costs for the following facilities.

¹⁹ The Maleng Regional Justice Center and the Youth Services Center the costs for detention areas, courtrooms, and offices are not identified separately.

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	Annual per Sq.Ft. Charges
Administration Building	\$13.61
King County Courthouse	\$13.82
Maleng Regional Justice Center	\$14.47
Youth Services Center	\$16.87

Choosing a representative square footage facility operating and maintenance cost was difficult in part because the YSC and the MRJC charges are a blended rate combining the requirements for the courthouse and the 24 hour detention facility. While the current Youth Services Center is more comparable to the size ranges for the proposed new facility for each scenario, staff selected the King County Courthouse cost per square foot. The amount was then adjusted with the security costs of \$2.88 replaced with the security costs for the MRJC of \$1.65 per square foot. The MRJC security costs will likely mirror the new facility costs. This adjusted figure of \$12.59 was used in estimating future operating and maintenance costs, as well as for the life cycle cost analysis. Table 45 provides the estimated facility operations and maintenance annual costs for each scenario.

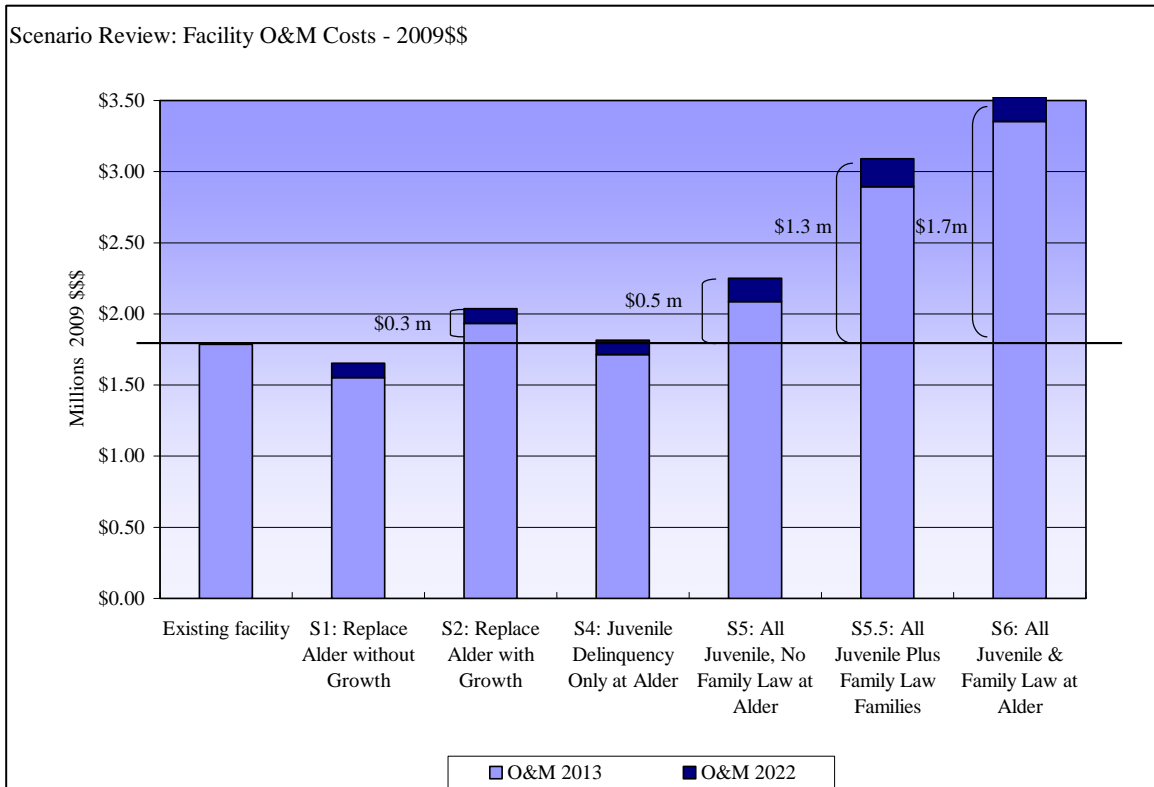
Table 45 Review of Facility Operations & Maintenance Annual Costs

	\$ per sq ft	Estimate 2009\$\$ for Facility Operations & Maintenance Annual Costs Millions		Annual Difference in from 2009 costs
		First Phase	Second Phase	
Existing facility	\$16.87	\$1.79		
S1: Replace Alder without Growth	\$12.59	\$1.55	\$1.65	-\$0.13
S2: Replace Alder with Growth	\$12.59	\$1.93	\$2.04	\$0.25
S4: Juvenile Delinquency Only at Alder	\$12.59	\$1.71	\$1.82	\$0.03
S5: All Juvenile, No Family Law at Alder	\$12.59	\$2.08	\$2.25	\$0.47
S5.5: All Juvenile Plus Family Law Services At Alder	\$12.59	\$2.89	\$3.09	\$1.30
S6: All Juvenile & Family Law at Alder	\$12.59	\$3.35	\$3.52	\$1.74

