



The **Town** *of*
Davidson

College Town. Lake Town. *Your Town.*

Public Facilities Financing Analysis



College Town. Lake Town. *Your Town.*

Public Facilities
August 8, 2017

Debt Overview

- Loan will be opened Summer 2018
- 20 years at 3.75% with 2 years interest only
- Compared Level Principal and Level Payment Options
- Payment of debt service relies on 10% or 15% increase in ad valorem tax revenue due to 2019 revaluation
- No additional tax rate increases

Borrowing Statistics

	Cost	Loan Type	Total Debt Service	Capital Project Fund Usage Through 2022	Minimum Unassigned Fund Balance	Use of Revaluation
May	\$15,400,000	Level Principal	\$22,041,250	\$3,011,927	31.0% (2022)	15%
		Level Payment	\$22,609,343	\$2,561,715	34.1% (2022)	15%
TH 22K	\$13,225,000	Level Principal	\$18,928,281	\$2,448,541	34.7% (2022)	15%
		Level Payment	\$19,416,140	\$2,299,745	30.9% (2022)	10%
TH 20K	\$12,635,000	Level Principal	\$18,083,844	\$2,295,715	35.4% (2021)	15%
		Level Payment	\$18,549,938	\$2,164,167	31.6% (2022)	10%



Revaluation Change in Tax Rate

Projected Assessed Value of Property FY2019	\$2,000,000,000
Tax Rate (Per \$100 of value)	0.35
Projected Tax Revenue FY2019	\$7,000,000
Revaluation of Property Agregate Increase	25%
Potential Assesed Value of Property FY2020	\$2,500,000,000
Potential Neutral Tax Rate FY 2020	0.28

	Potential Tax Rate	Projected Revenue
10% Increase in Tax Rate FY 2020	0.308	\$7,700,000
15% Increase in Tax Rate FY 2020	0.322	\$8,050,000



How Does All This Affect Taxpayers?

FY 2019			
		Tax Rate	Taxes Paid
Assessed Value of Home	\$400,000	0.35	\$1,400

FY 2020 - Public Facilities					
Revaluation Increase	New Assessed Value of Home	15% Increase Tax Rate	Taxes Paid FY2020	Increase Over FY2019	
				Annual	Monthly
25%	\$500,000	0.322	\$1,610	\$210	\$17.50
		10% Increase Tax Rate			
25%	\$500,000	0.308	\$1,540	\$140	\$11.67



Considerations As We Issue Debt

- As good stewards of our citizens' money, we work to minimize the tax impact of any debt incurred
 - 2019 Revaluation
 - Economy
 - Timing
- Our financial models are based on the best information we have now, and will be updated based on changes

How Does All This Affect Taxpayers?

FY 2023 - Public Facilities + G.O. Bonds					
Revaluation Increase	New Assessed Value of Home	New Tax Rate (15%+G.O.)	Taxes Paid FY2023	Increase Over FY2019	
				Annual	Monthly
25%	\$500,000	0.3582	\$1,791	\$391	\$32.58
		New Tax Rate (10%+G.O.)			
25%	\$500,000	0.3442	\$1,721	\$321	\$26.75