

CITY OF MADISON  
OFFICE OF THE CITY ATTORNEY  
Room 401, CCB  
266-4511

Date: December 18, 2012

**MEMORANDUM**

TO: Plan Commission

FROM: Maureen O'Brien and Jaime Staffaroni, Assistant City Attorneys

RE: Attic Angels Prairie Point - Payment for Municipal Services Agreement

This memo alerts the Plan Commission to information that might be relevant when considering conditions of approval for future projects associated with Attic Angels Prairie Point (AAPP). Specifically, this relates to condition 2 under MGO 28.07(6)(f)2:

Economic Impact. Planned unit development district shall not adversely affect the economic prosperity of the City or the area of the City where the planned unit development is proposed, including the cost of providing municipal services.

**HISTORY**

**1. 2001 PMS Agreement**

In April of 2001, AAPP applied for PUD rezoning. As a condition of that approval, the City required AAPP to enter into a Payment for Municipal Services (PMS) agreement. The agreement recognized the value of municipal services provided to AAPP by the City. It provided that AAPP would make a payment for any portion of the premises that is exempt from paying general property taxes to the City of Madison. (Attachment 1). Section 9 is the Termination section of the Agreement and provides in relevant part:

"... this Agreement shall immediately terminate and be of no further force and effect (and all applicable PMS payments shall cease as of such date), in the event of the occurrence of any of the following:

(a) In the event the Premise or that a portion thereof occupied by the Project is not tax exempt under the provisions of Section 70.11(4), Stats., or any successor thereto;"

**2. 2003 Tax Exemption Lawsuit**

In 2003, the City denied AAPP an exemption as a benevolent retirement home for the aged under the former section of Wis. Stat. § 70.11(4) and AAPP sued the City in case number

2003 CV1617. The City's main argument was that the retirement home could not establish that it was a benevolent association. Dane County Circuit Judge Sumi ruled that AAPP did not satisfy the benevolence test because their actual use of the property was to provide housing for moderate and upper-income level individuals. AAPP did not appeal this determination.

### **3. 2010 Tax Exemption Lawsuit**

In 2010, the Wisconsin Legislature amended and created various new subsections of Wis. Stat. § 70.11. Specifically, Wis. Stat. § 70.11(4d) was adopted, entitled Benevolent Retirement Homes for the Aged. AAPP applied for a property tax exemption in 2010 pursuant to this new subsection. The City denied the exemption because the subsection still requires an entity to be a benevolent association and satisfy the benevolence test. AAPP sued the City in case number 2011CV2746 in Dane County Circuit Court. Judge Anderson ruled in favor of AAPP. He held that benevolence under this section is defined by the statutory requirement which limits the value of the units in a retirement home for the aged to 130 percent of the average equalized value of improved parcels of residential property located in the same county as the retirement home. AAPP for 2010 satisfied this value limitation of the units. The City has appealed this ruling in 2012 AP 2095, in the Wisconsin Court of Appeals, which is currently pending.

After the circuit court ruling, AAPP informed the City that they interpret the PMS from August 20, 2001 to no longer be in effect. AAPP argues that the agreement terminated when City prevailed in the 2003 case, when the properties were determined not to be tax exempt. AAPP offered to negotiate a new PMS Agreement in light of the recent circuit court ruling in their favor, in exchange for the City not appealing that ruling. After learning that the City intended to appeal the ruling, AAPP withdrew their offer to execute a new PMS Agreement, because there was no finality to the issue of whether AAPP qualifies for a property tax exemption.

### **CONCLUSION**

The Plan Commission should be aware that AAPP interprets the 2001 Agreement to no longer be in effect. AAPP believes a new Agreement needs to be negotiated if they prevail in the Court of Appeals and are granted a property tax exemption.

Based on this information, the Plan Commission should carefully consider the "economic impact" condition of any new AAPP project approvals. If the condition is not met, you may consider conditioning approval of the development, as was done in 2001, on AAPP's entry into a new PMS agreement with the City. Any such condition, and any new agreement, should provide that AAPP will make the PMS payments for any year in which it is exempt from paying property taxes.

