  

Redevelopment Project Financial Feasibility Study

For the Oread Project Within the 12th and Oread Redevelopment District

City of Lawrence, Kansas

Final Draft: February 7, 2008

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.

1. Overview

Statutory Basis and Process

Sections 12-1770 through 12-1780 of the Kansas Statutes ("the Act") provide a means for cities to finance public development and redevelopment costs with incremental real estate taxes and other revenues. The purpose of the Act is to "promote, stimulate and develop the general and economic welfare of the State of Kansas and its communities and to assist in the development and redevelopment of eligible areas within and without a city thereby promoting the general welfare of the citizens of this state…"

A city may exercise the powers conferred under the Act provided that the governing body of the city has adopted a resolution finding that the specific area sought to be developed or redeveloped is an "eligible area" under the Act. In addition, the city must find that the conservation, development or redevelopment of such an area is necessary to promote the general economic welfare of the city.

The proposed redevelopment district boundaries are irregular and extend from 13th Street on the South to approximately 9th Street on the North and Mississippi on the West and Louisiana on the East. A map of the redevelopment district is attached hereto as Exhibit I.

The district plan for the proposed redevelopment district provides for the redevelopment district to include one project area, which is depicted on the map attached hereto as Exhibit I, fully encompassing the boundaries of the Redevelopment District. The buildings and facilities to be constructed within the one project area are generally described as a multi-use structure consisting of approximately 106 rooms and associated commercial spaces. These rooms include approximately 92 hotel rooms and extended stay suites, and approximately 14 condominiums. The structure will include ancillary uses such as meeting and conference rooms, banquet rooms, restaurant space, and bar space. Additional commercial uses may consist of a bank, retail stores, and other similar commercial uses allowed by the City of Lawrence. The structure will consist of approximately 116,000 square feet. The structure shall include an underground parking facility consisting of approximately 200 spaces. The redevelopment will also include public infrastructure improvements including without limitation improvements to Oread Avenue, 12th Street, pedestrian access, utilities, landscaping, and other related improvements.

On February 12, 2008, the governing body will open the Public Hearing to receive comment regarding the establishment of the Redevelopment District ("the District," see Exhibit I), adoption of the Ordinance No.___ occurred on ___________. The general comprehensive plan for the District identifies the potential redevelopment project areas located within the District and the suitability of each such area for redevelopment (see below).

One or more redevelopment projects may be undertaken within each district. The Act requires all projects to be completed within 20 years from the date of the approval of a project plan, with the exception of environmental investigation and remediation projects which must be completed within 20 years from the date the City enters into a consent decree with the Kansas Department of Health and Environment or the U.S. Environmental Protection Agency.

For each redevelopment project undertaken within the District, a project plan ("the Project Plan") must be prepared in consultation with the City-County Planning Commission. The Project Plan must include the following:

1. A summary or copy of the Financial Feasibility Study (this document).
2. A reference to the District Plan for the District.
3. A description and map of the area to be redeveloped.
4. The Relocation Assistance Plan.
5. A detailed description of all buildings and facilities proposed to be constructed or improved.
6. Any other information the City deems necessary to advise the general public of the intent of the Project Plan.

<u>The Feasibility Study</u>

The Financial Feasibility Study will show that a) the Project's benefits, tax increment revenue, and other available revenues under K.S.A. 12-1774(a)(1) are expected to exceed or be sufficient to pay for all Project costs as defined by K.S.A. 12-1773, including the payment of principal and interest of debt used to finance the redevelopment project; and b) the effect, if any, the redevelopment project costs will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D).

The City is currently considering the establishment of the Oread Redevelopment Project ("the Project", see Exhibit I). Establishment of the Project is being considered to reimburse Triple T, LLC ("the Developer") for eligible costs associated with the redevelopment of the area into a multi-use hotel development consisting of approximately 92 rooms and 14 condominium units and accompanying retail uses, consisting of public roadway improvements and underground parking.

The Developer has requested that the City provide tax increment financing (TIF) assistance through pay-as-you-go financing. The City will determine the total size of the financing based solely on the property and sales tax increment generated by the Project (Hotel project property and sales tax increment and inflationary property tax increment from other properties within the Redevelopment Project boundaries).

