

# General and Flag Officer Quarters Business Case Analysis Report

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# Business Case Analysis Report

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## Introduction

**Senate Report 112-29** directed a Business Case Analysis (BCA) of alternatives to the General and Flag Officers Quarters (GFOQ) in Coral Gables, Florida, occupied by the Commander of the U.S. Southern Command (SOUTHCOM). The four alternatives<sup>1</sup> examined in the analysis are: the "Status Quo" – the currently leased GFOQ; a "New Lease Alternative" – Army leases another house; a "Purchase Alternative" – Army buys another house; and a Basic Allowance for Housing ("BAH) Alternative." The potential occupant would be provided BAH in lieu of a GFOQ. The BAH alternative is provided for illustrative purposes only and is not considered a viable alternative. The occupant is a High Risk Person (HRP) in a Special Command Position (SCP). The Army cannot provide the required level of protection to HRP SCP people in privately owned houses or private sector rentals. The Army does not have a legal means to make or fund facility modifications since the Army has no "ownership" of private rental units. Army ownership exists in leased units via the lease document, which typically allows the Army to make removable facility modifications during the term of the lease.

## Summary Recommendation

This HRP SCP has a significant security requirement. Based on a consideration of Life Cycle costs (LC) and potential security needs, the Army's recommendation is to continue the existing lease arrangement. The costs of the required Antiterrorism/Force Protection (AT/FP) security measures needed for the "New Lease Alternative" and "Purchase Alternative" are impossible to estimate accurately because AT/FP measures are customized to individual property and personnel situations. Stand-off requirements, size of lot, location, and house characteristics are among the factors that must be considered for each individual house considered. SOUTHCOM garrison furnished a generic cost estimate of \$180k to \$200k per unit, but, due to the aforementioned uncertainties, the LC cost analysis does not include this cost. The "Status Quo" has an established AT/FP system in place and paid for. AT/FP would need to be addressed individually for any selected replacement lease or purchase unit and would include significant up-front costs (\$200k or more) as well as increased maintenance and repair and services (alarm system monitoring, etc) over the life cycle of the unit.

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<sup>1</sup> Other options considered but not included in the LC analysis: Build to Lease (BTL); MILCON using Army Family Housing Construction (AFHC) funds; and Privatization. A single-home BTL project is not as likely to draw the same level of interest that multiple home projects do; thus, finding a willing BTL partner could be problematic. Additionally, Office of Management and Budget (OMB) will likely score any future BTLs. Army does not occupy an installation in Florida; therefore, before a MILCON project can be considered, approval for funds to acquire land will have to be requested, making the overall MILCON project cost higher. A more feasible solution is the purchase of an existing for-sale home. A SOUTHCOM privatization due diligence was prepared and the outcome did not support a local privatization project and it is unlikely a project could be established for a single building.

## Summary Results

The "Status Quo" analysis indicates that the Net Present Value (NPV) would be approximately \$2.341 million to provide this housing option for the 25-year period of 2013 through 2038.

The "New Lease Alternative" analysis indicates that the NPV would be approximately \$2.025 million to provide this housing option for the 25-year period of 2013 through 2038.

The "Purchase Alternative" analysis indicates that the NPV would be approximately \$1.815 million to provide this housing option for the 25-year period of 2013 through 2038.

The BAH Alternative analysis indicates that the NPV would be approximately \$0.804 million to provide this housing option for the 25-year period of 2013 through 2038.

## Tabulation of Risk Factors by Alternatives

Each of the alternatives is associated with a set of advantages and disadvantages, unrelated to the LC cost presented in this report. While some of them may be more important than others, such factors can be helpful in reaching a decision. They are:

### Positives

- Status Quo
  - Known facility AT/FP situation
  - Five-year lease in place
  - Known commute distance/time
  - No additional up-front cost
  - Five-year lease results in more flexibility in subsequent years not possible with purchase
- New Lease Alternative
  - Minimum up front outlays compared to purchase
  - Reduced government maintenance cost
  - Five-year lease results in more flexibility in subsequent years not possible with purchase
- Purchase Alternative
  - Government controls asset
  - Long-term housing solution
- BAH
  - Future cost stream predictable
  - No up-front costs
  - No ownership risk
  - No operation and maintenance costs

### Negatives

- Status Quo
  - Army Family displacement if lease not renewed
- New Lease Alternative
  - Army Family displacement if lease not renewed

- AT/FP issues (Pre-determination of costs for LC analysis not possible)
- Purchase Alternative
  - Up-front purchase costs
  - Government investment
  - Government assumes full ownership risk
  - AT/FP issues (Pre-determination of costs for LC analysis not possible)
- BAH
  - BAH would likely not provide adequate quarters
  - AT/FP measures not possible

## Separate Discussion of Each Alternative

To facilitate equal comparison of alternatives, the LC model assumes a 25-year period.

### Status Quo

This option is modeled under the assumption that the current GFOQ is leased to the government for a 25-year period in a series of five-year leases. We understand a lease that exceeds five years can be considered a capital lease. We had to assume a series of five-year leases for the purposes of modeling. In reality, each of these lease agreements would be a one-year lease with four option years.

The house is located in Coral Gables, Florida. According to the current lease, the house is a five-bedroom, five-bath, single-family house containing approximately 4,823 square feet of living space. It has a two-car garage and is over 60 years old.

The term of the existing lease extends from June 1, 2010 through May 31, 2015. The monthly lease amount is \$5,600.

The following costs were considered in the analysis of this option: lease payments; security costs; operations costs; maintenance and repair costs; utilities; and periodic change of occupancy maintenance, assumed to occur every three years. With the exception of the lease payments, these cost categories are based on an examination of recent historical costs for the house, as are the data that underlie the cost estimates modeled for this alternative.

A 25-year LC analysis of this alternative produced the estimated Present Value of each category and total presented below. The analysis entailed projecting future expenditures, in current dollars, for the 25-year analysis period and discounting them back to base year FY13 dollars and computing a total. The analysis was conducted in current dollars (includes inflation) because the modeled five-year lease costs are not escalated annually, as are other costs. Ignoring this situation would distort relative costs.

- Lease Payments – \$1,284,473
- Security – \$103,110
- Operations Costs – \$146,138
- Maintenance and Repair Costs – \$417,950
- Utilities – \$303,776

- Change of Occupancy Maintenance – \$85,964
- Total – \$2,341,412

### **New Lease Alternative**

This option is modeled under the assumption that an alternative GFOQ is leased to the government for a 25-year period in a series of five-year leases. As with the “Status Quo,” we understand a lease that exceeds five years can be considered a capital lease. In reality, each of these lease agreements would be a one-year lease with four option years.