**FILE COPY**

**AGREEMENT RE: PAYMENT FOR MUNICIPAL SERVICES (PMS)**

THIS AGREEMENT is made effective this \_\_\_\_ day of August, 2001 by and between ~~Attic Angel Prairie Point, Inc.~~ a Wisconsin non-stock, not for profit corporation ("AAPP") having offices at the address hereinafter located; and the City of Madison (the "City"), a Wisconsin municipal corporation, having offices at the address hereinafter located.

**WITNESSETH:**

WHEREAS, AAPP is the fee simple owner of the real estate described as Lots 1 through 8 and Outlots 1,2,3, 4 and 5, Plat of Prairie Point, and those yet unplatted lands which are subject to the Attic Angel PUD-GDP for Attic Angel Prairie Point as recorded in the office of the Dane County Register of Deeds as Document No. \_\_\_\_\_, all in the City of Madison, Dane County, Wisconsin, (herein the "Premises") (noting that Outlots 1,2, and 4 are to be dedicated to the City of Madison for public purposes); and

WHEREAS, AAPP has applied for tax exempt status for the Premises from real estate taxation under the provisions of Section 70.11(4), Stats., as a benevolent association utilizing the same as a retirement facility for the aged; and

WHEREAS, there are to be constructed on the Premises approximately 319 dwelling units ("Unit in the singular and "Units" in the plural) providing housing and other services for the aged (the "Project"); and

WHEREAS, in connection with its operations of the Premises, AAPP has applied for an extension of the existing Attic Angel Community continuing care facility permit from the Wisconsin Office of the Commissioner of Insurance ("OCI") to operate the Premises as a continuing care facility as defined under Chapter 647 of the Wisconsin Statutes, as amended; and

WHEREAS, AAPP is required to obtain approval and authorization from OCI of any "continuing care contract" offered by OVAAPP to individuals occupying the Premises; and

WHEREAS, the City recognizes that AAPP may from time to time provide charitable care for persons residing in the Project; and

WHEREAS, in order to construct the Project, AAPP must obtain regulatory and administrative approvals from the City; and

WHEREAS, once the Project is constructed, AAPP intends to enter into Occupancy and Services Agreements with individuals (the "Residents") for the use and occupancy of the Units comprising the Project; and

WHEREAS, the Occupancy and Services Agreements constitute "continuing care contracts" under applicable provisions of Wisconsin law, which Occupancy and Services Agreements must be approved by OCI prior to AAPP entering into the same; and

WHEREAS, the Parties recognize that valuable government services and benefits that relate directly or indirectly to health, safety, and welfare will be provided to the Residents of the Project, and that these services may include, but are not limited to, fire and police protection, emergency medical service, street maintenance, and public transportation; and

WHEREAS, in obtaining the approvals of the City to construct the Project, the City requires compliance with Section 28.07(6) of the Madison General Ordinances (the "Ordinance"); and

WHEREAS, one of the requirements of the Ordinance is that the Project not adversely affect the economic prosperity of the City or the area of the City where the Project is proposed; and

WHEREAS, the City has adopted Resolution I.D. No. 29956 (the "Resolution"), a copy of which is attached hereto, incorporated herein, and marked as Exhibit 1, which Resolution authorizes an agreement with AAPP to provide for a revenue stream which would be available to support the provision of municipal services over the useful life of the Project; and

WHEREAS, the Parties desire to satisfy the requirements of Substitute Ordinance No. 12827, ID. No. 29282;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, as well as other good and valuable consideration moving from each party to the other, it is hereby agreed as follows:

1. Recitals. The recitals hereto are hereby incorporated by reference.
2. Term. The term of this Agreement shall commence upon the date of execution hereof; and shall continue indefinitely thereafter, unless and until terminated as provided for herein.
3. Definitions. As used in this Agreement, the following terms shall have the following meanings:
  - (a) "Resident(s)" shall mean those individual(s) occupying a Unit in the Project pursuant to a Occupancy and Services Agreement.
  - (b) "Occupancy and Services Agreement" shall mean the occupancy and services agreement utilized from time to time by AAPP relative to Units comprising the Project, which occupancy and services agreement must be

approved by OCI pursuant to the provisions of Chapter 647 of the Wisconsin Statutes, as amended from time to time.

