

Approved by CC:

MAY 27 2014

**ADVANTAGES FOR A 12 YEAR EARLY PAYOFF OF THE TIRZ:**

1. THE ENTITIES WOULD ENJOY A SAVINGS AS A RESULT OF THE DISCOUNTED AMOUNT.

THE CITY COULD PAY \$137,277 AND REALIZE A SAVINGS OF \$71,051.  
THE COUNTY COULD PAY \$72,723 AND REALIZE A SAVINGS OF \$37,659.

2. ANNUAL AD VALOREM TAX REVENUE WOULD BE INCREASED 12 YEARS EARLY.
3. IF THE TAXABLE VALUE INCREASED, ADDITIONAL SAVINGS WOULD BE REALIZED.
4. IF THE TAX RATE INCREASED, ADDITIONAL SAVINGS WOULD BE REALIZED.
5. THE TIRZ COULD BE DISSOLVED RESULTING IN LESS PAPERWORK FOR THE ACCOUNTING DEPARTMENT.

**POSSIBLE DISADVANTAGES FOR A 12 YEAR EARLY PAYOFF OF THE TIRZ:**

1. LOST INTEREST ON THE MONEY USED TO FUND AN EARLY PAYOFF
2. IF THE TAXABLE VALUE DECREASED, LESS SAVINGS WOULD BE REALIZED
3. IF THE TAX RATE DECREASED, LESS SAVINGS WOULD BE REALIZED

**CITY OF ALVARADO AND JOHNSON COUNTY  
ANTICIPATED REVENUE IN REMAINING YEARS OF TIRZ**

**2013-2025 (13 YEARS)**

**2013 ESTIMATED VALUE OF \$2,287,704**

**ESTIMATE \$2,287,704 PER YEAR X 12 YEARS = \$27,452,448**

**REVENUE ESTIMATED IF TAX VALUE & TAX RATE REMAIN THE SAME:**

	<u>CITY</u>	<u>COUNTY</u>	<u>TOTAL</u>
2013	16,025.23	8,490.91	24,516.14
12 YEARS	192,302.76	101,890.92	294,193.68
	<u>208,327.99</u>	<u>110,381.83</u>	<u>318,709.82</u>

**AMT DUE IF DISCOUNTED:**

5%	302,774.33
10%	286,838.84
15%	270,903.35
25%	239,032.37
30%	223,096.87
35%	207,161.38
40%	191,225.89

**OFFER OF \$210,000**

CITY	65.37%	\$137,277 (SAVINGS OF \$ 71,050.99)
COUNTY	34.63%	\$72,723 (SAVINGS OF \$ 37,658.83))
		<u>\$210,000</u>

**OFFER OF \$200,000**

CITY	65.37%	\$130,740 (SAVINGS OF \$77,587.99)
COUNTY	34.63%	\$69,260 (SAVINGS OF \$41,121.83)
		<u>\$200,000</u>

**0% Growth in Tax Base - Worst Case**

	TAX BASE			TOTAL PAID	INTEREST BALANCE
	TAXABLE VALUE	GROWTH RATE	EFFECTIVE TAX RATE		
2006	477,793		1.078%	5,150	620,817
2007	2,102,574		1.045%	21,982	615,667
2008	2,102,577		0.869%	18,265	633,703
2009	1,936,726		1.033%	20,006	656,628
2010	1,842,130		0.943%	17,365	679,303
2011	3,834,596		0.994%	39,256	706,093
2012	2,610,553		1.039%	27,135	712,733
2013	2,286,055	0.0%	1.071%	24,488	731,925
2014	2,286,055	0.0%	1.071%	24,488	755,013
2015	2,286,055	0.0%	1.071%	24,488	779,600
2016	2,286,055	0.0%	1.071%	24,488	805,786
2017	2,286,055	0.0%	1.071%	24,488	833,674
2018	2,286,055	0.0%	1.071%	24,488	863,374
2019	2,286,055	0.0%	1.071%	24,488	895,006
2020	2,286,055	0.0%	1.071%	24,488	928,693
2021	2,286,055	0.0%	1.071%	24,488	964,570
2022	2,286,055	0.0%	1.071%	24,488	1,002,778
2023	2,286,055	0.0%	1.071%	24,488	1,043,471
2024	2,286,055	0.0%	1.071%	24,488	1,086,808
2025	2,286,055	0.0%	1.071%	24,488	1,132,962
2026	2,286,055	0.0%	1.071%	24,488	1,182,117
	Estimated Remaining Payments			318,346	

