

West Lafayette Redevelopment Commission

Levee Village Area (TIF 1) Estimated Tax Increment Revenue and Bond Coverage

General Assumptions:

- Tax Increment Revenue (TIR) for 2015 is based upon the assumption that 50% of the annual TIR was received in the June 2015 settlement of \$2,301,935. TIR for 2016 is based upon the Neutralization Calculation prepared by the Tippecanoe County Auditor using preliminary 2016 Assessed Values and estimated tax rates. TIR for 2017 includes \$20 million of additional captured assessed value from two projects that were only partially assessed on March 1, 2015. The majority of these improvements will not be assessed until January 1, 2016 which will begin to generate increment in 2017. After 2017, a 1% average annual increase was included in estimated revenue. Coverage calculations are shown with and without this 1% increase.
- Annual payments for the 2010 Lease Rental Bonds represent the remaining scheduled lease payments for the Lease Rental Refunding Bonds, Series 2010 which lease rentals are due in equal semiannual installments on January 15th and July 15th through January 15, 2022. The original lease rental bonds financed the development of the Wabash Landing Parking garage. Their repayment is secured by TIR in the Levee Village Area and if not sufficient by a property tax backup.
- The 2015 Bonds were issued in the amount of \$300,000 on June 26, 2015. They include a variable interest rate feature which is subject to adjustment within a cap every five years. The annual debt service through 2019 is actual based upon the initial rate. Annual payments thereafter through final maturity on January 15, 2040 assume the maximum allowed interest rate increases. These bonds are secured by a parity pledge of TIR in the Levee Village Area.
- SS Project Commitment represents the annual Sponsor Contributions for West Lafayette for the BOT procurement of the State Street Project as presented in the 7-30-15 Affordability Cap Analysis prepared by KPMG with certain adjustments. These payments represent 50% of the total contributions to the procurement and include both an expected inaugural payment and availability payments beginning in 2019. The amounts have been revised from the developer payment stream reflected in the RFQ when initially posted. Planned contributions in 2017, 2018 and 2019 were reduced from \$3,000,000 to \$2,500,000 in 2017 and then \$2,000,000 per year in 2017 and 2018. The reduction of \$2,500,000 was added to the payments in 2019 through 2039 such that the total City commitment remains at \$60,000,000.
- Williams Street to River Road improvements were originally part of the BOT procurement but have been removed from the base scope and included in a Guaranteed Savings Contract procurement which is expected to be financed in part by Redevelopment District Bonds secured by tax increment in the Levee Village Area with a property tax backup. Total road project costs will not exceed \$7,500,000 of which up to \$7,000,000 is expected to bond funded. Assuming a 20 year term and a \$7,000,000 bond, the annual debt service is estimated at \$500,000. Funding of up to \$2,000,000 of excess land costs, as described in the next section, will be addressed through short term borrowing facilities.

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General Assumptions (Continued):

- The City is responsible for right of way services and related land acquisition costs for the State Street Project. The BOT procurement includes a budget of \$3,000,000 for these costs. Current cost estimates for land held by private owners for all sections of the project (including Williams Street) total approximately \$5,000,000 including acquisition services. Efforts continue to reduce these costs, however, in the event they cannot be reduced, we have assumed an additional \$2,000,000 may be funded as part of the Redevelopment District Bond financing described in the previous section.
- Bond Coverage is based upon the Levee Village Area TIR revenues as described above and the existing and anticipated obligations described above. The first set of calculations is based upon existing improvements in the Area plus 1% increases beginning in 2017. The second set of coverage calculations includes estimated revenue based only upon existing improvements.

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	Estimated Tax Increment Revenue	Outstanding Obligations		City SS Project Commitment	GSC Bond Williams St. to River Road Improvements	Total Debt Obligations	Estimated Bond Coverage	
		2010 Lease Rental Bonds	2015 Bonds				With 1% Revenue Growth	Without 1% Revenue Growth
2015	\$ 4,600,000	\$ 587,000	\$ 20,378	\$ 1,000,000		\$ 1,607,378	286%	286%
2016	4,700,000	587,000	20,418	2,500,000		3,107,418	151%	151%
2017	5,100,000	585,000	20,075	2,000,000	500,000	3,105,075	164%	164%
2018	5,151,000	586,000	20,719	2,000,000	500,000	3,106,719	166%	164%
2019	5,202,510	585,000	20,349	2,337,000	500,000	3,442,349	151%	148%
2020	5,254,535	588,000	22,693	2,347,000	500,000	3,457,693	152%	147%
2021	5,307,080	592,000	20,128	2,357,000	500,000	3,469,128	153%	147%
2022	5,360,151		20,665	2,367,000	500,000	2,887,665	186%	177%
2023	5,413,753		20,151	2,377,000	500,000	2,897,151	187%	176%
2024	5,467,890		19,637	2,387,000	500,000	2,906,637	188%	175%
2025	5,522,569		22,599	2,397,000	500,000	2,919,599	189%	175%
2026	5,577,795		19,949	2,407,000	500,000	2,926,949	191%	174%
2027	5,633,573		20,376	2,417,000	500,000	2,937,376	192%	174%
2028	5,689,909		19,765	2,427,000	500,000	2,946,765	193%	173%
2029	5,746,808		20,154	2,437,000	500,000	2,957,154	194%	172%
2030	5,804,276		20,428	2,447,000	500,000	2,967,428	196%	172%
2031	5,862,318		20,664	2,457,000	500,000	2,977,664	197%	171%
2032	5,920,942		19,824	2,467,000	500,000	2,986,824	198%	171%
2033	5,980,151		19,945	2,477,000	500,000	2,996,945	200%	170%
2034	6,039,953		20,028	2,487,000	500,000	3,007,028	201%	170%
2035	6,100,352		19,997	2,497,000	500,000	3,016,997	202%	169%
2036	6,161,356		19,927	2,507,000	500,000	3,026,927	204%	168%
2037	6,222,969		19,743	2,517,000		2,536,743	245%	201%
2038	6,285,199		20,483	2,527,000		2,547,483	247%	200%
2039	6,348,051		20,107	2,537,000		2,557,107	248%	199%
2040	6,411,531			1,323,000		1,323,000	485%	385%
TOTALS		<u>\$ 4,110,000</u>	<u>\$ 509,202</u>	<u>\$ 60,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 74,619,202</u>		

NOTE: The above amounts are estimates based upon assumptions provided by the City and are subject to further update and revision. Also see attached General Assumptions for additional information.