(c) "PMS" shall mean "Payment for Municipal Services," which consists of an annual fee for each Unit of the Project as determined in accordance with Section 5 below.

(d) "Municipal Services" shall mean those public health, safety, transportation and other governmental services more particularly described on Exhibit 2 attached hereto and incorporated herein, which services shall be made available to the Residents by the City.

(e) "Party" or "Parties" shall mean AAPP and/or the City, as the case may be.

Other terms shall have the definitions assigned to them as elsewhere provided for herein or in the recitals hereto.

4. Payment and Collection of PMS. During the term of this Agreement, the City agrees to make available to the Residents the Municipal Services; and in consideration therefor, AAPP agrees to pay to the City the annual PMS provided for herein. The City shall invoice AAPP directly for PMS as provided for in Section 5 of this Agreement, on or before December 31 of each year commencing with the year 2002. AAPP shall pay such invoice on or before January 31 of the following year, subject however, to the provisions of this Agreement. In the event any provision of this Agreement requires that there be a credit applied to PMS, it shall be applied against the first one-half payment of PMS and if there is still a credit owing against the second one-half payment of PMS for the subsequent calendar year. On or before December 1 and each year (beginning with the year 2003), AAPP shall notify the City in writing of all circumstances giving rise to credit(s) or other adjustments to PMS as required under the terms of this Agreement.

5. Determination and Administration of PMS Payments. In connection with the administration and imposition of PMS relating to the Units comprising the Project, the Parties agree as follows:

(a) The total PMS payments for any calendar year shall be determined by the City no later than December 15 of the prior calendar year. AAPP shall pay the PMS in the manner provided for in Section 4 above. The total PMS shall initially be calculated based on the City's approved and adopted budget for the particular Municipal Services for the year in which the first payment shall be made. The total PMS shall be adjusted annually based on the net increase or decrease in the City tax levy. In addition, the Parties agree that on or about October 15, 2007 and every five (5) years thereafter during the term of this Agreement, the Parties shall meet to review the scope of services as reflected in the "Share of Costs Included in PMS", shown in Exhibit 4. The Parties further

agree that, upon mutual agreement, adjustments to the total PMS may be made based on the review of the history of the use of services by the Residents. Upon agreement of the Parties, they shall execute an amendment to Exhibit 3, indicating any services added or removed, as well as any changes in the "Share of Costs Included in PMS". Any amendment shall be the basis for calculating the PMS that shall be adjusted annually until the next review.

(b) Subject to the following, PMS payments shall be applicable only to those Units which have been issued a certificate of occupancy by the City or for which a certificate of occupancy is issuable by the City. For each Unit, PMS payments shall commence for the calendar year following the date on which a certificate of occupancy is issuable by the City or for which a certificate of occupancy is issuable by the City. The aggregate amount of PMS for all Units in the Project for which certificates of occupancy have been issued by the City or for which certificates of occupancy are issuable by the City for the calendar year following the date of that the certificates of occupancy have been issued by the City or are issuable by the City and for each calendar year thereafter during the term of this Agreement, shall be determined for each such year in accordance with the methodology set forth on Exhibit 3 attached hereto and incorporated herein.

6. Adjustment of PMS. In addition to any adjustment made pursuant to Section 5 during the term of this Agreement, the obligation of AAPP to pay PMS to the City is subject to the following:

(a) In the event the annualized occupancy rate of Units in the Project for which certificates of occupancy have been issued by the City or for which certificates of occupancy are issuable by the City falls below 95.0% in any consecutive twelve (12) calendar month period, then in such event, the PMS for such period of time shall be reduced in an amount equal to the vacancy rate of the Project for those Units for which certificates of occupancy have been issued by the City or for which certificates of occupancy are issuable by the City for such period of time. For purposes hereof, the vacancy rate equals the difference between 100% and the annualized occupancy rate for said period for Units for which certificates of occupancy have been issued by the City or for which certificates of occupancy are issuable by the City. At any point in time, a Unit shall be considered occupied if the Unit is subject to an Occupancy and Services Agreement for which the contractual amount has been paid for such point in time or is due and owing for such point in time. The reduction in the PMS shall then be applied in the form of a credit against subsequent PMS, as provided for in Section 4 above.