The house modeled for this alternative is a two-story, single-family house with 3,894 square feet of living space, five bedrooms, four bathrooms, and a two-car garage. Its monthly lease payment is \$5,500. This design is based on typical characteristics of a set of houses identified in an online search of real estate sites.

This online search for rental and lease homes in the Miami area was conducted between mid-October and mid-November 2011. Current Army Regulation<sup>2</sup> direction is that the programming benchmark for new construction for officers of the rank O-7 to O-10 is a 4-bedroom house with 3,330 gross square feet of living area. SCP occupants, as this person is, are authorized an additional 10 percent living space. Factoring in this allocation yields a size of 3,663 gross square feet. Since the “Status Quo” house is a detached two-story single-family house with a two-car garage, these characteristics were also used as part of the criteria. The addresses of the houses identified in the search were entered into Microsoft MapPoint software to estimate commuting distance to SOUTHCOM HQ. The software identified 13 for-rent or for-lease detached two-story single-family homes that meet all the criteria and that are within approximately 20 miles of SOUTHCOM HQ.

The two houses identified as closest to SOUTHCOM HQ are located in Doral. They are about six miles from SOUTHCOM. One is five years old and the other is 10. The average monthly lease/rent is \$5,500. Moving farther away from SOUTHCOM HQ, the lowest rental rates drop. The search identified seven houses located in Miami. They are located between 11 and 14 miles from SOUTHCOM. They were built between 1962 and 2006. Monthly rent ranges between about \$4,900 and \$8,900 and averages about \$7,374.

Due to their location, the two Doral houses most closely resemble the Status Quo house. The monthly rent for each is \$100 less than for the current house, and they were built much more recently. Accordingly, the Doral houses were selected as representative of a potential “New Lease Alternative.” Their average characteristics are described in the second paragraph for this alternative. The following costs were considered in the analysis of this option: lease payments, security, operations costs, maintenance and repair costs, utilities, and change of occupancy maintenance costs.

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<sup>2</sup> AR420-1, Army Facilities Management

A 25-year current dollar LC analysis of this alternative produced the estimated Present Value of each category and total presented below. The analysis made use of the same methodology described in the discussion of the “Status Quo” results.

- Lease Payments – \$1,236,793
- Security – \$111,108
- Operations Costs – \$146,138
- Maintenance and Repair Costs – \$244,289
- Utilities – \$243,021
- Change of Occupancy Maintenance – \$43,268
- Total – \$2,024,618

### **Purchase Alternative**

This analysis explores the purchase of an alternative GFOQ by the government. The house modeled in the cost analysis for this alternative is a two-story, single-family house with 4,488 square feet of living space, five bedrooms, four bathrooms, and a two-car garage. Its current purchase price would be \$1,070,000. This design is based on typical characteristics of a set of houses identified in an online search of real estate sites.

This research of for-sale homes in the Miami area was conducted between mid-October and mid-November 2011. The same criteria used in the selection of the “New Lease Alternative” were used to identify possible for-sale candidate homes. An estimated drive distance to SOUTHCOM HQ from the addresses of the identified houses was developed using Microsoft MapPoint. Houses that were likely beyond the 20-mile commute distance were eliminated from the list of possible candidates.

The search identified six for-sale homes that satisfied the criteria, with one close to the maximum commute distance. Two homes are over 70 years old and were dropped from further consideration. The prices of the four newer houses range from \$610,000 to almost \$3,200,000. The commute distances range between 13 and over 17 miles. Excluding the most expensive house from the set yields an average price of \$1,070,000. This set of houses was selected as the basis for the “Purchase Alternative.” All are appreciably newer than the “Status Quo Alternative” but less costly than the most expensive house identified above. The ages of the houses are 5, 32, and 47 years. These houses’ characteristics were used as the basis of the “Purchase Alternative” described in the first paragraph for this alternative.

The following costs were considered in the analysis of this option: purchase price; security costs; operations costs; maintenance and repair costs; utilities; change of occupancy maintenance costs; and mid-life renovation cost, along with offsetting residual value.

A 25-year current dollar LC analysis of this alternative produced the estimated Present Value of each category and total presented below. The analysis made use of the same methodology described in the discussion of the “Status Quo” results.

- Purchase Price – \$1,082,418
- Security Alarm System Installation Costs – \$112,327
- Operations Costs – \$146,138
- Maintenance and Repair Costs – \$903,442
- Utilities – \$273,398
- Change of Occupancy Maintenance – \$79,946
- Renovation Costs – \$81,363
- Residual Value – (\$864,488)
- Total – \$1,814,544

### **Housing Allowance Alternative**

This alternative represents the costs incurred to the government if the occupant opted to accept BAH in lieu of Army-provided housing. As indicated in the introduction to this report, the BAH alternative is provided for illustrative purposes only and is not considered a viable alternative. The occupant is a HRP occupying a SCP, and the Army cannot provide the required level of protection in privately owned houses or private sector rentals.

The costs consist of the stream of BAH payments during the analysis period. The 2011 BAH rate for an O7-O10 with dependents is \$3,039 per month or \$36,468 per year.

A 25-year current dollar LC analysis of this alternative produced the estimated Present Value of the BAH payments indicated below. The analysis made use of the same methodology described in the discussion of the “Status Quo” results.

- BAH – \$803,897

### **Discussion of Derivation of Costs**

Operating and maintenance costs used in this BCA are based on an analysis of historical expenditure data for the Status Quo GFOQ for the period 2005 – 2010. The data consisted of quarterly and annual expenditures for the following categories:

Utilities

Operations

    Services

    Management

    Furnishings

Maintenance and Repair

    Service Calls

    Self Help

    Security

    Routine Maintenance and Repair

    Incidental Improvements

Grounds Maintenance  
Change of Occupancy Maintenance

Actual expenditures for each of the categories served as the basis for the development of projected starting point values for the analysis. Prior to computation of the representative value, the costs were converted to FY2013 values.

Annual utility costs during the 2005 – 2010 time frame ranged between \$10,400 and \$17,262 in current dollars. Since there was no trend during that period, the average of these expenditures was selected for use with the "Status Quo" alternative. Utility costs for the "New Lease Alternative" and the "Purchase Alternative" were reduced in recognition of the combined effect of possible increased efficiency of the cooling equipment and the smaller size of the houses. The exterior equipment has been in place since the initial lease. The Alternatives are likely to be newer houses.

