

Appendix A : Joint Appropriations Committee Correspondence

PREAMBLE

Throughout the development of this report, valuable information continued to be exchanged between the design team and the Joint Task Force. The following document is a letter fro A&I Construction Management in response to questions posed by the Joint Appropriations Committee pertaining to the Capitol Rehabilitation & Restoration Project.



Appendix A Joint Appropriations Committee Correspondence



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Department of Administration and Information
Construction Management

DATE: February 7, 2014

TO: Senator Eli Bebout, Co-Chairman, Joint Appropriations Committee
Representative Steve Harshman, Co-Chairman, Joint Appropriations Committee

FROM: State of Wyoming, Department of Administration & Information
Construction Management Division

SUBJECT: Capitol Rehabilitation & Restoration Project

The following information has been compiled in response to the memo dated January 27, 2014:

1. When will invasive testing (drilling holes) occur on the State Capitol in order to assess the building envelope?

Testing is being planned for March and April of 2014, following the close of the 2014 legislative session.

Invasive testing of the Capitol is being proposed to further the design team’s understanding of the building. Preliminary scanning has been completed to provide some confidence in the conceptual approach outlined in the draft Level I/II Report. The invasive testing involves physically exposing hidden assemblies. Most, but not all exposed areas would receive a temporary cover. Repair and restoration would occur during the course of the construction period. Exposures may include

- 1) Foundations (interior and exterior)
- 2) Floor framing and wall chases - primarily in the 1890 (the second, or middle) addition; and minimal work in the 1888 (original Capitol) and 1917 (current chambers) portions of the Capitol
- 3) Cornice and/or Parapet

Disruption

No testing work is anticipated that will impact legislative session activities at the Capitol. Testing activities are expected to occur during business hours and will be coordinated with A&I and Capitol occupants to minimize disruption.

Risk

The objective of the testing for the Capitol is to further understand the building such that the conceptual approach can be proven and construction surprises minimized. Simply put, can we put

pipes in a wall cavity? Does the cavity exist; or is the structure steel, or is it wood? This information is needed to correctly detail and estimate the work. The proposed construction budget estimate includes allowances for the areas that require further understanding. These allowances are set based on our estimation of a more expensive solution, but not necessarily the most expensive solution. This is done to protect the budget. If discoveries allow for less expensive solutions that provide acceptable quality and value for the State, the savings would revert to the Owner’s Contingency fund for the project.

2. When will invasive testing occur on the Herschler Building to assess the building envelope?

This work is pressing and is expected to begin prior to the end of February. Work is expected to take less than two weeks, depending on the weather.

Invasive testing of the Herschler is being proposed to further the design team’s understanding of the building and determine if additional scope or work should be considered. No scanning has been completed for this building and investigations at this time are limited to simple observation and building construction documentation from 1985. The invasive testing involves physically exposing hidden assemblies. Most, but not all, exposed areas would receive a temporary repair. Final repair and restoration would occur during the course of the construction period. Exposures may include

- 1) Foundations (interior and exterior)
- 2) Exterior wall cavities

Disruption

Testing activities are expected to occur during business hours and will be coordinated with A&I and Herschler occupants to minimize disruption and maximize safety.

Risk

The design team’s observations and review of available documentation suggests potential issues with mold, leaks, and/or anchorage of stone/concrete. The exposures are needed to understand the building further where existing conditions cannot be observed directly. This discovery process may result in additional recommended work, and additional costs, for the state to consider, and therefore the testing is progressing promptly. If there is a significant discovery, a solution proposal and cost estimate will be prepared for the State’s consideration. The State will consider if additional funding is required, if the project contingencies should be used, or if the work is warranted at this time.

3. What is the cost of the Herschler renovation and expansion project without the addition of the new center four-story space on the north side?

The project solution is an integrated solution involving all components of the project. For example, the addition, as proposed, provides a safe and remote location for the evaporative cooling towers in lieu of the at-grade location, which is considered a security risk for the campus.

For the purposes of this inquiry, the project estimate is adjusted to simply remove the addition and assumes issues like finding a safe location for the evaporative cooling towers will be addressed within the remaining budget. This may technically be incorrect, but we presume it will meet the intent of the inquiry.

