

Britt Crum-Cano

From: James Heffernan <jwh@here-llc.com>
Sent: Tuesday, July 01, 2014 1:16 PM
To: Diane Stoddard; Britt Crum-Cano
Cc: David L. Corliss
Subject: HERE Kansas NRA Analysis By Taxing Jurisdiction 2016 (partial) - 2026 (draft)
Attachments: HERE Kansas NRA 20 Year Analysis by Taxing Jurisdiction 7-1-14.pdf

Diane and Britt

Thank you for speaking with me this morning. Attached please find the analysis by taxing jurisdiction over the period of 2016 (partial) – 2036. We have included as an assumption 50% of the retail sales generated by the project to be incremental. The analysis reveals the following:

The City will invest \$796,687 in calculated costs expressed in today's dollars to reap \$1,427,306 in incremental revenue expressed in today's dollars for a benefit/cost ratio of 1.954. \$1,427,306 represents a 1105.8% increase in revenue over the status quo for the City.

The County will invest \$446,397 in calculated costs expressed in today's dollars to reap \$720,935 in incremental revenue expressed in today's dollars for a benefit/cost ratio of 1.972. \$720,935 represents a 452.2% increase in revenue over the status quo for the County.

The School District will invest \$70,799 in calculated costs expressed in today's dollars to reap \$752,395 in incremental revenue expressed in today's dollars for a benefit/cost ratio of 14.128. \$752,395 represents a 303.6% increase in revenue over the status quo for the school district.

In addition, the analysis reveals immediate and significant revenue increases during the rebate period.

Year 2 – 808% increase in revenue for City

Year 2 – 180% increase in revenue for County

Year 2 – 35% increase in revenue for School District

These return levels are commensurate with their respective expense levels. These revenue percentage increases continue to grow for each of the respective taxing jurisdictions throughout the remainder of the rebate period.

Diane and Britt, under separate cover I will send you the backup spreadsheet that produces these numbers with an explanation of the methodology for your ease of review. If the City could opine to soundness of the analysis methodology, we believe it would be an informative tool for all involved. Thank you for your ongoing efforts. They are very much appreciated. We look forward to your feedback following your review.

Jim



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HERE Kansas 12 year 95% NRA Analysis

| Status Quo + NRA 95% Rebate + Ancillary Revenue + Sales Tax Revenue | Total | NPV |
|---|-------------|-------------|
| City of Lawrence | \$3,233,349 | \$1,556,377 |
| Status Quo | \$235,902 | \$129,070 |
| Increase over Status Quo | \$2,997,448 | \$1,427,306 |
| % Increase over Status Quo | 1270.6% | 1105.8% |
| Douglas County | \$2,039,441 | \$880,375 |
| Status Quo | \$291,408 | \$159,440 |
| Increase over Status Quo | \$1,748,033 | \$720,935 |
| % Increase over Status Quo | 599.9% | 452.2% |
| State of Kansas | \$2,821,084 | \$1,482,683 |
| Status Quo | \$11,894 | \$6,508 |
| Increase over Status Quo | \$2,809,189 | \$1,476,175 |
| % Increase over Status Quo | 23618.1% | 22683.3% |
| USD 497 | \$2,473,287 | \$1,000,232 |
| Status Quo | \$452,971 | \$247,837 |
| Increase over Status Quo | \$2,020,316 | \$752,395 |
| % Increase over Status Quo | 446.0% | 303.6% |

| Costs | Total | NPV |
|---|---------------|-------------|
| Total City Costs (capital operating & debt) | (\$1,125,039) | (\$796,687) |
| Total County Costs (capital, operating, & debt) | (\$617,574) | (\$446,397) |
| Total School District Costs (capital, operating, & debt) | (\$128,997) | (\$70,799) |
| Total State Costs (capital, operating, & debt) | \$0 | \$0 |

| Profit (Loss) | (discounted) Cost/Benefit |
|-------------------------|------------------------------|
| City of Lawrence | 1.954 |
| Douglas County | 1.972 |
| State of Kansas | N/A |
| USD 497 | 14.128 |