**2% Growth in Tax Base - Inflation Only**

	TAX BASE			TOTAL PAID	INTEREST BALANCE
	TAXABLE VALUE	GROWTH RATE	EFFECTIVE TAX RATE		
2006	477,793		1.078%	5,150	620,817
2007	2,102,574		1.045%	21,982	615,667
2008	2,102,577		0.869%	18,265	633,703
2009	1,936,726		1.033%	20,006	656,628
2010	1,842,130		0.943%	17,365	679,303
2011	3,834,596		0.994%	39,256	706,093
2012	2,610,553		1.039%	27,135	712,733
2013	2,286,055	0.0%	1.071%	24,488	731,925
2014	2,331,776	2.0%	1.071%	24,978	755,013
2015	2,378,412	2.0%	1.071%	25,478	779,110
2016	2,425,980	2.0%	1.071%	25,987	804,275
2017	2,474,499	2.0%	1.071%	26,507	830,566
2018	2,523,989	2.0%	1.071%	27,037	858,046
2019	2,574,469	2.0%	1.071%	27,578	886,782
2020	2,625,959	2.0%	1.071%	28,129	916,845
2021	2,678,478	2.0%	1.071%	28,692	948,311
2022	2,732,047	2.0%	1.071%	29,266	981,259
2023	2,786,688	2.0%	1.071%	29,851	1,015,775
2024	2,842,422	2.0%	1.071%	30,448	1,051,949
2025	2,899,270	2.0%	1.071%	31,057	1,089,878
2026					1,129,663
	Estimated Remaining Payments			359,495	

**4% Growth in Tax Base - 2X Inflation**

	TAX BASE			TOTAL PAID	INTEREST BALANCE
	TAXABLE VALUE	GROWTH RATE	EFFECTIVE TAX RATE		
2006	477,783		1.078%	5,150	620,817
2007	2,102,574		1.045%	21,982	615,667
2008	2,102,577		0.868%	18,265	40,018
2009	1,936,726		1.033%	20,006	41,191
2010	1,842,130		0.943%	17,365	42,681
2011	3,834,598		0.994%	39,256	44,155
2012	2,610,563		1.039%	27,135	45,896
2013	2,286,055	0.0%	1.071%	24,488	46,328
2014	2,377,497	4.0%	1.071%	25,468	47,575
2015	2,472,597	4.0%	1.071%	26,486	49,076
2016	2,571,501	4.0%	1.071%	27,546	50,610
2017	2,674,361	4.0%	1.071%	28,648	52,178
2018	2,781,335	4.0%	1.071%	29,794	53,780
2019	2,892,589	4.0%	1.071%	30,985	55,413
2020	3,008,292	4.0%	1.071%	32,225	57,078
2021	3,128,624	4.0%	1.071%	33,514	58,774
2022	3,253,769	4.0%	1.071%	34,854	60,500
2023	3,383,920	4.0%	1.071%	36,249	62,254
2024	3,519,277	4.0%	1.071%	37,698	64,035
2025	3,660,048	4.0%	1.071%	39,206	65,841
					67,671
				407,161	1,069,550
				Estimated Remaining Payments	

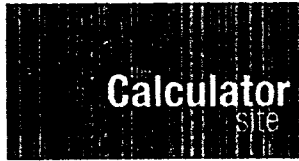
**TIRZ #1 CITY OF ALVARADO**  
**ACCEPTABLE EXPENDITURES \$863,585.10**  
**2005 BASE VALUE \$17,649 PARTICIPATION LEVEL 100% BY BOTH CITY & COUNTY**