In a separate but related matter, the Developer has also requested City authorization to establish a Transportation Development District to assist in financing the construction of the public infrastructure and underground parking garage through a specially levied sales tax. The boundaries of the proposed Transportation Development District will be only those occupied by the hotel project.

2. General Description of Tax Increment

Tax increment financing for the Project will use both property and sales tax revenues.

Tax increment financing involves the creation of an increment (increase over a base value) in the real estate taxes that are generated from a defined geographic area of a community. Upon establishment of a redevelopment district, the total assessed valuation of all taxable real estate within the district is determined. This valuation is referred to as the district's "Base Year Assessed Valuation." Property taxes attributable to the district's Base Year Assessed Valuation are annually collected and distributed by the county treasurer to the appropriate city, county, school district and all other applicable taxing jurisdictions in the same manner as other property taxes.

As new development occurs within the redevelopment district, the total assessed valuation of the district in any given year will presumably exceed its Base Year Assessed Valuation. Tax increment means that amount of real property taxes collected from real property located within the redevelopment district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation. All tax increment is collected by the county and distributed to the city to be deposited in a “special fund.”

Tax increment funds may only be used to pay for specified eligible project costs, including principal and interest on debt used, in whole or in part, to finance projects within a redevelopment district. Such debt includes notes, special obligation bonds, full faith and credit tax increment bonds, and other debt instruments. Tax increment also may be paid to a developer/owner over time as reimbursement for eligible costs incurred up-front. This payment mechanism is commonly referred to as pay-as-you-go financing and may include not only the principal amount of such costs but also all or a portion of the interest accrued thereon.

The City is responsible for determining the amount of sales taxes allocated to the Oread Redevelopment Project each year based on the Redevelopment Plan. The City intends to capture all sales taxes generated by the taxpayers doing business within the boundaries of the Project area attributable to the taxes levied by the City and the County. The City does not anticipate any additional sales taxes generated by properties within the Project area aside from the Hotel project. If a substantial change occurs to the additional properties, the City would consider amending the Project Plan to capture these unforeseen revenues.

3. Project Description

The Oread Project (the “Project”) consists of 4 parcels of land located on the northeast side of the intersection of Indiana Street and 12th Street, west of Oread Avenue to be redeveloped into the Hotel project and 4 parcels located along Oread Avenue to remain unchanged including a City-owned parcel exempt from taxation. Two of the Project parcels are classified as commercial and have a statutory property classification rate of 25.0%; five of the Project parcels are classified as residential and have a statutory property classification rate of 11.5%, and the remaining parcel is City-owned and exempt from taxation. The Developer owns 100% of the 4 parcels to be developed for the Hotel. The Developer will demolish all existing structures and redevelop the site into a multi-use hotel complex with underground parking. The Project will include an estimated 92 hotel rooms and 14 condominium units.

The total Base Year Assessed Valuation of the Project as assessed in 2008 for taxes payable in 2008/2009, is estimated at $559,075, based on the 2007 assessment (see Exhibit II for individual parcel details).

Based on development plans provided by the Developer, Springsted has estimated the Project’s total fair market value upon completion in 2009 (assessed January 1, 2010) at $14,267,160, and the total assessed value at $2,506,733. The property tax increment generated in any given year will be determined by the Project’s increase in Current Assessed Valuation over its Base Year Assessed Valuation (as of January 1, 2008).

Based on projected sales activity provided by the Developer, Springsted has estimated the Project’s total taxable sales at $3,815,000 by 2011. The sales tax increment generated in any given year will be determined by the City and be equal to the amount generated by the taxpayers doing business within the boundaries of the Project, projected to include the Hotel operations only.

4. Projected Revenues (Benefits)

Tax Increment Revenue

Increased Assessed Value

The City has the ability to use up to 100% of the property tax increment generated by the Project based on its increase in Current Assessed Valuation over its Base Year Assessed Valuation, as is illustrated below for the Project at full assessment in 2010.