(b) In the event (i) any Unit comprising the Project should subsequently be licensed as a community based residential facility ("CBRF") unit, a residential care apartment complex ("RCAC") unit or a skilled nursing facility (SNF) or (ii) in the event AAPP utilizes any or all of the Units comprising the Project for uses

other than residential continuing care facilities, or (iii) in the event any Unit comprising the Project is no longer subject to an Occupancy and Services Agreement form of tenancy, then in any such events, the Parties shall meet and negotiate in good faith, an agreement for the reduction to PMS for the subsequent periods of time following any changes as aforesaid. The Parties recognize and agree that any such changes affect the level of Municipal Services to be provided by the City; and that correspondingly, there should be a reduction in the level of PMS. All such reductions so agreed to shall be applied as a credit in the manner provided for in Section 4 above.

7. Occupancy and Services Agreements.

(a) Occupancy and Services Agreement Provisions. AAPP intends to include, a provision in all Occupancy and Services Agreements covering each of the Units, a provision to the effect that Residents of the Units comprising the Project shall be required to reimburse AAPP for a proportionate share of PMS on a periodic basis in such amounts as AAPP may from time to time determine in its sole discretion. The exact form of the provision in the Occupancy and Services Agreement shall be prepared by AAPP. Payment of any portion of PMS by any Resident is subject to the terms and provisions set forth in the Occupancy and Services Agreement.

(b) Risk of Loss. The Parties recognize that there may be Residents who cannot or will not pay PMS; but AAPP nevertheless assumes all risk of loss in the collection of said amounts. In the event any Resident shall fail to pay any portion of the PMS, such failure shall not reduce the payments AAPP is required to make under Section 5 above. AAPP may, in such event, pursue such collection remedies against said Resident as it deems appropriate in its sole discretion.

8. Effect of Agreement. Nothing contained herein shall obligate Residents of the Units comprising the Project to make PMS directly to the City. Rather, AAPP has such obligation; and all obligations of the Residents shall run in favor of AAPP pursuant to the Occupancy and Services Agreements. This Agreement and the obligations contained herein relate only to the Units comprising the Project; and shall have no effect upon any other property of AAPP or its parent or affiliated corporations.

9. Termination of the Agreement. Notwithstanding anything to the contrary contained herein, this Agreement shall immediately terminate and be of no further force and effect (and all applicable PMS payments shall cease as of such date), in the event of the occurrence of any of the following:

(a) In the event the Premises or that a portion thereof occupied by the Project is not tax exempt under the provisions of Section 70.11(4), Stats., or any successor thereto;

(b) In the event any court of competent jurisdiction determines that the City does not have the authority to charge, assess, levy or collect PMS in order to address the standards of the Ordinance;

(c) In the event the City shall fail, on and after the date hereof, to impose upon any subsequent developer of real property within the City, which property:

(i) is or is intended to be exempt from taxation under Section 70.11(4), Stats., as amended, as a "retirement home(s) for the aged," and

(ii) requires a rezone to a Planned Development District,

a PMS requirement as contained herein (or any payment in lieu of taxes ("PILOT") requirements, if so applicable);

(d) In the event the State of Wisconsin enacts any legislation requiring payment of a service fee (or similar fee) upon owners or occupants of property that is exempt from real estate taxation under applicable provisions of Wisconsin law; provided such legislation is intended to address the economic impacts of the Project as contemplated in the Ordinance; or

(e) In the event AAPP determines to abandon the Project and not to construct the same.

10. Miscellaneous. The Parties agree as follows:

(a) This Agreement has been negotiated and executed in the State of Wisconsin; and shall be construed and enforced in accordance with the internal laws of the State of Wisconsin.