Growth Rate 1.0%
Discount Rate 6.24%

HERE Kansas 12 year 95% NRA Analysis

| Status Quo + NRA 95% Rebate + Ancillary Revenue + Sales Tax Revenue | Total | NPV |
|---|-------------|-------------|
| City of Lawrence | \$3,233,349 | \$1,556,377 |
| Status Quo | \$235,902 | \$129,070 |
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| Costs | Total | NPV |
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| Total School District Costs (capital, operating, & debt) | (\$128,997) | (\$70,799) |
| Total State Costs (capital, operating, & debt) | \$0 | \$0 |

| Profit (Loss) | (discounted) Cost/Benefit |
|-------------------------|------------------------------|
| City of Lawrence | 1.954 |
| Douglas County | 1.972 |
| State of Kansas | N/A |
| USD 497 | 14.128 |

Growth Rate 1.0%
Discount Rate 6.24%

Britt Crum-Cano

From: James Heffernan <jwh@here-llc.com>
Sent: Tuesday, July 01, 2014 1:56 PM
To: Diane Stoddard; Britt Crum-Cano
Cc: David L. Corliss
Subject: HERE Kansas 12 year 95% NRA Analysis (backup)
Attachments: HERE Kansas Tax Calculations 12Y-95% NRA) A.xls

Diane and Britt

Attached please find some inserts into the spreadsheet that Britt had sent me. We broke down the existing taxes by jurisdiction using your numbers for the period 2016 -2036 and called this status quo. We broke down the revenue into component parts: status quo, 5% of the property tax increment, ancillary income, and sales tax generated by or retail.

To calculate ancillary income by year we used the discounted CF tab found in the CBA 12Y 95% NRA.xls spreadsheet sent to me by Britt. In order to not duplicate the property tax or initial sales tax revenue we utilized the following rows to find a total ancillary revenue total:

City- rows 27, 50, 51, 55, 56, 62
County- rows 40, 52, 57, 63
School District – row 64
State – row 53, 58, and 60

For the sales tax generated we used the following assumptions before distributing the sales tax among the City, County, and State taxing jurisdictions:

13,137 sq. ft. x \$300 = \$3,941,100
1% annual growth rate
50% of sales are incremental
2016 represents a partial year (50%)

The Costs by year for the various taxing jurisdictions are taken directly from the discounted CF tab for the period of 2016-2035. We added year 2036 utilizing the 1% increase.

The discount rate utilized is 6.24% to match the City analysis.

As you can see the undiscounted benefit/cost ratio exceeds 2.2 for all taxing jurisdictions from year two and beyond. It grows significantly each year for all taxing jurisdictions for the remainder of the rebate period and takes off like a rocket ship in year 13. The City's model puts an incredible cost burden on the analysis in year 1. We believe It needs to be made more clear that this "cost" is not an out-of-pocket expense for any of the taxing jurisdictions in the City Staff analysis comments.

We are hopeful this spreadsheet will be viewed as an informative tool. Please let me know of any questions. Please review it carefully for any unintentional computational errors. We would like to share the summary with the various commissioners for the respective taxing jurisdictions if you find it to be accurate. Again, we sincerely appreciate your extra effort. Thank you for your assistance.

