



PUBLIC NOTICE
CITY OF SOUTH BURLINGTON
TAX INCREMENT FINANCING
CITY CENTER TAX INCREMENT FINANCING DISTRICT

This Public Notice has been prepared by the City of South Burlington. It provides information regarding the proposed ballot question. The question seeks voter authorization to issue bonds, pledge the credit of the City, incur indebtedness and expend funds of the City to finance and pay for improvements within the City Center Tax Increment Financing District to be repaid using a portion of the tax revenue derived from real property development within the TIF District. In addition to debt service on TIF District borrowing, the TIF increment is expected to pay for related costs for the TIF District. By this notice the City's lawful voters are provided information concerning the proposed projects, the improvements to be made, the terms of indebtedness to be incurred, the related costs that may be incurred by the City, and the expected sources of funds to repay that indebtedness and direct and related costs.

WARNING AND PUBLIC VOTE

The City Council at its August 15, 2016 meeting held a public hearing and considered a resolution relating to "City Center Tax Increment Financing District Infrastructure and Capital Improvement Indebtedness." By resolution, the City Council authorized the following question be placed on the ballot for the November 8, 2016 Special City Meeting:

ARTICLE 1

Shall the City Council be authorized to pledge the credit of the City to secure indebtedness, to borrow, or to make direct payments of TIF increment for the purpose of funding one or more public infrastructure or capital improvements and related costs attributable to projects serving the City Center Tax Increment Financing (TIF) District, specifically:

- (a) **Market Street Reconstruction:** (a section of roadway between Dorset Street and Hinesburg Road inclusive of all intersections) to include streetscape, stormwater treatment, utility, lighting and transportation upgrades;
- (b) **City Center Park Phase 1 (Dumont Parcel):** (site improvements to create a natural area park) to include pathways, water quality improvements, landscaping, wetland protection, learning and play exploration areas and signage;
- (c) **Related Costs:** reimbursement for TIF eligible related costs incurred by the City for the creation, implementation and administration of the City Center TIF District;

in a total principal amount not to exceed Five Million Dollars (\$5,000,000) (to date, the total City Center TIF tax increment financing debt approved is \$0), and to make direct payments, issue bonds, notes or make interfund loans for such purposes with the understanding that tax increment from the properties within the City Center TIF District shall be pledged and appropriated for the payment of such indebtedness or direct costs of the improvements?”

FINANCING OF PUBLIC IMPROVEMENTS - INDEBTEDNESS

Subject to the receipt of necessary voter approval, the City intends to finance the TIF improvements by issuing bonds (or notes in anticipation of bonds) or incurring interfund indebtedness, the total principal amount of which shall not exceed \$5 Million. The City may issue such bonds through either a direct competitive or negotiated sale, or sell them through the Vermont Municipal Bond Bank, as the City Council determines to be most appropriate. The term of the debt would not exceed twenty years, and the interest rate, costs, and other terms fees will be determined based upon market conditions at the time the debt is issued.

Based on prevailing market conditions, and the build-out schedule for the capital improvements, the City may issue bond anticipation notes (BANs) or borrow funds from the City Center Reserve Fund to finance the initial improvements. It is the City’s intention that any BANs (together with accrued but unpaid interest) and any interfund loan would be repaid from bond proceeds. Please note that interfund loans are, by law, interest free borrowings.

PROJECTED TAX INCREMENT REVENUES

The City estimates that the TIF increment (tax revenue generated from taxable improvements made in the City Center TIF District and lawfully retained by the City) will be sufficient to cover:

- the costs of the proposed improvements and the related costs (soft costs) of the improvements,
- the related costs of the TIF District, and
- debt service on the indebtedness incurred to finance the City’s capital improvements in the District.

TIF funds are dependent upon the pace, intensity and taxable value of development that occurs in the TIF District. The City has projected growth and development occurring in the TIF District and the expected TIF funds to be generated over time using assumptions and expectations that the City believes are reasonable. There is no guarantee, however, that such development will occur or occur in the time or of the type(s) forecast. In the event that the TIF funds are insufficient to pay all of the principal and interest on the City’s TIF related indebtedness, for whatever reason, including a decrease in property values or repeal of a State of Vermont property

tax source, unless determined otherwise at the time of such repeal, the City will be liable for the payment of the principal and interest for the term of indebtedness.