(b) In the event any notice is required to be given under the terms of this Agreement to a Party, then in such event, such notice shall be deemed given when deposited in the mail, postage prepaid, or when faxed or otherwise electronically transmitted, to the Parties at the address as indicated below:

AAPP:

Attic Angel Prairie Point, Inc.  
Attn: President  
640 Junction Road  
Madison, WI 53717.



City of Madison: City Clerk  
210 Martin Luther King Jr. Boulevard  
Madison, WI 53709  
Fax: (608) 266-4666

(c) In the event any provision of this Agreement is determined to be unenforceable or invalid, then in such event, such declaration of unenforceability or invalidity shall not affect any other provisions hereof which can be given effect.

11. Binding Effect. This Agreement is binding upon the successors and assigns of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first written above.

CITY OF MADISON

By: Susan J.M. Bauman  
Susan J.M. Bauman, Mayor

Attest: Ray Fisher  
Ray Fisher, Clerk

ATTIC ANGEL PRAIRIE POINT, INC.

By: Jane DeCock  
Jane DeCock, President

Attest: Linda Argue  
Linda Argue, Secretary/Treasurer

APPROVED:

Dean Brassler, City Comptroller  
Date: 8/15/01

APPROVED AS TO FORM:

Eunice Gibson, City Attorney  
Date: 8/17/01

Kevin Houlihan, Risk Manager  
Date: 8/15/01

EXHIBIT 1

Resolution ID No. 29956

Agenda Item No. \_\_\_\_\_  
Copy Mailed to Alderpersons \_\_\_\_\_

City of Madison, Wisconsin

A SUBSTITUTE RESOLUTION \_\_\_\_\_

authorizing the Mayor and City Clerk to sign an Agreement with Attic Angel Prairie Point, Inc., for payment for municipal services.

Presented July 17, 2001  
Referred BOE  
Rereferred \_\_\_\_\_  
Reported Back \_\_\_\_\_  
Adopted POF  
Rules Susp. Tabled  
Public Hrg. \_\_\_\_\_

\*\*\*\*

Drafted by: Katherine C. Noonan  
Assistant City Attorney

Date: July 25, 2001

Fiscal Note: See separate report of the  
Comptroller

APPROVAL OF FISCAL NOTE BY THE  
COMPTROLLER'S OFFICE IS NEEDED  
Approved by:

Comptroller's Office  
\*\*\*\*

SPONSOR(S): Ald. Skidmore

RESOLUTION NO. \_\_\_\_\_  
ID NO. 29956

WHEREAS, on May 15, 2001, the Common Council adopted Substitute Ordinance No. 12827 rezoning property at 401 Pleasant View Drive to allow construction of senior housing; and

WHEREAS, the above rezoning was conditioned on Attic Angels Prairie Point, Inc. (AAPP) signing an Agreement with the City relating to a payment for municipal services;

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the Mayor and City Clerk to sign an Agreement with AAPP on the following terms and conditions:

1. In recognition of the value of municipal services provided to AAPP and in further recognition of the economic impact the provision of such services has on the City, AAPP shall make an annual payment for municipal services (PMS) to the City for any portion of the property owned by AAPP at 401 Pleasant View Drive that is exempt from paying general property taxes to the City of Madison.
2. The annual PMS shall be calculated as a per unit fee, as shown on Exhibit 1. It shall be based on budget figures for some or all of the expenditures of the following: public safety and

health, solid waste management, streets, parks, paratransit, traffic engineering, library, and debt service from the above agencies. The PMS is intended to reflect those expenditures relating to municipal services directly or indirectly made available for use by AAPP. The fee shall be adjusted annually based on an increase or decrease in the City tax levy. In addition, every five years the share of costs attributed to each service shall be reviewed to determine whether there has been a change in type or level of service.

