Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

Aldermen

Ward 1 Position 1 - Robert Reynolds
Ward 1 Position 2 - Brenda Thiel
Ward 2 Position 1 - Kyle B. Cook
Ward 2 Position 2 - Don Marr
Ward 3 Position 1 - Robert K. Rhoads
Ward 3 Position 2 – Bobby Ferrell
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

Final Agenda
Public Hearing
Special City Council Meeting
January 25, 2005

A Special meeting of the Fayetteville City Council will be held on January 25, 2005 at 5:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Call to Order
Roll Call
Pledge of Allegiance

A. **New Business:**

1. **Highway 71 East Square Redevelopment District #1 Boundary Modification Adoption:** An ordinance modifying the boundaries of the Highway 71 East Square Redevelopment District Number One pursuant to A.C.A. § 14-168-305 (f) and A.C.A. § 14-168-307(c) declaring an emergency.

   PASSED AND SHALL BE RECORDED AS ORDINANCE NO. 4673.

B. **Public Hearing:**

1. **Highway 71 East Square Redevelopment District #1 Project Plan Amendment:** A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan Amendment for the Highway 71 East Square Redevelopment District Number One.

C. <u>New Business:</u>

1. **Highway 71 East Square Redevelopment District #1 Project Plan Amendment:** An ordinance amending the Project Plan for the Highway 71 East Square Redevelopment District Number One, finding the Plan is economically feasible and declaring an emergency.

   THIS ITEM WAS LEFT ON THE FIRST READING OF THE ORDINANCE.

MEETING ADJOURNED AT 8:00 P.M.

City Council Meeting January 25, 200

Subject:	Roll				
Motion To:					
Motion By:					
Seconded:					
	Lucas	✓			
	Jordan	✓			
	Reynolds	✓			
	Thiel	✓			
	Cook	✓			
	Marr	absent			
	Rhoads	✓			
	Ferrell	✓			
	Mayor Coody				

Subject:	Highway 71 East Square Redevelopment				
Motion To:		Motion to	Amend the	area	District #1
Motion By:		Thiel			Boundary
Seconded:		Reynolds			Modification
	Lucas	✓			
	Jordan	✓			
	Reynolds	✓			
	Thiel	✓			
	Cook	✓			
	Marr	absent			
	Rhoads	✓			
	Ferrell	✓			
	Mayor Coody				

Amendment passed

City Council Meeting January 25, 2005 Ordinance

passed
7-0
4673

Subject:	Highway 71 East Square Boundary Modification				
Motion To:		2nd read	3rd read	Pass	
Motion By:		Rhoads	Rhoads		
Seconded:		Reynolds	Ferrell		
	Lucas	✓	✓	✓	
	Jordan	✓	✓	✓	
	Reynolds	✓	✓	✓	
	Thiel	✓	✓	✓	
	Cook	✓	✓	✓	
	Marr	absent	absent	absent	
	Rhoads	✓	✓	✓	
	Ferrell	✓	✓	✓	
	Mayor Coody				

Passed
7-0

Subject:	Emergency Clause				
Motion To:		Pass			
Motion By:		Reynolds			
Seconded:		Ferrell			
	Lucas	✓			
	Jordan	✓			
	Reynolds	✓			
	Thiel	✓			
	Cook	✓			
	Marr	absent			
	Rhoads	✓			
	Ferrell	✓			
	Mayor Coody				

City Council Meeting January 25, 2005

Adjourn 8:00pm

Amendment

Subject:	Highway 71 East Square Project Plan				
Motion To:					
Motion By:					
Seconded:					
	Lucas				
	Jordan				
Left on First Reading	**Reynolds**				
	Thiel				
	Cook				
	Marr				
	Rhoads				
	Ferrell				
	Mayor Coody				

Richard Alexander

Subject:					
Motion To:					
Motion By:					
Seconded:					
	Lucas				
	Jordan				
	Reynolds				
	Thiel				
	Cook				
	Marr				
	Rhoads				
	Ferrell				
	Mayor Coody				

Speaker Registration

Annexation Public Hearing

Date of Public Hearing 1-25-05

	Speaker's Name (Please Print Clearly)	Phone No.	Address
1	DAVID McGRady	5750534	
2	Ron Burgess	521-3172	
3	Jim Boyd	442-3612	
4	Steve [illegible]		
5	Jeff Collins	530-0235	
6	JOHN NEWMAN		
7	Michael Angley		
8	[illegible] Brett		
9	~~Sharon Hoover~~ Rob Sharp	442-9386	
10	[illegible]		
11	Daniel Hintz		
12	Bill Ramsey		
13	K. Noxnon		
14	[illegible]		
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
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1. **Highway 71 East Square Redevelopment District #1 Project Plan Amendment:** An ordinance amending the Project Plan for the Highway 71 East Square Redevelopment District Number One, finding the Plan is economically feasible and declaring an emergency.

Fayetteville *Downtown* Partners

January 24, 2005

Fayetteville City Council
113 W. Mountain St.
Fayetteville, AR 72701

Dear City Council,

On January 18th, the Fayetteville Downtown Partners Board of Directors met and unanimously voted to support the Mountain Inn redevelopment project. We believe this project is an integral component to our Downtown Master Plan and will contribute greatly to the health and vitality of our community. We are not alone in this sentiment. In the Downtown Master Plan, the citizens of Fayetteville identified the Mountain Inn as one of their top priorities on the immediate project listings.

We urge the City Council to provide the leadership needed to assist in the implementation of the redevelopment. For years, this abandoned building has greeted visitors to our downtown area--- its dilapidated appearance sending a message of apathy, indigence, and instability. We envision a new and vibrant hotel complex that will restore our eastern downtown border, while creating a special place that all of Fayetteville can enjoy.

Fayetteville Downtown Partners' looks forward to working with the City and its citizens as we continue to develop the most exciting downtown experience in Northwest Arkansas.

Best Regards,

Sharon Hoover
President, Fayetteville Downtown Partners

Our mission is to ensure a dynamic downtown area through economic development initiatives, capital improvements and effective marketing of the district.

ORDINANCE NO. ______

AN ORDINANCE AMENDING THE PROJECT PLAN FOR THE HIGHWAY 71 EAST SQUARE REDEVELOPMENT DISTRICT NUMBER ONE, FINDING THE PLAN IS ECONOMICALLY FEASIBLE, AND DECLARING AN EMERGENCY

WHEREAS, on July 27, 2004, the Fayetteville City Council held a Public Hearing concerning the creation of the Highway 71 East Square Redevelopment District; and

WHEREAS, on August 17, 2004, the City Council passed Ordinance No. 4608 creating the Highway 71 East Square Redevelopment District and authorized preparation of a Redevelopment Project Plan; and

WHEREAS, the City with input from the proposed redevelopers of a Twenty-Two Million Dollar hotel project to be constructed after removal of the blighted Mountain Inn has prepared a proposed Project Plan; and

WHEREAS, on November 30, 2004, the City held a Public Hearing on this initial Project Plan proposed for the Redevelopment District; and

WHEREAS, on December 7, 2004, the City had a further public hearing on this Project Plan and passed Ordinance 4646 adopting the Project Plan; and

WHEREAS, because of a minor, technical notification discrepancy, the City determined the need to renotify all statutorily required officials and republish notice of the public hearings for the Redevelopment District; and

WHEREAS, the City Council after 15 day published notice held another public hearing on December 28, 2004 at which all interested parties were given the opportunity to express their views on the proposed adoption of the Project Plan for the Highway 71 East Square Redevelopment District Number One of Fayetteville, Arkansas; and

WHEREAS, the City Council adopted this Project Plan on December 28, 2004 by Ordinance No. 4663; and

WHEREAS, the Arkansas Attorney General in January 2005 has opined that the 25 mills required by Amendment 74 to be sent to the State may not be used for tax incremental financing; and

WHEREAS, removing the 25 mills from the tax increment requires amendment of the Project Plan; and

WHEREAS, the required fifteen day statutory notification of taxing entities and two publications of notice of the intent to amend the Project Plan have been accomplished prior to the public hearing for the Amendment to the Project Plan on January 25, 2005; and

WHEREAS, the Amendment to the Project Plan complies with all statutory requirements of A.C.A. §14-168-306 and 307.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby finds that the Amended Project Plan for the Highway 71 East Square Redevelopment District (attached as Exhibit A) is economically feasible.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby adopts the Amended Project Plan for the Highway 71 East Square Redevelopment District and determines it has complied with all requirements set forth in A.C.A. §14-168-306.

Section 3: Emergency Clause. If this ordinance is not immediately effective, the goal of the Redevelopment District and its Amended Project Plan to remove a dangerous, dilapidated firetrap could fail due to lack of time-sensitive funding. The City Council, therefore, determines and declares an emergency exists which would imperil the public peace, health or safety, and consequently this ordinance shall be in full force and effect from the date of its passage and approval.

PASSED and **APPROVED** this 25th day of January, 2005.

APPROVED: DRAFT

By: ______________________
DAN COODY, Mayor

ATTEST:

By: ______________________
SONDRA SMITH, City Clerk

- Bond ordinance - 30 day referendum
- Certif. from Assessor re base value

ORDINANCE NO. ______

AN ORDINANCE MODIFYING THE BOUNDARIES OF THE HIGHWAY 71 EAST SQUARE REDEVELOPMENT DISTRICT NUMBER ONE PURSUANT TO A.C.A. §14-168-305 (f) AND A.C.A. §14-168-307 (c) AND DECLARING AN EMERGENCY

WHEREAS, several public hearings were held concerning the boundaries of the Highway 71 East Square Redevelopment District Number One (which was created and its boundaries adopted by Ordinance No. 4662, December 28, 2004); and

WHEREAS, a public hearing was also held concerning the possible formation of a redevelopment district of the remainder of the Downtown Master Plan study area, but such creation has been indefinitely tabled in light of budgetary concerns when the Attorney General's Opinion removed the 25 mills authorized by Amendment 74 from tax incremental financing districts; and

WHEREAS, to adequately finance a reduced project plan to remove the blighted area of an surrounding the Mountain Inn and to finance important transportation improvements on the western side of the Downtown Master Planning area, the boundaries of the Highway 71 East Square Redevelopment District No. One should be expanded to include the entire Downtown Master Planning Area as permitted in A.C.A. § 14-168-305 (f).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby modifies the boundaries of the Highway 71 East Square Redevelopment District No. One of Fayetteville, Arkansas to expand this district to the west to include the area of the Downtown Master Plan as shown on the map attached as "Exhibit A".

Section 2: That the City Council hereby finds that the real property within the modified boundaries of the Highway 71 East Square Redevelopment District Number One of Fayetteville, Arkansas, will be benefited by the redevelopment project by eliminating or preventing the development or spread of blighted, deteriorated, or deteriorating areas, or discouraging the loss of commerce, or employment, or increasing employment, or any combination thereof.

Section 3: Emergency Clause. If this ordinance is not immediately effective, the goal of the Redevelopment District and its Project Plan to remove a dangerous, dilapidated firetrap could fail due to lack of time-sensitive funding. The City Council, therefore, determines and declares an emergency exists which would imperil the public peace, health or safety, and consequently this ordinance shall be in full force and effect from the date of its passage and approval.

PASSED and **APPROVED** this 25th day of January, 2005.