As Table 46 below indicates to replace the existing facility without growth would save the county approximately \$130,000 per year in 2009 dollars. To replace the facility with growth and flexibility will cost the county approximately \$500,000 more per year from \$1.79 million currently to \$2.25 million per year. To replace the facility with growth and to co-locate all family law matters will cost about \$1.7 million more from \$1.79 million currently to about \$3.53 million per year. It is important to note that these estimates are preliminary and are considered placeholders. Further refinement could result in a cost per square foot that decreases as facility size increases

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Table 46 Scenario Review: Facility O&M Costs – 2009 \$\$



MMRF Assumptions

A Major Maintenance Reserve Fund per square foot cost was also included in the future operating cost estimate. The MMRF estimate is based on the financial model for the long term maintenance of the MRJC facility. King County has established a practice of estimating the cost of periodic building system replacement and repairs over the life of a building. These are the estimated costs of maintaining the building in good repair over the total expected life of the building. To implement this policy, the age and condition of each major building system is assessed. There is a calculation of the estimated required expenditures over time (both for amount and timing of expenditures) based on the expected life of the building system and the cost to repair or replace them. An annual charge is computed to represent the amount that needs to be paid for each year sufficient to finance those repairs. The accumulated building charges are pooled into a Major Maintenance Reserve Fund (MMRF) and this fund provides a funding source for financing all future building system repairs for all buildings within the Fund. For this analysis, the MRJC courts building systems model is used, assuming new construction. A \$2.48 per square foot cost is used to represent the amount in current dollars that would need to be collected each year to ensure that sufficient funds are available over the 60 year building life to maintain the building systems in good condition. For the Alder facility the current MMRF cost is \$8.17 per sq. ft.

The estimated MMRF impact for each scenario is shown in Table 47 below. An estimated annual major maintenance replacement cost for the current Alder facility is provided.

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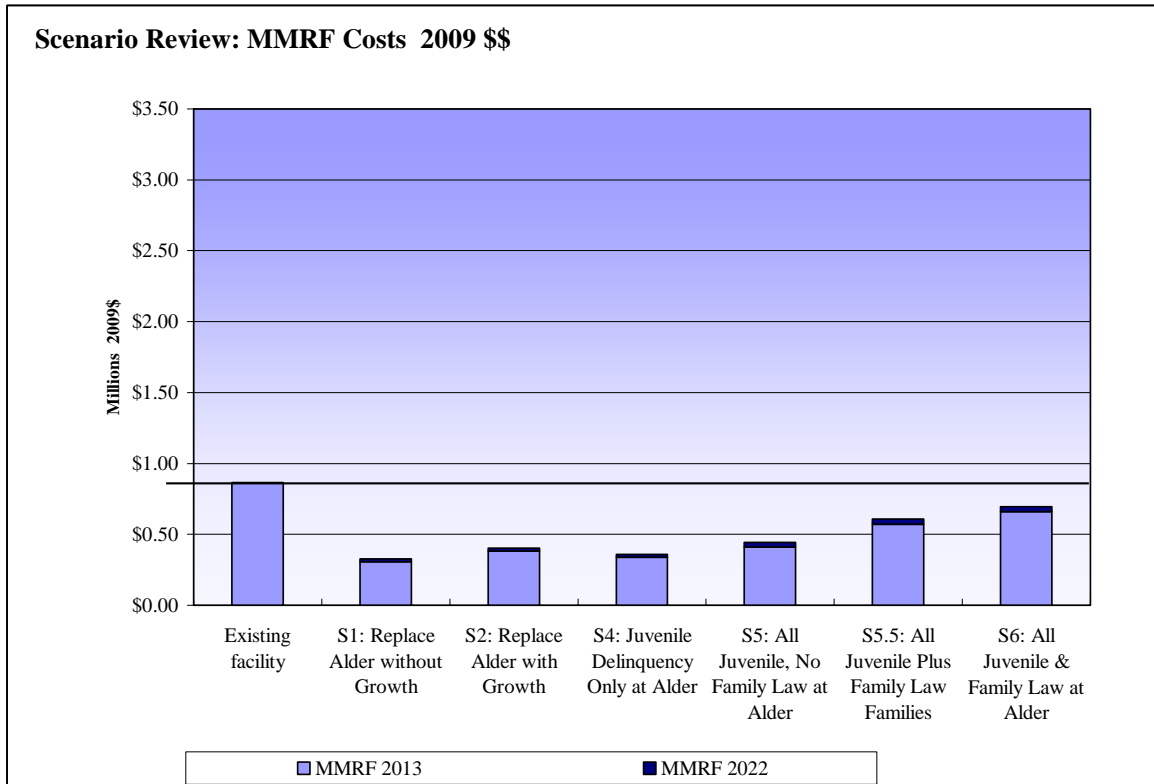
Using the MRJC major maintenance reserve fund cost for the new facility results in significantly lower annual costs.