Projected Total Fair Market Value (1/1/2010)	Class/Rate	Projected Total Assessed Value (1/1/2010)
$6,440,000	CU/25.00%	1,610,000
$7,776,930	RES/11.50%	896,733
$50,230	EQ/0.0%	0
	Original Assessed Value	(559,075)
	Increased Assessed Value	1,947,658

The City estimates that the Total Assessed Value of the Project will increase at approximately 1.0% annually over the life of the Project (including properties not included in the Hotel project). Exhibit II (Assumptions Report) details many of the assumptions used in the projection of values and tax increments from the Project. Column 10 in Exhibit III (Projected Property and Sales Tax Increment & TDD) shows the projected Increased Assessed Valuation of the Project over its maximum duration.

Property Tax Rates

In order to determine the amount of tax increment generated by the Project in any given year, the Increased Assessed Value of the Project must be multiplied by the sum of the tax rates for all TIF-applicable tax authorities for that year. For taxes levied in 2007 and payable in 2007/2008, this total TIF-applicable rate is 94.344 mills. We assume this rate remains fixed through-out the term of the District.

Jurisdiction	Mill Rate (2007/2008)
City of Lawrence	26.787
Douglas County	29.995
497 Lawrence S/D	37.562
Total	94.344

Projected Property Tax Increment

The projected tax increment generated by the Project over a 20-year period is shown in column 13 of Exhibit III (Projected Property and Sales Tax Increment & TDD). If approved by the City in April, 2008, the Project would be eligible to receive increment in 2009/2010 through the first-half 2027/2028 collection. The tax increment projections are based on Base Year assessed valuations, increased assessed valuations, and tax rates as previously discussed. It is assumed in all years of the report that 100% of property taxes are paid when due. The total property tax increments projected for the Project are $3,511,913.

Projected Sales Tax Increment

The Project is also eligible to receive sales tax generated within the District. The City currently levies a 1.0% sales tax and the County also levies a 1% sales tax. The City intends to collect all City and County sales taxes generated by taxpayers doing business in the Project area, projected to include the Hotel operations only, to pay for redevelopment project costs, including the payment of debt service. The County will need to separately approve the collection of the sales tax revenue for the Project.

The Developer projects initial year annual sales of $5,450,000 from the hotel and associated uses. Springsted projects that up to 30% of the sale revenue may be exempt from taxation per Kansas Statute. Therefore, the estimated annual taxable sales are 70% of the above figure or $3,815,000.

Based on a 2% applicable sales tax rate (City and County) the stabilized annual sales tax revenue projected is $76,300. The Developer expects total and taxable sales to increase by 1.0% annually for the term of the project resulting in total projected sales tax revenue over the term of the Project of $1,489,873 (see column 15 of Exhibit III – Projected Property and Sales Tax Increment & TDD for further details).

The combination of property and sales tax increment projected for the 20-year period starting from Project approval is estimated to be $5,001,787.

Projected TDD Sales Tax Revenues

As stated earlier, the Developer is requesting the establishment of a Transportation Development District imposing a 1.0% sales tax to defer the costs of the underground parking garage. The revenue projected from the sales tax is estimated at $917,095 over the maximum 22-year collection period.

Developer Revenue

The Developer will fund the total anticipated cost of the project of $37,000,000 up front. The expected funding will be comprised of $21,000,000 of private debt and $16,000,000 of equity.

City Administration

At this time, the City does not anticipate retaining tax increment for administrative and capital expenditures outside of the Project.

5. Projected Expenditures (Costs)

Based on current projections, the City and Developer estimate the total cost of the public infrastructure improvements are $5,000,000 and an additional $6,000,000 for the parking garage. The Developer will finance the entire projected cost of $11,000,000 and request reimbursement from TIF/TDD revenue, including interest expenditures. The total projected TIF/TDD expenditures are $11,000,000 plus interest expenditures.

However, the projected TIF/TDD revenue is insufficient to cover this total cost and the Developer will only be reimbursed up to the revenue collected during the statutory term of the Project and TDD, subject to limitations described below. There will be no obligation on the part of the City to contribute any shortfalls required neither to finance the total $11,000,000 construction cost nor to reimburse for interest expenditures.

Based on current projections, the City has the ability to expend a maximum of $5,001,787 in Project property and sales tax increment to assist the Project. The Developer has requested the City pledge property and sales tax increment generated from the Project to reimburse them for the total cost of the public infrastructure improvements and construction of the parking garage estimated at a total $11,000,000 cost, plus interest expense. Additional funds are projected to be available through the proposed establishment of a Transportation Development District levying a 1% sales tax (totaling $917,095).