A conservative adjustment was elected because non-cooling utility costs may not be reduced significantly. Heating costs in southern Florida can be minor or non-existent, so increases in efficiency may not result in significant gains. Additionally, security related equipment, similar to that in the "Status Quo," will be needed in the alternative houses.

Given these circumstances, a 10 percent reduction in the utility costs was assumed for the similarly sized "Purchase Alternative." A 20 percent reduction in the utility bill was assumed for the "New Lease Alternative" in recognition of its smaller size.

Management and service expenditures account for the direct and indirect cost of management and support services provided to a house. Per house expenses are computed by allocating the total costs incurred in managing all the houses over the house stock. These expenditures have been fairly stable during recent years, averaging \$3,262 in current dollars, so recent costs were used as the basis for cost projections. Furnishing expenditures include the cost of purchasing, moving, maintaining furniture and authorized household equipment, and the expense of associated indirect support services. Furnishing expenditures for this house fluctuated between approximately \$2,900 and \$4,700 during the 2006 – 2010 time frame and averaged \$3,885. Because the future occupants are likely to have the same rank and position, an average of these costs is assumed to be representative and was used as the basis for the "Status Quo," "New Lease Alternative" and the "Purchase Alternative."

Maintenance and repairs costs consist of expenses for the following categories: self help, service calls, security, routine maintenance and repair, incidental improvements, grounds maintenance, and change of occupancy maintenance. Self help is the cost of providing materials to the occupant for use in maintaining/repairing the house. Self help items have not occurred in every year but account for an expenditure of about \$300 on an annualized basis. This item was not carried forward to the "New Lease Alternative" or the "Purchase Alternative." Service calls represent the expense of arranging for servicing of equipment in the GFOQ. Service calls have accounted for, on average, approximately \$4,400 annually, computed in current year dollars.

*Security* – Annual security expenses have accounted for \$5,019 per house, on average, in recent years. Assuming the “Purchase Alternative” or “New Lease Alternative” GFOQ will have the same rank and position, the AT/FP requirements associated with this house would continue. The exact cost of maintaining that level in other houses is unknown. Given this situation, the same level of expenditures is assumed to be associated with the “New Lease Alternative” and “Purchase Alternative.”

*Routine Maintenance and Repair* – Costs averaged \$6,281 in current dollars. To develop estimates for the “New Lease Alternative,” these costs were examined to identify items other than those related to AT/FP or Army-owned equipment. These items were dropped for the “New Lease Alternative” under the assumption that under a new lease, the lessor would be responsible for those items. The FY13 dollar amount is estimated to be \$2,275 in FY13 dollars. The costs were further adjusted in recognition of the smaller size of the “New Lease Alternative.”

*Incidental Improvements* – The current lease agreement allows the government to make incidental improvements, alterations, and attach fixtures to the residence. Expenses have occurred in three years – 2005, 2009, and 2010. On an annualized basis, they average about \$1,200 in current year dollars. These costs were not carried forward to the “New Lease Alternative” since leased houses in the U.S. are not routinely permitted this type of expenditure. The costs were adjusted in recognition of the smaller size of the “Purchase Alternative.”

*Grounds Maintenance* – Grounds maintenance in recent years has been contracted out under a competitive bid process. The costs average \$8,126 in current dollars. These costs were carried forward to the “New Lease Alternative” and the “Purchase Alternative.”

*Change of Occupancy Maintenance* – Costs are indicated for 2005, 2007 and 2009 and have varied between approximately \$6,500 and almost \$16,000 in current year dollars. The average of the three years, inflated to FY13 dollars, is \$12,419. For the “New Lease Alternative,” the estimated cost of change of occupancy was adjusted to remove the cost of normal wear and tear items. The lessor will be responsible for fair wear and tear items. The reduced change of occupancy maintenance estimate carried forward to the “New Lease Alternative,” in FY13 dollars, is \$7,717. The costs were also adjusted downwards in recognition of the smaller size of the “New Lease and Purchase Alternatives.”

*Additional Maintenance and Repair* – The SOUTHCOM Housing Office provided historical cost data for maintenance performed by the city during the analysis period. These additional maintenance and repair costs were assumed to be part of the maintenance activities for the “Purchase Alternative,” since they represent the part of maintenance performed on the house by Miami but would be an expense to the U.S. government for an Army-owned house. Costs for FY2005 – FY2009 were averaged and added to the total Maintenance and Repair cost estimate (adjusted down for house size).

The total M&R costs for the "Purchase Alternative" in FY13 dollars, exclusive of the change of occupancy and security categories, is \$47,083, compared to \$12,731 projected for the "New Lease Alternative" and \$21,782 for the "Status Quo."

The analysis includes projected costs beyond operation and maintenance. They are:

*"Status Quo" Lease* – The current lease amount, \$67,200, is in effect through May 2015. Thereafter the annual lease payment amount in effect for each subsequent five-year lease period was estimated by escalating the payment amount by the cumulative inflation anticipated to occur between the midpoints of the two lease periods, based on a 1.8 percent annual rate.

*"New Lease Alternative"* – The average rental rate, based on the rental/lease houses identified for this alternative, is \$5,500 per month in current dollars. This amount was escalated to a FY13 dollar value of \$67,073 for use in the initial five years of the analysis. Thereafter it was escalated using the same methodology as the Status Quo Lease.

*Price of "Purchase Alternative"* – The average purchase price of the houses identified for the "Purchase Alternative" analysis is about \$1,070,000.

*Security* – The cost of installing and maintaining a security system can be highly variable, depending on the site layout and other factors. We note a possible high cost estimate of \$200,000 for the installation of a security package from the local garrison, but given the potential for variability, we did not integrate this cost into the analysis. Instead, the analysis makes use of an estimated cost for a residential alarm system and the costs associated with maintaining security as encountered in the historical O&M cost data. The installed cost of the alarm system is based on information contained in a recent article in the Columbus Dispatch. The article indicates that the current cost of security systems ranges between \$1 and \$2 per square foot. The upper end of this range was used to develop FY13 costs. For the 3,894 square foot "New Lease Alternative," it is estimated to be \$8,030. The cost for the 4,488 square foot "Purchase Alternative" would be \$9,247. These costs were combined with the average cost of the security category of the historical M&R data for inclusion as a separate item in the LC model.

