

**Scenario #2 -- Fiore Irgens proposal**

Library moves; 250-room hotel is built with 10,000 SF retail and 400 parking stalls

Full initial assessed value of hotel = \$30m

Sources										Uses										Total Capital Cost	Net Cost (Revenue)
Project Year	Calendar Year	City Tax Rate	Description	Property Value of Block 66	Status Quo Value of Block 66	Increased Property Value	Increased Property Taxes	Room Taxes	Fund Raising (post-borrow)	Total City Revenue	Capital Funding (GO)	Capital Funding (other)	Fund Raising Bridge (GO)	GO debt 2010 borrow	GO debt 2011 borrow	GO debt 2012 borrow	GO Debt Service	NMTC Loan Payment	Fund Raising Debt Service (GO)		
1	2010	0.007360	Value baseline	20,296,500	20,296,500	-	-	-	-	-	13,000,000	10,000,000	-	-	-	-	-	-	-	-	
2	2011	0.007221	Partial construction of library	40,596,500	21,108,360	19,488,140	-	-	-	-	2,000,000	-	5,000,000	1,950,000	-	-	1,950,000	90,000	-		
3	2012	0.007085	Library done and now exempt, old space is assessable	21,396,500	21,952,694	(556,194)	138,071	-	-	138,071	2,000,000	-	5,000,000	1,885,000	300,000	-	2,185,000	90,000	750,000		
4	2013	0.006951	Half hotel goes in	31,796,500	22,830,802	8,965,698	(3,866)	-	1,000,000	996,134	-	-	-	1,820,000	290,000	300,000	2,410,000	90,000	1,475,000		
5	2014	0.006820	Full assessed value	46,796,500	23,744,034	23,052,466	61,146	-	1,000,000	1,061,146	-	-	-	1,755,000	280,000	290,000	2,325,000	90,000	1,425,000		
6	2015	0.006691		47,732,430	24,693,796	23,038,634	154,252	638,400	1,000,000	1,792,652	-	-	-	1,690,000	270,000	280,000	2,240,000	90,000	1,375,000		
7	2016	0.006565		48,687,079	25,681,547	23,005,531	151,251	654,360	1,000,000	1,805,611	-	-	-	1,625,000	260,000	270,000	2,155,000	90,000	1,325,000		
8	2017	0.006441		49,660,820	26,708,809	22,952,011	148,184	670,719	1,000,000	1,818,903	-	-	-	1,560,000	250,000	260,000	2,070,000	90,000	1,275,000		
9	2018	0.006320		50,654,037	27,777,162	22,876,875	145,049	687,487	1,000,000	1,832,536	-	-	-	1,495,000	240,000	250,000	1,985,000	-	1,225,000		
10	2019	0.006200		51,667,117	28,888,248	22,778,869	141,847	704,674	1,000,000	1,846,521	-	-	-	1,430,000	230,000	240,000	1,900,000	-	1,175,000		
11	2020	0.006083		52,700,460	30,043,778	22,656,682	138,574	722,291	1,000,000	1,860,865	-	-	-	1,365,000	220,000	230,000	1,815,000	-	1,125,000		
12	2021	0.005969		53,754,469	31,245,529	22,508,940	135,230	740,348	1,000,000	1,875,579	-	-	-	-	210,000	220,000	430,000	-	1,075,000		
13	2022	0.005856		54,829,558	32,495,350	22,334,208	131,814	758,857	1,000,000	1,890,671	-	-	-	-	-	210,000	210,000	-	525,000		
14	2023	0.005746		55,926,149	33,795,164	22,130,985	128,323	777,828	-	906,151	-	-	-	-	-	-	-	-	-		
15	2024	0.005637		57,044,672	35,146,971	21,897,701	124,756	797,274	-	922,030	-	-	-	-	-	-	-	-	-		
				<b>Totals</b>			<b>1,594,630</b>	<b>7,152,239</b>	<b>10,000,000</b>	<b>18,746,868</b>	<b>17,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>				<b>21,675,000</b>	<b>630,000</b>	<b>12,750,000</b>	<b>35,055,000</b>	<b>16,308,132</b>
											<b>Total Project Cost</b>		<b>37,000,000</b>								

**Assumptions:**

Calendar Year: Assumes project begins January 2010 and library is occupied January 2012; Phase 2 begins January 2012 and is completed January 2014

City Tax Rate: Tax base at +6.0% and levy at +4.0% per year yields a change of -1.89% applied to 2009 adopted City mill rate of 7.5015

Property Value of Block 66: Projection of total assessed value of Block 66. Due to slow economy, 2010 value is assumed to equal 2009 assessed value. Assumes 2% annual growth of entire block after construction completed.

Status Quo Value of Block 66: Assumes 4% annual growth in value

Increased Property Value: Represents the incremental gain from additional development over assessed value of 2009 for all of Block 66

Increased Property Taxes: Based on Increased Property Value and projected City Tax Rate; revenue based on previous year's value increase; assumes project is not TIF funded

Room Taxes: Based on Fiore Irgens' proposed 250-room hotel; assumes annual increase of 2.5%. Taken from Fiore's 50-yr table. Assumes City portion is 80%.

Fund Raising: Assumes \$10m in fundraising is collected over several years

Total City Revenue: Sum of increased property tax, room tax and fund raising

Capital Funding (GO): Assumes project is also funded with fund raising proceeds, New Markets Tax Credits, and sale of existing Central Library land

Capital Funding (other): 6m from NMTC (project cost x 39% x 68 cents - 10% fees) and 4m from site sale in 2010 with 10m from fundraising split between 2011 and 2012

Fund Raising Bridge: Remainder of 10m goal not yet raised that would be covered by GO borrowing. Assumes - raised prior to borrowing

GO Debt Service: Based on 5% interest rate paid back over 10 years

NMTC Loan Payment: Interest only based on 1.5% of \$6m in upfront equity. Assumes 100% forgiveness of upfront equity amount.

Fund Raising Debt Service (GO): Assumes fund raising bridge is paid back over 10 years

Total Capital Cost: Sum of debt service, New Markets Tax Credit loan repayment, and fund raising debt service

Net Cost (Revenue): Comparison of sources and uses