The City proposes to execute a Redevelopment Agreement outlining a pledge of 100% of the property and sales tax increment generated by the Project, up to an amount necessary to reimburse the Developer for $7,100,000 of construction costs, plus interest expense (the interest reimbursed cannot exceed such amount based on prime plus 1.0%). If this cap is reached, only 50% of TIF revenue then generated would be paid to the Developer for total reimbursement of up to the $11M total cost, plus interest, for construction of the public improvements and parking garage (less any amounts paid for with TDD revenues).The other 50% of the TIF revenue would be returned to the taxing jurisdictions. The pledge will continue until approximately April, 2028, the Project's required termination date.

Although the City does not anticipate issuing tax increment bonds, if a request is made, the City will not pledge its full faith and credit (general obligation) to the payment of any such tax increment bonds.

6. Conclusions

The Act requires that the Financial Feasibility Study demonstrate that the Project's benefits and other available revenues are expected to equal or exceed all Project costs.

The project benefits can be described in two forms: a) the amount of total revenues and other contributions received over the 20 year term of the Project; and b) the amount of project costs which can be financed by the revenues received over the applicable term. This second category represents the amount of bonds issued supported by the future revenues plus the other financial contributions. The Project Costs are here defined as the TIF/TDD eligible expenditures budgeted to complete the Project and are estimated to total $11,000,000, plus interest expenditures.

As to the total future revenues and other contributions, the available TIF revenues of the Project through the first-half 2027/2028 collection are expected to be $5,001,787, and the available TDD revenues of the Project through 2031 are expected to be $917,095 (combined revenue of $5,918,882). The Developer is requesting $11,000,000, plus interest over the statutory period, the estimated revenue falls short of this request. Therefore, the Developer contributions are expected to be in excess of $5,081,118 to complete the public infrastructure and parking garage (the TIF/TDD eligible project cost), exclusive of any financing costs related to debt issued to initially construct the project.

Given the assumptions and representations of the various parties to the process, this feasibility study concludes that the project benefits which include projected TIF/TDD revenue and Developer contributions of at least $5,081,118 are sufficient to pay the project costs.

The Act also requires a determination of the effect the redevelopment project will have on any outstanding bonds supported by local transient guest and local sales and use taxes. The proposed Redevelopment Project area does not currently generate any sale or use taxes and therefore the approval of the collection of sales taxes within the Project area does not have any effect on any outstanding obligations.

EXHIBIT I
MAP OF PROPOSED REDEVELOPMENT DISTRICT & PROJECT

Exhibit II
TIF District and Redevelopment Project Assumptions

City of Lawrence, Kansas
Redevelopment Tax Increment Financing District
Oread TIF Project

Original Assessed Value (1/1/08)		559,075
		1/1/07 value, as 1/1/08 has not been set

2007/08 Mill Rates	Total	TIF Applicable
State of Kansas	1.500	0.000
Douglas County	29.995	29.995
City of Lawrence	26.787	26.787
497 Lawrence S/D	28.358	28.358
497 Lawrence S/D-Gen	20.000	0.000
497 Lawrence S/D-Bond	9.204	9.204
Total	115.844	94.344
		Assume fixed rate

Property TIF Inflation Rate:	1.00%
Sales Tax Inflation Rate:	1.00%

City of Lawrence, Kansas
Redevelopment Tax Increment Financing District
Oread TIF Project