RELATED COSTS

The City may use TIF funds to pay for "related costs," which include City expenditures related to specific public improvements in the TIF District or costs incurred by the City to implement and administer the TIF district. The following are expected "related costs" to be paid from TIF funds:

- (i) reimbursement of the City's costs and expenses to organize and establish the City Center TIF District, including reimbursement of such costs as were paid to outside consultants, and also including expenditures identified as related to creating or administering the City Center TIF District;
- (ii) reimbursement of the City's costs in complying with the annual and State audits and reporting requirements as may be required by statute and rules;
- (iii) reimbursement of the City's costs and expenses in the future for administration of the City Center TIF District.

The City expects these related costs to aggregate \$85,000. It is understood that if related costs exceed that amount, City Council may need to adjust budget allocations so as not to exceed the requested authorization of \$5 million in indebtedness for public improvements within the TIF District.

The City has maintained and will continue to maintain records of such related costs and the reimbursement of related costs incurred in the creation and administration of the City Center TIF District and/or the projects relating thereto.

TIF INFRASTRUCTURE PROJECTS

• **Market Street Reconstruction Project:** (Dorset Street to Hinesburg Road inclusive of all intersections) to include streetscape, stormwater, utility, lighting and transportation upgrades with an estimated budget of \$3,640,000 (Approved for 100% financing with TIF Increment);

• **Phase 1 of City Center Park (Dumont Parcel):** (the creation of a City Center natural area park located south of Market Street, north of Barrett Street and west of Iby Street) to include pathways, water quality enhancements, bridges, educational, low profile play and exploration features, and landscaping upgrades with an estimated budget of \$1,275,000 (Approved for 95% financing with TIF Increment);

Categories of expenditures for TIF public improvements shall include:

- environmental assessment and remediation;
- surveying;

- engineering, design, and permitting;
- general site work (including site preparation and stabilization);
- utility infrastructure, connections and relocation (water, sewer, electrical, communications, and stormwater);
- green infrastructure;
- public accessibility improvements;
- preparation of design & maintenance guides associated with the projects;
- bike amenities;
- public amenities;
- public art and place-making;
- wayfinding and signage;
- landscape improvements;
- walls, stonework, and other outdoor permanent furniture;
- road, sidewalk, crosswalk, lighting, landscaping and parking infrastructure;
- intersection signalization;

and eligible related costs associated with the above categories, or as attributable to the projects generally where permitted for inclusion as eligible related costs for administration of the City Center TIF District.

PLEDGE OF THE CREDIT OF THE CITY

Although the City projects TIF funds will be sufficient to service all of the City's obligations if the voters approve Article 1 on the November 8, 2016 ballot, voters are reminded that if the TIF funds are insufficient to pay the principal and interest on the debt as the same comes due, for whatever reason, including a decrease in property tax or repeal of a state property tax source, unless otherwise determined at the time of such repeal, the City shall remain liable for payment of the principal and interest for these obligations for the term of indebtedness until fully paid.

TAX INCREMENT FINANCING

In March of 2015, the Vermont Economic Progress Council unanimously approved the City Center Tax Increment Financing Plan which includes using up to \$57 million dollars in City Center TIF District Tax Increment Financing to fund public improvements. This approval allows the City to annually retain 75% of the growth in property tax revenues (TIF increment) since 2012 within the TIF District to service debt or make direct payments for public improvements as approved in the Financing Plan. This applies to growth in municipal and in state education property tax revenues. Actual use of TIF Financing may occur only if approved by a public vote. TIF Financing is debt which is serviced by TIF increment or direct payments made with TIF increment.

At this point in time the City is asking voters to approve the City's proposed debt issuance of up to \$5 million of the potential TIF public improvements and related costs. This investment will support future development projects with the TIF District including the proposed Cathedral Square affordable senior housing project and other future private developments along Market Street and Garden Street are supported by the roadway and park improvements.

If approved by the voters on November 8, 2016, the City Council will be authorized to use TIF increment to service debt or make direct payments. The combined value of project costs funded by debt proceeds and project costs funded by direct payments may not exceed five million dollars.