Jim

Future Tax Projections: Tax Calculations on 1101 & 1115 Indiana

2013 Mill Levy0.126482

Mill Levy Escalation (annual)0.001623

Inflation Rate0.02

| Base Tax Valuation | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|-------------|-------------------|--|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | BASE Year | Construction 2015 | Construction 2016 (partial year) | NRA Full Tax Year | | | | | | | | | | | Expired NRA | | | | | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | |
| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | |
| Est. Mill Levy | 0.126687 | 0.126893 | 0.127099 | 0.127305 | 0.127512 | 0.127719 | 0.127926 | 0.128134 | 0.128342 | 0.128550 | 0.128759 | 0.128968 | 0.129177 | 0.129387 | 0.129597 | 0.129807 | 0.130018 | 0.130229 | 0.130440 | 0.130652 | 0.130864 | 0.131077 | 0.131289 | |
| Appraised | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | \$3,177,100 | |
| Base Assessed (11.5%) | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | |
| Est Base Tax Due | \$46,287 | \$46,362 | \$46,438 | \$46,513 | \$46,589 | \$46,664 | \$46,740 | \$46,816 | \$46,892 | \$46,968 | \$47,044 | \$47,120 | \$47,197 | \$47,274 | \$47,350 | \$47,427 | \$47,504 | \$47,581 | \$47,658 | \$47,736 | \$47,813 | \$47,891 | \$47,969 | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| Incremental Tax Valuation | | | | | | | | | | | | | | | | | | | | | | | | |
| | BASE Year | Construction 2015 | Construction 2016 (Partial Year Increment) | NRA Full Tax Year | | | | | | | | | | | Expired NRA | | | | | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | |
| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | |
| Est. Mill Levy | 0.126687 | 0.126893 | 0.127099 | 0.127305 | 0.127512 | 0.127719 | 0.127926 | 0.128134 | 0.128342 | 0.128550 | 0.128759 | 0.128968 | 0.129177 | 0.129387 | 0.129596 | 0.129806 | 0.130016 | 0.130226 | 0.130435 | 0.130645 | 0.130855 | 0.131064 | 0.131274 | |
| Commercial Appraised | -- | -- | \$1,286,080 | \$2,572,160 | \$2,623,603 | \$2,676,075 | \$2,729,596 | \$2,784,188 | \$2,839,872 | \$2,896,669 | \$2,954,603 | \$3,013,695 | \$3,073,969 | \$3,135,448 | \$3,198,157 | \$3,262,120 | \$3,327,363 | \$3,393,910 | \$3,461,788 | \$3,531,024 | \$3,601,644 | \$3,673,677 | \$3,747,151 | |
| Commercial Assessed (25%) | -- | -- | \$321,520 | \$643,040 | \$655,901 | \$669,019 | \$682,399 | \$696,047 | \$709,968 | \$724,167 | \$738,651 | \$753,424 | \$768,492 | \$783,862 | \$799,539 | \$815,530 | \$831,841 | \$848,477 | \$865,447 | \$882,756 | \$900,411 | \$918,419 | \$936,788 | |
| Residential Appraised | -- | -- | \$9,964,146 | \$19,928,293 | \$20,326,858 | \$20,733,396 | \$21,148,063 | \$21,571,025 | \$22,002,445 | \$22,442,494 | \$22,891,344 | \$23,349,171 | \$23,816,154 | \$24,292,477 | \$24,778,327 | \$25,273,894 | \$25,779,371 | \$26,294,959 | \$26,820,858 | \$27,357,275 | \$27,904,421 | \$28,462,509 | \$29,031,759 | |
