

Appendix B:

Eelgrass Avoidance Alternative Economic Analysis

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Option 1: Planting Up to +2 MLLW

1. Eelgrass avoidance alternative - Add 50.4 Acres of Baskets, 6.4 Acres of LL

	Year 1 & Prior	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Market Price
Pacific Basket Expansion (Dozen)	-	-	864,000	1,728,000	2,177,280	2,177,280	2,177,280	2,177,280	2,177,280	2,177,280	15,655,680	\$ 5.00
Kumamoto Cluster (Dozen)	-	-	34,560	34,560	34,560	34,560	34,560	34,560	34,560	34,560	276,480	\$ 7.50
Sales	\$ -	\$ -	\$ 4,579,200	\$ 8,899,200	\$ 11,145,600	\$ 11,145,600	\$ 11,145,600	\$ 11,145,600	\$ 11,145,600	\$ 11,145,600	\$ 80,352,000	
Internal Profit - includes cost of seed	\$ -	\$ -	\$ 595,296	\$ 1,156,896	\$ 1,448,928	\$ 1,448,928	\$ 1,448,928	\$ 1,448,928	\$ 1,448,928	\$ 1,448,928	\$ 10,445,760	
Investment to Build Summary												
Permit Investment (Legal/Consult)	\$ 2,030,000											
Monitoring Plan	\$ 420,000											
Basket Equipment and Install (\$150k/Acre)	\$ 7,560,000											
	\$ 10,010,000											
Interest Calculation at 4.00%	400,400	416,416	409,261	379,355	336,572	292,078	245,804	197,679	147,629	95,577	2,920,773	
Project Profit/(Loss) by year	\$ (10,410,400)	\$ (416,416)	\$ 186,035	\$ 777,541	\$ 1,112,356	\$ 1,156,850	\$ 1,203,124	\$ 1,251,249	\$ 1,301,299	\$ 1,353,351	\$ (2,485,013)	

NOTE: Analysis excludes plant improvements and other necessary investments that would be made in order to handle the additional volume. These cost components have been excluded as they are likely to be incurred whether required to avoid eelgrass or not. Analysis also assumes that the oysters growth rate at a 1.5' elevation will be equal to the growth rate of beds below a 1.5' elevation.

Appendix B: Eelgrass Avoidance Alternative Economic Analysis

Option 2: Planting Up to +1.5 MLLW

1. Eelgrass avoidance alternative - 6.4 Acres of LL

	Year 1 & Prior	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	Market Price
Pacific Basket Expansion (Dozen)	-	-	-	-	-	-	-	-	-	-	-	
Kumamoto Cluster (Dozen)	-	-	34,560	34,560	34,560	34,560	34,560	34,560	34,560	34,560	276,480	\$ 5.00
Sales	\$ -	\$ -	\$ 259,200	\$ 259,200	\$ 259,200	\$ 259,200	\$ 259,200	\$ 259,200	\$ 259,200	\$ 259,200	\$ 2,073,600	\$ 7.50
Internal Profit - includes cost of seed	\$ -	\$ -	\$ 33,696	\$ 33,696	\$ 33,696	\$ 33,696	\$ 33,696	\$ 33,696	\$ 33,696	\$ 33,696	\$ 269,568	
Investment to Build Summary												
Permit Investment (Legal/Consult)	\$ 2,030,000											
Monitoring Plan	\$ 60,000											
Basket Equipment and Install (\$150k/Acre)	\$ -											
	\$ 2,090,000											
Interest Calculation at 4.00%	83,600	86,944	89,074	91,289	93,593	95,989	98,480	101,072	103,767	106,570	950,377	
Project Profit/(Loss) by year	\$ (2,173,600)	\$ (86,944)	\$ (55,378)	\$ (57,593)	\$ (59,897)	\$ (62,293)	\$ (64,784)	\$ (67,376)	\$ (70,071)	\$ (72,874)	\$ (2,770,809)	

NOTE: Analysis excludes plant improvements and other necessary investments that would be made in order to handle the additional volume. These cost components have been excluded as they are likely to be incurred whether required to avoid eelgrass or not. Analysis also assumes that the oysters growth rate at a 1.5' elevation will be equal to the growth rate of beds below a 1.5' elevation.