

**Construction Cost:** The cost to build schools in the Lake Washington School District and the Puget Sound area has risen significantly over the course of the last decade.

<b>Preliminary Project Costs:</b>	New Elementary School	\$ 58.5M	[Replacement \$60M]
	New Middle School	\$100.5M	[Replacement \$101.5M]
	New High School	\$227.0M	

**BUILDING BIGGER/MAXIMIZING OPPORTUNITY:**

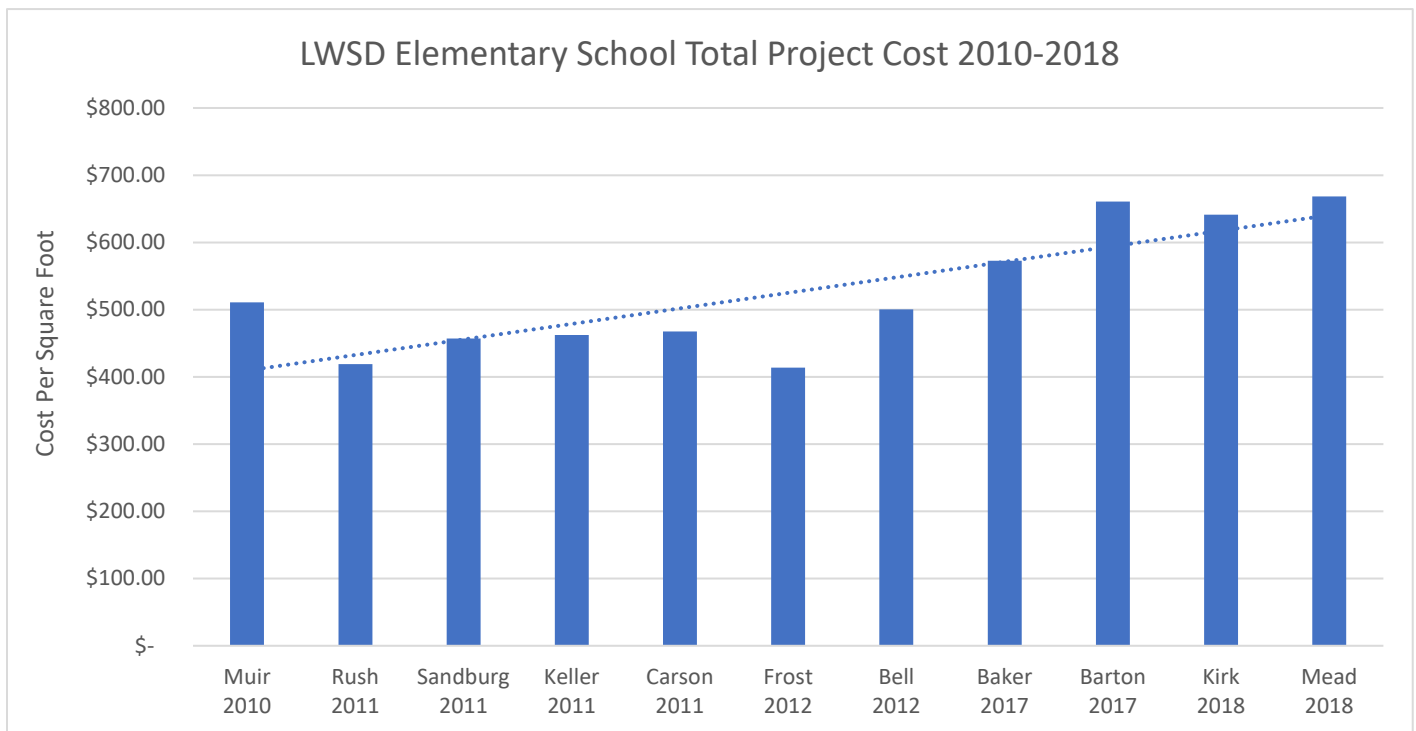
Since 2010, building larger schools to accommodate future growth (elementary example):

- 2010: 21-23 Classroom Model (57,000 SF Total Program Area)
- 2012: 24 Classroom Model (65,000 SF Total Program Area)
- 2018: 30 Classroom Model (79,000 SF Total Program Area)

**MARKET CONDITIONS:**

Since 2010, Seattle Construction Market reached the 3<sup>rd</sup> most expensive city to build in in the US (6<sup>th</sup> in the world). We are competing with billions in Puget Sound School District Bonds and Levies, we’re also competing with the massive growth in Seattle and projects like the Microsoft campus, Amazon, Google and Facebook. In addition, market condition for materials have been impacted through high tariffs on imported goods, items like structure steel for columns and beams have seen as much as 30% increases in the last two years.

Average cost per square foot from our seven elementary schools built between 2010-2012 was \$462/SF. The four recently built elementary schools opened in 2018 & 2019 cost an average of \$636/SF. Inflation from 2010 through 2015 climbed steadily at a rate of 3%, but the period between 2015 and 2019 fluctuated between 5-10% annually. The \$462 per square foot in 2012 calculates out to \$649 per square foot when reviewed against leading contractor construction market indexes. Following this trend, new construction for 2022 is projected at \$750 per square foot (for projects beginning in design in 2022 and bidding in 2024 at 3.5% escalation each year would increase the cost to ~ \$800/SF).



Muir and Barton have a higher cost attributed to site development costs, in contrast Frost has a lower cost attributed to reduced site development costs

Total Project Costs include construction costs, non-construction costs (professional services, permits, taxes) and furniture, fixtures, equipment.