Assess 2007

Property Owner	Address	Parcel ID	2007 Appraised Land	2007 Appraised Building	2007 Appraised Total	2007 Assessed Land	2007 Assessed Building	2007 Assessed Total	Class
Triple T LLC	1140 Indiana St	023-067-36-0-40-03-004.03-0	212,500	465,180	677,680	24,435	53,495	77,930	RU
Triple T LLC	1142 Indiana St	023-067-36-0-40-03-004.02-0	44,220	420,780	465,000	5,085	48,390	53,475	RU
Triple T LLC	1144 Indiana St	023-067-36-0-40-03-005.00-0	182,400	267,600	450,000	45,600	66,900	112,500	CU
Triple T LLC	618-20 W 12th St	023-067-36-0-40-03-006.02-0	141,120	164,180	305,300	35,280	41,045	76,325	CU
24 Company LC	*1121 Louisiana*	*023-067-36-0-40-03-008.00-0*	*316,620*	*1,046,580*	*1,363,200*	*36,410*	*120,355*	*156,765*	*RU*
Oread Apartment Co	*1201-03-05 Oread Ave*	*023-067-36-0-40-06-001.02-0*	*131,950*	*315,150*	*447,100*	*15,175*	*36,240*	*51,415*	*RU*
Triple T LLC	*1209-11 Oread Ave*	*023-067-36-0-40-06-001.04-0*	*44,470*	*222,160*	*266,630*	*5,115*	*25,550*	*30,665*	*RU*
City of Lawrence	*1200 Block #2 Louisiana*	*023-067-36-0-40-04-002.00-0*	*47,180*	*3,050*	*50,230*	*-*	*-*	*-*	*EX*
		Totals	**1,120,460**	**2,904,680**	**4,025,140**	**110,400**	**391,975**	**559,075**	
		Estimated Assess 2008 Values	**1,120,460**	**2,904,680**	**4,025,140**	**110,400**	**391,975**	**559,075**	
		(Base Year of Redevelopment TIF District)			Total Appraised Value			Total Assessed Value	
		Total of Redeveloped Properties	***580,240***	***1,317,740***	***1,897,980***	***110,400***	***209,830***	***320,230***	
		Inflationary Increase Only	***540,220***	***1,586,940***	***2,127,160***	***0***	***182,145***	***238,845***	

City of Lawrence, Kansas
Redevelopment Tax Increment Financing District
Oread TIF Project

Property Tax Increment

Base and Current Values	Appraised	Assessed			
Base - Assess January 1, 2007	4,025,140	559,075			
Est. Base - Assess January 1, 2008	4,025,140	559,075			
Assessment Rate:	25.00%	11.50%	25.00%	11.50%/0.0%	

Project Components	Hotel Units	Condo Units	Retail/ Parking Uses	Existing	Total
	92 rooms	*14 units*			106
Estimated Square Footage	90,000	18,000	included in	NA	
Estimated Appraised Value per Unit [1]	$70,000	$333	NA	NA	
Total Appraised Value [2]	6,440,000	5,700,000	included in	2,148,432	14,288,432
Total Assessed Value [3]	1,610,000	655,500	included in	241,233	2,506,733

New Development Appraised	Hotel Units	Condo Units	Retail/ Parking Uses	Existing
January 1, 2009	25%	25%	NA	100%
January 1, 2010 [4]	75%	75%	NA	101%
January 1, 2011	100%	100%	NA	102%

Estimated Appraised Value	Hotel Units	Condo Units	Retail/ Parking Uses	Existing	Total Appraised
January 1, 2009	1,610,000	1,425,000	included in	2,148,432	5,183,432
January 1, 2010	4,830,000	4,275,000	included in	2,169,916	11,274,916
January 1, 2011	6,440,000	5,700,000	included in	2,191,615	14,331,615

Estimated Assessed Value	Hotel Units	Condo Units	Retail/ Parking Uses	Existing	Total Assessed
January 1, 2009	402,500	163,875	included in	241,233	807,608
January 1, 2010	1,207,500	491,625	included in	243,646	1,942,771
January 1, 2011	1,610,000	655,500	included in	246,082	2,511,582

Tax Increment	Total Assessed	Original Assessed	Captured Assessed
Assess 2009/Distrib 2010	807,608	559,075	248,533
Assess 2010/Distrib 2011	1,942,771	559,075	1,383,696
Assess 2011/Distrib 2012	2,511,582	559,075	1,952,507

NOTES:

1) For estimating the hotel value we have used the value included in the HVS study dated November 19, 2007, at stabilization. For the condo uses we have estimated the value based on the projected base sales price of $333.33 per s.f. for a total of 18,000 s.f. We have not included any level of upgrades in the value that may be requested by the purchaser since the added value is unknown.

2) We have assumed the Appraiser's office will appraise the condo units at 95% of sale price.

3) The condominium use will result in residential classification. If the units are extended-stay rooms, the threshold between commercial and residential use is 30 consecutive days (any more and it is residential).

