

Potential Revenue Sources for City Hall Improvements
All annual amounts in 2008 Dollars
(Drafted 10/12/08)

1. TIF funds from City Hall property - \$220,000 annually – revenue available until 2021.
2. The renewed County Sales Tax – This tax was “sold” to the public as public safety tax. The county asked the cities to pledge to use their proceeds for public safety purposes. We did not budget these funds in 2009 and our reserve will exceed \$800,000 at the end of the year. This public safety sales tax would pay for that part of the improvements which are used by the Police. Annual amount \$150,000.
3. 27D infrastructure City Sales Tax Fund. Scheduled to expire in March 31, 2013. Prior to expiration, we will have funded our RC12-012 and RC12-014 commitment. This would require the tax being re-approved by the voters when it expires in 2013 (at November 2012 election). Annual amount \$350,000.

Recap – Annual amount available for Debt – 2008 Dollars

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|------------------|-----------|
| TIF | \$220,000 |
| County Sales Tax | 150,000 |
| 27D | 350,000 |
| | \$720,000 |

Improvements choices analysis

Option #2 - Renovate existing City Hall to LEED certified. Principal amount \$9.5 million

Annual Debt Service needs @ 4.5% interest

| | |
|---------|-------------|
| 10 year | \$1,200,000 |
| 15 year | 885,000 |
| 20 year | 730,000 |

Option #5 – New LEED certified building north of the existing City Hall – Gross Amount \$9.3 million less sale of existing City Hall \$1.5 million. Principal amount \$7.8 million.

Annual Debt Service needs @ 4.5% interest

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|---------|-----------|
| 10 year | \$985,000 |
| 15 year | 726,000 |
| 20 year | 600,000 |

Option #7 – New LEED certified building not in TIF district. Gross Amount \$8.2 million less sale of existing City Hall, \$1.5 million. Principal amount \$6.7 million.

Annual Debt Service needs @ 4.5% interest. (Amount available \$500,000 since not in TIF district)

| | |
|---------|-----------|
| 10 year | \$845,000 |
| 15 year | 625,000 |
| 20 year | 515,000 |

Conclusion – Obviously a number of things would have to occur for any of the scenarios described above to become a reality.

Major items:

1. Renewal of 27D infrastructure sales tax
2. Sale of existing City Hall

Minor items:

1. Estimated renovation/construction costs
2. Interest rate on financing

If there is \$720,000 available annually, 5 of the 9 scenarios are feasible without the use of property tax.

One mil, again in 2008 amounts, produces \$71,000 in property tax revenue. It is this increment that should be used to determine the amount of increase that would be necessary if you were to choose not to utilize the revenue sources that I have outlined, or if you chose one of the four alternatives that required a higher annual payment.

This preliminary analysis is not intended to be the “concrete” solution to the funding issue, but rather a beginning point that provides alternatives for future discussion.

Thank you, John Carter