

analysis as they were fully offsetting. The FY 2012 operating costs budgeted for the APD building are \$1.3 million for the part-year operations. In FY 2013, it is estimated that the costs will be \$1.7 million for a full fiscal year.

Unlike leasing a building, as a building owner, in this case the City, bears all of the cost of maintaining a property. This includes dealing with managing warrantees, during the warrantee periods and also everyday maintenance issues that include monitoring HVAC systems to control heating and cooling, lighting systems, as well as overseeing warrantee work as needed to insure proper repair and maintenance of the systems is provided by vendors. The proposed budget adequately provides for maintenance support and building system operations.

ⁱ The amount a company expects to be able to sell a fixed asset for at the end of its useful life.

ⁱⁱ The present value of an investment's future net cash flows minus the initial investment.