4) We have assumed full valuation will not occur until the year following opening, due to increased occupancy, etc.

City of Lawrence, Kansas
Redevelopment Tax Increment Financing District
Oread TIF Project

Sales Tax Assumptions for Sales Tax Increment and Transportation Development District (TDD) Sales Tax

Sales Tax Rates	
City of Lawrence	*1.00%*
Douglas County	*1.00%*
Total TIF Sales Tax	***2.00%***
TDD	1.00%

Base Information
Existing Project Sales Taxes: NA

Project Information

	Hotel Units	Condo Units	Retail/ Parking Uses	Total
Estimated Annual Sales: [1]	5,450,000	NA	inc. in hotel	5,450,000
Locally Taxable Portion of Retail Sales: [2]	70.00%	NA	inc. in hotel	
Estimated Taxable Sales:	3,815,000	NA	inc. in hotel	3,815,000
Estimated TIF Sales Tax Rate:	**2.00%**	**NA**	**inc. in hotel**	
Estimated TDD Sales Tax Rate:	**1.00%**	**NA**	**inc. in hotel**	
Estimated Annual TIF Sales Tax Collections: (at stabilized occupancy and sales)	76,300	NA	inc. in hotel	76,300
Estimated Annual TDD Revenues: (at stabilized occupancy and sales)	38,150	NA	inc. in hotel	38,150

Sales Tax Collections:	Estimated % of Total	Estimated Taxable Sales	TIF Sales Tax	TDD Sales Tax
Taxes collected in 2010 [3]	80.00%	3,052,000	61,040	30,520
Taxes collected in 2011	100.00%	3,815,000	76,300	38,150

NOTES:
1) We have used the numbers presented by the Developer for total revenue from sales (but used a 60% occupancy for room revenue), and removed banquet room rental because it represents a non-taxable transaction.
2) We have assumed that only 70% of the sales will be taxable because of the targeted audience of University/College entities which are exempt from sales tax if paid for by the University/College.
3) We have assumed that the sales revenue is only 80% of projected occupancy in the first full year (80% of 60% or 48% occupied).

EXHIBIT III
PROJECTED PROPERTY TAX AND SALES TAX INCREMENT & TDD

City of Lawrence, Kansas
Redevelopment Tax Increment Financing District
Oread TIF Project
Projected Property Tax and Sales Tax Increment & TDD

