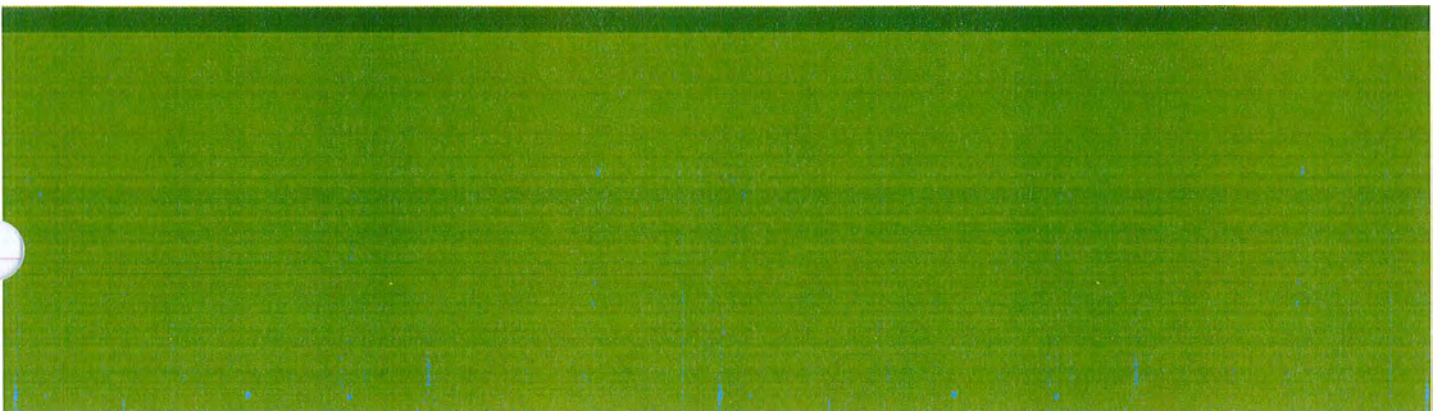


Economic Development Program

FY17 & FY18 BUDGET



Economic Development Fund Summary

	FY15 Actual	FY16 Budget	FY16 Estimate	FY17 Recommended	FY18 Recommended
REVENUES					
CC Loan Payment	1,186,573	1,186,573	1,186,573	16,997,265	0
Bond Proceeds	0	0	0	0	0
Interest Income	30	266	100	30,036	31,112
Total Revenue	1,186,603	1,186,839	1,186,673	17,027,301	31,112
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	15,810,691
Debt Service - Bond Interest	1,353,854	1,311,427	1,311,427	1,265,741	239,829
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	16,055,520
Other Financing Sources (Uses)					
General Fund Transfer - Sales Tax	600,000	600,000	600,000	800,000	800,000
Debt Service 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	800,000
Operating Cash Annual Inc/(Dec)	(220,035)	(219,588)	(219,754)	15,821,560	(15,224,408)
Prior Year Cash	448,383	228,349	228,349	8,596	15,830,156
End of Year Cash Total	228,348	8,761	8,595	15,830,156	605,748

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 in FY17. 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 previously 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 \$8,595 which is consistent with the FY16 budget.

FY17 & FY18 Budgets

Expenditures — The 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 — Due to the balloon payment of \$15,810,691, the fund balance estimated year-end cash total for FY17 is \$15,830,156. The FY18 fund balance is projected at \$605,748 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).*

	A	B	AU	AV	AW	AY	BA	BB	BC	BD
1	ECONOMIC DEVELOPMENT FUND									
2			FY15	FY16	FY16	FY17	FY18	FY19	FY20	FY21
3	Budget Code & Classification		Actual	Budget	YE Estimate	Recommended	Recommended	Projected	Projected	Projected
4										
5										
8	14-01-0010	Total Brought Forward	448,383	228,349	228,349	8,596	15,830,156	605,748	628,686	657,527
9										
10	14-04-8001	Other Revenue								
11	1001	Real Estate Tax								
12	8010	Interest Income	30	266	100	30,036	31,112	2,282	2,435	2,549
13	8060	Bond Proceeds								
14	8062	Balloon Payment				15,810,691				
15	8062	CC Loan Payment	1,186,573	1,186,573	1,186,573	1,186,573				
16										
17		Total Income	1,186,604	1,186,839	1,186,673	17,027,301	31,112	2,282	2,435	2,549
20										
21		General Fund Transfer	600,000	600,000	600,000	800,000	800,000	600,000	600,000	600,000
22		Debt Services Fund Transfer		-	-	-	-			
23		Total Transfers In	600,000	600,000	600,000	800,000	800,000	600,000	600,000	600,000
24										
25		Transfer To General Fund								
26		Transfer To Debt Service Fund								
27		Total Transfer Out	-	-	-	-	-	-	-	-
28										
29		Net Transfers	600,000	600,000	600,000	800,000	800,000	600,000	600,000	600,000
30										
31		Net Revenues	1,786,604	1,786,839	1,786,673	17,827,301	831,112	602,282	602,435	602,549
32										
33		Total Available	2,234,987	2,015,189	2,015,023	17,835,897	16,661,268	1,208,030	1,231,121	1,260,076
34										
35		Expenditures	2,006,638	2,006,427	2,006,427	2,005,741	16,055,520	579,344	573,594	570,900
36		EXP % OF REVENUE	169%	169%	169%	12%	51606%	25388%	23556%	22397%
37										
38		Balance Forward	228,349	8,762	8,596	15,830,156	605,748	628,686	657,527	689,176
39										

	A	B	AU	AV	AW	AY	BA	BB	BC	BD
1	ECONOMIC DEVELOPMENT FUND									
2			FY15	FY16	FY16	FY17	FY18	FY19	FY20	FY21
3	Budget Code & Classification		Actual	Budget	YE Estimate	Recommended	Recommended	Projected	Projected	Projected
4										
5										
40	14-51 Economic Development Fund									
41										
42	200	Inter-Fund Transfers								
43	321	Professional Services - Legal	7,784	10,000	10,000	10,000	5,000	-	-	-
44	501	Debt Service - Bond Principal	645,000	685,000	685,000	730,000	15,810,691	345,000	350,000	360,000
45	502	Debt Service - Bond Interest	1,353,854	1,311,427	1,311,427	1,265,741	239,829	234,344	223,594	210,900
46	503	Warrant/BAN Principal								
47	504	Warrant/BAN Interest								
48	510	County Treasurer Fees								
49	511	Land/Construction Pymnt								
50	514	Financial/Legal Fees								
51		Other Fund Balance Activity								
52										
53	TOTAL		2,006,638	2,006,427	2,006,427	2,005,741	16,055,520	579,344	573,594	570,900

**\$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>10,512,367</u>