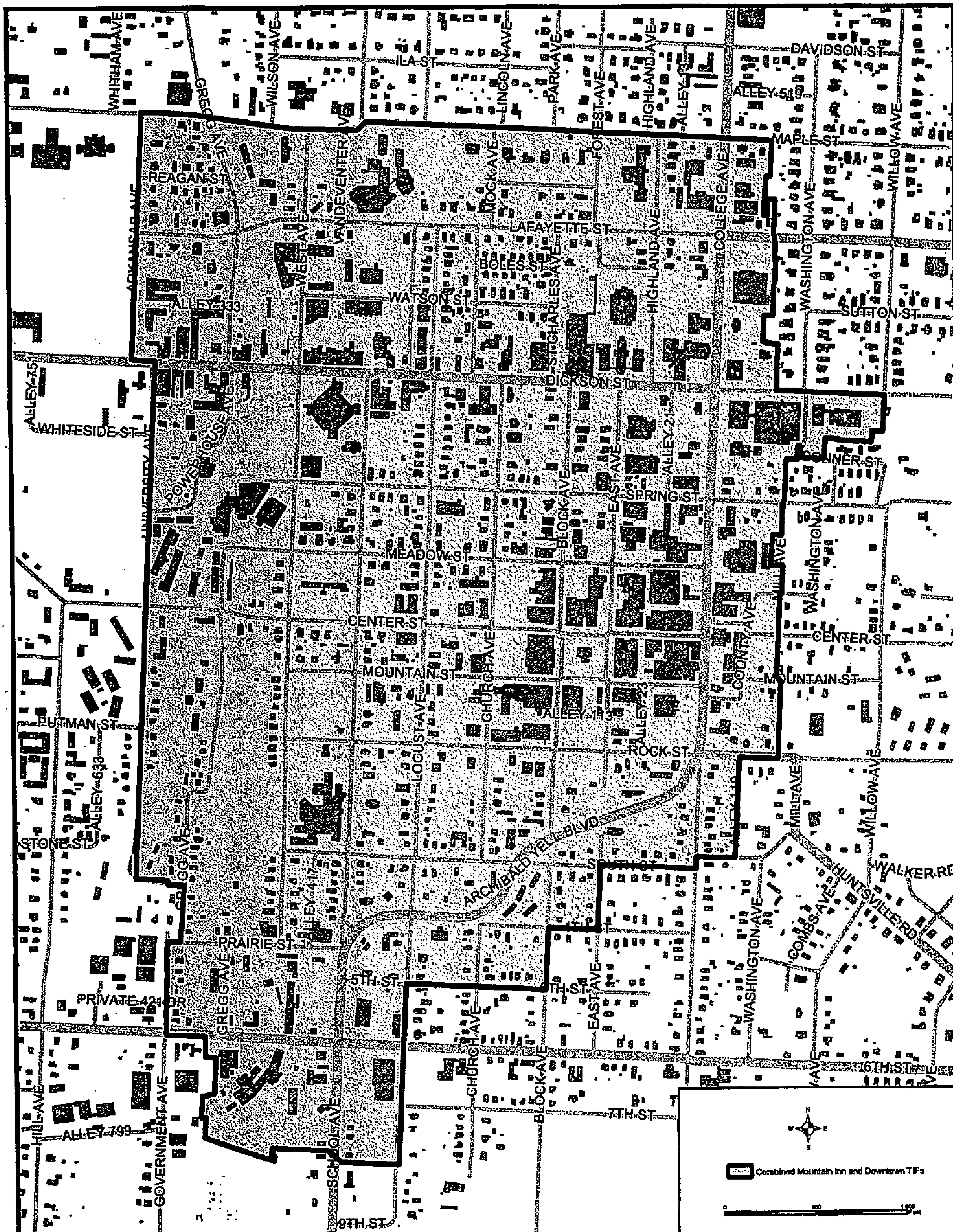
APPROVED:

DRAFT

By: ______________________________
DAN COODY, Mayor

ATTEST:

By: ______________________________
SONDRA SMITH, City Clerk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ALLEY 633
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ARCHIBALD YELL BLVD
MILL AVE
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ALLEY 417
PRAIRIE ST
GREGG AVE
5TH ST
PRIVATE 421 DR
6TH ST
7TH ST
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Combined Mountain Inn and Downtown TIFs
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FAYETTEVILLE
THE CITY OF FAYETTEVILLE, ARKANSAS

KIT WILLIAMS, CITY ATTORNEY
DAVID WHITAKER, ASST. CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE **LEGAL DEPARTMENT**

TO: **Dan Coody**, Mayor
City Council

CC: **Steve Davis**, Finance & Internal Services Director

FROM: **Kit Williams**, City Attorney

DATE: **January 24, 2005**

RE: **Amendment to "Mountain Inn" TIF District Plan**

OPTIONS

The City Council will have several options to consider during your special City Council meeting on January 25th. One thing appears certain, the original Project Plan adopted by ordinance cannot now be considered financially feasible and must be changed or repealed.

OPTION ONE – REPEAL

The City Council is not bound to attempt to continue the Project Plan with the loss of use of the 25 mills required for school funding by Amendment 74 to the Arkansas Constitution. Repealing the Project Plan ordinance would likely end the Project of removing the Mountain Inn and Courts Building and replacing them with a $20 million plus hotel, condominium, convention and parking complex. It would not end our responsibility to do something to eliminate the dangerous and debilitated Mountain Inn building.

We would probably need to issue a raze and removal order through an ordinance. I would expect litigation from the current owner. If successful, we would have to use general funds to pay for the demolition of the Mountain Inn (which would be more expensive if done between the Courts Building and adjoining shelter to the west).

Once condemned and demolished, we would have a (million dollar?) lien for our costs, but not be the actual owner of the land. It would be unlikely that we would ever recoup the demolition costs. There would then be a block long brown field along College Avenue.

OPTION TWO – TIF CONDEMNATION

If the City Council chooses not to enlarge the boarders nor go forward with the original Mountain Inn Project Plan, only abut a million dollars in TIF bonds could be marketed successfully until the issue of debt service ad valorem rate is resolved by the Courts. The Plan would be modified to use all TIF proceeds to remove the blighted Mountain Inn through eminent domain (if necessary).

Since most of the available TIF funds would be needed for demolition costs, we could probably only offer (at most) the appraised "brown field" appraisal we received from the developers' appraiser. Again, I expect litigation over the current value of the Mountain Inn. We probably could not do any demolition until a jury verdict about how much we have to pay for the Mountain Inn. If that amount was substantial, we could not both buy the Mountain Inn and pay to demolish it with TIF funds.

At best, the jury would determine the value of this dilapidated fire trap was not worth the cost to demolish it so we could then tear it down with TIF funds, but would again be left with an empty brown field along College Avenue.

OPTION THREE – REDUCED PROJECT PLAN

This option is only viable if the developers agree to: (1) buy the secondary bonds on notes above the primary bonds supported by the undisputed 3.16 mills and (2) absorb one million dollars that the TIF Project Plan had envisioned to be paid for with TIF funds.

If the developers would agree to both proposals, then the Project Plan would be amended to remove the purchase of the Red Bird Cafe and Niblock Law Office building and to use the purchase price of the raw land as a payment on the TIF debt. Both options three and four require an injunction or declaratory judgment action be taken to Court to resolve the issue of the debt service ad valorem rate.

Whether or not the developers will take on the risk that the Supreme Court will eventually decide the debt service ad valoem rate is as proposed by the Fayetteville School District and the additional one million dollars in costs for this project is for them to say.

OPTION FOUR – EXPAND THE DISTRICT BORDERS

This option requires two vital components. First, the City Council must be willing to expand the boundaries of the East Square Highway 71 Redevelopment District to the west to absorb the remainder of the Downtown Master Plan area. Second, the developers will have to agree to purchase the secondary bonds and notes at their risk for the disputed millage (between 3.16 and 7.66).

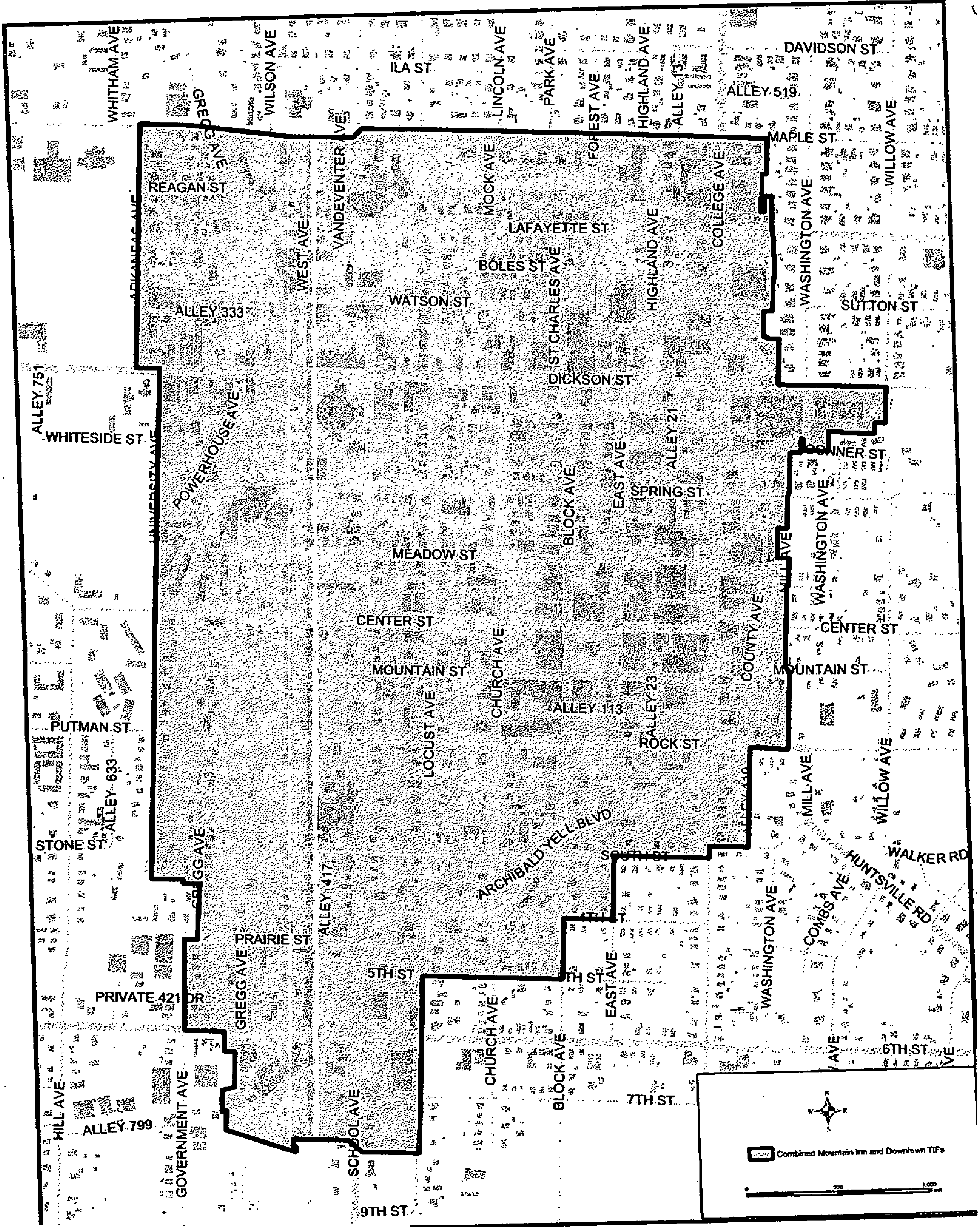
The developers' notes or bonds would be paid only after the bonds secured by 3.16 mills were paid. However, once the Supreme Court rules on the debt service rate, the secondary bonds might become payable if the tax increment is then sufficient.

No other definite project is planned for the enlarged district at this time. Although there should be funds available for relatively modest projects like the trail corridor from Frisco Trail to the Scull Creek Trail. This would help complete a bicycle thoroughfare from 6th Street to the Mall and Mud Creek Trail. Such a safe and level thoroughfare could reduce motorized vehicle volume and parking problems for the entire Downtown area. Depending upon millage available a cooperative parking deck with the University or business might also become feasible.

CONCLUSION

The first ordinance that will be presented to the City Council for consideration will be the expansion of the borders of the redevelopment district since option four can only be considered if you chose to enlarge the district.

After this decision, the City Council will have three options: 1, 2, and either 3 or 4 depending upon whether you enlarged the district's border and whether the developers agree to the financing to make option 3 or 4 feasible.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6TH ST
7TH ST
HILL AVE
GOVERNMENT AVE
ALLEY 799
SCHOOL AVE
9TH ST
Combined Mountain Inn and Downtown TIFs

ORDINANCE NO. ______

AN ORDINANCE AMENDING THE PROJECT PLAN FOR THE HIGHWAY 71 EAST SQUARE REDEVELOPMENT DISTRICT NUMBER ONE, FINDING THE PLAN IS ECONOMICALLY FEASIBLE, AND DECLARING AN EMERGENCY

WHEREAS, on July 27, 2004, the Fayetteville City Council held a Public Hearing concerning the creation of the Highway 71 East Square Redevelopment District; and

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WHEREAS, the Arkansas Attorney General in January 2005 has opined that the 25 mills required by Amendment 74 to be sent to the State may not be used for tax incremental financing; and

WHEREAS, removing the 25 mills from the tax increment requires amendment of the Project Plan; and

PROJECT PLAN AMENDMENT NO. 1
OF
THE HIGHWAY 71 EAST SQUARE REDEVELOPMENT DISTRICT NO. ONE OF FAYETTEVILLE, ARKANSAS

(January 25, 2005)

REMOVAL OF PHASE II

In light of the probable reduction in the amount of millage that can be included for incremental financing of the Project Plan envisioned for the Highway 71 East Square Redevelopment District, that plan must be amended so that only Phase One of the Project Plan can go forward and be financed at this time. Therefore, the Project Plan is hereby amended to delete pages 11, 12, 13, and 14 and all references to Phase II within the Project Plan. Furthermore, the map of the district's boundaries on page 3 is amended to reflect the borders approved by the City Council on January 25, 2005, reflecting the entire Downtown Master Planning Area. (See attached map as Exhibit "A")

ECONOMIC FEASIBILITY STUDY

Exhibit No. 1 (Economic Feasibility Study) is to be amended and replaced by an updated Economic Feasibility Study by the U of A Center for Business and Economic Research dated January 25, 2005. (Attached as Exhibit "B") service ad valorem rate should be no more than 19.2 mills for debt pursuant to County Ordinance No. 2004-68 (Exhibit "E") levying such millage.