TIF Year (1)	Assess & Tax Levy Year (2)	Tax Distrib. Year (3)	Total Assessed: Existing Properties (a) (4)	Total Assessed: Oread Project (b) (5)	Total Assessed: Total TIF Project (c) (6)	Original TIF Assessed Value (7)	Increased Assessed Value: Existing Properties (8)	Increased Assessed Value: Oread Project (9)	Increased Assessed Value: Total TIF Project (10)	Projected Property Tax Increment: Existing Properties (d) (11)	Projected Property Tax Increment: Oread Properties (d) (12)	Projected Property Tax Increment: Total TIF Properties (d) (13)	Projected Taxable Sales (e) (14)	Projected Sales Tax Increment (f) (15)	**Projected Total Increment (16)**	**Projected TDD Revenue (g) (17)**
0	2008	2009	238,845	320,230	559,075	559,075	0	0	0	0	0				**0**	
1	2009	2010	241,233	566,375	807,608	559,075	2,388	246,145	248,533	225	23,222	23,448	3,052,000	61,040	**84,488**	30,520
2	2010	2011	243,646	1,699,125	1,942,771	559,075	4,801	1,378,895	1,383,696	453	130,090	130,543	3,815,000	76,300	**206,843**	38,150
3	2011	2012	246,082	2,265,500	2,511,582	559,075	7,237	1,945,270	1,952,507	683	183,525	184,207	3,853,150	77,063	**261,270**	38,532
4	2012	2013	248,543	2,288,155	2,536,698	559,075	9,698	1,967,925	1,977,623	915	185,662	186,577	3,891,682	77,834	**264,411**	38,917
5	2013	2014	251,028	2,311,037	2,562,065	559,075	12,183	1,990,807	2,002,990	1,149	187,821	188,970	3,930,598	78,612	**267,582**	39,306
6	2014	2015	253,539	2,334,147	2,587,686	559,075	14,694	2,013,917	2,028,611	1,386	190,001	191,387	3,969,904	79,398	**270,785**	39,699
7	2015	2016	256,074	2,357,488	2,613,563	559,075	17,229	2,037,258	2,054,488	1,625	192,203	193,829	4,009,603	80,192	**274,021**	40,096
8	2016	2017	258,635	2,381,063	2,639,698	559,075	19,790	2,060,833	2,080,623	1,867	194,427	196,294	4,049,699	80,994	**277,288**	40,497
9	2017	2018	261,221	2,404,874	2,666,095	559,075	22,376	2,084,644	2,107,020	2,111	196,674	198,785	4,090,196	81,804	**280,589**	40,902
10	2018	2019	263,833	2,428,923	2,692,756	559,075	24,988	2,108,693	2,133,681	2,358	198,942	201,300	4,131,098	82,622	**283,922**	41,311
11	2019	2020	266,472	2,453,212	2,719,684	559,075	27,627	2,132,982	2,160,609	2,606	201,234	203,840	4,172,409	83,448	**287,289**	41,724
12	2020	2021	269,137	2,477,744	2,746,881	559,075	30,292	2,157,514	2,187,806	2,858	203,548	206,406	4,214,133	84,283	**290,689**	42,141
13	2021	2022	271,828	2,502,521	2,774,349	559,075	32,983	2,182,291	2,215,274	3,112	205,886	208,998	4,256,275	85,125	**294,123**	42,563
14	2022	2023	274,546	2,527,547	2,802,093	559,075	35,701	2,207,317	2,243,018	3,368	208,247	211,615	4,298,837	85,977	**297,592**	42,988
15	2023	2024	277,292	2,552,822	2,830,114	559,075	38,447	2,232,592	2,271,039	3,627	210,632	214,259	4,341,826	86,837	**301,095**	43,418
16	2024	2025	280,065	2,578,350	2,858,415	559,075	41,220	2,258,120	2,299,340	3,889	213,040	216,929	4,385,244	87,705	**304,634**	43,852
17	2025	2026	282,865	2,604,134	2,886,999	559,075	44,020	2,283,904	2,327,924	4,153	215,473	219,626	4,429,097	88,582	**308,208**	44,291
18	2026	2027	285,694	2,630,175	2,915,869	559,075	46,849	2,309,945	2,356,794	4,420	217,929	222,349	4,473,388	89,468	**311,817**	44,734
19	2027	2028	288,551	2,656,477	2,945,028	559,075	49,706	2,336,247	2,385,953	2,345	110,205	112,550	4,518,121	22,591	**135,141**	45,181
20	2028	2029	291,436	2,683,042	2,974,478	559,075	0	0	0	0	0	0	4,563,303	0	**0**	45,633
21	2029	2030	291,436	2,709,872	3,001,308	559,075	0	0	0	0	0	0	4,608,936	0	**0**	46,089
22	2030	2031	294,351	2,736,971	3,031,321	559,075	0	0	0	0	0	0	4,655,025	0	**0**	46,550
	Totals									**$43,151**	**$3,468,762**	**$3,511,913**		**$1,489,873**	**$5,001,787**	**$917,095**
															Combined Revenue	**5,918,882**

(a) Assumes the appraised value of the existing properties will increase at the projected 1% annual inflationary rate commencing in Levy Year 2009.

(b) Assumes Oread Project value will be assessed according to completion schedule on previous page, with inflation commencing in Levy Year 2012

(c) Combines the Existing and the Oread for the total assessed value of the TIF District.

(d) Assumes 100% collection of property taxes. Since TIF expenditures are limited to 20 years from City approval of Project estimated to occur April 1, 2008, final collection would be first-half 2027 collection, distributed to City in January 2028. Assume 2007/2008 Mill Levy Rate held flat.

(e) Assumes 70% of sales are taxable.

(f) Since TIF expenditures are limited to 20 years from City approval of Project estimated to occur April 1, 2008, revenue in assess 2027/pay 2028 is only the first three months.

(g) Assumes collection of TDD sales tax revenue for maximum term allowed, without bonds issued, the term is 22 years of collections (2010-2031).