

Economic Development Program Fund					
	FY15	FY16	FY16	FY17	FY18
	Actual	Budget	Estimate	Adopted	Adopted
Balance Forward	448,383	236,133	236,133	16,380	15,837,970
REVENUES					
CC Loan Payment	1,194,357	1,186,573	1,186,573	16,997,265	0
Bond Proceeds	0	0	0	0	0
Interest Income	30	266	100	30,066	30,060
Total Revenue	1,194,387	1,186,839	1,186,673	17,027,331	30,060
EXPENDITURES					
Professional Services	7,784	10,000	10,000	10,000	5,000
Debt Service - Bond Principal	645,000	685,000	685,000	730,000	16,420,000
Debt Service - Bond Interest	1,353,854	1,311,427	1,311,427	1,265,741	0
Land/Construction	0	0	0	0	0
Financial Fees	0	0	0	0	0
Total Expenditures	2,006,638	2,006,427	2,006,427	2,005,741	16,425,000
Other Financing Sources (Uses)					
General Fund Transfer - Sales Tax	600,000	600,000	600,000	800,000	600,000
Debt Service Fund Transfer - Sales Tax	0	0	0	0	0
Transfer to Debt Service Fund	0	0	0	0	0
Transfer to General Fund	0	0	0	0	0
Total Other Uses of Funds	600,000	600,000	600,000	800,000	600,000
Operating Cash Annual Inc/(Dec)	(212,251)	(219,588)	(219,754)	15,821,590	(15,794,940)
Prior Year Cash	448,383	236,133	236,133	16,380	15,837,970
End of Year Cash Total	236,132	16,545	16,379	15,837,970	43,030

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Economic Development Fund

Under the City's Local Option Economic Development Program, this fund makes the debt service payment on the \$3 million grant and \$18 million construction loan made to John Q. Hammons (JQH) to facilitate construction of the JQH Embassy Suites/Conference Center/Marriott Courtyard. Also included in the revenue projections are the quarterly interest payments paid by JQH on the \$15.8 million construction loan that will be repaid September 2017. Since its inception, the City has used \$3.6 million of sales tax revenue in the Economic Development fund for debt service.

About the Economic Development Program

- The Mayor and Council adopted Ordinance No. 919 (as amended by Ordinance No. 921) in accordance with Neb. Rev. Stat. Sections 18-2701 ("Local Option Municipal Economic Development Act") and thereby established an economic development program.
- Economic Development Program was approved by a majority of affirmative votes of registered voters at a special election held on September 30, 2003.
- In accordance with the "Local Option Municipal Economic Development Act," the City is authorized to issue bonds for purposes of the Act.
- Proprietary or commercial information that the applicant or JQH in this case provides to the City and desires to remain confidential shall remain confidential and not be publicly disclosed.
- There is a \$2M per year maximum under State Statute that can be appropriated from funds derived directly from local sources of revenue for all economic development programs.
- On February 20, 2007, by Ordinance No. 1023, the City Council approved the Economic Development program application of John Q. Hammons along with a Development Agreement, Loan Classification, Loan Application and grant of \$3 Million and loan of \$18 Million to construct a full service hotel and conference center facility in Southport West.

Concluding FY16 Financial Performance

Bond principal of \$685,000 and interest of \$1,311,427 was paid in FY16. The sources of funds were \$600,000 sales taxes and quarterly interest payments totaling \$1,186,673 from JQH per the loan agreement.

Fund Balance — The fund balance has an estimated year-end cash total for FY16 of \$16,379 which is consistent with the FY16 budget.

FY17 & FY18 Budgets

Expenditures — Bond payments on the current debt issue continue until FY30. We anticipate refinancing the bond in the future to achieve a lower interest rate.

Fund Balance — With the balloon payment of \$15,810,691, the fund balance estimated year-end cash total for FY17 is \$15,837,970. The FY18 fund balance is projected at \$43,030 based on paying down the bond and refinancing any remainder. *(Note: This is only one scenario. Recommendations will be forthcoming closer to the time of receiving the balloon payment).*

\$21.245M Economic Development Dated July 2007			
Date	PRINCIPAL	COUPON	INTEREST
FY 2017	730,000	6.53000	1,265,741
FY 2018	780,000	6.53000	1,216,439
FY 2019	835,000	6.83000	1,162,457
FY 2020	890,000	6.83000	1,103,548
FY 2021	960,000	7.73000	1,037,288
FY 2022	1,035,000	7.73000	961,419
FY 2023	1,120,000	7.73000	878,128
FY 2024	1,210,000	7.73000	788,074
FY 2025	1,305,000	7.73000	690,869
FY 2026	1,410,000	7.73000	585,934
FY 2027	1,525,000	7.73000	472,496
FY 2028	1,645,000	7.73000	349,976
FY 2029	1,780,000	7.73000	217,600
FY 2030	1,925,000	7.73000	74,401
	<u>17,150,000</u>		<u>10,804,370</u>