*Renovation Costs for "Purchase Alternative"* – A major renovation was envisioned for this alternative if the house is thought to be in need of major project work during the 25-year analysis. The cost is based on an average of historic DD Form 1391s for major projects in CONUS installations. The results were compared to the potential costs using an estimated cost to convert a house with an ISR Q3 to an ISR Q2 and developing an estimate to perform a major revitalization using the methodology presented in the Army Family Housing Planning Guide. Since these two methods produced cost estimates that bracketed the DD Form 1391 average cost, the average cost of \$141,326 in FY13 dollars was selected for inclusion in the analysis.

*Depreciated Value of "Purchased Alternative"* – Current Army Economic Guidance was used to develop an estimate of the residual value of the purchased house at the end of the analysis

period. This methodology considers the decay of the building and the potential appreciation of the site.

## Comparison of Results

A direct comparison of the Present Value of four options indicates:

- The least expensive option is the BAH or Housing Allowance option.
- The “Purchase Alternative” ranks next followed by the “New Lease” Alternative
- The Status Quo option appears to be the most costly.

Alternative	Status Quo	New Lease	Purchase	BAH
Present Value	\$2,341,412	\$2,024,618	\$1,814,544	\$803,897
Delta with Status Quo		(\$316,794)	(\$526,868)	(\$1,537,515)

Based on the estimated LC costs alone, the three alternatives to the status quo appear better options. The BAH option does not address security concerns and is not a viable solution. The “New Lease Alternative” is estimated to cost about \$300K less than the Status Quo. The cost of FP/AT measures for the “New Lease Alternative” is not included in the cost estimate. The actual costs of these measures for a specific house are impossible to estimate accurately in advance. They can vary based on site conditions, the nature of the house and other factors. A generic estimate provided by the SOUTHCOM garrison puts the cost to outfit an existing house with a security package at between \$180k and \$200k. Costs of this magnitude could greatly diminish the cost differential. If the expenses turn out to be higher, they could eliminate the difference altogether.

The “Purchase Alternative’s” costs exceed that of the Status Quo by over \$500K. The cost of AT/FP measures required for the “Purchase Alternative” are also not included in the cost estimate. The cost includes an adjustment for an estimated residual value of over \$800K at the end of the 25-year period. It may be that this value is not realized, making the LC cost of the “Purchase Alternative” higher than estimated. Coupled with the uncertain but required cost of AT/FP, a lower salvage value could reduce or eliminate the cost gap altogether.

## Recommendations

The AT/FP situation of the “Status Quo” house is known, the system is already paid for and in place. The AT/FP requirements for the “New Lease Alternative” and the “Purchase Alternative” would need to be addressed. The Army currently has a five year lease with the lessor. This arrangement provides some stability in the near future but affords the flexibility to change options in the longer run. Much the same could be said for a similarly structured Alternative Lease, except an acceptable house would need to be identified, a lease arrangement established, and AT/FP requirements addressed. In either case, the Army would be at risk that lessor would not renew the lease upon expiration of the lease period. The “Purchase Alternative” would provide more long-term stability to the GFOQ housing situation, but the

government would assume the upfront costs, full maintenance costs and the obligations and risk of ownership. Like the "New Lease Alternative," an acceptable house would need to be identified, and AT/FP requirements, with unknown costs, addressed. The occupant is a High Risk Person (HRP) in a Special Command Position (SCP) with a significant security requirement. The Army cannot provide the required level of protection to HRP SCP people in privately owned houses or private sector rentals. The Army does not have a legal means to make or fund facility modifications since the Army has no "ownership" of private rental units. Army ownership exists in leased units via the lease document, which typically allows the Army to make removable facility modifications during the term of the lease. AT/FP would need to be addressed individually for any selected replacement lease or purchase unit and would include significant up-front costs (\$200k or more) as well as increased maintenance and repair and services (alarm system monitoring, etc) over the life cycle of the unit.

Base on the issues in the above discussion, the Army's recommendation is to continue the existing lease arrangement.

### **Life Cycle Cost Computations**

The LC analysis was based on the following methods and assumptions. The analysis was conducted using current dollars and nominal interest rates. This approach is indicated for analyses that include a consideration of lease payments which escalate at a rate that differs from the general rate of inflation. Lease payments were assumed to remain unchanged during the five-year lease period. The annual lease payment amount for each subsequent five-year lease period was estimated by escalating the payment amount by the cumulative inflation anticipated to occur between the midpoints of the two lease periods. For escalation of non-lease payment costs, the analysis uses annual inflation rates for an analysis of a 25-year housing tenure period beginning in 2013 and continuing through 2038. Inflation rates used in the analyses are based on the annual rate of change in the GDP deflator implicit in the 2012 Budget of the U.S. Government and include Army Family Housing Operations/Construction and Military Pay rates.

The analysis uses an annual nominal discount rate of 4.05 percent to discount values back to FY13 values. This rate, appropriate for a 25-year analysis, is an interpolation of the 20- and 30-year rates in the current edition of Appendix C of OMB Circular A-94. It was obtained from the 2011 Discounting Guide<sup>3</sup>.

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<sup>3</sup> 2011 Discounting Guide, Report Number 2011-018, TACOM Life Cycle Management Command



## APPENDIX A

### Current Dollar Life Cycle Analysis

This appendix contains four Life Cycle (LC) cost tables – one for each of the GFOQ alternatives: Status Quo; New Lease Alternative; Purchase Alternative; and BAH. The data in these tables are the result of a current-dollar LC analysis. The tables contain the annual Present Values (PV) of the projected costs for the categories discussed in the report, along with totals. Column headings contain the cost component titles. Annual PV costs are presented in rows beneath the titles adjacent to the corresponding year. The analysis period spans 25 years – FY2013 through FY2037. Further details concerning the methodology used in the analysis can be found in the Life-Cycle Cost Computations section of the report.