The City is required to incur the first TIF District debt (debt that may be serviced using TIF increment) by March 31, 2017 or lose the TIF District designation. State statutes require that the City incur all debt to be serviced by TIF increment be incurred or direct payments made by March of 2022 – within 5 years. The City may collect TIF increment on the growth in value on property redeveloped between April 2012 and March 2037 beginning in 2017 – a 20 year period.

The City Council is not required to issue any TIF District debt, even once authorized by the voters, but if the City Council does so, it is only authorized by the State to do so under these parameters.

Three projects have already been built – Trader Joe's, Pier 1 and the housing on Market Street. There are over fifty properties within the current boundary of the TIF District. Private redevelopment of any one of these properties between now and March 2037 represents an increase in the annual TIF increment collected.

Note that no increment is collected until the City incurs the first debt. Once collection begins, the annual amount of TIF increment is added to a special City TIF Increment Fund where it is held apart to be available only to service TIF District indebtedness.

DEBT SERVICE PROJECTION

The City has options as to the type of debt, from whom the City obtains financing, and the payment structure. Depending upon market conditions, the City may make direct payments, use an anticipation note, take out an interfund loan or bond, delay interest payments, or otherwise structure financing in such a way as to most benefit the tax payers.

To be conservative, the hypothetical presented in Attachment 1 is modeled with the least flexible lender in terms of payment structures (the Vermont Bond Bank) ¹ and for the maximum authorization (five million).

The City has also prepared two attachments to show how debt will be serviced if no additional growth occurs over the next 20 years (Attachment 2) and if no more than the one development that has been publically discussed (Cathedral Square senior housing) occurs (Attachment 3). These are presented as worst case scenarios to demonstrate that the City has the resources to cover the debt service without increasing the City's property tax rate. The City's property tax rate will not be increased because the City will use the City Center Reserve Fund.

Attachment 2 and 3 also show that the proposed TIF Financing (indebtedness) covers the minority of project costs with the majority funded by secured Federal grants and impact fee funds.

The City is, and will continue to work with a financial advisory firm to model various payment structures, terms of various debt instruments, and the advantages and disadvantages offered by various lenders. The final instrument chosen will be the one which at the time is the best fit for the needs of the City due to factors such as condition of financial markets, projected private development in the TIF District, and interest rates.

Debt service of this proposed debt will not result in an increase to City's property tax rate.

USE OF INTERFUND LOANS AS AN ANTICIPATION NOTE

If the voters approve the issuance of debt, the City will incur TIF District debt by making an interfund loan from the Reserve Fund to cover the anticipated costs of initial construction. It is expected that this interfund loan (2 year term, 0% interest) will be repaid in full by a note or bond (expected July 2017 at the earliest).

USE OF INTERFUND LOANS TO SERVICE DEBT

The City anticipates that the bulk of the private development in the TIF District will occur after the City incurs this debt and has constructed public infrastructure to support such development. The City expects over the twenty years it is permitted to collect TIF increment (through 2037), that it will collect more than enough tax increment to fully service debt issued for these projects. However, during the initial period of development of the District, the TIF increment may not be sufficient to fully service the debt.

¹ The Vermont Bond Bank requires level principal payments although the first interest payments may be delayed. This means that the first payment is always the largest as the interest amount declines as the principal is paid off. In contrast, TIF District revenues (TIF Increment) are most likely to increase over time, with relatively little increment in the first year and the most in the last year.

To address this potential, the City has modeled the effects of making an interfund loan from the City Center CIP Reserve Fund to supplement the TIF increment as necessary to pay debt service. The projections on Attachment 1 show the City borrowing up to \$2 Million from the Reserve Fund during the period from 2017 through 2022. The City expects to repay the interfund loan with TIF District increment when the amount of the TIF increment is sufficient to do so and pay debt service. If such interfund lending occurs, the City contemplates deferring repayment over a 5 year period, and then repaying the borrowed funds over the next 5 years. See Columns 12 and 16 on Attachment 1.

This option will be considered only if the TIF Increment is not sufficient and furthermore if the City is advised that such a short term interfund loan makes more fiscal sense than other options (such as delayed principal payments or graduated principal payments).