The following chart shows the adjustment to the published Project Cost Estimate:

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	With Herschler Office Addition	without Herschler Office Addition
Capitol Renovation	\$ 113,000,000	\$ 113,000,000
Herschler & Connector	\$ 86,000,000	\$ 74,000,000
Temporary Accommodations	\$ 2,000,000	\$ 2,000,000
Furniture, Fixtures & Equipment	\$ 8,500,000	\$ 7,750,000
Project Costs	\$ 29,500,000	\$ 28,750,000
Subtotal	\$ 239,000,000	\$ 225,500,000
State's Project Contingency	\$ 20,000,000	\$ 20,000,000
Project Total	\$ 259,000,000	\$ 245,500,000

4. What mechanisms are possible, e.g., value engineering, to achieve ten to twenty percent savings in the preliminary estimated cost of the project?

The Level I/II reports are developed to establish the parameters of the proposed project, including scope, quality, schedule and cost. A recommended, reasonable budget for the project is developed to ensure the funding request is sufficient, but not extravagant, for the work outlined. The recommendation presented already contains many cost control initiatives including:

- 1) Aggressive schedule saves nearly \$8M in escalation of costs (one year figure)
- 2) Using the Herschler and other State assets for temporary office facilities in lieu of temporary, modular units saves currently saves about \$5.5M

The Level III work begins the design work to seek solutions for the project that comply within the defined project expectations and defined parameters, including scope, quality, schedule, and cost. This is the time for the design team and the Owner to consider value engineering options. Value engineering is a widely used term in the construction industry with definitions ranging from altruistic to gross cuts to quality. Our interpretation for this project is to seek value for the State, meaning achieve effective, appropriate, and durable solutions with efficient costs. Value engineering seeks to optimize costs with respect to providing for the needs of the State.

As documented with the Level I/II report, cost control during the Level III work will proceed with the following fundamental premises:

- 1) Provide value
- 2) Work within established budget
- 3) Revert all cost savings to the State
- 4) Manage risk with respect to discovered conditions and issues; changes to the work; and market conditions.

For reference, the Combined Labs project realized significant savings over the course of the project. [\$13.5 returned at the end of the project on a \$53M project budget = 25% savings]. These savings were realized though many mechanisms, including:

- 1) Value engineering sessions – truly the best asset to come from these sessions was to align expectations. These sessions added value for the State. The changes usually saved money, but in some cases nominal cost increases were accepted by the State to achieve the desired quality, i.e. value
- 2) The Construction Management (CM) process managed bidding and costs to the Owner’s benefit
- 3) Designing only to the need and not simply seeking to spend the money available
- 4) Timing of the market – *this was by far the most significant factor in returning savings to the State, as this project bid at a very advantageous time for the State.*

These mechanisms, where applicable, and more, will be implemented for the Capitol project to keep a constant eye on value for the State.

5. How does the Herschler Building renovation and expansion option compare to new construction of a state building on the St. Mary’s lot or building on the Pioneer lot, on a cost per net square foot basis, including consideration of other pertinent variables?

The Level I/II studies provided to date are summarized as follows (all numbers are adjusted to 2016 dollars).

St. Mary’s Site (2008 Level I/II study by A&I with Coover–Clark & Associates)
Total Office Building = 190,000 gsf (includes 4 floors of offices and excludes parking structure area)
Total Estimated Project Cost = \$75.2M [2010]... \$92.4M [2016] (these figures include the parking structure and other project costs)
Estimated Office Building Cost per Square Foot = \$288/sf [2010] ...\$345/sf [2016]

Pioneer Site (2012 Level I/II study by A&I with HDR/Plan One)
Total Office Building = 310,000 gsf (includes 4 floors of offices and excludes parking structure area)
Total Estimated Project Cost = \$96.5M [2015] ... \$99.9M [2016] (these figures include the parking structure and other project costs)
Estimated Office Building Cost per Square Foot = \$250/sf [2015] ... \$259/sf [2016]

Herschler (as built 1981)
Total Office Building = 288,780 gsf
Total Estimated Project Cost = \$27.3M [1981] ... \$94.2M [2016]
Estimated Office Building Cost per Square Foot = \$70/sf [1981] ... \$243/sf [2016] (very rough cost estimates isolating the office portion from the parking and connector work are not available)

Herschler Office Addition only (2014 Level I/II study by A&I with HDR/PDP/Plan One)
Total Office Building Addition = 75,520 gsf (includes 4 floors of offices and excludes parking structure area)
Estimated Office Building Cost per Square Foot = \$151/sf [2014]... \$160/sf [2016]

>>> Note that, unlike the St. Mary’s and Pioneer Site study cost estimates, the Herschler Office Addition (as an addition on existing footings using the Central Utility Plant) excludes foundation costs, utility costs, site development costs, selected interior infrastructure items (e.g. MEP plant systems, elevators, restrooms, etc.), and one half of the exterior walls.