Exhibit No. 4 is also supplemented by the Washington County Assessor's Certification by letter dated November 20, 2004 (Exhibit "F") for the proposed Downtown Master Plan Redevelopment District including Washington County Ordinance No. 2004-68 the letter of September 21, 2004 from Lisa Z. Morstad of the Fayetteville Public School System (Exhibit "G"), copy of ballot (Exhibit "H"), and parcel appraisals (Exhibit "I"). Again the County Assessor's Certification for Debt Service Ad Valorem Rate should be no more than 19.2 mills and the Applicable Ad Valorem Rate should be at least 7.66 mills.

AUTHORIZATION OF INJUNCTIVE OR DECLARATORY JUDGMENT SUIT VERSUS WASHINGTON COUNTY ASSESSOR

Passage of the ordinance to adopt this Amended Project Plan necessitates a suit be filed requesting that the Circuit Court require the Assessor to issue a Certification of the "debt service ad valorem" rate and the "applicable ad valorem rate" for the enlarged district in accordance with Constitutional mandates. Therefore passage of this Amended Project Plan authorizes the City Attorney to file such declaratory judgment or injunctive

PROJECT COST CLARIFICATIONS

The City shall pay not more than $887,000.00 for demolition and site preparation work as shown on page 9. If this work does not require the full $887,000.00, the remainder shall be used to pay debt service on the primary TIF bonds.

After demolition of the properties purchased by the TIF district pursuant to the Project Plan, the property cleared by the City shall be sold to the developers for Three Hundred Thousand Dollars ($300,000.00) which shall be used to pay the interest and reduce the debt of the primary, "**marketable bonds**".

The developers have agreed to purchase and the City shall issue sufficient bonds or notes above the amount of marketable bonds so that the City through TIF bonds and notes **will receive $3.5 million net so as to be able to finance the Project**.

ZONING ORDINANCES AND OTHER PROJECT COSTS

The project does not require or propose any changes of zoning ordinances. The Downtown Master Plan calls for the removal of the Mountain Inn blighted area as a top priority. Apart from economic analysis, bond counsel and underwriting costs and because of lack of sufficient TIF

Scull Creek Trail or a cooperative parking deck may be undertaken by the City Council then serving.

PROFESSIONAL SERVICES

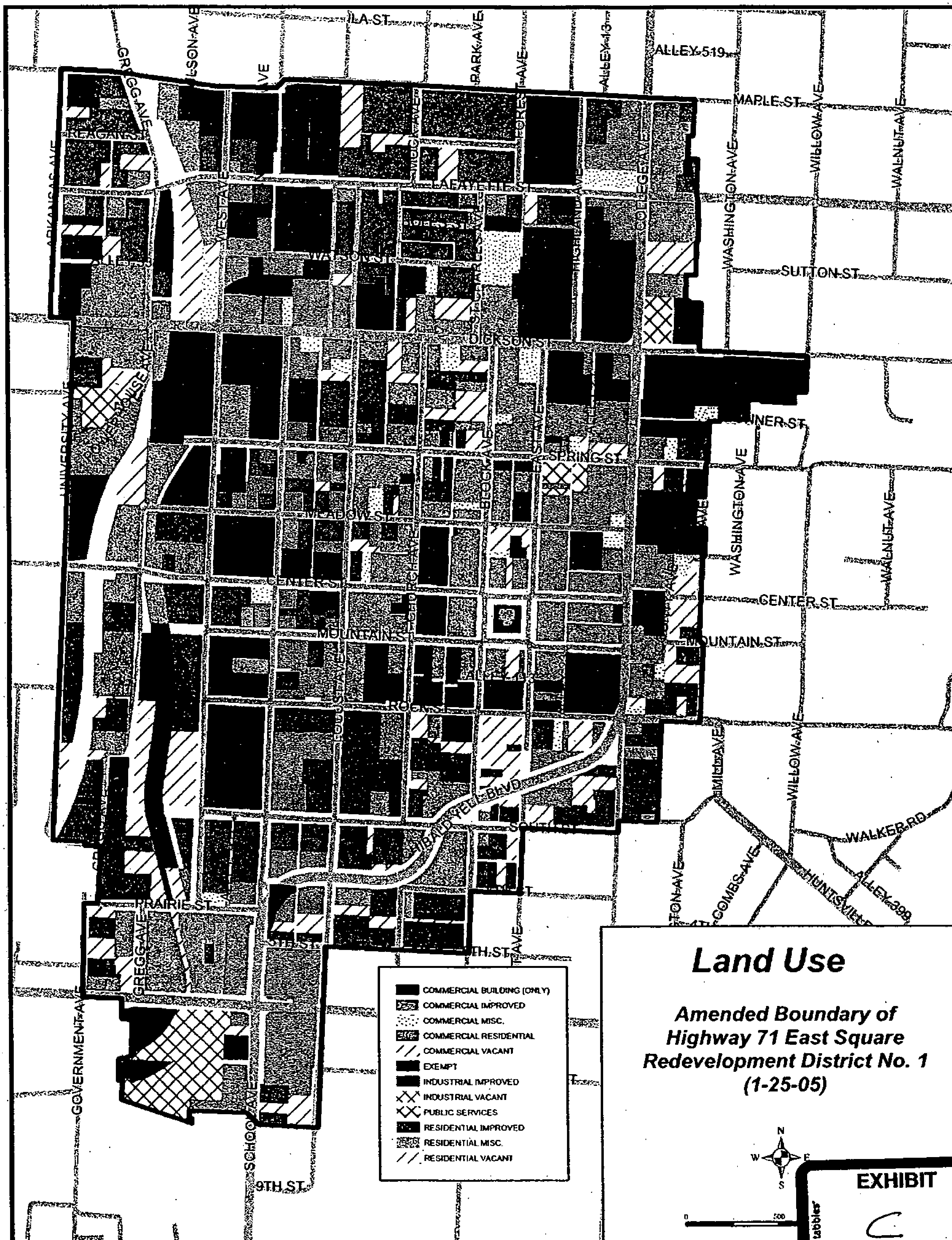
The District may engage as may be necessary professional advisors, consultants, attorneys and other TIF specialists to carry out the project plan and related financings.

APPLICATION OF DISTRICT REVENUES

All tax increment collected for the established twenty-five year period will be used to cover district indebtedness and/or other direct district expenses including initial bonded debt and additional bonds that may be issued as district revenues permit. Excess revenues shall retire the district's indebtedness or fund additional projects as may be approved by the City Council in accordance with bond covenants and obligations.

INTEREST EARNINGS

All interest earnings will be used towards debt service obligations on issued Tax Increment Financing bonds/notes. Earnings may be applied to the payment of Capitalized Interest and any prepayment of debt obligations as may be permitted.


Land Use
Amended Boundary of Highway 71 East Square Redevelopment District No. 1 (1-25-05)
COMMERCIAL BUILDING (ONLY)
COMMERCIAL IMPROVED
COMMERCIAL MISC.
COMMERCIAL RESIDENTIAL
COMMERCIAL VACANT
EXEMPT
INDUSTRIAL IMPROVED
INDUSTRIAL VACANT
PUBLIC SERVICES
RESIDENTIAL IMPROVED
RESIDENTIAL MISC.
RESIDENTIAL VACANT
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FOREST AVE
LAFAYETTE ST
WASHINGTON AVE
WILLOW AVE
WALNUT AVE
SUTTON ST
DICKSON ST
SPRING ST
MEADOW ST
CENTER ST
MOUNTAIN ST
ROCK ST
COLLEGE AVE
BLOCK AVE
UNIVERSITY AVE
ARKANSAS AVE
GREGG AVE
WEST AVE
PRAIRIE ST
SCHOOL AVE
GOVERNMENT AVE
9TH ST
WALKER RD
COMBS AVE
HUNTSVILLE
ALLEY 399

EXHIBIT

C

(F) Winslow	3.0 mills
(G) Farmington	4.9 mills
(H) Tontitown	2.0 mills
(I) Elm Springs	5.0 mills
(J) Johnson	4.8 mills
(K) Prairie Grove	9.4 mills
(L) Lincoln	6.5 mills
(M) Goshen	0.0 mills

** 1.0 mill is a library millage and is to be collected only inside the City Limits of Fayetteville; .8 mill is for all other legal purposes.

ARTICLE 3. The following taxes are hereby levied for the Year 2004 for the respective school districts within Washington County, Arkansas:

	REAL ESTATE/ PERSONAL PROPERTY		
	Debt	M & 0	Total
(A) Fayetteville, #1	19.2 mills	25.0 mills	44.2 mills
(B) Farmington, #6	15.7 mills	25.0 mills	40.7 mills
(C) Elkins, #10	15.2 mills	25.0 mills	40.2 mills
(D) Winslow, #20	8.0 mills	25.0 mills	33.0 mills
(E) Prairie Grove, #23	12.9 mills	25.0 mills	37.9 mills
(F) Lincoln, #48	14.8 mills	25.0 mills	39.8 mills
(G) Springdale, #50	14.5 mills	25.0 mills	39.5 mills
(H) Greenland, #95	12.9 mills	25.0 mills	37.9 mills
(I) West Fork, #141	14.0 mills	25.0 mills	39.0 mills
(J) Benton County, #21	15.0 mills	25.0 mills	40.0 mills

ARTICLE 4. The levy of taxes for 2004 is in accordance with State law.

Jerry Hunton
JERRY HUNTON, County Judge

12-13-04
DATE

Karen Combs Pritchard
KAREN COMBS PRITCHARD, County Clerk

Sponsor: Kurt Anderson
Date of Passage: December 9, 2004
Votes For: 12 Votes Against: 0
Abstentions: 0 Absent: 1

Fayetteville Public Schools

CELEBRATING THE PAST WHILE EMBRACING THE FUTURE

September 21, 2004

Ms. Lee Ann Kizzar
County Assessor
Washington County Courthouse
280 North College – Suite 360
Fayetteville, AR 72701

Dear Ms. Kizzar:

Please be informed that the Fayetteville School Districts millage structure at January 1, 2001 was as follows:

19.3 mills General Maintenance & Operation
23.7 mills Debt Service
1.0 mill Capital Outlay
44.0 mills

I have attached the school ballot from that election for your reference. Please call me if you have any questions.