| Residential Assessed (11.5%) | -- | -- | \$1,145,877 | \$2,291,754 | \$2,337,589 | \$2,384,340 | \$2,432,027 | \$2,480,668 | \$2,530,281 | \$2,580,887 | \$2,632,505 | \$2,685,155 | \$2,738,858 | \$2,793,635 | \$2,849,508 | \$2,906,498 | \$2,964,628 | \$3,023,920 | \$3,084,399 | \$3,146,087 | \$3,209,008 | \$3,273,189 | \$3,338,652 | |
| Total Incremental Assessed | -- | -- | \$1,467,397 | \$2,934,794 | \$2,993,489 | \$3,053,359 | \$3,114,426 | \$3,176,715 | \$3,240,249 | \$3,305,054 | \$3,371,155 | \$3,438,578 | \$3,507,350 | \$3,577,497 | \$3,649,047 | \$3,722,028 | \$3,796,468 | \$3,872,398 | \$3,949,846 | \$4,028,843 | \$4,109,419 | \$4,191,608 | \$4,275,440 | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| Tax Estimations | | | | | | | | | | | | | | | | | | | | | | | | |
| | BASE Year | Construction 2015 | Construction 2016 (partial year) | NRA Full Tax Year | | | | | | | | | | | Expired NRA | | | | | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | |
| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | |
| Base Assessed | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | \$365,366 | |
| Net Incremental Assessed | -- | -- | -- | \$383,544 | \$2,569,428 | \$2,628,123 | \$2,687,993 | \$2,749,060 | \$2,811,349 | \$2,874,883 | \$2,939,688 | \$3,005,789 | \$3,073,212 | \$3,141,984 | \$3,212,131 | \$3,283,681 | \$3,356,662 | \$3,431,102 | \$3,507,032 | \$3,584,480 | \$3,663,477 | \$3,744,053 | \$3,826,242 | \$3,910,074 |
| Total Assessed | | | \$748,910 | \$2,934,794 | \$2,993,489 | \$3,053,359 | \$3,114,426 | \$3,176,715 | \$3,240,249 | \$3,305,054 | \$3,371,155 | \$3,438,578 | \$3,507,350 | \$3,577,497 | \$3,649,047 | \$3,722,028 | \$3,796,468 | \$3,872,398 | \$3,949,846 | \$4,028,843 | \$4,109,419 | \$4,191,608 | \$4,275,440 | |
| Est. Mill Levy | 0.126687 | 0.126893 | 0.127099 | 0.127305 | 0.127512 | 0.127719 | 0.127926 | 0.128134 | 0.128342 | 0.128550 | 0.128759 | 0.128968 | 0.129177 | 0.129387 | 0.129596 | 0.129806 | 0.130016 | 0.130226 | 0.130435 | 0.130645 | 0.130855 | 0.131064 | 0.131274 | |
| Total Tax Due | | | \$95,186 | \$373,615 | \$381,705 | \$389,972 | \$398,417 | \$407,045 | \$415,859 | \$424,865 | \$434,066 | \$443,466 | \$453,069 | \$462,881 | \$472,904 | \$483,142 | \$493,601 | \$504,285 | \$515,199 | \$526,348 | \$537,736 | \$549,370 | \$561,254 | |
| Increment Tax Amount | -- | -- | \$48,748 | \$327,102 | \$335,117 | \$343,307 | \$351,677 | \$360,229 | \$368,968 | \$377,897 | \$387,022 | \$396,345 | \$405,872 | \$415,607 | \$425,553 | \$435,715 | \$446,098 | \$456,705 | \$467,542 | \$478,614 | \$489,926 | \$501,483 | \$513,291 | |
| NRA Rebate at 95% | -- | -- | \$46,311 | \$310,746 | \$318,361 | \$326,142 | \$334,093 | \$342,217 | \$350,519 | \$359,002 | \$367,671 | \$376,528 | \$385,579 | \$394,827 | \$404,276 | \$413,930 | \$423,793 | \$433,870 | \$444,165 | \$454,684 | \$465,430 | \$476,409 | \$487,626 | |
| NRA Rebate at 85% | | | \$41,436 | \$278,036 | \$284,849 | \$291,811 | \$298,925 | \$306,195 | \$313,623 | \$321,213 | \$328,968 | \$336,894 | \$344,992 | \$353,266 | \$361,720 | \$370,358 | \$379,183 | \$388,199 | \$397,411 | \$406,822 | \$416,438 | \$426,261 | \$436,297 | |