Table 47 Review of MMRF Annual Costs

	\$ per sq ft	Estimate \$\$ for MMRF Annual Costs	
		First Phase	Second Phase
Existing facility	\$8.17	\$865,064	
S1: Replace Alder without Growth	\$2.48	\$305,536	\$325,822
S2: Replace Alder with Growth	\$2.48	\$380,854	\$401,140
S4: Juvenile Delinquency Only at Alder	\$2.48	\$337,454	\$357,740
S5: All Juvenile, No Family Law at Alder	\$2.48	\$410,663	\$443,548
S5.5: All Juvenile Plus Family Law Services At Alder	\$2.48	\$569,954	\$608,518
S6: All Juvenile & Family Law at Alder	\$2.48	\$660,176	\$694,127

As shown in Table 48 the current facility has an MMRF annual cost estimate of \$865,000. The MMRF cost for all scenarios range from \$300,000 for the smallest facility to \$700,000 for the largest facility, significantly lower than the current \$865,000 annual cost estimate.

Table 48 Scenario Review: MMRF costs 2009 \$\$



Construction Phasing and Zoning

As part of the scenario cost and financing analysis, preliminary design and construction phasing schedules for each scenario were developed. For those scenarios having up to

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10 courtrooms for the first phase, design begins in 2009 and concludes in 2013 with the mid-point of construction in 2012. For those scenarios having up to 19 courtrooms for the first phase, design begins in 2009 and concludes in 2015 with the mid-point of construction in 2013. The schedules portrayed in Table 44 below are based on the following assumptions:

- Design/permitting are fully funded and proceed independently of the timing regarding financing and the public vote. It is assumed that construction funding is delayed until a property tax adjustment is approved by the voters. This assumption delays the on line dates by about six months.
- The County Council selects a final alternative in the second quarter, 2009
- The project uses a general contractor/construction management (GC/CM) project delivery method.

Table 49 Scenario Design and Construction Phase

Scenario	# of Courts		2009	2010	2011	2012	2013	2014	2015	2021	2022
	Phase 1	Phase 2									
1	7	0	Design	Design; Permitting	Const	Const	Closeout/ Online				
2	9	1	Design	Design; Permitting	Const	Const	Closeout/ Online			Design	Const/ Online
4	7	1	Design	Design; Permitting	Const	Const	Closeout/ Online			Design	Const/ Online
5	10	1	Design	Design; Permitting	Const	Const	Closeout/ Online			Design	Const/ Online
5.5	15	2	Design	Schematic Design; Bond	Const Drawing; Permit	Mobil /Const	Const (Tower Phasing)	Const	Closeout/ Online	Design	Const/ Online
6	19	2	Design	Schematic Design; Bond	Const Drawing; Permit	Mobil / Const	Const (Tower Phasing)	Const	Closeout/ Online	Design	Const/ Online

Zoning Challenges

A major factor influencing the cost estimates is the project timeline – especially the permitting of the project. The current zoning of the Alder site is split between Neighborhood Commercial along 12th Avenue, with a 65-foot height maximum, and L-3 multi-family residential in the remainder of the site. As a result, the new Alder facility will likely not conform to current zoning.

While a detailed legal analysis will need to be conducted during the next phase, the initial project schedules assume that the permitting process for a new Alder courthouse will probably include the need to rezone the site. A type-four quasi-judicial review by the City of Seattle Department of Planning and Development may need to occur. The application for the project Master Use Permit (MUP) will likely need to be reviewed by the City Council before approval, consistent with Seattle Municipal Code requirements for public facilities or similar projects in multi-family zones. A potential option would be to address the project through a Major Institution Overlay district, as used by nearby Seattle University.

Regardless of the approach, the project phasing assumptions all assume that the entire facility build out in 2032 is included in negotiations for the conditional uses included within the MUP. In simple terms, this means that the detailed negotiations on the project

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permitting will need to occur early in the project. The project calendars assume that discussions with the City of Seattle begin as soon as possible.