Thank you,

Lisa Z. Morstad

Lisa Z. Morstad

EXHIBIT

tabbies

G

1000 West Stone Street PO Box 849 Fayetteville, Arkansas 72702 (501) 444-3000

EXHIBIT

I

Fayetteville Downtown Master Plan TIF district

Parcel ID	Type	Total Appraised	Total Assessed
765-01653-000	CM	186,850	25,926
765-01654-000	CI	995,300	148,334
765-01677-000	CV	160,000	11,440
765-01678-000	RI	85,950	14,459
765-01679-000	CV	80,000	10,450
765-01680-000	CI	182,000	30,007
765-01681-000	CV	180,000	29,700
765-01682-000	RI	158,650	24,151
765-01683-000	CI	138,800	25,333
765-01684-000	CI	296,550	27,957
765-01685-000	CI	254,200	49,477
765-01686-000	CV	116,150	7,951
765-01687-000	CV	21,100	1,444
765-01688-000	CI	337,950	44,200
765-01690-000	CV	58,000	6,163
765-01691-000	RI	112,250	17,760
765-01692-000	RI	157,050	27,317
765-01693-000	RI	122,450	14,813
765-01694-000	RI	87,150	13,900
765-01695-000	CI	476,400	69,155
765-01696-000	RI	134,650	15,044
765-01697-000	RI	65,850	10,053
765-01698-000	RI	57,050	7,402
765-01699-000	RI	86,650	12,740
765-01700-000	CR	102,400	12,601
765-01701-000	RI	76,950	12,572
765-01702-000	CR	287,950	52,426
765-01703-000	CM	90,150	11,341
765-01704-000	CR	239,500	36,594
765-01705-000	CI	207,750	26,984
765-01706-000	CI	458,650	74,419
765-01707-000	CI	634,200	92,444
765-01708-000	CM	71,800	12,177
765-01709-000	CI	270,550	24,574
765-01710-000	CT	69,000	7,445
765-01711-000	CV	50,400	8,129
765-01712-000	RI	78,800	9,621
765-01713-000	EX	0	0
765-01714-000	RI	92,550	13,566
765-01715-000	RI	163,750	20,203
765-01716-000	EX	0	0
765-01717-000	CR	134,600	16,130
765-01718-000	RI	56,250	8,850
765-01719-000	RI	199,550	31,021
765-01721-000	RI	169,450	28,940
765-01726-000	EX	0	0
765-01733-000	EX	0	0
765-01736-000	CI	805,300	127,523
765-01739-000	EX	0	0
765-01740-000	EX	0	0
765-01741-000	CI	504,900	55,567
765-01742-000	EX	0	0
765-01743-000	CI	1,356,950	231,535
765-01743-002	EX	0	0
765-01743-003	EX	0	0
765-01744-000	ET	0	0
765-01745-000	PS	0	0
765-01745-001	EX	0	0
765-01745-002	EX	0	0

Parcel ID	Type	Total Appraised	Total Assessed
765-01882-000	CR	276,150	45,624
765-01882-001	CI	445,900	89,180
765-01883-000	CR	231,000	46,200
765-01884-000	RI	75,350	12,735
765-01885-000	RV	500	100
765-01886-000	CI	75,700	9,482
765-01887-000	CI	88,050	7,894
765-01888-000	RI	54,950	9,324
765-01889-000	RI	62,650	8,451
765-01890-000	RI	47,050	7,536
765-01891-000	RI	86,500	14,850
765-01892-000	RI	107,000	17,586
765-01893-000	RI	100,500	13,002
765-01894-000	RI	88,000	15,389
765-01895-000	CM	135,200	12,598
765-01896-000	RI	100,950	15,766
765-01897-000	RI	137,550	18,690
765-01898-000	RI	137,350	17,593
765-01899-000	RI	79,750	7,899
765-01900-000	CV	58,400	3,080
765-01901-000	CI	55,450	6,907
765-01902-000	RI	65,450	9,162
765-01903-000	CI	209,500	28,929
765-01904-000	RI	436,350	55,159
765-01905-000	CR	246,900	27,478
765-01906-000	CR	228,650	22,765
765-01907-000	RI	174,150	31,856
765-01908-000	RI	125,650	17,576
765-01909-000	EX	0	0
765-01910-000	RI	55,350	7,136
765-01911-000	EX	0	0
765-01912-000	RI	52,750	10,550
765-01913-000	CI	112,650	12,627
765-01914-000	ET	0	0
765-01915-000	CI	95,400	17,678
765-01916-000	CI	362,450	37,752
765-01917-000	CI	435,500	60,380
765-01994-000	CI	294,300	52,613
765-01995-000	CI	218,100	29,836
765-01996-000	EX	0	0
765-01997-000	EX	0	0
765-01998-000	EX	0	0
765-01999-000	CI	208,650	41,173
765-01999-001	CI	141,000	20,933
765-02000-000	CI	340,350	47,018
765-02001-000	CI	285,650	40,865
765-02002-000	RI	471,650	78,977
765-02003-000	CI	341,350	56,049
765-02004-000	CI	334,350	39,344
765-02005-000	CI	324,800	60,665
765-02006-000	RI	72,500	7,305
765-02007-000	CR	185,600	37,120
765-02008-000	RI	67,700	10,978
765-02010-000	CT	146,050	26,950
765-02020-000	RI	98,700	10,915
765-02021-000	EX	0	0
765-02022-000	RI	49,400	4,730
765-02023-000	RI	79,850	10,608
765-02024-000	RI	65,550	7,635
765-02025-000	RI	80,500	15,149
765-02026-000	EX	0	0
765-02027-000	RI	46,550	7,908

Parcel ID	Type	Total Appraised	Total Assessed
765-04345-000	RI	30,150	4,114
765-04346-000	ET	0	0
765-04347-000	RI	58,300	10,410
765-04348-000	RI	68,550	10,054
765-04349-000	RI	78,250	11,682
765-04350-000	CI	301,850	50,736
765-04350-001	CI	223,400	39,556
765-04351-000	ET	0	0
765-04352-000	ET	0	0
765-04353-000	ET	0	0
765-04354-000	ET	0	0
765-04355-000	RI	55,250	7,465
765-04356-000	RI	56,650	7,679
765-04357-000	CR	119,750	14,915
765-04357-100	EX	0	0
765-04358-000	CI	54,000	10,800
765-04359-000	CI	81,350	14,377
765-04360-000	CI	70,350	12,033
765-04361-000	CI	1,072,400	185,001
765-04362-000	CI	393,700	64,625
765-04362-001	EX	0	0
765-04363-000	CM	168,900	5,420
765-04363-001	EX	0	0
765-04364-000	CI	1,225,100	177,117
765-04365-000	CI	265,350	42,400
765-04366-000	CI	85,550	11,703
765-04367-000	CI	110,200	9,626
765-04368-000	CI	97,650	11,005
765-04369-000	CI	242,500	39,039
765-04370-000	CI	257,850	26,183
765-04371-000	CI	134,500	18,805
765-04372-000	CI	152,400	20,878
765-04373-000	CI	247,550	22,542
765-04374-000	CM	108,450	16,145
765-04375-000	CI	830,250	105,770
765-04376-000	CI	255,000	37,336
765-04376-000	CI	255,000	37,336
765-04378-000	VP	0	0
765-04378-001	CI	280,300	43,618
765-04379-000	CI	510,150	57,537
765-04380-000	ET	0	0
765-04381-000	ET	0	0
765-04382-000	ET	0	0
765-04384-000	ET	0	0
765-04385-000	ET	0	0
765-04388-000	ET	0	0
765-04389-000	ET	0	0
765-04390-000	ET	0	0
765-04391-000	CI	341,500	68,300
765-04392-000	RI	58,400	8,525
765-04393-000	RI	57,650	9,648
765-04394-000	RI	114,450	14,297
765-04395-000	RI	83,800	10,534
765-04396-000	RI	97,550	15,021
765-04397-000	CV	54,000	9,900
765-04398-000	CI	926,000	185,200
765-04399-000	CI	547,650	93,093
765-04400-000	CI	167,600	20,578
765-04401-000	CI	304,650	26,984
765-04402-000	CI	210,850	19,133
765-04403-000	RI	78,100	14,626
765-04404-000	RI	41,400	8,280

Parcel ID	Type	Total Appraised	Total Assessed
765-05521-000	CI	120,050	19,524
765-05524-000	CI	40,100	5,764
765-05525-000	EX	0	0
765-05526-000	RI	34,150	6,314
765-05527-000	RI	37,050	6,875
765-05529-000	RI	54,450	9,938
765-05530-000	RI	31,700	5,660
765-05532-000	RI	42,150	6,291
765-05533-000	CI	253,600	45,912
765-05534-000	CV	15,000	2,233
765-05535-000	RI	37,200	6,897
765-05536-000	RV	15,200	2,818
765-05537-000	RV	25,600	2,860
765-05538-000	RI	42,100	7,493
765-05539-000	RV	6,400	1,100
765-05541-000	CI	42,950	5,205
765-05541-001	EX	0	0
765-05572-010	CI	338,350	58,344
765-05573-000	ET	0	0
765-05574-000	ET	0	0
765-05575-000	ET	0	0
765-05576-000	ET	0	0
765-05577-000	ET	0	0
765-05578-000	RI	59,850	9,416
765-05579-000	ET	0	0
765-05580-000	ET	0	0
765-05581-000	ET	0	0
765-05582-000	ET	0	0
765-05583-000	ET	0	0
765-05584-000	RI	60,600	9,395
765-05585-000	ET	0	0
765-05586-000	ET	0	0
765-05587-000	ET	0	0
765-05588-000	ET	0	0
765-05589-000	ET	0	0
765-06024-000	RI	124,450	22,825
765-06025-000	CV	52,850	9,009
765-06026-000	RI	218,500	41,635
765-06027-000	CI	748,650	147,180
765-06028-000	RI	80,800	12,999
765-06029-000	RI	64,500	11,968
765-06030-000	RI	254,000	48,710
765-06031-000	RI	271,650	51,939
765-06032-000	RI	347,150	54,271
765-06033-000	RI	92,700	17,910
765-06034-000	RM	24,600	3,818
765-06035-000	RI	125,200	23,892
765-06036-000	CI	185,400	28,328
765-06037-000	EX	0	0
765-06038-000	EX	0	0
765-06039-000	RI	329,900	41,400
765-06040-000	CI	291,100	49,478
765-06139-000	RI	50,600	6,714
765-06140-000	RI	48,750	7,508
765-06141-000	RI	40,300	7,040
765-06142-000	EX	0	0
765-06143-000	CV	18,300	2,508
765-06144-000	RI	71,450	11,755
765-06145-000	RI	49,500	7,921
765-06147-000	RI	227,450	45,490
765-07123-000	RI	72,450	8,100
765-07124-000	RI	50,500	8,492

Parcel ID	Type	Total Appraised	Total Assessed
765-11934-000	RI	81,550	14,973
765-11935-000	RI	90,850	10,774
765-11936-000	RI	86,150	13,924
765-12867-000	CV	180,000	18,036
765-12868-000	CI	675,500	83,484
765-12868-001	CI	216,250	27,196
765-12869-000	RI	114,250	15,909
765-12870-000	RI	110,350	14,863
765-12871-000	CI	132,150	18,994
765-12872-000	CI	89,300	12,141
765-12873-000	CI	93,450	12,012
765-12874-000	CI	122,050	15,315
765-12875-000	CM	76,950	11,782
765-12875-003	EX	0	0
765-12876-000	CV	117,900	13,699
765-12877-000	CI	82,050	9,209
765-12878-000	EX	0	0
765-12879-000	RI	87,750	12,799
765-12880-000	RI	109,900	18,090
765-12881-000	EX	0	0
765-12882-000	RI	216,750	33,176
765-12883-000	RI	139,300	15,094
765-12884-000	RV	22,000	3,520
765-12885-000	RI	281,300	46,404
765-12886-000	EX	0	0
765-12887-000	EX	0	0
765-12888-000	RI	86,150	11,197
765-12889-000	RI	130,650	23,109
765-12894-000	CI	524,350	49,464
765-12899-000	CV	142,000	8,237
765-12900-000	RI	174,000	20,778
765-12901-000	CV	50,000	2,959
765-12904-000	CI	776,450	74,474
765-12905-000	CI	636,600	102,828
765-12906-000	CM	259,900	37,166
765-12907-000	CI	333,000	42,843
765-12908-000	CI	337,850	37,199
765-12932-000	PS	940,650	188,130
765-12932-001	CI	585,650	74,143
765-12933-000	EX	0	0
765-12934-000	CI	190,650	29,172
765-12935-000	CV	46,550	8,536
765-12936-000	RV	11,000	772
765-12937-000	RV	16,500	2,640
765-12938-000	RI	47,600	7,046
765-12939-000	RI	84,900	15,029
765-12940-000	RV	13,200	2,420
765-12941-000	RI	32,000	5,071
765-12942-000	RV	15,400	2,464
765-12943-000	CI	420,650	66,584
765-12944-000	CI	224,950	33,173
765-12945-000	RI	69,600	7,645
765-12946-000	CR	680,400	109,340
765-12947-000	RV	15,400	2,145
765-12948-000	RI	49,600	8,037
765-12949-000	RI	49,850	6,635
765-12950-000	RI	68,650	8,984
765-12951-000	RI	55,900	6,955
765-12952-000	RV	4,000	660
765-12953-000	RV	3,000	600
765-12954-000	CI	238,550	45,934
765-12955-000	RI	45,950	5,324