Notes:

- 1) Escalation is consistently used at 3% per year. This metric on one hand works well as an average, but does not accurately represent known history. Whereas the average should be a good metric over longer periods of time, in this case we believe that the further you get from the base estimate (or known costs), i.e. the longer escalation is projected, the more inexact the resulting estimate may be.
- 2) The St. Mary’s site has a higher cost than the Pioneer site. We cannot speak to the quality specified or the estimating issues in a concrete way. We would, however, expect the smaller site and proportion of building skin to occupied square feet of the St Mary’s site to generate a higher cost per square feet.

a. What were the cost benefit analyses for each of these buildings - Herschler, St. Mary's, and Pioneer?

An Analysis of Lease vs. Building New (2012 HDR study of Pioneer Site – Appendix A1.0) indicated a new office structure would pay for itself in 28-29 years. This analysis considered one square foot of leased office space to equal one square foot of new building space (1 sf lease = 1 sf new). The Herschler Study revealed that some Agencies would realize space savings through a move (via right-sizing of offices, storage, etc.), i.e. one square foot of leased office space equals less than one square foot of new building space (1 sf lease < 1 sf new). This may represent a significant effect to the pay-off analysis.

We presume that the math of the 2012 study is directly comparable for the St. Mary’s site. The analysis would use the same math for the Herschler Office Addition; however, clearly the pay-off would be significantly quicker, and would occur in year twelve.

Additional comments relative to cost effectiveness of the Herschler Office Addition are included with question 6.a. below.

6. What is the cost of owning versus leasing?

A cost benefit analysis chart for each 75,520 gross square feet (gsf) (55,000 net square feet (nsf)) and 130,000 gsf (95,000 nsf) follows – see attachment for more detail of this analysis:

	Cost to Continue Leasing 75,520 sq. ft - 40 years	Cost to Add-on 75,520 square feet to the Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of building new space over 40 years	Gross difference between leasing and owning space
	(1)	(2)	(3)	(4)	(5)	(6)
			(1-2)		(2 + 4)	(1 - 5)
Total	98,978,734	12,083,200	86,895,534	32,050,181	44,133,381	54,845,353

	Cost to Continue Leasing 130,000 gsf - 40 years	Cost to fit 130,000gsf of leased space in the Renovated and Expanded Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of building new space over 40 years	Gross difference between leasing and owning space
	(1)	(2)	(3)	(4)	(5)	(6)
			(1-2)		(2 + 4)	(1 - 5)
Total	170,381,825	20,800,000	149,581,825	55,171,127	75,971,127	94,410,698

a. Is it cost effective to add 95,000 net square feet of office space in light of necessary and deferred maintenance required for the Herschler Building?

A couple of clarifications are offered prior to addressing this question.

- 1) The proposed addition includes about 55,000 net square feet. The size of this addition is based directly upon the existing foundation system that was designed for such an addition (Phase II of the Herschler Building).
- 2) The 95,000 net square feet (nsf) referred to in the ‘proposed project’ presentations represents the estimated net gain in net square feet through the entire project, including the Capitol, the Herschler, and the Herschler Office Addition. In very round numbers, the 95,000 nsf is the resultant of
 - a. Estimated un-met need for the Capitol = - 40,000 nsf
 - b. Estimated available space gains in the Herschler at the Connector and through revised floor utilization = + 80,000 nsf
 - c. Conceptual layout of Herschler Addition = +55,000 nsf

- 3) The proposed project includes the known necessary and deferred maintenance issues associated with the Herschler Building.