Total over 12 year
NRA period

\$4,117,891

\$3,911,997

Total Tax on Increment
Tax Rebate (95%)

HERE Kansas 12 year 95% NRA Analysis

| Status Quo + NRA 95% Rebate + Ancillary Revenue + Sales Tax Revenue | Total | NPV | | | | | | | | | | | | | | | | | | | | | |
|--|-------------|-------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| City of Lawrence | \$3,233,349 | \$1,556,377 | \$72,228 | \$100,557 | \$101,526 | \$102,506 | \$103,497 | \$104,498 | \$105,511 | \$106,535 | \$107,570 | \$108,617 | \$109,676 | \$110,746 | \$208,046 | \$211,437 | \$214,891 | \$218,408 | \$221,990 | \$225,637 | \$229,351 | \$233,134 | \$236,987 |
| Status Quo | \$235,902 | \$129,070 | \$11,052 | \$11,070 | \$11,088 | \$11,106 | \$11,124 | \$11,142 | \$11,160 | \$11,178 | \$11,196 | \$11,215 | \$11,233 | \$11,251 | \$11,269 | \$11,288 | \$11,306 | \$11,324 | \$11,343 | \$11,361 | \$11,380 | \$11,398 | \$11,417 |
| Increase over Status Quo | \$2,997,448 | \$1,427,306 | \$61,176 | \$89,487 | \$90,438 | \$91,400 | \$92,373 | \$93,356 | \$94,351 | \$95,357 | \$96,374 | \$97,403 | \$98,443 | \$99,495 | \$196,776 | \$200,150 | \$203,585 | \$207,084 | \$210,647 | \$214,276 | \$217,972 | \$221,736 | \$225,570 |
| % Increase over Status Quo | 1270.6% | 1105.8% | 553.5% | 808.4% | 815.6% | 823.0% | 830.4% | 837.9% | 845.4% | 853.0% | 860.8% | 868.5% | 876.4% | 884.3% | 1746.1% | 1773.2% | 1800.7% | 1828.7% | 1857.1% | 1886.0% | 1915.5% | 1945.4% | 1975.8% |
| Douglas County | \$2,039,441 | \$880,375 | \$24,227 | \$38,396 | \$38,735 | \$39,079 | \$39,427 | \$39,780 | \$40,138 | \$40,501 | \$40,869 | \$41,242 | \$41,620 | \$42,004 | \$161,249 | \$164,482 | \$167,781 | \$171,149 | \$174,587 | \$178,096 | \$181,678 | \$185,334 | \$189,067 |
| Status Quo | \$291,408 | \$159,440 | \$13,653 | \$13,675 | \$13,697 | \$13,719 | \$13,742 | \$13,764 | \$13,786 | \$13,809 | \$13,831 | \$13,853 | \$13,876 | \$13,898 | \$13,921 | \$13,944 | \$13,966 | \$13,989 | \$14,012 | \$14,034 | \$14,057 | \$14,080 | \$14,103 |
| Increase over Status Quo | \$1,748,033 | \$720,935 | \$10,574 | \$24,721 | \$25,038 | \$25,359 | \$25,686 | \$26,016 | \$26,352 | \$26,693 | \$27,038 | \$27,389 | \$27,744 | \$28,105 | \$147,328 | \$150,538 | \$153,815 | \$157,160 | \$160,575 | \$164,062 | \$167,621 | \$171,254 | \$174,964 |
| % Increase over Status Quo | 599.9% | 452.2% | 77.5% | 180.8% | 182.8% | 184.8% | 186.9% | 189.0% | 191.1% | 193.3% | 195.5% | 197.7% | 199.9% | 202.2% | 1058.3% | 1079.6% | 1101.3% | 1123.5% | 1146.0% | 1169.0% | 1192.4% | 1216.3% | 1240.6% |
| State of Kansas | \$2,821,084 | \$1,482,683 | \$61,190 | \$123,173 | \$124,403 | \$125,645 | \$126,900 | \$128,167 | \$129,447 | \$130,740 | \$132,046 | \$133,365 | \$134,697 | \$136,043 | \$142,253 | \$143,742 | \$145,247 | \$146,768 | \$148,307 | \$149,862 | \$151,434 | \$153,023 | \$154,630 |
| Status Quo | \$11,894 | \$6,508 | \$557 | \$558 | \$559 | \$560 | \$561 | \$562 | \$563 | \$564 | \$565 | \$566 | \$567 | \$568 | \$569 | \$570 | \$571 | \$572 | \$573 | \$574 | \$575 | \$576 | |
| Increase over Status Quo | \$2,809,189 | \$1,476,175 | \$60,633 | \$122,615 | \$123,844 | \$125,085 | \$126,339 | \$127,605 | \$128,885 | \$130,177 | \$131,482 | \$132,800 | \$134,131 | \$135,476 | \$141,685 | \$143,173 | \$144,677 | \$146,198 | \$147,735 | \$149,289 | \$150,860 | \$152,449 | \$154,055 |
| % Increase over Status Quo | 23618.1% | 22683.3% | 10880.6% | 21967.9% | 22152.1% | 22337.9% | 22525.2% | 22714.1% | 22904.6% | 23096.8% | 23290.5% | 23485.9% | 23682.9% | 23881.5% | 24935.7% | 25156.7% | 25379.7% | 25604.9% | 25832.2% | 26061.6% | 26293.2% | 26527.0% | 26763.1% |
| USD 497 | \$2,473,287 | \$1,000,232 | \$22,336 | \$28,731 | \$28,948 | \$29,170 | \$29,396 | \$29,626 | \$29,860 | \$30,099 | \$30,343 | \$30,591 | \$30,843 | \$31,101 | \$216,117 | \$220,796 | \$225,576 | \$230,459 | \$235,447 | \$240,542 | \$245,747 | \$251,064 | \$256,496 |
| Status Quo | \$452,971 | \$247,837 | \$21,222 | \$21,256 | \$21,291 | \$21,326 | \$21,360 | \$21,395 | \$21,430 | \$21,464 | \$21,499 | \$21,534 | \$21,569 | \$21,604 | \$21,639 | \$21,674 | \$21,709 | \$21,745 | \$21,780 | \$21,815 | \$21,851 | \$21,886 | \$21,922 |
| Increase over Status Quo | \$2,020,316 | \$752,395 | \$1,114 | \$7,474 | \$7,657 | \$7,845 | \$8,036 | \$8,231 | \$8,431 | \$8,635 | \$8,843 | \$9,056 | \$9,274 | \$9,497 | \$194,478 | \$199,122 | \$203,867 | \$208,714 | \$213,667 | \$218,727 | \$223,896 | \$229,178 | \$234,574 |
| % Increase over Status Quo | 446.0% | 303.6% | 5.2% | 35.2% | 36.0% | 36.8% | 37.6% | 38.5% | 39.3% | 40.2% | 41.1% | 42.1% | 43.0% | 44.0% | 898.7% | 918.7% | 939.1% | 959.8% | 981.0% | 1002.6% | 1024.7% | 1047.1% | 1070.1% |

