

Space Needs Study
Financing Options

Estimated Cost from Leo A Daly

AVAILABLE FINANCING OPTIONS:

Debt Financing (Non-Appropriation Bonds):

Interest Rate (Estimated)

Annual Debt Payment (Estimated) (without downpayment)

DEBT FINANCING OPTIONS (WITHOUT DOWNPAYMENT):

Public Health and Police Buildings:

- 1 Mill Levy Increase (Est.)
- 2 Sales Tax Increase (Est.)

SPACE NEEDS PROJECTS:

Police + PH		Police + PH	
Option 5+6		Option 5+7	
\$	43,632,568	\$	57,630,568

	2%		2%
\$	2,668,425	\$	3,524,496

	6.60		8.72
	0.25%		0.25%

Opportunity Cost: \$1.5 million per year

FINANCING TERMS (Assumptions)

- 1 Est. Interest Rate
- 2 Period (in Years)
- 3 City's Downpayment (One-Time)

DEBT FINANCING BENEFITS

- 1 Freezes costs today
- 2 Allows purchase today with future payments (same as mortgage)
- 3 Low fixed interest rates - saves interest rate costs with higher rates

FACTORS TO CONSIDER:

- 1 Costs WILL increase in future (Time Value of Money)
- 2 Interest rates WILL increase in future (currently all-time low)
- 3 Space need will only get worse

Space Needs - Opportunity Costs (Overall)