We believe the Herschler Office Addition is cost effective. The cost effectiveness of the Herschler Office Addition benefits from the renovation work proposed at the Herschler Building. Key issues include:

- 1) Opportunity – while construction and disruption are underway, there will be inherent advantages in management and costs to undertake this work, Phase II of the Herschler Building, at this time.
- 2) Existing Assets (a) – the Addition utilizes foundations that are already in place
- 3) Existing Assets (b) – the Addition utilizes the Central Utility Plant
- 4) Existing Assets (c) – the Addition utilizes supporting building systems at the Herschler Building, including restrooms, elevators, etc.
- 5) Existing Assets (d) – the Addition does not require two of its exterior walls (in comparison to a standalone building with four exterior walls).

We believe the Herschler Office Addition and Renovation will provide the State with the means to substantially improve management and stewardship of State assets and funds.

cc: Members, Management Council
Members, Joint Legislative and Executive Task Force on Capitol Building Rehabilitation and Restoration

Attached: Cost vs. Lease Analysis Detail for 75,520 gsf (55,000 nsf) Herschler Addition, 3 pages
Cost vs. Lease Analysis Detail for 130,000 gsf (95,000 nsf) Herschler Addition, 3 pages
State of Wyoming Real Property Rentals, Cheyenne, WY (basis for lease rates in this document), 2 pages



Herschler Building Analysis

Assumptions

Cost to Build/Upgrade Herschler office space			
Sq. Ft	\$/sq. ft		
Est. Cost of Upgrade	75,520	\$ 160.00	12,083,200
Total Cost			12,083,200
Yearly Depreciation	Cost	Years	
	12,083,200	40	302,080

Calculation of Yearly cost of New Bldg.

Maintenance/Housekeeping (includes janitorial, utilities, - average 2012 cost)			7.03
Building Depreciation (Year amt/sq.ft)	302,080	75,520	4.00
Total Sq. ft. cost to allocate			11.03

Total yearly cost of bldg.	Sq. Ft.	\$/sq. ft.	Total Yrly. Cost
(Sq. Footage * Cost per sq. ft =	75,520	11.03	832,695
Breakdown			
Maintenance**	75,520	7.03	530,615
Depreciation (Building)	75,520	4.00	302,080
Total			832,695

Cheyenne Area Lease Space			
Ave. \$/Sq. Ft.			17.72
Comparable Cost	75,520		1,338,268

General Information

	Ave. \$/Sq. Ft	Total Sq. Ft.	Total \$
*Cheyenne Leasing for One year as adjusted	17.72	286,921	5,084,442

*The Office Space has been adjusted for warehouse and parking.

**2012 Maintenance Costs	12,054,917
(From the 2012 Statewide Cost Allocation Plan)	
Total Sq. Footage	1,715,722
Cost per Sq. Foot	\$ 7.03