| Costs | Total | NPV | | | | | | | | | | | | | | | | | | | | | |
|---|---------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total City Costs (capital operating & debt) | (\$1,125,039) | (\$796,687) | (\$490,674) | (\$43,136) | (\$28,410) | (\$28,694) | (\$28,981) | (\$29,270) | (\$29,563) | (\$29,859) | (\$30,157) | (\$30,459) | (\$30,764) | (\$31,071) | (\$31,382) | (\$31,696) | (\$32,013) | (\$32,333) | (\$32,656) | (\$32,983) | (\$33,312) | (\$33,646) | (\$33,982) |
| Total County Costs (capital, operating, & debt) | (\$617,574) | (\$446,397) | (\$295,523) | (\$17,335) | (\$14,642) | (\$14,789) | (\$14,936) | (\$15,086) | (\$15,237) | (\$15,389) | (\$15,543) | (\$15,698) | (\$15,855) | (\$16,014) | (\$16,174) | (\$16,336) | (\$16,499) | (\$16,664) | (\$16,831) | (\$16,999) | (\$17,169) | (\$17,341) | (\$17,514) |
| Total School District Costs (capital, operating, & debt) | (\$128,997) | (\$70,799) | (\$6,727) | (\$8,133) | (\$5,485) | (\$5,539) | (\$5,595) | (\$5,651) | (\$5,707) | (\$5,764) | (\$5,822) | (\$5,880) | (\$5,939) | (\$5,998) | (\$6,058) | (\$6,119) | (\$6,180) | (\$6,242) | (\$6,304) | (\$6,367) | (\$6,431) | (\$6,495) | (\$6,560) |
| Total State Costs (capital, operating, & debt) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Profit (Loss) | (discounted) | | (undiscounted) | | | | | | | | | | | | | | | | | | | |
|------------------|--------------|--------------|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Cost/Benefit | Cost/Benefit | | | | | | | | | | | | | | | | | | | | |
| City of Lawrence | 1.954 | 0.147 | 2.331 | 3.574 | 3.572 | 3.571 | 3.570 | 3.569 | 3.568 | 3.567 | 3.566 | 3.565 | 3.564 | 6.629 | 6.671 | 6.713 | 6.755 | 6.798 | 6.841 | 6.885 | 6.929 | 6.974 |
| Douglas County | 1.972 | 0.082 | 2.215 | 2.645 | 2.642 | 2.640 | 2.637 | 2.634 | 2.632 | 2.629 | 2.627 | 2.625 | 2.623 | 9.970 | 10.069 | 10.169 | 10.271 | 10.373 | 10.477 | 10.582 | 10.688 | 10.795 |
| State of Kansas | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| USD 497 | 14.128 | 3.321 | 3.533 | 5.278 | 5.266 | 5.254 | 5.243 | 5.232 | 5.222 | 5.212 | 5.202 | 5.193 | 5.185 | 35.673 | 36.084 | 36.500 | 36.921 | 37.347 | 37.777 | 38.212 | 38.653 | 39.098 |