This material and other information regarding the history of the City Center TIF District are available online at www.sburl.com/CityCenter.

ATTACHMENT 1 - Projected Debt Payments

BOND DEBT

Total Bond Debt: \$5,000,000

Principal Payment terms:

20 Years, annual payments beginning in FY 19
\$250,000 per payment

Interest Rate:

3%

Total Interest:

\$ 1,620,582

Interest Payment Terms:

2 per year, 20 Years
beginning in FY 17

Debt Service on 5 million:

\$ 6,620,582

Use of TIF Increment:

\$ 6,620,582

Excess Increment:

\$ 1,627,916

INTERFUND LOAN DEBT

Interfund Loans from Reserve Fund:

\$ 1,344,195

Interest Rate on Interfund Loans:

0%

BAN Terms: 2 Years, 1 lump sum payment (BAN)

Gap Debt Service

on Terms: 10 Years, deferred payments 5 years,
5 principal payments (Debt Service)

This model projects the completion of Cathedral Square and two additional buildings. Revenue shown is for the TIF increment) generated by new completed developments that would otherwise go the City and the State Education funds.

Fiscal Year	TIF INCREMENT REVENUE (DETAIL)								SUMMARY OF REVENUE SOURCES AND USES				DEBT SERVICE PAYMENTS		TIF INCREMENT FUND	
	Projected Revenues from Trader Joes, Pier 1 and Black Bay Projects (City Tax)	Projected Revenues from Trader Joes, Pier 1 and Black Bay Projects (State Education Fund Tax)	Projected Revenue from Cathedral Square (City Tax)	Projected Revenue from Cathedral Square (State Education Fund Tax)	Projected Revenue from private development Building 2 (City Tax)	Projected Revenue from private development Building 2 (State Education Fund Tax)	Projected Revenue from private development Building 3 (City Tax)	Projected Revenue from private development Building 3 (State Education Fund Tax)	Interfund Loan used as Bond Anticipation Note at 0% interest	Projected Total Annual Increment Revenue available for debt service	Interfund Loan to pay debt service gap w/ principal payments delayed 5 years, with 5 principal payments at 0% interest	Debt Proceeds	Projected Debt Service Payment (principal + 3% interest)	Interfund Loan Service Payment	Projected Annual Net Increment	Projected TIF Fund Balance (cumulative balance of TIF Increment after payment)
2017									\$ 450,000							
2018	\$ 14,681	\$ 49,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,287	\$ 44,189	\$ 450,000	\$ (108,475)	\$ (450,000)	\$ -	\$ -	
2019	\$ 14,936	\$ 50,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,534	\$ 318,715	\$ 450,000	\$ (384,249)	\$ -	\$ -	\$ -	
2020	\$ 15,196	\$ 51,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,806	\$ 312,753	\$ 450,000	\$ (379,560)	\$ -	\$ -	\$ -	
2021	\$ 15,461	\$ 52,642	\$ 30,283	\$ 103,112	\$ -	\$ -	\$ -	\$ -	\$ 201,498	\$ 173,165	\$ 450,000	\$ (374,664)	\$ -	\$ -	\$ -	