Parcel ID	Type	Total Appraised	Total Assessed
765-22550-000	CI	97,400	9,009
765-22551-000	CI	97,400	9,009
765-22552-000	CI	97,400	9,009
765-22553-000	CI	97,400	9,009
765-22554-000	CI	97,400	9,009
765-22555-000	CI	97,400	9,009
765-22556-000	CI	97,400	9,009
765-22557-000	CI	97,400	9,009
765-22558-000	CI	97,400	9,009
765-22559-000	CI	97,400	9,009
765-22560-000	CI	97,400	9,009
765-22561-000	CI	97,400	9,009
765-22562-000	CI	97,400	9,009
765-22563-000	CI	0	0
765-22564-000	CI	274,147	50,204
765-22565-000	CI	273,053	49,995
765-22566-000	CI	0	0
765-01887-002	EX	0	
765-23362-000	RI	234,000	46,800
765-23363-000	RI	214,600	42,920
765-23364-000	RI	225,900	45,180
765-23365-000	RI	306,600	61,320
765-23366-000	RI	337,250	67,450
765-23367-000	RI	321,650	64,330
765-23368-000	CI	0	0
765-23413-000	RI	85,450	17,090
765-23414-000	RI	65,100	13,020
765-23415-000	RI	76,900	15,380
765-23416-000	RI	134,950	26,990
765-23417-000	RI	81,700	16,340
765-23418-000	RI	303,700	60,740
765-23419-000	CR	0	0
765-01655-000	CI	249,300	42,743
765-01656-000	CI	194,000	32,895
765-01657-000	CI	230,400	30,778
765-01658-000	CI	170,100	30,602
765-01659-000	CI	202,350	32,340
765-01660-000	CI	124,050	16,701
765-01661-000	CI	210,900	38,988
765-01663-000	CM	80,150	10,687
765-01663-000	CM	80,150	10,687
765-01664-000	CI	130,200	10,802
765-01664-000	CI	130,200	10,802
765-01665-000	CI	128,450	19,734
765-01665-000	CI	128,450	19,734
765-01666-000	CI	251,450	27,199
765-01667-000	CV	130,000	25,080
765-01668-000	CM	168,750	24,138
765-01669-000	CI	338,850	52,124
765-01670-000	RI	165,250	27,367
765-01671-000	CI	114,100	18,690
765-01672-000	CV	27,200	4,400
765-01673-000	RI	131,500	18,682
765-01674-000	CR	155,050	27,311
765-01675-000	RI	89,450	10,090
765-01676-000	CI	74,900	7,794
		97,820,053	**15,083,761**

Ordinance # 4673 Exhibit A

Final Amended Map Approved 01/25/05

Ordinance # 4673 Exhibit A

Final Amended Map Approved 01/25/05

Ordinance # 4673 Exhibit A

Final Amended Map Approved 01/25/05

Ordinance # 4673 Exhibit A

Final Amended Map Approved 01/25/05

Handed out at the meeting

A Feasibility Study of the Highway 71 East Square Redevelopment District #1

Produced for the City of Fayetteville, Arkansas

UNIVERSITY of ARKANSAS 1871

SAM M. WALTON COLLEGE of BUSINESS

Center for Business and Economic Research

Center for Business and Economic Research
Reynolds Center Building 217
Sam M. Walton College of Business
1 University of Arkansas
Fayetteville, Arkansas 72701-1201
(479) 575-4151
Contact: Dr. Jeffery T. Collins, Director
January 2005

Introduction

This report includes the results of the financial feasibility study of the Highway 71 East Square Redevelopment District #1 (East Square district) requested by the City of Fayetteville from researchers at the Center for Business and Economic Research (CBER) in the Sam M. Walton College of Business at the University of Arkansas. As of publication time, there are various scenarios being considered for financing the redevelopment of the East Square area together with differing assumptions about the availability of funding. Because of the lingering uncertainties about the inputs to the model, a series of 12 different estimations is presented. As policies become more concrete, decision-makers can use the tables that best represent reality to help in their processes.

The projections included in this report are based on assessment values from 2001 to 2004. Although some assessment data are available for years prior to 2001, changes in the property tax laws and in the appraisal process make comparisons invalid. The authors of this study acknowledge that the use of only four years of data to make projections for the next twenty-five years is a considerable limitation. However, the authors of this report also believe that good decisions are the results of good information and the data from 2001-2004 are of sufficient quality to make reasonable predictions about the future. More importantly, no reasonable alternative methodology for predicting the growth in assessment values exists.

The University and CBER are unable to guarantee any outcome, result, or investment decision of the City, the project developers, legal and underwriting professionals involved in the preparation of the bond documents, or individual bond investors, and expressly decline to make any such guarantee. Naturally, economic feasibility studies are subject to and affected by ever-changing local, state, national, and international economic and political forces and other economic assumptions. With respect to any investment decision, therefore, decision-makers must exercise their discretion and best judgment based upon the best available information, but no assurances or outcomes can be guaranteed.

It must be clear to all who read this financial feasibility report that the predictions made by CBER researchers are based upon historical data, and to the extent that the future differs from the past, the projections will be more or less accurate. Market forces, local, state, national, and international events, acts of nature, and many other variables affect the assessed property values in Fayetteville and its districts and cause deviations from the projected values. CBER researchers and the University cannot be held responsible fro any differences between predictions about the future and actual outcomes.

Methodology

The purpose of this report is to estimate the revenue stream that can be expected to result from the levying of property taxes on the incremental change in assessed real estate value in the East Square district. Additionally, projections of the revenue stream resulting from the levying of property taxes in the East Square district and a set of parcels from downtown Fayetteville are estimated.

The first step in the estimating these revenues involved data gathering. Staff from the City of Fayetteville provided CBER researchers the list of parcels that would be included in the East Square district and in a proposed Downtown TIF district. CBER analysts then obtained parcel assessment data for the years 2001 through 2004 from the Washington County Assessor's office. The 2004 data represent a snapshot of the Washington County Assessor's records as of December 31, 2004.

The property use type of each of the parcels was identified and average annual assessment growth rates were calculated by type for the years 2001 to 2004 for the East Square district set of parcels, the East Square district plus the Downtown parcels, and for all Fayetteville parcels. Then twenty-five year baseline projections for each district were produced. These projections assume that each property will grow at its parcel type's average annual growth rate from 2001-2004 for the next twenty-five years. This baseline scenario shows how property values in the districts are likely to change absent any infrastructure improvement.

Arkansas Amendment 79 caps the growth of assessed values of existing properties at 5 percent for owner-occupied houses, at 0 percent for homeowners over the age of 65 and for disabled people, and at 10 percent for other properties. However, when new improvements are made, the full appraised value of these properties is assessed in their first year and then in subsequent years, these properties become subject to the Amendment 79 caps on growth in assessed value. Thus, it is possible for the annual growth rate of a particular category of properties to exceed the Amendment 79 capped amount. Using the average annual growth rates by parcel type as the basis of the projections means that these newly assessed properties are included in the estimate.

After the baseline projections, assuming no extraordinary infrastructure improvements, were calculated, two alternative scenarios were presented. The first includes the addition to the tax rolls of two projects in 2007. The "Terminella Project" is one of the developments while the other is the redevelopment of the old library building. The Terminella project is assumed to have an appraised value of $2.6 million, which translates into $520,000 of additional assessed value. The redevelopment of the old library building is assumed to add $4 million in appraised value to the district, resulting in $800,000 of additional assessed value. The assessed values of these properties then grow at the Commercial Improved rate for the duration of the twenty-five year period.

The second scenario presented includes the addition of the Terminella Project and the redevelopment of the old library along with the redevelopment of the Mountain Inn property. The Mountain Inn is assumed to come on the tax rolls in 2007 with an appraised value of $20 million, which equates to an assessed value of $4 million.

Once the projections of total assessed value in each district and for each scenario were made, the available increment in each year was calculated. To calculate the annual yield of the TIF district, it is necessary to apply the appropriate millage rate to the available increment. At the request of the City of Fayetteville, two millage scenarios are presented. The first assumes that of the 51.86 mills that are assessed in the district, 7.66 will be available for tax increment financing. These 7.66 mills are the sum of the Washington County millage, the roads millage, the City of Fayetteville millage, and the library millage. The second rate is 3.16. This amount is the remainder from 51.86 when the 25 state-mandated public school mills and the 23.7 Fayetteville Public School debt millage as of January 1, 2001 are subtracted.

Results

The results of the various permutations of scenarios are presented in Tables 1 through 12. The first three tables present the results using only the parcels in the original East Square district, along with a 7.66 millage rate. Tables 4 through 6 present the results using only the parcels in the original East Square district along with a 3.16 millage rate. Tables 7 through 12 replicate these results using the parcels in both the East Square district and the Downtown districts.

Table 13 presents a summarized version of the twenty-five year total yields from each of the alternatives presented in the first twelve tables. Under the scenario where parcels from both the East Square district and the Downtown district are include and when 7.66 mills are available to the TIF district, the Terminella project and the old library redevelopment add $775,268 to the total twenty-five year yield. In the same case, the addition of the Mountain Inn redevelopment adds $2,329,296 to the twenty-five year yield. These are the upper bounds for the scenarios considered for the impacts of these projects.

Included in Tables 14 through 17 are summary statistics about the data and about the millage rates considered. Table 14 contains the distribution of parcels by type for the East Square district, the East Square district and the Downtown district, and for the entire City of Fayetteville. The East Square district is more heavily weighted Commercial Improved than the whole city and less heavily weighted toward Residential Improved. Adding the Downtown district parcels alleviates this somewhat, but Fayetteville is still much more residential than the districts considered. The information contained in Table 15 bears this out further. A full 79.2 percent of the assessed valuation in the East Square district is Commercial Improved, 66.0 percent of the assessed valuation in the East Square plus Downtown district is Commercial Improved and only 32.4 percent of the assessed valuation in the whole City of Fayetteville is Commercial Improved.

Therefore, the growth rate applied to the Commercial Improved properties will have a disproportionate effect in the East Square district. Table 16 shows the average annual growth rates in assessed values by parcel type for the East Square district, the East Square plus Downtown district, and the City of Fayetteville. For the East Square Commercial Improved properties, the average annual growth rate from 2001 to 2004 was 8.1 percent. In Fayetteville as a whole and in the East Square plus Downtown district, the growth rate was higher, at 9.7 percent.

Finally, Table 17 presents the breakdown of the millage rate assumptions used in this study. Obviously, there is a significant revenue difference under every scenario depending on whether the higher or lower millage rate is applied to the available increment.

Conclusion

This study uses historical growth rates in assessed value to project out the revenue stream that will be available for use in the East Square TIF district in the City of Fayetteville. Three model specifications are considered: a baseline where no extraordinary infrastructure investment is made, an alternative where the Terminella project and the old library redevelopment are considered, and an alternative where the redevelopment of the Mountain Inn is additionally considered. Also, projections are included for a district that would include both the East Square and the Downtown districts. Under the most liberal scenario, the available yield for the TIF district is $30,668,484. The difference between this scenario and its baseline is $3,104,564. This difference is the amount that should be attributable to specific investments, rather than the normal progression of the market.