Growth Rate 1.0%
Discount Rate 6.24%

| Estimated Tax Paid from Developer over NRA period (95% Rebate) | | | | | | | | | | | | | | |
|--|-----------|--------------|----------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | BASE Year | Under Const. | Const. End July 2016 | NRA Full Tax Year | | | | | | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | | 8 | 9 | 10 | 11 |
| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Base Taxes Due | \$46,287 | \$46,362 | \$46,438 | \$46,513 | \$46,589 | \$46,664 | \$46,740 | \$46,816 | \$46,892 | \$46,968 | \$47,044 | \$47,120 | \$47,197 | \$47,274 |
| Increment Taxes Due (95% Rebate) | -- | -- | \$2,437 | \$16,355 | \$16,756 | \$17,165 | \$17,584 | \$18,011 | \$18,448 | \$18,895 | \$19,351 | \$19,817 | \$20,294 | \$20,780 |
| Total Taxes Due | \$46,287 | \$46,362 | \$48,875 | \$62,868 | \$63,344 | \$63,829 | \$64,324 | \$64,827 | \$65,340 | \$65,863 | \$66,395 | \$66,938 | \$67,491 | \$68,054 |

Sales Taxes

| Estimated Tax Paid from Developer over NRA period (85% Rebate) | | | | | | | | | | | | | | |
|--|-----------|--------------|----------------------|-------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | BASE Year | Under Const. | Const. End July 2016 | NRA Full Tax Year | | | | | | | | | | |
| Year | 2014 | 2015 | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | | | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Base Taxes Due | \$46,287 | \$46,362 | \$46,438 | \$46,513 | \$46,589 | \$46,664 | \$46,740 | \$46,816 | \$46,892 | \$46,968 | \$47,044 | \$47,120 | \$47,197 | \$47,198 |
| Increment Taxes Due (95% Rebate) | -- | -- | \$7,312 | \$49,065 | \$50,268 | \$51,496 | \$52,752 | \$54,034 | \$55,345 | \$56,685 | \$58,053 | \$59,452 | \$60,881 | \$62,341 |
| Total Taxes Due | \$46,287 | \$46,362 | \$48,875 | \$95,578 | \$96,856 | \$98,160 | \$99,491 | \$100,850 | \$102,237 | \$103,652 | \$105,097 | \$106,572 | \$108,078 | \$109,539 |

| totals | | | |
|--------------------|--------------------|--------------------|--|
| 10 year NRA period | 11 year NRA period | 12 year NRA period | |
| \$468,542 | \$514,980 | \$562,253 | Amount due on Base Value |
| \$182,677 | \$185,114 | \$205,895 | Amount due on Incremental Value |
| \$651,219 | \$700,094 | \$768,148 | Total taxes paid by developer over NRA period. |

| totals | | | |
|--------------------|--------------------|--------------------|--|
| 10 year NRA period | 11 year NRA period | 12 year NRA period | |
| \$468,542 | \$514,980 | \$562,178 | Amount due on Base Value |
| \$548,030 | \$555,343 | \$617,684 | Amount due on Incremental Value |
| \$1,016,573 | \$1,065,448 | \$1,126,112 | Total taxes paid by developer over NRA period. |