#### *Status Quo (Current Dollars)*

Year	Annual Lease Payment	Security	Operations	Maintenance & Repair	Utilities	Change of Occupancy	Total
2013	\$65,876	\$5,352	\$7,585	\$21,694	\$15,768	\$12,369	\$128,644
2014	\$63,316	\$5,231	\$7,415	\$21,205	\$15,413		\$112,580
2015	\$62,210	\$5,113	\$7,247	\$20,726	\$15,064		\$110,360
2016	\$63,714	\$4,998	\$7,084	\$20,259	\$14,725	\$11,551	\$122,329
2017	\$61,232	\$4,885	\$6,923	\$19,801	\$14,392		\$107,233
2018	\$58,845	\$4,774	\$6,767	\$19,352	\$14,066		\$103,805
2019	\$56,554	\$4,666	\$6,614	\$18,915	\$13,748	\$10,784	\$111,281
2020	\$55,626	\$4,561	\$6,465	\$18,490	\$13,439		\$98,580
2021	\$57,116	\$4,458	\$6,319	\$18,072	\$13,135		\$99,100
2022	\$54,891	\$4,358	\$6,176	\$17,663	\$12,838	\$10,071	\$105,996
2023	\$52,754	\$4,259	\$6,036	\$17,264	\$12,548		\$92,861
2024	\$50,705	\$4,163	\$5,901	\$16,876	\$12,266		\$89,910
2025	\$49,864	\$4,069	\$5,767	\$16,493	\$11,988	\$9,404	\$97,585
2026	\$51,200	\$3,977	\$5,637	\$16,121	\$11,717		\$88,652
2027	\$49,205	\$3,887	\$5,509	\$15,756	\$11,452		\$85,809
2028	\$47,289	\$3,799	\$5,385	\$15,400	\$11,193	\$8,780	\$91,845
2029	\$45,451	\$3,714	\$5,263	\$15,053	\$10,941		\$80,422
2030	\$44,702	\$3,630	\$5,145	\$14,713	\$10,694		\$78,884
2031	\$45,903	\$3,548	\$5,029	\$14,382	\$10,453	\$8,200	\$87,515
2032	\$44,114	\$3,468	\$4,915	\$14,056	\$10,217		\$76,770
2033	\$42,392	\$3,389	\$4,803	\$13,737	\$9,985		\$74,306
2034	\$40,746	\$3,313	\$4,695	\$13,429	\$9,760	\$7,656	\$79,600
2035	\$40,072	\$3,238	\$4,589	\$13,125	\$9,539		\$70,562
2036	\$41,148	\$3,165	\$4,486	\$12,829	\$9,325		\$70,953
2037	\$39,548	\$3,094	\$4,385	\$12,540	\$9,114	\$7,150	\$75,830
<b>Total PV</b>	<b>\$1,284,473</b>	<b>\$103,110</b>	<b>\$146,138</b>	<b>\$417,950</b>	<b>\$303,776</b>	<b>\$85,964</b>	<b>\$2,341,412</b>

***New Lease Alternative (Current Dollars)***

<b>Year</b>	<b>Annual Lease Payment</b>	<b>Security System</b>	<b>Operations</b>	<b>Maintenance &amp; Repair</b>	<b>Utilities</b>	<b>Change of Occupancy</b>	<b>Total</b>
2013	\$65,751	\$13,350	\$7,585	\$12,680	\$12,614	\$6,226	\$118,207
2014	\$63,196	\$5,231	\$7,415	\$12,394	\$12,330		\$100,566
2015	\$60,734	\$5,113	\$7,247	\$12,114	\$12,051		\$97,260
2016	\$58,373	\$4,998	\$7,084	\$11,841	\$11,780	\$5,814	\$99,889
2017	\$56,100	\$4,885	\$6,923	\$11,573	\$11,513		\$90,994
2018	\$58,943	\$4,774	\$6,767	\$11,311	\$11,253		\$93,048
2019	\$56,648	\$4,666	\$6,614	\$11,056	\$10,998	\$5,428	\$95,410
2020	\$54,448	\$4,561	\$6,465	\$10,807	\$10,751		\$87,032
2021	\$52,329	\$4,458	\$6,319	\$10,563	\$10,508		\$84,177
2022	\$50,290	\$4,358	\$6,176	\$10,324	\$10,270	\$5,069	\$86,487
2023	\$52,841	\$4,259	\$6,036	\$10,091	\$10,038		\$83,266
2024	\$50,789	\$4,163	\$5,901	\$9,864	\$9,812		\$80,529
2025	\$48,809	\$4,069	\$5,767	\$9,640	\$9,590	\$4,733	\$82,608
2026	\$46,909	\$3,977	\$5,637	\$9,422	\$9,374		\$75,318
2027	\$45,081	\$3,887	\$5,509	\$9,209	\$9,161		\$72,848
2028	\$47,367	\$3,799	\$5,385	\$9,001	\$8,954	\$4,419	\$78,925
2029	\$45,526	\$3,714	\$5,263	\$8,798	\$8,753		\$72,054
2030	\$43,756	\$3,630	\$5,145	\$8,600	\$8,555		\$69,685
2031	\$42,055	\$3,548	\$5,029	\$8,406	\$8,363	\$4,127	\$71,528
2032	\$40,416	\$3,468	\$4,915	\$8,216	\$8,173		\$65,188
2033	\$42,462	\$3,389	\$4,803	\$8,029	\$7,988		\$66,672
2034	\$40,814	\$3,313	\$4,695	\$7,849	\$7,808	\$3,854	\$68,333
2035	\$39,223	\$3,238	\$4,589	\$7,671	\$7,631		\$62,353
2036	\$37,699	\$3,165	\$4,486	\$7,499	\$7,460		\$60,308
2037	\$36,233	\$3,094	\$4,385	\$7,329	\$7,291	\$3,599	\$61,931
<b>Total PV</b>	<b>\$1,236,793</b>	<b>\$111,108</b>	<b>\$146,138</b>	<b>\$244,289</b>	<b>\$243,021</b>	<b>\$43,268</b>	<b>\$2,024,618</b>