Table 1: East Square Baseline Scenario with Available TIF millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,007,514,922					
Total Available Yield: $7,717,564					
Net Present Value of Total Available Yield: $4,496,471					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$21,072,067	$22,819,434	$24,718,735
Assessment Growth Rate	8.20%	8.23%	8.26%	8.29%	8.32%
Increment	$1,363,383	$2,843,858	$4,451,989	$6,199,356	$8,098,657
Available Yield	$10,444	$21,784	$34,102	$47,487	$62,036
PV of Available Yield	$10,139	$20,533	$31,208	$42,192	$53,513
Year	2010	2011	2012	2013	2014
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$26,783,908	$29,030,259	$31,474,607	$34,135,448	$37,033,139
Assessment Growth Rate	8.35%	8.39%	8.42%	8.45%	8.49%
Increment	$10,163,830	$12,410,181	$14,854,529	$17,515,370	$20,413,061
Available Yield	$77,855	$95,062	$113,786	$134,168	$156,364
PV of Available Yield	$65,202	$77,294	$89,823	$102,828	$116,350
Year	2015	2016	2017	2018	2019
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$40,190,101	$43,631,044	$47,383,230	$51,476,755	$55,944,875
Assessment Growth Rate	8.52%	8.56%	8.60%	8.64%	8.68%
Increment	$23,570,023	$27,010,966	$30,763,152	$34,856,677	$39,324,797
Available Yield	$180,546	$206,904	$235,646	$267,002	$301,228
PV of Available Yield	$130,431	$145,118	$160,463	$176,520	$193,347
Year	2020	2021	2022	2023	2024
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$60,824,371	$66,155,958	$71,984,747	$78,360,770	$85,339,567
Assessment Growth Rate	8.72%	8.77%	8.81%	8.86%	8.91%
Increment	$44,204,293	$49,535,880	$55,364,669	$61,740,692	$68,719,489
Available Yield	$338,605	$379,445	$424,093	$472,934	$526,391
PV of Available Yield	$211,007	$229,570	$249,110	$269,707	$291,450
Year	2025	2026	2027	2028	2029
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$92,982,856	$101,359,291	$110,545,315	$120,626,141	$131,696,854
Assessment Growth Rate	8.96%	9.01%	9.06%	9.12%	9.18%
Increment	$76,362,778	$84,739,213	$93,925,237	$104,006,063	$115,076,776
Available Yield	$584,939	$649,102	$719,467	$796,686	$881,488
PV of Available Yield	$314,433	$338,762	$364,548	$391,917	$421,004

Table 3: East Square Scenario with the Mountain Inn, Terminella Project, and Library Renovation with available TIF millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,336,207,692					
Total Available Yield: $10,235,531					
Net Present Value of Total Available Yield: $6,034,119					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$26,392,067	$28,570,898	$30,936,656
Assessment Growth Rate	8.20%	8.23%	35.59%	8.26%	8.28%
Increment	$1,363,383	$2,843,858	$9,771,989	$11,950,820	$14,316,578
Available Yield	$10,444	$21,784	$74,853	$91,543	$109,665
PV of Available Yield	$10,139	$20,533	$68,501	$81,335	$94,598
Year	2010	2011	2012	2013	2014
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$33,506,117	$36,297,654	$39,331,404	$42,629,450	$46,216,024
Assessment Growth Rate	8.31%	8.33%	8.36%	8.39%	8.41%
Increment	$16,886,039	$19,677,576	$22,711,326	$26,009,372	$29,595,946
Available Yield	$129,347	$150,730	$173,969	$199,232	$226,705
PV of Available Yield	$108,326	$122,557	$137,333	$152,695	$168,690
Year	2015	2016	2017	2018	2019
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$50,117,738	$54,363,836	$58,986,476	$64,021,050	$69,506,541
Assessment Growth Rate	8.44%	8.47%	8.50%	8.54%	8.57%
Increment	$33,497,660	$37,743,758	$42,366,398	$47,400,972	$52,886,463
Available Yield	$256,592	$289,117	$324,527	$363,091	$405,110
PV of Available Yield	$185,368	$202,781	$220,987	$240,046	$260,025
Year	2020	2021	2022	2023	2024
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$75,485,920	$82,006,592	$89,120,904	$96,886,708	$105,368,001
Assessment Growth Rate	8.60%	8.64%	8.68%	8.71%	8.75%
Increment	$58,865,842	$65,386,514	$72,500,826	$80,266,630	$88,747,923
Available Yield	$450,912	$500,861	$555,356	$614,842	$679,809
PV of Available Yield	$280,994	$303,029	$326,213	$350,636	$376,394
Year	2025	2026	2027	2028	2029
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$114,635,642	$124,768,166	$135,852,704	$147,986,017	$161,275,679
Assessment Growth Rate	8.80%	8.84%	8.88%	8.93%	8.98%
Increment	$98,015,564	$108,148,088	$119,232,626	$131,365,939	$144,655,601
Available Yield	$750,799	$828,414	$913,322	$1,006,263	$1,108,062
PV of Available Yield	$403,592	$432,343	$462,773	$495,015	$529,217

Table 4: East Square Baseline Scenario with Available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,007,514,922					
Total Available Yield: $3,183,747					
Net Present Value of Total Available Yield: $1,854,941					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$21,072,067	$22,819,434	$24,718,735
Assessment Growth Rate	8.20%	8.23%	8.26%	8.29%	8.32%
Increment	$1,363,383	$2,843,858	$4,451,989	$6,199,356	$8,098,657
Available Yield	$4,308	$8,987	$14,068	$19,590	$25,592
PV of Available Yield	$4,183	$8,471	$12,874	$17,405	$22,076
Year	2010	2011	2012	2013	2014
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$26,783,908	$29,030,259	$31,474,607	$34,135,448	$37,033,139
Assessment Growth Rate	8.35%	8.39%	8.42%	8.45%	8.49%
Increment	$10,163,830	$12,410,181	$14,854,529	$17,515,370	$20,413,061
Available Yield	$32,118	$39,216	$46,940	$55,349	$64,505
PV of Available Yield	$26,898	$31,886	$37,055	$42,420	$47,998
Year	2015	2016	2017	2018	2019
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$40,190,101	$43,631,044	$47,383,230	$51,476,755	$55,944,875
Assessment Growth Rate	8.52%	8.56%	8.60%	8.64%	8.68%
Increment	$23,570,023	$27,010,966	$30,763,152	$34,856,677	$39,324,797
Available Yield	$74,481	$85,355	$97,212	$110,147	$124,266
PV of Available Yield	$53,807	$59,866	$66,196	$72,820	$79,762
Year	2020	2021	2022	2023	2024
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$60,824,371	$66,155,958	$71,984,747	$78,360,770	$85,339,567
Assessment Growth Rate	8.72%	8.77%	8.81%	8.86%	8.91%
Increment	$44,204,293	$49,535,880	$55,364,669	$61,740,692	$68,719,489
Available Yield	$139,686	$156,533	$174,952	$195,101	$217,154
PV of Available Yield	$87,047	$94,705	$102,766	$111,263	$120,233
Year	2025	2026	2027	2028	2029
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$92,982,856	$101,359,291	$110,545,315	$120,626,141	$131,696,854
Assessment Growth Rate	8.96%	9.01%	9.06%	9.12%	9.18%
Increment	$76,362,778	$84,739,213	$93,925,237	$104,006,063	$115,076,776
Available Yield	$241,306	$267,776	$296,804	$328,659	$363,643
PV of Available Yield	$129,714	$139,750	$150,388	$161,679	$173,678

Table 5: East Square Scenario Including the Terminella Project and the Library Renovation with Available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,089,070,271					
Total Available Yield: $3,441,462					
Net Present Value of Total Available Yield: $2,012,331					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$22,392,067	$24,246,489	$26,261,528
Assessment Growth Rate	8.20%	8.23%	15.04%	8.28%	8.31%
Increment	$1,363,383	$2,843,858	$5,771,989	$7,626,411	$9,641,450
Available Yield	$4,308	$8,987	$18,239	$24,099	$30,467
PV of Available Yield	$4,183	$8,471	$16,692	$21,412	$26,281
Year	2010	2011	2012	2013	2014
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$28,451,825	$30,833,447	$33,424,037	$36,242,982	$39,311,599
Assessment Growth Rate	8.34%	8.37%	8.40%	8.43%	8.47%
Increment	$11,831,747	$14,213,369	$16,803,959	$19,622,904	$22,691,521
Available Yield	$37,388	$44,914	$53,101	$62,008	$71,705
PV of Available Yield	$31,312	$36,519	$41,918	$47,524	$53,355
Year	2015	2016	2017	2018	2019
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$42,653,349	$46,294,068	$50,262,231	$54,589,249	$59,309,800
Assessment Growth Rate	8.50%	8.54%	8.57%	8.61%	8.65%
Increment	$26,033,271	$29,673,990	$33,642,153	$37,969,171	$42,689,722
Available Yield	$82,265	$93,770	$106,309	$119,983	$134,900
PV of Available Yield	$59,430	$65,768	$72,391	$79,323	$86,587
Year	2020	2021	2022	2023	2024
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$64,462,199	$70,088,822	$76,236,576	$82,957,432	$90,309,028
Assessment Growth Rate	8.69%	8.73%	8.77%	8.82%	8.86%
Increment	$47,842,121	$53,468,744	$59,616,498	$66,337,354	$73,688,950
Available Yield	$151,181	$168,961	$188,388	$209,626	$232,857
PV of Available Yield	$94,211	$102,224	$110,658	$119,547	$128,927
Year	2025	2026	2027	2028	2029
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$98,355,352	$107,167,508	$116,824,592	$127,414,682	$139,035,961
Assessment Growth Rate	8.91%	8.96%	9.01%	9.06%	9.12%
Increment	$81,735,274	$90,547,430	$100,204,514	$110,794,604	$122,415,883
Available Yield	$258,283	$286,130	$316,646	$350,111	$386,834
PV of Available Yield	$138,840	$149,329	$160,442	$172,231	$184,754

Table 6: East Square Scenario with the Mountain Inn, Terminella Project, and Library Renovation with available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,336,207,692					
Total Available Yield: $4,222,416					
Net Present Value of Total Available Yield: $2,489,271					
Year	**2005**	**2006**	**2007**	**2008**	**2009**
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$26,392,067	$28,570,898	$30,936,656
Assessment Growth Rate	8.20%	8.23%	35.59%	8.26%	8.28%
Increment	$1,363,383	$2,843,858	$9,771,989	$11,950,820	$14,316,578
Available Yield	$4,308	$8,987	$30,879	$37,765	$45,240
PV of Available Yield	$4,183	$8,471	$28,259	$33,553	$39,025
Year	**2010**	**2011**	**2012**	**2013**	**2014**
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$33,506,117	$36,297,654	$39,331,404	$42,629,450	$46,216,024
Assessment Growth Rate	8.31%	8.33%	8.36%	8.39%	8.41%
Increment	$16,886,039	$19,677,576	$22,711,326	$26,009,372	$29,595,946
Available Yield	$53,360	$62,181	$71,768	$82,190	$93,523
PV of Available Yield	$44,688	$50,559	$56,654	$62,991	$69,590
Year	**2015**	**2016**	**2017**	**2018**	**2019**
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$50,117,738	$54,363,836	$58,986,476	$64,021,050	$69,506,541
Assessment Growth Rate	8.44%	8.47%	8.50%	8.54%	8.57%
Increment	$33,497,660	$37,743,758	$42,366,398	$47,400,972	$52,886,463
Available Yield	$105,853	$119,270	$133,878	$149,787	$167,121
PV of Available Yield	$76,470	$83,654	$91,164	$99,027	$107,269
Year	**2020**	**2021**	**2022**	**2023**	**2024**
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$75,485,920	$82,006,592	$89,120,904	$96,886,708	$105,368,001
Assessment Growth Rate	8.60%	8.64%	8.68%	8.71%	8.75%
Increment	$58,865,842	$65,386,514	$72,500,826	$80,266,630	$88,747,923
Available Yield	$186,016	$206,621	$229,103	$253,643	$280,443
PV of Available Yield	$115,919	$125,009	$134,574	$144,649	$155,275
Year	**2025**	**2026**	**2027**	**2028**	**2029**
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$114,635,642	$124,768,166	$135,852,704	$147,986,017	$161,275,679
Assessment Growth Rate	8.80%	8.84%	8.88%	8.93%	8.98%
Increment	$98,015,564	$108,148,088	$119,232,626	$131,365,939	$144,655,601
Available Yield	$309,729	$341,748	$376,775	$415,116	$457,112
PV of Available Yield	$166,495	$178,356	$190,909	$204,210	$218,319

