

If approved by the Common Council, this would be a new project in the 2005 capital budget. The estimated total City cost for the project is \$2,464,750. With assessment revenues and potential TEA grant funds ranging from an estimated \$500,000 to \$900,000, net project costs for City agencies may range from a total of \$1,269,925 to \$1,875,850, as outlined below:

Scenario 1: Anticipated Maximum TEA Grant Funds

	City Project Cost	Assessment Revenue	TEA Grant	Net Expense
Eng. – Major Streets	\$1,410,750	\$ 294,450	\$ 705,375	\$ 410,925
Stormwater Utility	\$ 390,000	\$ 0	\$ 195,000	\$ 195,000
Sewer Utility	\$ 100,000	\$ 0	\$ 0	\$ 100,000
Water Utility	\$ 564,000	\$ 0	\$ 0	\$ 564,000
TOTAL	\$2,464,750	\$ 294,450	\$ 900,375	\$1,269,925

Scenario 2: Anticipated Minimum TEA Grant Funds

	City Project Cost	Assessment Revenue	TEA Grant	Net Expense
Eng. – Major Streets	\$1,410,750	\$ 434,325	\$ 500,375	\$ 476,050
Stormwater Utility	\$ 390,000	\$ 0	\$ 0	\$ 390,000
Sewer Utility	\$ 100,000	\$ 0	\$ 0	\$ 100,000
Water Utility	\$ 564,000	\$ 0	\$ 0	\$ 564,000
TOTAL	\$2,464,750	\$ 434,325	\$ 500,375	\$1,530,050

Scenario 3: Zero TEA Grant Funds (Worst-Case)

	City Project Cost	Assessment Revenue	TEA Grant	Net Expense
Eng. – Major Streets	\$1,410,750	\$ 588,900	\$ 0	\$ 821,850
Stormwater Utility	\$ 390,000	\$ 0	\$ 0	\$ 390,000
Sewer Utility	\$ 100,000	\$ 0	\$ 0	\$ 100,000
Water Utility	\$ 564,000	\$ 0	\$ 0	\$ 564,000
TOTAL	\$2,464,750	\$ 588,900	\$ 0	\$ 1,875,850

Expenses for Engineering – Major Streets will require additional General Obligation borrowing ranging from \$410,925 to \$821,850. Annual debt service costs for this portion of the project will therefore range from \$53,217 to \$106,433 for 10 years starting in 2006 and will need to be included in future City operating budgets.

Expenses for the Stormwater Utility will also require additional General Obligation borrowing ranging from \$195,000 to \$390,000. Annual debt service costs for this portion

of the project will range from \$25,253 to \$50,507 for 10 years starting in 2006 and will also need to be included in future City operating budgets.

Funding of \$100,000 for the Sewer Utility will be accommodated by a reallocation of funds within the existing project budget for “Sewers with Reconstructed Streets” (project #9 in the Sewer Utility 2005 Capital Budget, page 212).

Funding of \$564,000 for the Water Utility will also be accommodated by an allocation of funds within the existing project budget for “Water Mains” (project #3 in the Water Utility 2005 Capital Budget, page 301).

In summary, total net City funding for this project will range as follows, depending on receipt of a TEA grant (if any):

	City Cost	Fund Source	Additional Annual Debt Service
Eng. – Major Streets	\$410,925 to \$821,850	Additional G.O. Borrowing (via TID #34)	\$410,925 to \$821,850
Stormwater Utility	\$195,000 to \$390,000	Additional G.O. Borrowing (via TID #34)	\$25,253 to \$50,507
Sewer Utility	\$100,000	Within Existing Budget	\$ 0
Water Utility	\$564,000	Within Existing Budget	\$ 0
TOTAL	\$1,269,925 to \$1,875,850		\$436,178 to \$872,357

In April, 2005, the City Council approved the creation of TID #34, which will ultimately allow for the financing of portions of the infrastructure improvements for Engineering – Major Streets and the Stormwater Utility. It is anticipated that additional tax increment revenues will be realized beginning in 2008, with annual revenues of an estimated \$600,000.

For budget purposes, the following amendments will be made to the 2005 Adopted Capital Budget:

- Create Project #32, “Pierstorff, Pearson and Wright Streets,” in the Engineering – Major Streets capital budget, with expenditures of \$1,410,750;
- Create Project #25, “Pierstorff, Pearson and Wright Streets,” in the Stormwater Utility capital budget, with expenditures of \$390,000;

Create Project #46, "TID 34 – Pierstorff, Pearson and Wright Streets," in the Planning and Development capital budget, to increase General Obligation borrowing by a maximum of \$1,211,850.