3. The PMS shall also be reviewed if the occupancy rate of AAPP falls below ninety-five percent (95%) or if AAPP changes its form of operation from residential life leases to a non-residential use or a residential use based on some agreement with residents other than the life lease.
4. The Agreement for PMS (or applicable portion thereof) shall terminate if:
  - (a) AAPP, or any portion thereof, is not exempt from paying general property tax to the City; or
  - (b) A court of competent jurisdiction invalidates this Agreement between the City and AAPP; or
  - (c) The State of Wisconsin enacts legislation requiring payment for municipal services by tax-exempt entities, and the legislation substantially addresses the economic impact of AAPP that underlies this Agreement; or
  - (d) If AAPP does not construct the senior housing project that is the subject of this Agreement.
  - (e) The City fails to impose a PMS requirement on other Planned Development Districts that are or are intended to be exempt from taxation pursuant to Sec. 70.11(4), Stats.,

AGENDA # \_\_\_\_\_

CITY OF MADISON, WISCONSIN

REPORT OF:	City Comptroller	PRESENTED	_____
		REFERRED	_____
TITLE:	Fiscal Note for SUBSTITUTE Resolution ID# 29956 Concerning a Payment for Municipal Services Agreement with Attic Angels Prairie Point, Inc.	REREFERRED	_____
			_____
		REPORTED BACK	_____
			_____
AUTHOR:	Dean Brassler, City Comptroller	ADOPTED	_____ POF _____
		RULES SUSPENDED	_____
		ID NUMBER	_____
DATED:	July 26, 2001		

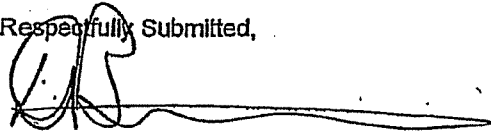
TO THE MAYOR AND COMMON COUNCIL:

Resolution ID# 29956 would authorize an agreement between the City of Madison and Attic Angels Prairie Point, Inc. whereby the Attic Angels organization would make an annual payment for municipal services to the City in recognition of the value and cost of municipal services provided by the City to any portion of the proposed development which is determined to be exempt from property tax. This agreement could generate a significant revenue stream which would be available to support the provision of municipal services over the life of the tax exempt development.

The proposed payment would be calculated as an annual "per unit" fee. It would be based on City service costs, general revenues, the proportion of the property tax levy derived from residential property and the total number of residential units within the City. With the exception of residential units, the factors used to calculate the fee are derived from the City's annual operating budget document. The fee would be indexed annually based on changes in the City's tax levy, with additional adjustments every five years to reflect changes in the share of costs attributed to each service to reflect changing service levels. This methodology is consistent with the one recently adopted for the Oakwood Village Apartments development and one which could be reasonably applied to other tax exempt residential developments, allowing for adjustments based on varying conditions in each development, if warranted.

One remaining factor that needs to be defined is the total number of residential units within the City. Currently available data sources such as the City Assessor's taxable property data and census figures provide estimates ranging from approximately 87,500 to 93,600. A specific method for establishing this calculation factor will be determined.

In the case of Attic Angels, it is expected that construction and occupancy of the project will be phased over the next several years. Given the anticipated timeline, the first payment for municipal services would not occur until January of 2003. Payments would increase over time as additional tax exempt units are developed. The exact amount of the initial per unit fee due from Attic Angels cannot be calculated until the 2003 budget process has been completed. However, if the proposed development was already complete and the methodology contained in the proposed agreement was applied to the 2001 budget, the "per unit" fee for the current year would be approximately \$544. If all of the units in the development (projected at approximately 319) were determined to be tax exempt, the annual payment for municipal services would amount to \$174,000.

