

Executive Summary:

The Borough of Leonia is committed to building a new Police Department and Court facility. We are also considering whether to build an incremental floor in the contemplated new building (with the Police and Court) to house borough administrative functions and vacate our current Borough Hall.

Which gives the taxpayers of Leonia the best value for their taxpayer dollar? Spend to bring the current Borough Hall up to code and renovate it to more effectively accommodate our current administrative needs? Or build an additional floor on the new building to house our admin departments?

This cost/value analysis provides the objective, quantitative data to assist the Borough of Leonia with that decision. It shows the breakeven on a cash for cash basis of an incremental floor is 20 years in the future. After 20 years, we would continue to benefit from additional savings over what the old building was likely to cost for the remainder of the new building's estimated 50 year lifespan.

What we've used to drive this analysis is the information and estimates provided by our borough professionals and outside experts. While not perfect, estimates are always just that -- estimates, they do represent the best understanding and professional

wisdom we have today for renovation costs, building costs based on modular construction, likely sales price, future ratable streams, inflation, and operating costs for both old and new building. Every effort has been made to ensure the numbers are as accurate as possible and present the build vs. retain data objectively.