Analysis of Lease vs. Renovation over 40 years
Herschler Office Building

	Cost to Continue Leasing 75,520 gsf - 40 years	Cost to Add 75,520 gsf to Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of Building new space over 40 years	Gross difference between leasing and owning a building	Cumulative difference between leasing/owning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
					(2 + 4)	(1 - 5)	
Beg. Bal.							
YR 1	1,338,268	12,083,200	10,744,932	530,615	12,613,815	(11,275,547)	(11,275,547)
YR 2	1,405,181	-	(1,405,181)	541,227	541,227	863,954	(10,411,593)
YR 3	1,475,440	-	(1,475,440)	552,052	552,052	923,388	(9,488,205)
YR 4	1,549,212	-	(1,549,212)	563,093	563,093	986,119	(8,502,086)
YR 5	1,626,673	-	(1,626,673)	574,354	574,354	1,052,318	(7,449,767)
YR 6	1,667,339	-	(1,667,339)	585,842	585,842	1,081,498	(6,368,270)
YR 7	1,709,023	-	(1,709,023)	597,558	597,558	1,111,464	(5,256,805)
YR 8	1,751,748	-	(1,751,748)	609,510	609,510	1,142,239	(4,114,566)
YR 9	1,795,542	-	(1,795,542)	621,700	621,700	1,173,842	(2,940,724)
YR 10	1,840,431	-	(1,840,431)	634,134	634,134	1,206,297	(1,734,427)
YR 11	1,886,441	-	(1,886,441)	646,816	646,816	1,239,625	(494,802)
YR 12	1,933,602	-	(1,933,602)	659,753	659,753	1,273,850	779,048
YR 13	1,981,943	-	(1,981,943)	672,948	672,948	1,308,995	2,088,043
YR 14	2,031,491	-	(2,031,491)	686,407	686,407	1,345,084	3,433,127
YR 15	2,082,278	-	(2,082,278)	700,135	700,135	1,382,144	4,815,271
YR 16	2,134,335	-	(2,134,335)	714,138	714,138	1,420,198	6,235,468
YR 17	2,187,694	-	(2,187,694)	728,420	728,420	1,459,273	7,694,742
YR 18	2,242,386	-	(2,242,386)	742,989	742,989	1,499,397	9,194,139
YR 19	2,298,446	-	(2,298,446)	757,848	757,848	1,540,597	10,734,736
YR 20	2,355,907	-	(2,355,907)	773,005	773,005	1,582,901	12,317,638
YR 21	2,414,805	-	(2,414,805)	788,466	788,466	1,626,339	13,943,977
YR 22	2,475,175	-	(2,475,175)	804,235	804,235	1,670,940	15,614,917
YR 23	2,537,054	-	(2,537,054)	820,320	820,320	1,716,734	17,331,651
YR 24	2,600,480	-	(2,600,480)	836,726	836,726	1,763,754	19,095,405
YR 25	2,665,492	-	(2,665,492)	853,460	853,460	1,812,032	20,907,437
YR 26	2,732,130	-	(2,732,130)	870,530	870,530	1,861,600	22,769,037
YR 27	2,800,433	-	(2,800,433)	887,940	887,940	1,912,493	24,681,530
YR 28	2,870,444	-	(2,870,444)	905,699	905,699	1,964,745	26,646,274
YR 29	2,942,205	-	(2,942,205)	923,813	923,813	2,018,392	28,664,666
YR 30	3,015,760	-	(3,015,760)	942,289	942,289	2,073,471	30,738,137
YR 31	3,091,154	-	(3,091,154)	961,135	961,135	2,130,019	32,868,156
YR 32	3,168,433	-	(3,168,433)	980,358	980,358	2,188,075	35,056,231
YR 33	3,247,644	-	(3,247,644)	999,965	999,965	2,247,679	37,303,909
YR 34	3,328,835	-	(3,328,835)	1,019,964	1,019,964	2,308,870	39,612,780
YR 35	3,412,056	-	(3,412,056)	1,040,364	1,040,364	2,371,692	41,984,472
YR 36	3,497,357	-	(3,497,357)	1,061,171	1,061,171	2,436,186	44,420,658
YR 37	3,584,791	-	(3,584,791)	1,082,394	1,082,394	2,502,397	46,923,055
YR 38	3,674,411	-	(3,674,411)	1,104,042	1,104,042	2,570,369	49,493,423
YR 39	3,766,271	-	(3,766,271)	1,126,123	1,126,123	2,640,148	52,133,571
YR 40	3,860,428	-	(3,860,428)	1,148,645	1,148,645	2,711,782	54,845,353
Total	98,978,734	12,083,200	(86,895,534)	32,050,181	44,133,381	54,845,353	54,845,353

Lease costs were amortized at a rate of 5% the first 5 years and then 2.5% for the remainder of the term.

*Janitorial/utility costs are amortized assuming a 2% rate of inflation.

**Reimbursement from Federal Programs and Other Funds have not been netted against the cost of the new building or the current lease payments.



Analysis of Lease vs. Herschler Renovation over 40 years
Summary

	Cost to Continue Leasing 75,520 sq. ft - 40 years	Cost to Add-on 75,520 square feet to the Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of building new space over 40 years	Gross difference between leasing and owning a building
	(1)	(2)	(3) (1-2)	(4)	(5) (2 + 4)	(6) (1 - 5)
Total	98,978,734	12,083,200	86,895,534	32,050,181	44,133,381	54,845,353

NOTES:

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Herschler Building Analysis

Assumptions

Cost to Build/Upgrade Herschler office space	Sq. Ft	\$/sq. ft	
Est. Cost of Upgrade	130,000	\$ 160.00	20,800,000
Total Cost			20,800,000
Yearly Depreciation	Cost	Years	
	20,800,000	40	520,000

Calculation of Yearly cost of New Bldg.