TAXABLE VALUE	TIRZ INCREASE OVER BASE	CITY TAX RATE	CITY TIRZ GROSS	CITY PAID	DEDUCT PROTIESED	OLD TAXES PAID	COUNTY TAX RATE	COUNTY TIRZ GROSS	COUNTY PAID	DEDUCT PROTIESED	OLD TAXES PAID	TOTAL PAID	RUNNING TOTAL	PAID TO						
															2005	2006	2007	2008	2009	2010
17,649	460,238	0.75	3,451.79	3,451.79			0.369004	1,698.30	1,698.30			5,150.09	5,150.09	NEXTSTEP						
477,793	2,085,042	0.697313	14,539.27	14,539.31			0.306708	7,442.81	7,442.81			21,982.12	27,132.21	TRUSTEE						
2,102,574	2,085,042	0.697313	14,539.27	12,685.53			0.306708	6,394.99	5,579.64			18,265.17	45,397.38	TRUSTEE						
2,102,577	1,919,331	0.697313	13,383.74	12,751.13		1,221.12	0.300589	5,769.30	5,496.60		537.10	20,005.95	65,403.33	TRUSTEE						
1,936,726	1,840,481	0.722313	13,294.05	11,948.04			0.327500	6,027.58	5,417.29			17,365.33	82,768.66	TRUSTEE						
1,842,130	3,832,947	0.740505	28,383.16	28,383.16	(3,830.88)	2,611.25	0.330500	12,667.89	12,667.89	(1,736.94)	1,161.23	39,255.71	122,024.37	TRUSTEE						
3,834,596	2,608,904	0.706872	18,441.61	18,441.61			0.333229	8,693.62	8,693.62			27,135.23	149,159.60	TRUSTEE						
2,610,553																				
14,924,598	14,831,985		106,032.89	102,200.57	(3,830.88)	3,832.37		48,694.49	46,996.15	(1,736.94)	1,698.33	149,159.60								

SPAWBROOK TRUSTEE  
JOHN HAZER TRUSTEE

**TAXES NOT PAID TIMELY BY PROPERTY OWNER**

	CITY	COUNTY
2008	1853.74	815.35
PAID IN 200	-1221.12	-537.1
BALANCE	632.62	278.25
2009	632.62	272.70
2010	1346.01	610.28
2011	-2611.25	-1161.23
	0	0
	0	0



## Compound Interest Calculators



Work out <sup>Ⓒ</sup> the compound interest on your savings with these calculators. Use the first calculator to include regular monthly savings deposits. Or use the second calculator to work out interest on a simple lump sum savings amount. You can choose <sup>Ⓒ</sup> the interval at which you would like to have your interest compounded - daily, monthly, quarterly, half-yearly or yearly. If you are unsure of what compound interest is, you can [read about it here](#) or view the [formula](#).

### Regular Deposit Calculator

CURRENCY:	<input type="text" value="Dollar (\$)"/>
BASE AMOUNT:	\$ <input type="text" value="72,723"/>
ANNUAL INTEREST RATE:	<input type="text" value="2"/> %
CALCULATION PERIOD:	<input type="text" value="12"/> <input type="text" value="Years"/>
REGULAR MONTHLY DEPOSIT?	\$ <input type="text"/>
INCREASE DEPOSITS YEARLY WITH INFLATION?	<input type="checkbox"/>
COMPOUND INTERVAL: ?	<input type="text" value="Monthly"/>
	<input type="button" value="Calculate"/> <input type="button" value="Reset"/>

## Calculation results

(interest compounded monthly - added at the end of each month)

Year	Year Interest	Total Interest	Balance
1	\$ 1,467.87	\$ 1,467.87	\$ 74,190.87
2	\$ 1,497.49	\$ 2,965.36	\$ 75,688.36
3	\$ 1,527.72	\$ 4,493.08	\$ 77,216.08
4	\$ 1,558.56	\$ 6,051.64	\$ 78,774.64
5	\$ 1,590.02	\$ 7,641.65	\$ 80,364.65
6	\$ 1,622.11	\$ 9,263.76	\$ 81,986.76
7	\$ 1,654.85	\$ 10,918.61	\$ 83,641.61
8	\$ 1,688.25	\$ 12,606.87	\$ 85,329.87
9	\$ 1,722.33	\$ 14,329.19	\$ 87,052.19
10	\$ 1,757.09	\$ 16,086.29	\$ 88,809.29
11	\$ 1,792.56	\$ 17,878.84	\$ 90,601.84
12	\$ 1,828.74	\$ 19,707.58	\$ 92,430.58

Base amount: \$72,723.00

Interest Rate: 2%

Effective Annual Rate: 2.02%

Calculation period: 12 years

**Standard Calculation**