**Purchase Alternative (Current Dollars)**

Year	Purchase Price	Security	Operations	Maintenance & Repair	Utilities	Change of Occupancy	Renovation Cost	Salvage Value	Total
2013	\$1,082,418	\$14,562	\$7,585	\$46,894	\$14,191	\$11,503			\$1,177,153
2014		\$5,232	\$7,415	\$45,838	\$13,871				\$72,355
2015		\$5,114	\$7,247	\$44,801	\$13,558				\$70,719
2016		\$4,998	\$7,084	\$43,791	\$13,252	\$10,742			\$79,867
2017		\$4,885	\$6,923	\$42,801	\$12,952				\$67,562
2018		\$4,775	\$6,767	\$41,832	\$12,659				\$66,033
2019		\$4,667	\$6,614	\$40,887	\$12,373	\$10,029			\$74,570
2020		\$4,562	\$6,465	\$39,967	\$12,095				\$63,088
2021		\$4,459	\$6,319	\$39,064	\$11,822				\$61,664
2022		\$4,358	\$6,176	\$38,181	\$11,554	\$9,366			\$69,634
2023		\$4,259	\$6,036	\$37,318	\$11,293				\$58,907
2024		\$4,164	\$5,901	\$36,478	\$11,039				\$57,582
2025		\$4,069	\$5,767	\$35,652	\$10,789	\$8,745			\$65,023
2026		\$3,977	\$5,637	\$34,847	\$10,545				\$55,006
2027		\$3,887	\$5,509	\$34,058	\$10,307				\$53,761
2028		\$3,799	\$5,385	\$33,288	\$10,074	\$8,165			\$60,711
2029		\$3,714	\$5,263	\$32,538	\$9,847				\$51,362
2030		\$3,630	\$5,145	\$31,805	\$9,625				\$50,204
2031		\$3,548	\$5,029	\$31,088	\$9,408	\$7,626			\$56,699
2032		\$3,468	\$4,915	\$30,384	\$9,195				\$47,962
2033		\$3,389	\$4,803	\$29,695	\$8,986				\$46,873
2034		\$3,313	\$4,695	\$29,027	\$8,784	\$7,120			\$52,940
2035		\$3,238	\$4,589	\$28,370	\$8,585				\$44,783
2036		\$3,165	\$4,486	\$27,732	\$8,392				\$43,775
2037		\$3,094	\$4,385	\$27,106	\$8,203	\$6,649	\$81,363	\$(864,488)	\$(733,689)
<b>Total PV</b>	<b>\$1,082,418</b>	<b>\$112,327</b>	<b>\$146,138</b>	<b>\$903,442</b>	<b>\$273,398</b>	<b>\$79,946</b>	<b>\$81,363</b>	<b>\$(864,488)</b>	<b>\$1,814,544</b>

***BAH (Current Dollars)***

<b>FY</b>	<b>BAH</b>
2013	\$37,075.15
2014	\$36,587.42
2015	\$36,146.83
2016	\$35,714.44
2017	\$35,284.34
2018	\$34,858.53
2019	\$34,439.17
2020	\$34,028.58
2021	\$33,619.81
2022	\$33,214.75
2023	\$32,815.42
2024	\$32,423.99
2025	\$32,032.26
2026	\$31,647.26
2027	\$31,265.63
2028	\$30,889.27
2029	\$30,520.20
2030	\$30,154.56
2031	\$29,794.21
2032	\$29,434.72
2033	\$29,077.67
2034	\$28,731.52
2035	\$28,384.80
2036	\$28,046.04
2037	\$27,710.03
<b>Total PV</b>	<b>\$803,897.00</b>

## APPENDIX B

### Constant Dollar Life Cycle Analysis

This appendix contains four Life Cycle (LC) cost tables – one for each of the GFOQ alternatives: Status Quo; New Lease Alternative; Purchase Alternative; and BAH. The data in these tables are the result of a constant-dollar LC analysis and are included as backup.

#### *Status Quo (Constant Dollars)*

Year	Annual Lease Payment	Security	Operations	Maintenance & Repair	Utilities	Change of Occupancy	Total
2013	\$66,474	\$5,316	\$7,534	\$21,546	\$15,660	\$12,285	\$128,815
2014	\$65,043	\$5,201	\$7,372	\$21,082	\$15,323		\$114,021
2015	\$63,638	\$5,089	\$7,212	\$20,627	\$14,992		\$111,559
2016	\$62,274	\$4,980	\$7,058	\$20,185	\$14,671	\$11,508	\$120,676
2017	\$60,930	\$4,872	\$6,905	\$19,749	\$14,354		\$106,811
2018	\$59,620	\$4,767	\$6,757	\$19,325	\$14,046		\$104,514
2019	\$58,336	\$4,665	\$6,611	\$18,909	\$13,743	\$10,781	\$113,045
2020	\$57,080	\$4,564	\$6,469	\$18,501	\$13,447		\$100,061
2021	\$55,850	\$4,466	\$6,330	\$18,103	\$13,157		\$97,906
2022	\$54,647	\$4,370	\$6,193	\$17,713	\$12,874	\$10,099	\$105,896
2023	\$53,471	\$4,276	\$6,060	\$17,332	\$12,597		\$93,735
2024	\$52,322	\$4,184	\$5,930	\$16,959	\$12,326		\$91,721
2025	\$51,193	\$4,094	\$5,802	\$16,593	\$12,060	\$9,461	\$99,202
2026	\$50,091	\$4,005	\$5,677	\$16,236	\$11,801		\$87,810
2027	\$49,016	\$3,919	\$5,555	\$15,887	\$11,547		\$85,925
2028	\$47,961	\$3,835	\$5,436	\$15,545	\$11,299	\$8,863	\$92,939
2029	\$46,926	\$3,752	\$5,318	\$15,210	\$11,055		\$82,261
2030	\$45,918	\$3,672	\$5,204	\$14,883	\$10,818		\$80,494
2031	\$44,930	\$3,593	\$5,092	\$14,563	\$10,585	\$8,303	\$87,066
2032	\$43,962	\$3,515	\$4,982	\$14,249	\$10,357		\$77,066
2033	\$43,015	\$3,440	\$4,875	\$13,942	\$10,134		\$75,405
2034	\$42,087	\$3,365	\$4,770	\$13,642	\$9,915	\$7,778	\$81,558
2035	\$41,187	\$3,293	\$4,668	\$13,350	\$9,703		\$72,201
2036	\$40,300	\$3,223	\$4,567	\$13,062	\$9,494		\$70,646
2037	\$39,426	\$3,153	\$4,468	\$12,779	\$9,288	\$7,286	\$76,401
<b>Total PV</b>	<b>\$1,295,697</b>	<b>\$103,609</b>	<b>\$146,846</b>	<b>\$419,974</b>	<b>\$305,247</b>	<b>\$86,363</b>	<b>\$2,357,736</b>

