

**Pueblo County**  
**1A Community Improvement Program**  
 Revenue analysis  
 prepared April 12, 2017

Biennial growth rate applied odd year reassessments, collected in even years **1.0%**

Year:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>Subtotals</u>
<u>TIA Revenues</u>																	
Xcel						4,100,000	4,100,000	4,141,000	4,141,000	4,182,410	4,182,410	4,224,234	4,224,234	4,266,476	4,266,476	-	41,828,241
Black Hills							1,500,000	1,515,000	1,515,000	1,530,150	1,530,150	1,545,452	1,545,452	1,560,906	1,560,906	-	13,803,015
GCC					1,000,000	1,000,000	1,000,000	1,010,000	1,010,000	1,020,100	1,020,100	1,030,301	1,030,301	1,040,604	207,338	-	10,368,744
<b>Subtotal TIA Revenues</b>	-	-	-	-	1,000,000	5,100,000	6,600,000	6,666,000	6,666,000	6,732,660	6,732,660	6,799,987	6,799,987	6,867,986	6,034,720	-	66,000,000
Total revenue	\$ 66,000,000	no discount, 2017 \$															
<b>Net Present Value</b>	<b>\$ 43,170,912</b>	<b>discounted in 2017 \$</b>															
Discount Rate	3.75%	approximate, tied to costs of borrowing including interest payments and financing costs															
<u>Other Revenue Sources</u>																	
Southern Delivery System (SDS) funds		1,540,163	1,540,163	1,540,163	540,162												5,160,650
<b>Subtotal Other Revenue</b>	-	1,540,163	1,540,163	1,540,163	540,162	-	-	-	-	-	-	-	-	-	-	-	5,160,650
<b>Combined TIA &amp; SDS Revenues</b>	-	1,540,163	1,540,163	1,540,163	1,540,162	5,100,000	6,600,000	6,666,000	6,666,000	6,732,660	6,732,660	6,799,987	6,799,987	6,867,986	6,034,720	-	71,160,650
Total revenue	\$ 71,160,650	no discount, 2017 \$															
<b>Net Present Value</b>	<b>\$ 51,535,886</b>	<b>discounted in 2017 \$</b>															
Discount Rate	3.75%	approximate, tied to costs of borrowing including interest payments and financing costs															

**DISCLAIMER: NPV figures are the maximum amount of value available from each revenue total, and will be reduced by Capitalized Interest and other financing costs**

Notes, Sources:

- 1) Revenue projections from Aimee Tihonovich, County Finance Director, dated 12/22/2016
- 2) Costs of borrowing based on COP structure, by James Manire, Hilltop Securities, advisor to Pueblo County, dated 1/23/17
- 3) Analysis above does NOT fully consider Capitalized Interest requirements for borrowing in 2017/2018 with revenues starting in 2021 - REQUIRES FURTHER STUDY.
- 4) County Resolution 16-244 limited TIA revenues to \$66M in total or collections through 2032, whichever is sooner, at which time projects must be reviewed by the voters. Assume initial financing limited to this window - requires legal review.
- 5) Public Works director Alf Randall indicates that the SDS funds shown do not need to be used in 2018-2020 and expenditures in this timeframe would be premature, and that remaining SDS projects should be built at a later dates.
- 6) Utilizing SDS funds would enable a financing of 1A projects in combination with a plan of finance to finish the SDS projects with this same amount of funding at a later date.