2022	\$ 15,730	\$ 53,695	\$ 30,810	\$ 105,174	\$ 26,912	\$ 91,867	\$ -	\$ -	\$ 324,189	\$ 45,372	\$ 450,000	\$ (369,561)	\$ -	\$ -	\$ -	
2023	\$ 16,003	\$ 54,769	\$ 31,346	\$ 107,278	\$ 27,380	\$ 93,705	\$ 24,096	\$ 82,463	\$ 437,041	\$ -	\$ 450,000	\$ (364,235)	\$ -	\$ 72,806	\$ 72,806	
2024	\$ 16,282	\$ 55,864	\$ 31,892	\$ 109,423	\$ 27,857	\$ 95,579	\$ 24,515	\$ 84,113	\$ 445,524	\$ -	\$ 450,000	\$ (358,626)	\$ (8,838)	\$ 78,061	\$ 150,867	
2025	\$ 16,565	\$ 56,981	\$ 32,447	\$ 111,612	\$ 28,341	\$ 97,490	\$ 24,942	\$ 85,795	\$ 454,174	\$ -	\$ 450,000	\$ (352,691)	\$ (72,581)	\$ 28,902	\$ 179,769	
2026	\$ 16,853	\$ 58,121	\$ 33,011	\$ 113,844	\$ 28,835	\$ 99,440	\$ 25,375	\$ 87,511	\$ 462,991	\$ -	\$ 450,000	\$ (346,431)	\$ (135,131)	\$ (18,571)	\$ 161,198	
2027	\$ 17,147	\$ 59,284	\$ 33,586	\$ 116,121	\$ 29,336	\$ 101,429	\$ 25,817	\$ 89,261	\$ 471,980	\$ -	\$ 450,000	\$ (339,846)	\$ (169,764)	\$ (37,630)	\$ 123,567	
2028	\$ 17,445	\$ 60,469	\$ 34,170	\$ 118,443	\$ 29,847	\$ 103,458	\$ 26,266	\$ 91,046	\$ 481,145	\$ -	\$ 450,000	\$ (332,957)	\$ (178,839)	\$ (30,652)	\$ 92,915	
2029	\$ 17,749	\$ 61,679	\$ 34,765	\$ 120,812	\$ 30,366	\$ 105,527	\$ 26,723	\$ 92,867	\$ 490,487	\$ -	\$ 450,000	\$ (325,835)	\$ (170,001)	\$ (5,348)	\$ 87,567	
2030	\$ 18,057	\$ 62,912	\$ 35,370	\$ 123,229	\$ 30,894	\$ 107,637	\$ 27,188	\$ 94,725	\$ 500,012	\$ -	\$ 450,000	\$ (318,527)	\$ (106,258)	\$ 75,227	\$ 162,794	
2031	\$ 18,372	\$ 64,170	\$ 35,985	\$ 125,693	\$ 31,432	\$ 109,790	\$ 27,661	\$ 96,619	\$ 509,722	\$ -	\$ 450,000	\$ (311,034)	\$ (43,708)	\$ 154,981	\$ 317,775	
2032	\$ 18,691	\$ 65,454	\$ 36,611	\$ 128,207	\$ 31,979	\$ 111,986	\$ 28,143	\$ 98,551	\$ 519,622	\$ -	\$ 450,000	\$ (303,357)	\$ (9,074)	\$ 207,191	\$ 524,966	
2033	\$ 19,016	\$ 66,763	\$ 37,248	\$ 130,771	\$ 32,535	\$ 114,225	\$ 28,632	\$ 100,522	\$ 529,714	\$ -	\$ 450,000	\$ (295,503)	\$ -	\$ 234,211	\$ 759,177	
2034	\$ 19,347	\$ 68,098	\$ 37,896	\$ 133,387	\$ 33,102	\$ 116,510	\$ 29,131	\$ 102,533	\$ 540,003	\$ -	\$ 450,000	\$ (287,503)	\$ -	\$ 252,500	\$ 1,011,677	
2035	\$ 19,684	\$ 69,460	\$ 38,556	\$ 136,054	\$ 33,677	\$ 118,840	\$ 29,637	\$ 104,584	\$ 550,493	\$ -	\$ 450,000	\$ (279,379)	\$ -	\$ 271,114	\$ 1,282,791	
2036	\$ 20,026	\$ 70,849	\$ 39,227	\$ 138,775	\$ 34,263	\$ 121,217	\$ 30,153	\$ 106,675	\$ 561,187	\$ -	\$ 450,000	\$ (271,129)	\$ -	\$ 290,058	\$ 1,572,849	
2037	\$ 20,375	\$ 72,266	\$ 39,909	\$ 141,551	\$ 34,860	\$ 123,641	\$ 30,678	\$ 108,809	\$ 572,089	\$ -	\$ 450,000	\$ (262,754)	\$ -	\$ 309,335	\$ 1,882,184	
2038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ (254,268)	\$ -	\$ (254,268)	\$ 1,627,916	
Total:	\$ 347,617	\$ 1,205,291	\$ 593,113	\$ 2,063,488	\$ 491,618	\$ 1,712,341	\$ 408,957	\$ 1,426,074	\$ 450,000	\$ 8,248,498	\$ 894,195	\$ 450,000	\$ (6,620,582)	\$ (1,344,195)	\$ 1,627,916	\$ 1,627,916