***New Lease Alternative (Constant Dollars)***

<b>Year</b>	<b>Annual Lease Payment</b>	<b>Security System</b>	<b>Operations</b>	<b>Maintenance &amp; Repair</b>	<b>Utilities</b>	<b>Change of Occupancy</b>	<b>Total</b>
2013	\$66,348	\$13,259	\$7,534	\$12,594	\$12,528	\$6,183	\$118,446
2014	\$64,920	\$5,201	\$7,372	\$12,322	\$12,259		\$102,074
2015	\$63,518	\$5,089	\$7,212	\$12,056	\$11,994		\$99,870
2016	\$62,156	\$4,980	\$7,058	\$11,798	\$11,737	\$5,792	\$103,521
2017	\$60,815	\$4,873	\$6,905	\$11,543	\$11,483		\$95,620
2018	\$59,507	\$4,768	\$6,757	\$11,295	\$11,236		\$93,563
2019	\$58,226	\$4,665	\$6,611	\$11,052	\$10,995	\$5,426	\$96,975
2020	\$56,971	\$4,565	\$6,469	\$10,814	\$10,758		\$89,577
2021	\$55,744	\$4,466	\$6,330	\$10,581	\$10,526		\$87,647
2022	\$54,543	\$4,370	\$6,193	\$10,353	\$10,299	\$5,083	\$90,842
2023	\$53,370	\$4,276	\$6,060	\$10,130	\$10,078		\$83,914
2024	\$52,223	\$4,184	\$5,930	\$9,912	\$9,861		\$82,110
2025	\$51,096	\$4,094	\$5,802	\$9,699	\$9,648	\$4,762	\$85,100
2026	\$49,996	\$4,006	\$5,677	\$9,490	\$9,441		\$78,609
2027	\$48,923	\$3,920	\$5,555	\$9,286	\$9,238		\$76,922
2028	\$47,870	\$3,835	\$5,436	\$9,086	\$9,039	\$4,461	\$79,727
2029	\$46,837	\$3,753	\$5,318	\$8,890	\$8,844		\$73,642
2030	\$45,831	\$3,672	\$5,204	\$8,699	\$8,654		\$72,060
2031	\$44,845	\$3,593	\$5,092	\$8,512	\$8,468	\$4,179	\$74,689
2032	\$43,879	\$3,516	\$4,982	\$8,329	\$8,285		\$68,991
2033	\$42,933	\$3,440	\$4,875	\$8,149	\$8,107		\$67,504
2034	\$42,008	\$3,366	\$4,770	\$7,974	\$7,932	\$3,915	\$69,964
2035	\$41,109	\$3,294	\$4,668	\$7,803	\$7,762		\$64,636
2036	\$40,223	\$3,223	\$4,567	\$7,635	\$7,595		\$63,244
2037	\$39,352	\$3,153	\$4,468	\$7,469	\$7,431	\$3,667	\$65,540
<b>Total PV</b>	<b>\$1,293,241</b>	<b>\$111,560</b>	<b>\$146,846</b>	<b>\$245,472</b>	<b>\$244,197</b>	<b>\$43,469</b>	<b>\$2,084,786</b>

**Purchase Alternative (Constant Dollars)**

Year	Purchase Price	Security	Operations	Maintenance & Repair	Utilities	Change of Occupancy	Renovation	Salvage Value	Total
2013	\$1,075,044	\$14,463	\$7,534	\$46,575	\$14,094	\$11,425			\$1,169,134
2014		\$5,201	\$7,372	\$45,572	\$13,791				\$71,936
2015		\$5,089	\$7,212	\$44,588	\$13,493				\$70,382
2016		\$4,980	\$7,058	\$43,632	\$13,204	\$10,703			\$79,576
2017		\$4,873	\$6,905	\$42,690	\$12,919				\$67,387
2018		\$4,768	\$6,757	\$41,772	\$12,641				\$65,938
2019		\$4,665	\$6,611	\$40,873	\$12,369	\$10,026			\$74,544
2020		\$4,565	\$6,469	\$39,992	\$12,102				\$63,128
2021		\$4,466	\$6,330	\$39,131	\$11,842				\$61,768
2022		\$4,370	\$6,193	\$38,288	\$11,587	\$9,392			\$69,830
2023		\$4,276	\$6,060	\$37,464	\$11,337				\$59,137
2024		\$4,184	\$5,930	\$36,659	\$11,094				\$57,867
2025		\$4,094	\$5,802	\$35,868	\$10,854	\$8,798			\$65,416
2026		\$4,006	\$5,677	\$35,096	\$10,621				\$55,399
2027		\$3,920	\$5,555	\$34,342	\$10,393				\$54,210
2028		\$3,835	\$5,436	\$33,603	\$10,169	\$8,243			\$61,286
2029		\$3,753	\$5,318	\$32,878	\$9,950				\$51,899
2030		\$3,672	\$5,204	\$32,172	\$9,736				\$50,784
2031		\$3,593	\$5,092	\$31,480	\$9,526	\$7,722			\$57,413
2032		\$3,516	\$4,982	\$30,802	\$9,321				\$48,621
2033		\$3,440	\$4,875	\$30,138	\$9,120				\$47,573
2034		\$3,366	\$4,770	\$29,488	\$8,924	\$7,233			\$53,781
2035		\$3,294	\$4,668	\$28,857	\$8,733				\$45,551
2036		\$3,223	\$4,567	\$28,236	\$8,545				\$44,570
2037		\$3,153	\$4,468	\$27,624	\$8,359	\$6,776	\$82,916	\$(886,788)	\$(753,492)
<b>Total PV</b>	<b>\$1,075,044</b>	<b>\$112,764</b>	<b>\$146,846</b>	<b>\$907,817</b>	<b>\$274,722</b>	<b>\$80,318</b>	<b>\$82,916</b>	<b>\$(886,788)</b>	<b>\$1,793,639</b>

***BAH (Constant Dollars)***

<b>FY</b>	<b>BAH</b>
<b>\$2,013.00</b>	<b>\$37,411.75</b>
<b>\$2,014.00</b>	<b>\$36,606.18</b>
<b>\$2,015.00</b>	<b>\$35,815.74</b>
<b>\$2,016.00</b>	<b>\$35,047.99</b>
<b>\$2,017.00</b>	<b>\$34,291.58</b>
<b>\$2,018.00</b>	<b>\$33,554.09</b>
<b>\$2,019.00</b>	<b>\$32,831.72</b>
<b>\$2,020.00</b>	<b>\$32,124.49</b>
<b>\$2,021.00</b>	<b>\$31,432.38</b>
<b>\$2,022.00</b>	<b>\$30,755.40</b>
<b>\$2,023.00</b>	<b>\$30,093.54</b>
<b>\$2,024.00</b>	<b>\$29,446.82</b>
<b>\$2,025.00</b>	<b>\$28,811.44</b>
<b>\$2,026.00</b>	<b>\$28,191.19</b>
<b>\$2,027.00</b>	<b>\$27,586.06</b>
<b>\$2,028.00</b>	<b>\$26,992.28</b>
<b>\$2,029.00</b>	<b>\$26,409.85</b>
<b>\$2,030.00</b>	<b>\$25,842.55</b>
<b>\$2,031.00</b>	<b>\$25,286.59</b>
<b>\$2,032.00</b>	<b>\$24,741.98</b>
<b>\$2,033.00</b>	<b>\$24,208.72</b>
<b>\$2,034.00</b>	<b>\$23,686.80</b>
<b>\$2,035.00</b>	<b>\$23,180.01</b>
<b>\$2,036.00</b>	<b>\$22,680.78</b>
<b>\$2,037.00</b>	<b>\$22,189.12</b>
<b>Total PV</b>	<b>\$729,219.05</b>

