

## CONSTRUCTION COST ESCALATION CALCULATOR - YEAR OVER YEAR - SEATTLE (LOCAL)

REGION:		SEATTLE (LOCAL)						
Year	SOURCE:	RLB		ENR		MORTENSON		Combined
	LINK:	<a href="#">RLB Comparative Cost Index</a>		<a href="#">ENR City Cost Index</a>		<a href="#">Mortenson City Cost Index</a>		(Average All 3 Sources)
	Period	Index	% Change (Year over Year)	Index	% Change (Year over Year)	Index	% Change (Year over Year)	Average (Year over Year)
2018	Avg. Annual Index	17,400.50	5.35%	6125.74	2.64%	133.30	7.33%	5.11%
2019	Avg. Annual Index	18,531.75	6.50%	6362.18	3.86%	138.30	3.75%	4.70%
2020	Avg. Annual Index	19,288.50	4.08%	6494.12	2.07%	140.68	1.72%	2.62%
2021	Avg. Annual Index	19,853.67	2.93%	7023.73	8.16%	160.55	14.13%	8.40%
2022		ESTIMATED CONSTRUCTION ESCALATION FOR 2022						6.60%

**SOURCE LINKS:** [RLB Construction Cost Report North America Q3 2021 - RLB | Americas](#)  
[Engineering News-Record Registration \(dragonforms.com\)](#)  
[Seattle Construction Cost Index | Mortenson](#)

- NOTES:**
- 1) The 3 construction escalation indexes that were used are independent, industry recognized sources.
  - 1) The 3 construction escalation indexes that were used are independent, industry recognized sources.
  - 2) Construction Escalation for 2021 is based on the average of 3 quarters of as 4th quarter information was unavailable as of 01/04/2022.
  - 3) Construction Escalation for 2022 was estimated at 6.60% based on discussions with "industry partners" and using historical averages.

## CONSTRUCTION ESCALATION, ADDITIONAL SCOPE OF WORK & PROCEEDS/NEED CALCULATIONS

### CONSTRUCTION ESCALATION CALCULATION - (COMPOUNDING YEAR OVER YEAR)

	Year / Date	Description	Comments
\$ 120,000,000	02/2015	Initial Project Estimate	- Initial Project estimate
\$ 120,000,000	04/27/16	Date of Bond Passage	- 2 years of Construction Escalation built into the Initial Project Estimate
\$ 120,000,000	2017	Original Expected Start of Construction	- Original Expected Start of Construction
\$ 126,132,000	2018	Year 1 of Delay	5.11% - Using Average Local (Seattle) Construction Cost Escalation Index
\$ 132,060,204	2019	Year 2 of Delay	4.70% - Using Average Local (Seattle) Construction Cost Escalation Index
\$ 135,520,181	2020	Year 3 of Delay	2.62% - Using Average Local (Seattle) Construction Cost Escalation Index
\$ 146,903,877	2021	Year 4 of Delay	8.40% - Using Average Local (Seattle) Construction Cost Escalation Index
<b>\$ 156,599,532</b>	<b>2022</b>	<b>Year 5 of Delay - Estimated Start of Construction</b>	<b>6.60% - Estimated Construction Escalation for 2022</b>

### ADDITIONAL SCOPE OF WORK CALCULATION

\$ 156,600,000	2021	Initial Project Estimate Adjusted for Construction Escalation
\$ 6,000,000	2021	Parking Garage - City of Issaquah Code Revision for "structured parking" after Bond Passage
\$ 4,000,000	2021	ROW Work - COS Required Frontage/ROW Improvements
\$ 3,100,000	2021	Costs of Enhanced Buffers - additional retaining walls, plantings, etc.
\$ 3,300,000	2021	Additional Costs of Permitting
\$ 15,000,000	2021	Cost of Making "Pad Ready" for future E-17
\$ 10,000,000	2021	Additional Hedge for Unknowns - supply chain issues, unforeseen inflation/cost escalation - (approximately 5% of construction cost)
<b>\$ 198,000,000</b>		<b>Revised Project Estimate</b>

### PROCEEDS AND NEED/SHORTFALL CALCULATION

\$ 120,000,000	Funds from 2016 Bond for HS-4
\$ 34,000,000	Funds from 2016 Bond for E-17
<b>\$ 154,000,000</b>	<b>Total Proceeds from 2016 Bond</b>
<b>\$ 198,000,000</b>	<b>Revised Project Estimate</b>
<b>\$ 44,000,000</b>	<b>Additional Funds Requested in 2022 Levy to complete Construction of HS-4</b>

### AVERAGE - LOCAL (SEATTLE) CONSTRUCTION COST ESCALATION INDEX - (COMPOUNDING)

				- Source = RLB, ENR & Mortenson Seattle Area Construction Cost Indexes	
\$ 120,000,000	@ 5.11%	= \$	126,132,000	2018	- Year 1 of Delay
\$ 126,132,000	@ 4.70%	= \$	132,060,204	2019	- Year 2 of Delay
\$ 132,060,204	@ 2.62%	= \$	135,520,181	2020	- Year 3 of Delay
\$ 135,520,181	@ 8.40%	= \$	146,903,877	2021	- Year 4 of Delay
\$ 146,903,877	@ 6.60%	= \$	156,599,532	2022	- Year 5 of Delay (Estimated Start of Construction & Escalation)

SOURCES: - [RLB Construction Cost Report North America Q3 2021 - RLB | Americas](#)  
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