ATTACHMENT 2 - DEBT MODEL USING ONLY TIF INCREMENT FROM EXISTING DEVELOPMENT

Fiscal Year:	Prior Years	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	Total:
Debt Balance (Estimated):																							
City Center TIF District Debt																							
Principal Balance: \$5,000,000		\$5,000,000	\$4,750,000	\$4,500,000	\$4,250,000	\$4,000,000	\$3,750,000	\$3,500,000	\$3,250,000	\$3,000,000	\$2,750,000	\$2,500,000	\$2,250,000	\$2,000,000	\$1,750,000	\$1,500,000	\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0	
Term: 20 Years																							
Interest: 3.0%																							
Debt Anticipation Note: \$460,000, 1 Year, 0% interest	\$460,000	\$0																					
Term: 1 Year																							
Interest: 0.0%																							
Expenditures (Estimated):																							
Annual City Center TIF District Project Costs																							
Market Street Reconstruction	\$1,400,000	\$1,975,000	\$3,950,000	\$1,981,000																			\$9,306,000
City Center Park - Dumont Parcel	\$500,000	\$775,000																					\$1,275,000
Related Costs	\$40,000	\$20,000	\$20,000	\$5,000																			\$85,000
City Center TIF District Debt Service																							
Interest and Principal (see terms above):		\$108,475	\$384,249	\$379,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	\$6,620,582
Debt Anticipation Note or Interfund Loan Repayment:		\$460,000																					
Total Expenditures:	\$1,940,000	\$3,338,475	\$4,354,249	\$2,365,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	
Income (Estimated):																							
Federal Grant (Secured)	\$1,300,000	\$1,580,000	\$2,606,000																				\$5,486,000
City Funds	\$180,000	\$44,189	\$318,715	\$312,753	\$306,561	\$300,137	\$293,463	\$286,480	\$279,144	\$271,456	\$263,416	\$255,043	\$246,408	\$237,557	\$228,492	\$219,212	\$209,724	\$200,058	\$190,234	\$180,253	\$170,113	\$254,268	\$5,247,675
City Center TIF District Increment																							
Development to date* - Municipal		\$14,681	\$14,936	\$15,196	\$15,461	\$15,730	\$16,003	\$16,282	\$16,565	\$16,853	\$17,147	\$17,445	\$17,749	\$18,057	\$18,372	\$18,691	\$19,016	\$19,347	\$19,684	\$20,026	\$20,375		\$347,617
Development to date* - State		\$49,606	\$50,598	\$51,610	\$52,642	\$53,695	\$54,769	\$55,864	\$56,981	\$58,121	\$59,284	\$60,469	\$61,679	\$62,912	\$64,170	\$65,454	\$66,763	\$68,098	\$69,460	\$70,849	\$72,266		\$1,205,291
* Trader Joe's, Pier 1 & Townhouses																							
Total Increment:		\$64,287	\$65,534	\$66,806	\$68,103	\$69,425	\$70,772	\$72,146	\$73,547	\$74,974	\$76,430	\$77,914	\$79,427	\$80,969	\$82,542	\$84,145	\$85,779	\$87,445	\$89,144	\$90,876	\$92,641		\$1,552,908
Proceeds from Debt Anticipation or Interfund Loan (0% interest) will be repaid by City Center TIF Debt	\$460,000																						\$460,000
Use of Proceeds from City Center TIF District Debt		\$1,650,000	\$1,364,000	\$1,986,000																			\$5,000,000
Total Income:	\$1,940,000	\$3,338,475	\$4,354,249	\$2,365,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	

ATTACHMENT 3 - DEBT MODEL USING ONLY TIF INCREMENT FROM PLANNED DEVELOPMENT DISCUSSED PUBLICLY

Fiscal Year:	Prior Years	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	Total
Debt Balance (Estimated):																							
City Center TIF District Debt																							
Principal Balance: \$5,000,000		\$5,000,000	\$4,750,000	\$4,500,000	\$4,250,000	\$4,000,000	\$3,750,000	\$3,500,000	\$3,250,000	\$3,000,000	\$2,750,000	\$2,500,000	\$2,250,000	\$2,000,000	\$1,750,000	\$1,500,000	\$1,250,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$0	
Term: 20 Years																							
Interest: 3.0%																							
Debt Anticipation Note: \$460,000, 1 Year, 0% interest		\$460,000	\$0																				
Term: 1 Year																							
Interest: 0.0%																							

