



Basalt River Park  
Financing Framework – V1

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1. Account for current debt – 2013, 2014, 2017A
2. Estimate capital funding capacity using two sources of revenue – POST Sales Tax and “Exact” Property Tax Levy for Debt Service
3. Estimate River Park bonding capacity off the estimates made in #2.
4. This is one of many scenarios that could be considered – but it achieves four(4) objectives.
  1. Ballot question has two parts – The what? The how?

# 1. Account for current debt – 2013, 2014, 2017A

Our financing framework accounts for the repayment of the Town's existing debt (2013 and 2014) as well as the anticipated 2017A debt to fund the Basalt Avenue Underpass project.

## 2. Estimate capital funding capacity using two sources of revenue – POST Sales Tax and “Exact” Property Tax Levy for Debt Service

Estimate of capital funding capacity using these assumptions:

- 10 years of of POST sales tax revenues equal to \$1,625,000.
- No inflation and no addition of retail capacity have been assumed.
- Increase in POST funds for maintenance from 10% to 25%.
- Extension of the Town’s exact property tax levy for debt service of \$562,561 for six additional years.
- Net result in all of these assumptions is that there is **\$11,700,000 available through 2026 for servicing additional debt.**

### 3. Estimate River Park bonding capacity off the estimates made in #2.

Now depending on how much we want to utilize of this capacity there's between \$8.1 – \$10.2 million in bond proceeds available. Many times local governments don't use their full capacity in the initial offering to allow for unknowns in either their project cost or funding assumptions. What we presented last week was an 80% utilization rate of the capacity we're currently showing.

#### **IMPORTANT CONCEPT:**

Colorado debt limits = 3% of your jurisdictions Actual Appraised Value. In the case of Basalt our GO Debt limit is \$37,000,000 with about \$5,200,000 outstanding. This translates into approximately \$32,000,000 in debt capacity as defined by State Law.

## 4. This is one of many scenarios that could be considered – but it achieves four(4) objectives.

1. Fund a significant level of River Park capital investment consistent with the POST Committee's recommendations;
2. Repay/Prepay all existing debt and account for 2017 Underpass debt (short time-frame 4-6 years)
3. Enhance the Town's General Fund position over time (i.e. by charging a greater share of the Town's POST-related activity to the POST Fund.
4. Fund other Town Capital priorities – that is, by assuming no inflation in the Town's sales volume or property tax base, an only a 10-year timeframe, for the River Park financing itself.

## 5. Ballot question has two parts

### The what? The how?

1. What do you want to fund? We've broken them into pieces with various elements.
2. How do you want to fund it? Is the combination being proposed appropriate (approximately 2/3<sup>rd</sup> POST / 1/3<sup>rd</sup> Debt Levy Authority)