Maintenance/Housekeeping (includes janitorial, utilities, - average 2012 cost)			7.03
Building Depreciation (Year amt/sq.ft)	520,000	130,000	4.00
Total Sq. ft. cost to allocate			11.03

Total yearly cost of bldg.	Sq. Ft.	\$/sq. ft.	Total Yrly. Cost
(Sq. Footage * Cost per sq. ft =	130,000	11.03	1,433,399
Breakdown			
Maintenance**	130,000	7.03	913,399
Depreciation (Building)	130,000	4.00	520,000
Total			1,433,399

Cheyenne Area Lease Space		
Ave. \$/Sq. Ft.		17.72

Comparable Cost	130,000	2,303,691
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General Information

	Ave. \$/Sq. Ft	Total Sq. Ft.	Total \$
*Cheyenne Leasing for One year as adjusted	17.72	286,921	5,084,442

*The Office Space has been adjusted for warehouse and parking.

**2012 Maintenance Costs	12,054,917
(From the 2012 Statewide Cost Allocation Plan)	
Total Sq. Footage	1,715,722
Cost per Sq. Foot	\$ 7.03

Analysis of Lease vs. Renovation over 40 years
Herschler Office Building

	Cost to Continue Leasing 130,000 gsf - 40 years	Cost to fit 130,000 gsf of leased space in the Renovated and Expanded Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of Building new space over 40 years	Gross difference between leasing and owning a building	Cumulative difference between leasing/owning
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
					(2 + 4)	(1 - 5)	
Beg. Bal.							
YR 1	2,303,691	20,800,000	18,496,309	913,399	21,713,399	(19,409,708)	(19,409,708)
YR 2	2,418,876	-	(2,418,876)	931,667	931,667	1,487,209	(17,922,499)
YR 3	2,539,820	-	(2,539,820)	950,301	950,301	1,589,519	(16,332,980)
YR 4	2,666,811	-	(2,666,811)	969,307	969,307	1,697,504	(14,635,476)
YR 5	2,800,151	-	(2,800,151)	988,693	988,693	1,811,459	(12,824,017)
YR 6	2,870,155	-	(2,870,155)	1,008,467	1,008,467	1,861,689	(10,962,329)
YR 7	2,941,909	-	(2,941,909)	1,028,636	1,028,636	1,913,273	(9,049,055)
YR 8	3,015,457	-	(3,015,457)	1,049,209	1,049,209	1,966,248	(7,082,807)
YR 9	3,090,843	-	(3,090,843)	1,070,193	1,070,193	2,020,650	(5,062,157)
YR 10	3,168,114	-	(3,168,114)	1,091,597	1,091,597	2,076,518	(2,985,640)
YR 11	3,247,317	-	(3,247,317)	1,113,429	1,113,429	2,133,888	(851,751)
YR 12	3,328,500	-	(3,328,500)	1,135,697	1,135,697	2,192,803	1,341,052
YR 13	3,411,712	-	(3,411,712)	1,158,411	1,158,411	2,253,301	3,594,353
YR 14	3,497,005	-	(3,497,005)	1,181,579	1,181,579	2,315,426	5,909,779
YR 15	3,584,430	-	(3,584,430)	1,205,211	1,205,211	2,379,220	8,288,999
YR 16	3,674,041	-	(3,674,041)	1,229,315	1,229,315	2,444,726	10,733,725
YR 17	3,765,892	-	(3,765,892)	1,253,901	1,253,901	2,511,991	13,245,715
YR 18	3,860,040	-	(3,860,040)	1,278,979	1,278,979	2,581,060	15,826,776
YR 19	3,956,541	-	(3,956,541)	1,304,559	1,304,559	2,651,981	18,478,757
YR 20	4,055,454	-	(4,055,454)	1,330,650	1,330,650	2,724,804	21,203,561
YR 21	4,156,840	-	(4,156,840)	1,357,263	1,357,263	2,799,577	24,003,138
YR 22	4,260,761	-	(4,260,761)	1,384,409	1,384,409	2,876,353	26,879,491
YR 23	4,367,280	-	(4,367,280)	1,412,097	1,412,097	2,955,184	29,834,675
YR 24	4,476,462	-	(4,476,462)	1,440,339	1,440,339	3,036,124	32,870,798
YR 25	4,588,374	-	(4,588,374)	1,469,145	1,469,145	3,119,229	35,990,027
YR 26	4,703,083	-	(4,703,083)	1,498,528	1,498,528	3,204,555	39,194,582
YR 27	4,820,660	-	(4,820,660)	1,528,499	1,528,499	3,292,162	42,486,744
YR 28	4,941,177	-	(4,941,177)	1,559,069	1,559,069	3,382,108	45,868,852
YR 29	5,064,706	-	(5,064,706)	1,590,250	1,590,250	3,474,456	49,343,308
YR 30	5,191,324	-	(5,191,324)	1,622,055	1,622,055	3,569,269	52,912,577
YR 31	5,321,107	-	(5,321,107)	1,654,496	1,654,496	3,666,611	56,579,188
YR 32	5,454,135	-	(5,454,135)	1,687,586	1,687,586	3,766,549	60,345,736
YR 33	5,590,488	-	(5,590,488)	1,721,338	1,721,338	3,869,150	64,214,886
YR 34	5,730,250	-	(5,730,250)	1,755,765	1,755,765	3,974,486	68,189,372
YR 35	5,873,507	-	(5,873,507)	1,790,880	1,790,880	4,082,627	72,271,999
YR 36	6,020,344	-	(6,020,344)	1,826,698	1,826,698	4,193,647	76,465,645
YR 37	6,170,853	-	(6,170,853)	1,863,232	1,863,232	4,307,621	80,773,267
YR 38	6,325,124	-	(6,325,124)	1,900,496	1,900,496	4,424,628	85,197,895
YR 39	6,483,252	-	(6,483,252)	1,938,506	1,938,506	4,544,746	89,742,641
YR 40	6,645,334	-	(6,645,334)	1,977,276	1,977,276	4,668,057	94,410,698
Total	170,381,825	20,800,000	(149,581,825)	55,171,127	75,971,127	94,410,698	94,410,698