Expenditures (Estimated):																								
Annual City Center TIF District Project Costs																								
Market Street Reconstruction		\$1,400,000	\$1,975,000	\$3,950,000	\$1,981,000																		\$9,306,000	
City Center Park - Dumont Parcel		\$500,000	\$775,000																				\$1,275,000	
Related Costs		\$40,000	\$20,000	\$20,000	\$5,000																		\$85,000	
City Center TIF District Debt Service																								
Interest and Principal (see terms above):			\$108,475	\$384,249	\$379,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	\$6,620,582
Debt Anticipation Note or Interfund Loan Repayment:			\$460,000																					
Total Expenditures:		\$1,940,000	\$3,338,475	\$4,354,249	\$2,365,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	

Income (Estimated):																								
Federal Grant (Secured)		\$1,300,000	\$1,580,000	\$2,606,000																			\$5,486,000	
City Funds		\$180,000	\$44,189	\$318,715	\$312,753	\$173,165	\$164,152	\$154,838	\$145,164	\$135,086	\$124,601	\$113,709	\$102,430	\$90,831	\$78,959	\$66,814	\$54,393	\$41,704	\$28,775	\$15,624	\$2,251	-\$11,347	\$254,268	\$2,591,074
City Center TIF District Increment																								
Development to date* - Municipal		\$14,681	\$14,936	\$15,196	\$15,461	\$15,730	\$16,003	\$16,282	\$16,565	\$16,853	\$17,147	\$17,445	\$17,749	\$18,057	\$18,372	\$18,691	\$19,016	\$19,347	\$19,684	\$20,026	\$20,375	\$0	\$347,617	
Development to date* - State		\$49,606	\$50,598	\$51,610	\$52,642	\$53,695	\$54,769	\$55,864	\$56,981	\$58,121	\$59,284	\$60,469	\$61,679	\$62,912	\$64,170	\$65,454	\$66,763	\$68,098	\$69,460	\$70,849	\$72,266	\$0	\$1,205,291	
Planned Development* * - Municipal		\$0	\$0	\$0	\$30,283	\$30,810	\$31,346	\$31,892	\$32,447	\$33,011	\$33,586	\$34,170	\$34,765	\$35,370	\$35,985	\$36,611	\$37,248	\$37,896	\$38,556	\$39,227	\$39,909	\$0	\$593,113	
Planned Development* * - State		\$0	\$0	\$0	\$103,112	\$105,174	\$107,278	\$109,423	\$111,612	\$113,844	\$116,121	\$118,443	\$120,812	\$123,229	\$125,693	\$128,207	\$130,771	\$133,387	\$136,054	\$138,775	\$141,551	\$0	\$2,063,488	
* Trader Joe's, Pier 1 & Townhouses																								
** Cathedral Square on SBCC, LLC																								
Total Increment:		\$64,287	\$65,534	\$66,806	\$201,498	\$205,409	\$209,397	\$213,461	\$217,605	\$221,830	\$226,137	\$230,528	\$235,004	\$239,568	\$244,220	\$248,963	\$253,799	\$258,728	\$263,754	\$268,878	\$274,101	\$0	\$4,209,508	
Proceeds from Debt Anticipation or Interfund Note will be repaid by City Center TIF Debt		\$460,000																					\$460,000	
Proceeds from City Center TIF District Debt		\$1,650,000	\$1,364,000	\$1,986,000																			\$5,000,000	
Total Income:		\$1,940,000	\$3,338,475	\$4,354,249	\$2,365,560	\$374,664	\$369,561	\$364,235	\$358,626	\$352,691	\$346,431	\$339,846	\$332,957	\$325,835	\$318,527	\$311,034	\$303,357	\$295,503	\$287,503	\$279,379	\$271,129	\$262,754	\$254,268	