## APPENDIX C

### Excerpt from Senate Report 112-29

Military Construction and Veterans Affairs, and Related Agencies Appropriation Bill, 2012  
Senate Report 112-29

The following text was excerpted from pages 15-16 of the aforementioned report.

General/Flag Officer Quarters [GFOQ].—The Committee is concerned that the Department of Defense is spending an inordinate amount of taxpayer funds on leases, maintenance and upgrades to general and flag officer quarters [GFOQs]. This year, the report on expenditures of GFOQs exceeding the \$35,000 statutory limit for maintenance cited 81 instances where the quarters exceeded this amount. Of the 81 cited, 71 were assigned to the Army as the executive agent, 1 to the Air Force, and 9 to the Navy. At a time when agencies throughout the Federal Government are making sacrifices to save valuable tax dollars, the Committee is concerned that the Department of Defense is not scrutinizing its GFOQ leasing program as carefully as it should.

For example, the Army has committed to pay \$66,000 per year to lease a house in the Miami, Florida, area where current real estate market conditions do not warrant such an expense. In addition to the cost of the lease, the Army plans to spend \$190,000 in 2012 for operations, utilities and security, of which \$31,000 is for routine maintenance, for a house owned by the city. Additionally, the Committee has been notified that the Army plans to spend \$300,000 to “adequately size the official entertainment space within the home.”

The Committee questions the requirement for this particular expenditure, particularly in the current fiscal environment, and directs the Army to defer funding for this proposal until the Committee has been briefed on the requirement and has approved the proposed project. The Committee further directs the Army to report to the Committees on Appropriations of both Houses of Congress, no later than December 1, 2011, on all expenditures for this residence, from all accounts, since signing the lease. In addition, the report should include a business case analysis detailing why this lease option is advantageous to the Government and the planned timeframe for occupying this residence.

## Historical Expenditure by Fiscal Year

3501 Granada, Coral Gables, FL

Fiscal Year	2004 ● ■	2005 ■	2006 ■	2007 ■	2008 ■	2009 ■	2010 ■	2011 ■	Totals
Utilities	\$ 11,469	\$ 10,435	\$ 15,254	\$ 16,741	\$ 10,997	\$ 13,277	\$ 17,262	\$ 15,120	\$ 110,555
Utilities Sub Totals:	\$ 11,469	\$ 10,435	\$ 15,254	\$ 16,741	\$ 10,997	\$ 13,277	\$ 17,262	\$ 15,120	\$ 110,555
Services	\$ 260	\$ 170	\$ 288	\$ 216	\$ 291	\$ 216	\$ 296	\$ 380	\$ 2,117
Management	\$ 5,620	\$ 5,904	\$ 5,218	\$ 2,984	\$ 2,984	\$ 3,000	\$ 3,000	\$ 3,000	\$ 31,710
Furnishings	\$ -	\$ 2,590	\$ 2,927	\$ 4,744	\$ 4,575	\$ 3,696	\$ 3,482	\$ 3,754	\$ 25,768
Operations Sub Totals:	\$ 5,880	\$ 8,664	\$ 8,433	\$ 7,944	\$ 7,850	\$ 6,912	\$ 6,778	\$ 7,134	\$ 59,595
Service Calls	\$ -	\$ -	\$ 986	\$ 3,198	\$ 6,767	\$ 6,411	\$ 4,834	\$ 4,469	\$ 26,665
Self Help	\$ -	\$ 302	\$ 820	\$ -	\$ -	\$ -	\$ 585	\$ 428	\$ 2,135
Security	\$ 11,803	\$ 57,562	\$ 3,939	\$ 2,711	\$ 8,631	\$ 2,500	\$ 7,316	\$ 3,200	\$ 97,662
Routine Maintenance and Repair	\$ 11,930	\$ 3,785	\$ 9,909	\$ 7,492	\$ 7,485	\$ -	\$ 6,519	\$ 2,699	\$ 49,819
Incidental Improvements	\$ 3,000	\$ 1,200	\$ -	\$ -	\$ -	\$ 2,997	\$ 2,773	\$ -	\$ 9,970
Grounds Maintenance	\$ 3,925	\$ 4,030	\$ 7,793	\$ 4,450	\$ 12,150	\$ 7,835	\$ 8,400	\$ 6,405	\$ 54,988
Change of Occupancy Maintenance	\$ -	\$ 15,930	\$ -	\$ 6,466	\$ -	\$ 11,164	\$ -	\$ -	\$ 33,560
Maintenance and Repair Sub Totals:	\$ 30,658	\$ 82,809	\$ 23,447	\$ 24,317	\$ 35,033	\$ 30,907	\$ 30,427	\$ 17,201	\$ 274,799
Lease	\$ 51,500	\$ 40,700	\$ 50,600	\$ 52,200	\$ 53,500	\$ 54,000	\$ 58,400	\$ 67,200	\$ 428,100
Lease Sub Totals:	\$ 51,500	\$ 40,700	\$ 50,600	\$ 52,200	\$ 53,500	\$ 54,000	\$ 58,400	\$ 67,200	\$ 428,100
<b>Grand Totals:</b>	<b>\$ 99,507</b>	<b>\$ 142,608</b>	<b>\$ 97,734</b>	<b>\$ 101,202</b>	<b>\$ 107,380</b>	<b>\$ 105,096</b>	<b>\$ 112,867</b>	<b>\$ 106,655</b>	<b>\$ 873,049</b>

Notes:

Notes:

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Partial year expenditures reported for fourth quarter FY04 only.

All expenditures pulled from previously submitted annual expenditure reports.