Table 7: East Square and Downtown Baseline Scenario with Available TIF millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $3,598,422,952					
Total Available Yield: $27,563,920					
Net Present Value of Total Available Yield: $15,744,504					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$43,237,746	$48,011,059	$53,346,178
Assessment Growth Rate	10.83%	10.90%	10.97%	11.04%	11.11%
Increment	$3,431,986	$7,260,439	$11,533,907	$16,307,220	$21,642,339
Available Yield	$26,289	$55,615	$88,350	$124,913	$165,780
PV of Available Yield	$25,523	$52,422	$80,853	$110,984	$143,004
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$59,313,167	$65,991,305	$73,470,353	$81,852,005	$91,251,540
Assessment Growth Rate	11.19%	11.26%	11.33%	11.41%	11.48%
Increment	$27,609,328	$34,287,466	$41,766,514	$50,148,166	$59,547,701
Available Yield	$211,487	$262,642	$319,932	$384,135	$456,135
PV of Available Yield	$177,117	$213,552	$252,557	$294,407	$339,408
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$101,799,717	$113,644,944	$126,955,756	$141,923,652	$158,766,349
Assessment Growth Rate	11.56%	11.64%	11.71%	11.79%	11.87%
Increment	$70,095,878	$81,941,105	$95,251,917	$110,219,813	$127,062,510
Available Yield	$536,934	$627,669	$729,630	$844,284	$973,299
PV of Available Yield	$387,893	$440,234	$496,842	$558,171	$624,723
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$177,731,504	$199,100,989	$223,195,775	$250,381,555	$281,075,178
Assessment Growth Rate	11.95%	12.02%	12.10%	12.18%	12.26%
Increment	$146,027,665	$167,397,150	$191,491,936	$218,677,716	$249,371,339
Available Yield	$1,118,572	$1,282,262	$1,466,828	$1,675,071	$1,910,184
PV of Available Yield	$697,057	$775,790	$861,607	$955,270	$1,057,623
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$315,752,037	$354,954,549	$399,301,895	$449,501,199	$506,360,371
Assessment Growth Rate	12.34%	12.42%	12.49%	12.57%	12.65%
Increment	$284,048,198	$323,250,710	$367,598,056	$417,797,360	$474,656,532
Available Yield	$2,175,809	$2,476,100	$2,815,801	$3,200,328	$3,635,869
PV of Available Yield	$1,169,605	$1,292,258	$1,426,743	$1,574,349	$1,736,511

Table 8: East Square and Downtown Scenario Including the Terminella Project and the Library Renovation with Available TIF Millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $3,699,632,858					
Total Available Yield: $28,339,188					
Net Present Value of Total Available Yield: $16,209,996					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$44,557,746	$49,459,472	$54,935,495
Assessment Growth Rate	10.83%	10.90%	14.36%	11.00%	11.07%
Increment	$3,431,986	$7,260,439	$12,853,907	$17,755,633	$23,231,656
Available Yield	$26,289	$55,615	$98,461	$136,008	$177,954
PV of Available Yield	$25,523	$52,422	$90,106	$120,841	$153,505
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$61,057,095	$67,904,886	$75,570,092	$84,156,011	$93,779,683
Assessment Growth Rate	11.14%	11.22%	11.29%	11.36%	11.44%
Increment	$29,353,256	$36,201,047	$43,866,253	$52,452,172	$62,075,844
Available Yield	$224,846	$277,300	$336,015	$401,784	$475,501
PV of Available Yield	$188,305	$225,470	$265,254	$307,934	$353,817
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$104,573,804	$116,688,900	$130,295,833	$145,588,658	$162,787,894
Assessment Growth Rate	11.51%	11.59%	11.66%	11.74%	11.81%
Increment	$72,869,965	$84,985,061	$98,591,994	$113,884,819	$131,084,055
Available Yield	$558,184	$650,986	$755,215	$872,358	$1,004,104
PV of Available Yield	$403,244	$456,588	$514,264	$576,731	$644,496
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$182,144,274	$203,943,041	$228,508,872	$256,211,522	$287,472,295
Assessment Growth Rate	11.89%	11.97%	12.05%	12.12%	12.20%
Increment	$150,440,435	$172,239,202	$196,805,033	$224,507,683	$255,768,456
Available Yield	$1,152,374	$1,319,352	$1,507,527	$1,719,729	$1,959,186
PV of Available Yield	$718,121	$798,230	$885,513	$980,737	$1,084,754
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$322,771,478	$362,656,856	$407,753,498	$458,774,990	$516,536,336
Assessment Growth Rate	12.28%	12.36%	12.44%	12.51%	12.59%
Increment	$291,067,639	$330,953,017	$376,049,659	$427,071,151	$484,832,497
Available Yield	$2,229,578	$2,535,100	$2,880,540	$3,271,365	$3,713,817
PV of Available Yield	$1,198,508	$1,323,050	$1,459,546	$1,609,295	$1,773,740

Table 9: East Square and Downtown Scenario with the Mountain Inn, Terminella Project, and Library Renovation with available TIF Millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $4,006,329,540					
Total Available Yield: $30,668,484					
Net Present Value of Total Available Yield: $17,620,577					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$48,557,746	$53,848,600	$59,751,606
Assessment Growth Rate	10.83%	10.90%	24.62%	10.90%	10.96%
Increment	$3,431,986	$7,260,439	$16,853,907	$22,144,761	$28,047,767
Available Yield	$26,289	$55,615	$129,101	$169,629	$214,846
PV of Available Yield	$25,523	$52,422	$118,146	$150,713	$185,328
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$66,341,727	$73,703,618	$81,932,936	$91,137,845	$101,440,724
Assessment Growth Rate	11.03%	11.10%	11.17%	11.23%	11.30%
Increment	$34,637,888	$41,999,779	$50,229,097	$59,434,006	$69,736,885
Available Yield	$265,326	$321,718	$384,755	$455,264	$534,185
PV of Available Yield	$222,207	$261,586	$303,729	$348,922	$397,483
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$112,980,126	$125,913,006	$140,417,279	$156,694,739	$174,974,396
Assessment Growth Rate	11.38%	11.45%	11.52%	11.59%	11.67%
Increment	$81,276,287	$94,209,167	$108,713,440	$124,990,900	$143,270,557
Available Yield	$622,576	$721,642	$832,745	$957,430	$1,097,452
PV of Available Yield	$449,762	$506,145	$567,059	$632,974	$704,413
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$195,516,304	$218,615,928	$244,609,167	$273,878,086	$306,857,498
Assessment Growth Rate	11.74%	11.81%	11.89%	11.97%	12.04%
Increment	$163,812,465	$186,912,089	$212,905,328	$242,174,247	$275,153,659
Available Yield	$1,254,803	$1,431,747	$1,630,855	$1,855,055	$2,107,677
PV of Available Yield	$781,952	$866,230	$957,955	$1,057,912	$1,166,970
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$344,042,512	$385,997,178	$433,364,414	$486,877,387	$547,372,590
Assessment Growth Rate	12.12%	12.19%	12.27%	12.35%	12.43%
Increment	$312,338,673	$354,293,339	$401,660,575	$455,173,548	$515,668,751
Available Yield	$2,392,514	$2,713,887	$3,076,720	$3,486,629	$3,950,023
PV of Available Yield	$1,286,094	$1,416,357	$1,558,949	$1,715,191	$1,886,553

Table 10: East Square and Downtown Baseline Scenario with Available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $3,598,422,952					
Total Available Yield: $11,371,017					
Net Present Value of Total Available Yield: $6,495,122					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$43,237,746	$48,011,059	$53,346,178
Assessment Growth Rate	10.83%	10.90%	10.97%	11.04%	11.11%
Increment	$3,431,986	$7,260,439	$11,533,907	$16,307,220	$21,642,339
Available Yield	$10,845	$22,943	$36,447	$51,531	$68,390
PV of Available Yield	$10,529	$21,626	$33,354	$45,784	$58,994
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$59,313,167	$65,991,305	$73,470,353	$81,852,005	$91,251,540
Assessment Growth Rate	11.19%	11.26%	11.33%	11.41%	11.48%
Increment	$27,609,328	$34,287,466	$41,766,514	$50,148,166	$59,547,701
Available Yield	$87,245	$108,348	$131,982	$158,468	$188,171
PV of Available Yield	$73,067	$88,097	$104,188	$121,453	$140,017
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$101,799,717	$113,644,944	$126,955,756	$141,923,652	$158,766,349
Assessment Growth Rate	11.56%	11.64%	11.71%	11.79%	11.87%
Increment	$70,095,878	$81,941,105	$95,251,917	$110,219,813	$127,062,510
Available Yield	$221,503	$258,934	$300,996	$348,295	$401,518
PV of Available Yield	$160,018	$181,611	$204,964	$230,264	$257,719
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$177,731,504	$199,100,989	$223,195,775	$250,381,555	$281,075,178
Assessment Growth Rate	11.95%	12.02%	12.10%	12.18%	12.26%
Increment	$146,027,665	$167,397,150	$191,491,936	$218,677,716	$249,371,339
Available Yield	$461,447	$528,975	$605,115	$691,022	$788,013
PV of Available Yield	$287,559	$320,039	$355,441	$394,080	$436,304
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$315,752,037	$354,954,549	$399,301,895	$449,501,199	$506,360,371
Assessment Growth Rate	12.34%	12.42%	12.49%	12.57%	12.65%
Increment	$284,048,198	$323,250,710	$367,598,056	$417,797,360	$474,656,532
Available Yield	$897,592	$1,021,472	$1,161,610	$1,320,240	$1,499,915
PV of Available Yield	$482,500	$533,099	$588,578	$649,470	$716,368

Table 11: East Square and Downtown Scenario Including the Terminella Project and the Library Renovation with Available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $3,699,632,858					
Total Available Yield: $11,690,840					
Net Present Value of Total Available Yield: $6,687,152					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$43,917,746	$48,757,211	$54,164,917
Assessment Growth Rate	10.83%	10.90%	12.71%	11.02%	11.09%
Increment	$3,431,986	$7,260,439	$12,213,907	$17,053,372	$22,461,078
Available Yield	$10,845	$22,943	$40,618	$56,108	$73,412
PV of Available Yield	$10,529	$21,626	$37,172	$49,851	$63,326
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$60,211,554	$66,977,089	$74,552,037	$83,038,917	$92,553,917
Assessment Growth Rate	11.16%	11.24%	11.31%	11.38%	11.46%
Increment	$28,507,715	$35,273,250	$42,848,198	$51,335,078	$60,850,078
Available Yield	$92,756	$114,395	$138,617	$165,749	$196,160
PV of Available Yield	$77,682	$93,014	$109,426	$127,033	$145,961
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$103,228,792	$115,213,043	$128,676,402	$143,811,686	$160,838,054
Assessment Growth Rate	11.53%	11.61%	11.69%	11.76%	11.84%
Increment	$71,524,953	$83,509,204	$96,972,563	$112,107,847	$129,134,215
Available Yield	$230,269	$268,553	$311,551	$359,876	$414,226
PV of Available Yield	$166,351	$188,358	$212,151	$237,920	$265,876
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$180,004,749	$201,595,379	$225,932,825	$253,384,871	$284,370,663
Assessment Growth Rate	11.92%	11.99%	12.07%	12.15%	12.23%
Increment	$148,300,910	$169,891,540	$194,228,986	$221,681,032	$252,666,824
Available Yield	$475,392	$544,276	$621,904	$709,444	$808,228
PV of Available Yield	$292,035	$324,807	$360,521	$399,492	$442,070
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$319,368,113	$358,922,404	$403,655,751	$454,278,606	$511,602,535
Assessment Growth Rate	12.31%	12.39%	12.46%	12.54%	12.62%
Increment	$287,664,274	$327,218,565	$371,951,912	$422,574,767	$479,898,696
Available Yield	$919,774	$1,045,812	$1,188,317	$1,349,545	$1,532,071
PV of Available Yield	$494,424	$545,801	$602,110	$663,887	$731,725

Table 12: East Square and Downtown Scenario with the Mountain Inn, Terminella Project, and Library Renovation with available TIF millage of 3.16