Lease costs were amortized at a rate of 5% the first 5 years and then 2.5% for the remainder of the term.

*Janitorial/utility costs are amortized assuming a 2% rate of inflation.

**Reimbursement from Federal Programs and Other Funds have not been netted against the cost of the new building or the current lease payments.



Analysis of
Lease vs. Herschler Addition & Renovation
over 40 years
Summary

	Cost to Continue Leasing 130,000gsf - 40 years	Cost to fit 130,000 gsf. of leased space in the Renovated and Expanded Herschler Office Building	Difference between lease & building costs	Janitorial, Maintenance, Utility costs*	Total Cost of building new space over 40 years	Gross difference between leasing and owning space
	(1)	(2)	(3) (1-2)	(4)	(5) (2 + 4)	(6) (1 - 5)
Total	170,381,825	20,800,000	149,581,825	55,171,127	75,971,127	94,410,698

NOTES:

Lease costs were amortized at a rate of 5% the first 5 years and then 2.5% for the remainder of the term.

*Janitorial/utility costs are amortized assuming a 2% rate of inflation.

Reimbursement from Federal Programs and Other Funds have not been netted against the cost of the new building or the current lease payments.



STATE OF WYOMING REAL PROPERTY RENTALS
CHEYENNE, WYOMING

Contract #	Agency	Division	Agency Address	Annual Rent	Type	Fund	Square Feet	Cost per Square Foot
8-09327	Administrative Hearings, Office of		2020 Carey Ave, 5th Flr	\$98,493.20	Office	Other	5239.00	\$18.80
8-07249	Agriculture, Dept. of	Beef Council	113 East 20th Street	\$10,686.83	Office	Other	1067.00	\$9.72
8-09625	Certified Public Accountants, Board of		325 West 18th Street Suite 4	\$7,144.00	Office	Other	398.00	\$17.95
8-09570	Corrections, Dept. of	Board of Parole	3124 Old Faithful Rd, 3rd Floor	\$41,869.18	Office	General Fund	2767.00	\$15.13
8-09521A	Cosmetology, Board of		2515 Warren Ave., 3rd Flr	\$24,033.50	Office, Parking	Other	1354.00	\$17.75
8-09389A subcontract	Engineer, State	State Board of Reg. for Professional Engineers	6920 Yellowtail Road	\$50,640.00	Office	Other	2532.00	\$20.00
8-09394	Engineer, State	Dam Safety	3559 Cleveland Avenue	\$900.00	Storage	General Fund	200.00	\$4.50
8-09545B	Family Services, Dept. of		1510 Pershing Blvd.	\$494,321.10	Office	Federal, Other	25935.00	\$19.06
8-09541	Health, Dept. of	WIC	1307 Crook Avenue	\$44,000.00	Office	General Fund	2000.00	\$22.00
8-09546	Health, Dept. of	Mental Health & Aging & DDD	6101 Yellowstone	\$905,596.00	Office	Federal	54785.00	\$16.53
8-09546D	Health, Dept. of		6101 Yellowstone, Suite 510	\$241,255.35	Office	Other	14595.00	\$16.53
8-09546E	Health, Dept. of		6101 Yellowstone, Suite 420	\$317,177.00	Office	Other	19188.00	\$16.53