Respectfully Submitted,  


Dean Brassler, City Comptroller

Proposed Municipal Services Fee Calculation Methodology  
Hypothetical 2001 Fee

DRAFT 7/20/01

City General Expenditures By Function	Gross Expenditure Budget	Allocable General Revenues	Net Expenditures	Share of Costs Included in PMS	PMS Cost Basis	62.83% Residential Value Proportion	Fee per Residential Unit Based on 90,000 Unlike City-Wide
Public Safety and Health	\$ 67,708,652	\$23,417,666	\$ 44,290,986	100%	\$44,290,986	\$ 27,828,828	309.21
General Government	1,147,745	386,866	760,879	0%	-	-	-
Administration	13,331,729	4,610,902	8,720,827	0%	-	-	-
Department of Public Facilities	2,495,985	842,304	1,653,681	0%	-	-	-
Public Works and Transportation							
Parks							
Gen Parkland, Blvd & Greenways	\$ 3,776,205	1,306,036	2,470,169	50%	1,235,085	776,020	8.52
Forestry	3,319,016	1,147,912	2,171,103	50%	1,085,651	682,087	7.58
Botanical Gardens	1,340,981	463,784	877,197	100%	877,177	551,142	6.12
Forest Hills Cemetery	620,348	283,725	336,623	100%	336,623	337,188	3.75
All Other Parks	1,392,480	478,144	904,336	0%	-	-	-
Streets	10,639,009						
Solid Waste Management	11,345,756	3,924,038	7,421,728	100%	7,421,728	4,663,172	51.81
All Other Streets	6,806,479	2,353,738	4,451,741	100%	4,451,741	2,797,089	31.08
Transit							
Fixed Route	5,576,385	2,067,680	3,508,705	0%	-	-	-
Paratransit	1,369,615	473,894	895,721	50%	447,980	281,450	3.13
Traffic Engineering	7,346,000						
Communications	228,811	79,482	150,329	0%	-	-	-
Special Services	430,493	148,890	281,603	0%	-	-	-
All Other Traffic Engineering	3,371,588	1,168,095	2,203,494	100%	2,203,494	1,385,742	15.40
All Other Public Works	4,031,883	1,236,973	2,339,547	0%	-	-	-
Total Public Works	3,576,520						
Department of Planning and Development	43,746,667						
Debt Service	10,164,562	3,522,425	6,662,137	0%	-	-	-
Miscellaneous	20,732,183	7,170,418	13,561,765	75%	10,171,324	6,390,780	71.01
Library	1,733,322	598,485	1,133,837	0%	-	-	-
	8,070,244	2,781,168	5,279,076	100%	5,279,076	3,316,914	36.85
Total General Expenditures	\$ 189,090,489	\$58,481,518	\$ 110,608,981		\$78,002,745	\$ 49,010,180	\$ 44.66
Total General Revenues and Fund Balance	\$ 58,481,518						
Property Tax Levy	\$ 10,609,981						
Percent of Expenditures Funded with Non-Tax Revenues	34.59%						
Assessed Value:							
Total Net Taxable Property	11847604550						
Residential Taxable Property	7444010200						
Residential as a % of Total Value	62.83%						

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EXHIBIT 2

MUNICIPAL SERVICES

Public Safety & Health

Parks

- General Parkland, Blvd & Green
- Forestry
- Botanical Gardens
- Forest Hills Cemetery

All Other Streets

Solid Waste Disposal

Fixed Route Transit \*

Paratransit

All Other Traffic Engineering

Debt Service

Library

\* To be added to PMS commencing the calendar year after such service is first available to the Project.

### EXHIBIT 3

#### METHOD FOR DETERMINING THE PMS

Comment:

The Methodology set forth herein identifies the Municipal Services for which PMS is to be paid. Not all Municipal Services funded by the City's general fund are the subject of PMS. Only the Municipal Services appearing in the column entitled, "Share of Costs Included In PMS" where there is an allocation of more than 0%, are considered for purposes of determining the annual PMS. In connection with the methodology set forth below, the following shall apply:

- (a) The gross expenditures for each type of Municipal Service shall be determined based on the budget approved and adopted by the City. Such expenditures are allocated to the various function categories identified below.
- (a) "Allocable General Revenues" means the sum total of all revenues received by the City from all sources other than the property tax levy, which revenues have been allocated to the various functional categories.
- (a) "Net Expenditures" is the difference between the "Budgeted Gross Expenditures" for each function category and the "Allocable General Revenues" for each function category.
- (a) "Share of Costs Included In PMS" represents what portion of the identified costs are allocated to PMS.
- (a) "Residential Value Proportion" means the percentage of the equalized value of all taxable property, of any kind or nature, within the City, which is classified as residential. Such percentage shall be determined as of January 1 for the tax year for which the tax levy in question is made.
- (a) The number of "Units City Wide" used for determining the "Fee Per Residential Unit" shall be determined by the Parties each January 1 for the tax year for which the tax levy in question is made.