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $4,006,329,540					
Total Available Yield: $12,660,001					
Net Present Value of Total Available Yield: $7,269,063					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$35,135,825	$38,964,278	$47,917,746	$53,146,339	$58,981,028
Assessment Growth Rate	10.83%	10.90%	22.98%	10.91%	10.98%
Increment	$3,431,986	$7,260,439	$16,213,907	$21,442,500	$27,277,189
Available Yield	$10,845	$22,943	$53,258	$69,977	$88,631
PV of Available Yield	$10,529	$21,626	$48,739	$62,174	$76,454
Year	2010	2011	2012	2013	2014
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$65,496,186	$72,775,821	$80,914,881	$90,020,751	$100,214,958
Assessment Growth Rate	11.05%	11.11%	11.18%	11.25%	11.32%
Increment	$33,792,347	$41,071,982	$49,211,042	$58,316,912	$68,511,119
Available Yield	$109,456	$132,719	$158,724	$187,811	$220,369
PV of Available Yield	$91,667	$107,913	$125,298	$143,942	$163,975
Year	2015	2016	2017	2018	2019
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$111,635,114	$124,437,149	$138,797,848	$154,917,766	$173,024,556
Assessment Growth Rate	11.40%	11.47%	11.54%	11.61%	11.69%
Increment	$79,931,275	$92,733,310	$107,094,009	$123,213,927	$141,320,717
Available Yield	$256,833	$297,701	$343,534	$394,971	$452,735
PV of Available Yield	$185,542	$208,801	$233,930	$261,123	$290,593
Year	2020	2021	2022	2023	2024
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$193,376,779	$216,268,267	$242,033,120	$271,051,435	$303,755,866
Assessment Growth Rate	11.76%	11.84%	11.91%	11.99%	12.07%
Increment	$161,672,940	$184,564,428	$210,329,281	$239,347,596	$272,052,027
Available Yield	$517,647	$590,642	$672,781	$765,271	$869,486
PV of Available Yield	$322,581	$357,348	$395,188	$436,423	$481,413
Year	2025	2026	2027	2028	2029
Frozen Assessment	$31,703,839	$31,703,839	$31,703,839	$31,703,839	$31,703,839
Total Assessment	$340,639,147	$382,262,727	$429,266,667	$482,381,004	$542,438,790
Assessment Growth Rate	12.14%	12.22%	12.30%	12.37%	12.45%
Increment	$308,935,308	$350,558,888	$397,562,828	$450,677,165	$510,734,951
Available Yield	$986,990	$1,119,567	$1,269,247	$1,438,348	$1,629,513
PV of Available Yield	$530,556	$584,294	$643,117	$707,572	$778,265

Table 13: Summary of Yields under Alternative Scenarios

	East Square with 7.66 mills	East Square with 3.16 mills	East Square + Downtown with 7.66 mills	East Square + Downtown with 3.16 mills
Baseline Scenario	$7,717,564	$3,183,747	$27,563,920	$11,371,017
TIF with Terminella Project and Library Renovation	$8,342,278	$3,441,462	$28,339,188	$11,690,840
TIF with Mountain Inn, Terminella Project, and Library Renovation	$10,235,531	$4,222,416	$30,668,484	$12,660,001

Table 14: 2004 Count and Percentage of Total Parcels by Type

Parcel Type	East Square	East Square + Downtown	Fayetteville
Agricultural Improved	0 (0.0%)	0 (0.0%)	135 (0.6%)
Agricultural Miscellaneous	0 (0.0%)	0 (0.0%)	30 (0.1%)
Agricultural Vacant	0 (0.0%)	0 (0.0%)	244 (1.1%)
Commercial Agricultural	0 (0.0%)	0 (0.0%)	2 (0.0%)
Commercial Building	1 (0.2%)	1 (0.0%)	18 (0.0%)
Commercial Agricultural Improved	0 (0.0%)	0 (0.0%)	5 (0.0%)
Commercial Improved	156 (34.0%)	329 (29.0%)	1,473 (6.5%)
Commercial Miscellaneous	16 (3.5%)	32 (2.8%)	77 (0.3%)
Mobile Home Park	0 (0.0%)	0 (0.0%)	12 (0.0%)
Commercial Residential	5 (1.1%)	31 (2.7%)	107 (0.5%)
Commercial Transportation	0 (0.0%)	2 (0.2%)	70 (0.3%)
Commercial Vacant	27 (5.9%)	49 (4.3%)	489 (2.2%)
Exempt HUD	0 (0.0%)	0 (0.0%)	1 (0.0%)
Exempt Temporary	36 (7.8%)	83 (7.3%)	302 (1.3%)
Exempt	80 (17.4%)	150 (13.3%)	1,470 (6.5%)
Industrial Improved	2 (0.4%)	2 (0.2%)	72 (0.3%)
Industrial Vacant	2 (0.4%)	2 (0.2%)	55 (0.2%)
Mobile Home	0 (0.0%)	0 (0.0%)	470 (2.1%)
Public Service	4 (0.9%)	7 (0.6%)	69 (0.3%)
Residential Building	0 (0.0%)	0 (0.0%)	3 (0.0%)
Residential Improved	95 (20.7%)	381 (33.7%)	14,726 (65.5%)
Residential Miscellaneous	5 (1.1%)	8 (0.7%)	137 (0.6%)
Residential Vacant	30 (6.5%)	54 (40.9%)	2,149 (9.6%)
Void Parcel	0 (0.0%)	1 (0.0%)	352 (1.6%)
Total	459	1,132	22,468

Table 15: 2004 Assessed Values and Percentage of Total by Parcel Type

Parcel Type	East Square	East Square + Downtown	Fayetteville
Agricultural Improved	$0 (0.0%)	$0 (0.0%)	$3,680,341 (0.6%)
Agricultural Miscellaneous	$0 (0.0%)	$0 (0.0%)	$140,078 (0.0%)
Agricultural Vacant	$0 (0.0%)	$0 (0.0%)	$153,153 (0.0%)
Commercial Agricultural	$0 (0.0%)	$0 (0.0%)	$39,435 (0.0%)
Commercial Building	$299,207 (1.8%)	$299,207 (0.9%)	$1,336,240 (0.2%)
Commercial Agricultural Improved	$0 (0.0%)	$0 (0.0%)	$376,753 (0.1%)
Commercial Improved	$13,164,920 (79.2%)	$20,923,872 (66.0%)	$197,054,767 (32.4%)
Commercial Miscellaneous	$122,760 (0.7%)	$387,187 (1.2%)	$1,185,043 (0.2%)
Mobile Home Park	$0 (0.0%)	$0 (0.0%)	$569,856 (0.1%)
Commercial Residential	$127,682 (0.8%)	$942,762 (3.0%)	$7,495,564 (1.2%)
Commercial Transportation	$0 (0.0%)	$34,395 (0.1%)	$1,805,719 (0.3%)
Commercial Vacant	$250,354 (1.5%)	$462,281 (1.5%)	$10,195,942 (1.7%)
Exempt HUD	$0 (0.0%)	$0 (0.0%)	$18,018 (0.0%)
Exempt Temporary	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)
Exempt	$0 (0.0%)	$0 (0.0%)	$0 (0.0%)
Industrial Improved	$153,923 (0.9%)	$153,923 (0.5%)	$19,966,044 (3.3%)
Industrial Vacant	$13,230 (0.1%)	$13,230 (0.0%)	$938,415 (0.2%)
Mobile Home	$0 (0.0%)	$0 (0.0%)	$610,918 (0.1%)
Public Service	$1,077,650 (6.5%)	$1,266,080 (4.0%)	$4,246,660 (0.7%)
Residential Building	$0 (0.0%)	$0 (0.0%)	$87,769 (0.0%)
Residential Improved	$1,332,622 (8.0%)	$7,064,039 (22.3%)	$348,309,600 (57.4%)
Residential Miscellaneous	$11,699 (0.1%)	$25,167 (0.1%)	$565,200 (0.1%)
Residential Vacant	$66,031 (0.4%)	$131,696 (0.4%)	$8,416,970 (1.4%)
Void Parcel	$0 (0.0%)	$0 (0.0%)	$124,586 (0.0%)
Total	$16,620,0782	$31,703,839	$607,317,071

Table 16: 2001-2004 Average Annual Assessed Value Growth Rates by Parcel Type

Parcel Type	East Square	East Square + Downtown	Fayetteville
Agricultural Improved			6.1%
Agricultural Miscellaneous			1.6%
Agricultural Vacant			-18.5%
Commercial Agricultural			3.2%
Commercial Building	3.3%	3.3%	6.2%
Commercial Agricultural Improved			-10.5%
Commercial Improved	8.1%	9.7%	9.7%
Commercial Miscellaneous	5.6%	6.4%	-6.6%
Mobile Home Park			1.0%
Commercial Residential	17.4%	8.3%	23.4%
Commercial Transportation		4.9%*	14.7%
Commercial Vacant	6.1%	6.0%	4.1%
Exempt HUD			4.0%
Exempt Temporary			
Exempt			
Industrial Improved	4.0%	4.0%	5.2%
Industrial Vacant	7.0%	7.0%	1.9%
Mobile Home			2.6%
Public Service	6.5%	11.9%	11.7%
Residential Building			3.3%
Residential Improved	12.3%	15.5%	7.0%
Residential Miscellaneous	4.5%	0.0%	2.4%
Residential Vacant	0.1%	0.2%	8.6%
Void Parcel		0.0%	-63.3%
Total	7.0%	9.9%	7.4%

*This value is the growth rate from 2002-2004, as 2001 was a significant outlier which greatly affected subsequent analysis.

Table 17: Alternative Millage Breakdown Scenarios

Entity	7.66 Mills Available	3.16 Mills Available
Washington County	4.75	3.16
Washington County Roads	1.11	
City of Fayetteville	0.80	
Library	1.00	
Fayetteville Public Schools (Debt Service)	19.20	23.70
Fayetteville Public Schools (State)	25.00	25.00
Total	51.86	51.86

Table 2: East Square Scenario Including the Terminella Project and the Library Renovation with Available TIF millage of 7.66

Weighted Estimates by Property Taxation Classification					
Total Available Increment: $1,089,070,271					
Total Available Yield: $8,342,278					
Net Present Value of Total Available Yield: $4,877,993					
Year	2005	2006	2007	2008	2009
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$17,983,461	$19,463,936	$22,392,067	$24,246,489	$26,261,528
Assessment Growth Rate	8.20%	8.23%	15.04%	8.28%	8.31%
Increment	$1,363,383	$2,843,858	$5,771,989	$7,626,411	$9,641,450
Available Yield	$10,444	$21,784	$44,213	$58,418	$73,854
PV of Available Yield	$10,139	$20,533	$40,462	$51,904	$63,707
Year	2010	2011	2012	2013	2014
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$28,451,825	$30,833,447	$33,424,037	$36,242,982	$39,311,599
Assessment Growth Rate	8.34%	8.37%	8.40%	8.43%	8.47%
Increment	$11,831,747	$14,213,369	$16,803,959	$19,622,904	$22,691,521
Available Yield	$90,631	$108,874	$128,718	$150,311	$173,817
PV of Available Yield	$75,902	$88,525	$101,611	$115,201	$129,336
Year	2015	2016	2017	2018	2019
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$42,653,349	$46,294,068	$50,262,231	$54,589,249	$59,309,800
Assessment Growth Rate	8.50%	8.54%	8.57%	8.61%	8.65%
Increment	$26,033,271	$29,673,990	$33,642,153	$37,969,171	$42,689,722
Available Yield	$199,415	$227,303	$257,699	$290,844	$327,003
PV of Available Yield	$144,062	$159,426	$175,480	$192,282	$209,891
Year	2020	2021	2022	2023	2024
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$64,462,199	$70,088,822	$76,236,576	$82,957,432	$90,309,028
Assessment Growth Rate	8.69%	8.73%	8.77%	8.82%	8.86%
Increment	$47,842,121	$53,468,744	$59,616,498	$66,337,354	$73,688,950
Available Yield	$366,471	$409,571	$456,662	$508,144	$564,457
PV of Available Yield	$228,372	$247,797	$268,241	$289,787	$312,526
Year	2025	2026	2027	2028	2029
Frozen Assessment	$16,620,078	$16,620,078	$16,620,078	$16,620,078	$16,620,078
Total Assessment	$98,355,352	$107,167,508	$116,824,592	$127,414,682	$139,035,961
Assessment Growth Rate	8.91%	8.96%	9.01%	9.06%	9.12%
Increment	$81,735,274	$90,547,430	$100,204,514	$110,794,604	$122,415,883
Available Yield	$626,092	$693,593	$767,567	$848,687	$937,706
PV of Available Yield	$336,555	$361,981	$388,920	$417,498	$447,853

FAYETTEVILLE
THE CITY OF FAYETTEVILLE, ARKANSAS

KIT WILLIAMS, CITY ATTORNEY
DAVID WHITAKER, ASST. CITY ATTORNEY

LEGAL DEPARTMENT

DEPARTMENTAL CORRESPONDENCE

TO: **Dan Coody**, Mayor

THRU: **Sondra Smith**, City Clerk

FROM: **Kit Williams**, City Attorney

DATE: **January 26, 2005**

RE: **Passed Ordinance from Special City Council meeting of January 25, 2005**

The following Ordinance was passed at last night's Special City Council meeting and is ready for the mayor's signature.

Enclosed is:

1. **Modification of Hwy. 71 East Square Redevelopment District No. 1 boundaries:** Ordinance modifying the boundaries of the Highway 71 East Square Redevelopment District Number One pursuant to A.C.A. §14-168-305 (f) and A.C.A. §14-168-307 (c) and declaring an emergency.