8-09546F	Health, Dept. of	Health Care Licensing	6101 Yellowstone, 4th Flr	\$130,553.05	Office	General Fund	7898.00	\$16.53
8-09546G	Health, Dept. of	Info Tech	6101 Yellowstone, Bsmt	\$12,397.50	Office	General Fund	750.00	\$16.53
8-09546H	Health, Dept. of	Healthcare Financing	6101 Yellowstone, 259C	\$56,896.26	Office	General Fund, Federal	3442.00	\$16.53
8-09602	Health, Dept. of	Pharmacy Services/Medication Donation Program	2508 East Fox Farm Road #1A	\$6,625.92	Office	General Fund	928.00	\$7.14
8-09514	Insurance, Dept. of		106 East 6th Ave.	\$210,000.00	Office	Other	10000.00	\$21.00
8-09521C	Judicial Conduct & Ethics, Commission on		2515 Warren Avenue	\$5,484.75	Office	General Fund	309.00	\$17.75
8-09626	Medicine, Board of		138 Hobbs Avenue	\$81,392.00	Office	Other	4717.00	\$17.00
8-09546C	Nursing Home Administrators, Board of		6101 Yellowstone, Room 501	\$5,785.50	Office	Other	350.00	\$16.53
8-09628	Nursing, Board of		138 Hobbs Ave.	\$67,467.00	Office	Other	3910.00	\$17.00

STATE OF WYOMING REAL PROPERTY RENTALS
CHEYENNE, WYOMING

8-09416	Outfitters & Professional Guides, Board of		1950 Bluegrass Circle, Suite 280	\$21,600.00	Office	Other	1200.00	\$18.00
8-09567	Pharmacy, Board of		1712 Carey Ave., Ste 200	\$35,731.12	Office	Other	2904.00	\$12.30
8-09521	Public Service Commission		2515 Warren Ave., 3rd Flr	\$277,556.75	Office	Other	15637.00	\$17.75
8-09497	Real Estate Commission		2020 Carey Ave., 7th Flr	\$21,332.00	Office, Parking	Other	1277.00	\$16.32
8-09546B	Retirement System		6101 Yellowstone	\$210,823.62	Office	Other	12754.00	\$16.53
8-09546	Retirement System	8-09546B2 IT Application Modernization	6101 Yellowstone Road, Suite 180	\$22,028.14	Office	Other	1338.00	\$16.46
8-09390	Teaching Standards Board, Professional		1920 Thomes Ave. Suite 400, 4th fl.	\$33,458.56	Office	Other	2273.00	\$14.72
8-09301	Treasurer's Office	Unclaimed Prop & Admin	2515 Warren Avenue, Ste 501&502	\$64,506.36	Office	General Fund, Other	4065.00	\$15.87
8-09389	Water Development Commission		6920 Yellowtail Road	\$329,360.00	Office	Other	16468.00	\$20.00
8-09545	Work Force Services	Employment Resources, Voc Rehab	1510 E. Pershing Blvd.	\$230,397.28	Office	Federal, Other	12088.00	\$19.06
8-09546A	Work Force Services	WSCD	6101 Yellowstone	\$38,928.15	Office	Federal, Other	2355.00	\$16.53
8-09545A	Work Force Services		1510 E. Pershing Blvd.	\$828,728.80	Office	General Fund, Federal	43480.00	\$19.06
8-09619	Work Force Services	DDS	2617 E. Lincolnway, Suite B	\$157,273.00	Office, Parking	Federal, Other	8718.00	\$17.60
Totals				5,084,441.92			286,921.00	17.72

Cost/sq. ft.





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