

Project Criteria #1

The development within the TIF District clearly requires substantial public investment over and above the normal municipal operating budget or bonded debt expenditures.

The tables below show the municipal operating budgets, water and wastewater budgets, and school budgets for the current fiscal year and the previous five years (Table 1), the municipal and school bonds passed over the past 10 years (Table 2), and the amount of annual bonded debt expenditures on municipal and school debt for the past 10 years (Table 3).

Table 1. Municipal operating budgets, water and wastewater budgets, and school budgets for the current fiscal year and the previous five years.

Fiscal Year	Municipal Operating Budget	Water Budget	Wastewater Budget	School Operating Budget
2009	\$ 5,771,459	\$ 852,770	\$ 1,209,635	\$ 23,245,518
2008	\$ 5,450,195	\$ 724,363	\$ 592,607	\$ 21,409,326
2007	\$ 5,137,196	\$ 651,282	\$ 572,617	\$ 19,842,493
2006	\$ 4,784,285	\$ 746,896	\$ 506,242	\$ 18,178,988
2005	\$ 4,544,116	\$ 597,418	\$ 372,258	\$ 16,732,791
2004	\$ 4,316,757	\$ 639,320	\$ 280,940	\$ 16,179,687

Table 2. Bonds passed (municipal and school) over the past 10 years.

Municipal Bonds Passed			School Bonds Passed		
Project	Amount	Date	Project	Amount	Date
Pump Station	\$ 316,000	March 2008	Middle/High School Improvements	\$ 1,300,000	July 2008
Water Lines	\$ 153,000	March 2008	Environmental Remediation Measures & Water Infiltration Prevention	\$ 1,503,065	March 2007
Fire Truck	\$ 185,000	March 2007	Security & Maintenance Equipment	\$ 326,528	March 2007

Town of Milton – Town Core TIF District Application – Project Criteria #1

Municipal Bonds Passed			School Bonds Passed		
Project	Amount	Date	Project	Amount	Date
Water Tank*	\$ 1,370,000	March 2006	Environmental Remediation	\$ 3,500,000	November 2006
Bove Property	\$ 299,500	March 2006	Wood Chip Heating Systems	\$ 1,400,000	November 2006
Ambulance	\$ 164,000	March 2005	Wood Chip Heating Systems	\$ 1,400,000	November 2006
Supplement for Wastewater Facility & Wastewater Collection System	\$ 3,004,900	September 2004			
Fire Tanker Truck	\$ 150,000	March 2004			
Water Improvements**	\$ 670,000	March 2002			
Fire Station	\$ 775,000	March 2001			
Historical Society Building Purchase	\$ 100,000	March 1999			
Wastewater Facility & Wastewater Collection System	\$ 3,900,000	May 1998			

*Retired with TIF Funds **Passed, but never bonded.

Table 3. Amount of annual bonded debt expenditures on Town and School debt for the past 10 years.

Fiscal Year	Municipal Bonded Debt Expenditures *	School Bonded Debt Expenditures *	Total Debt Expenditures per Year (Town & School)
2009	Estimate: \$237,897	Estimate: \$508,366	Estimate: \$ 746,263
2008	Estimate: \$237,897	Estimate: \$508,366	Estimate: \$ 746,263
2007	\$ 215,319	\$ 280,000	\$ 495,319
2006	\$ 277,046	\$ 280,000	\$ 557,046
2005	\$ 315,123	\$ 280,000	\$ 595,123
2004	\$ 313,435	\$ 280,000	\$ 593,435

Town of Milton – Town Core TIF District Application – Project Criteria #1

Fiscal Year	Municipal Bonded Debt Expenditures*	School Bonded Debt Expenditures*	Total Debt Expenditures per Year (Town & School)
2003	\$ 270,063	\$ 280,000	\$ 550,063
2002	\$ 268,676	\$ 280,000	\$ 548,676
2001	\$ 229,174	\$ 380,000	\$ 609,174
2000	\$ 192,676	\$ 380,000	\$ 572,676
1999	\$ 281,683	\$ 455,098	\$ 736,781

* From Note 5 in Annual Report &/or Audit Report; 1998 is Note 8.

Compare Table 3 above to Table 4 below, which shows the estimated annual bonded debt expenditures for the projected Town Core TIF District debt until all debt is retired for all TIF projects.

Table 4. Estimated annual bonded debt expenditures for the projected Town Core TIF District debt until all debt is retired for all TIF projects.

Amount Owed Per Year - All TIF Debt										
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$500,755	\$693,260	\$841,007	\$1,370,009	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$2,287,299	\$1,786,545	\$1,594,039
2033	2034									
\$1,446,292	\$917,290									

The comparison shows that during the past ten years, the combined annual debt expenditures for the Town and School have not exceeded \$750,000 per year. The estimated annual bonded debt expenditures associated with the Town Core TIF District debt is considerably higher than the usual debt expenditures of the Town. In fact, for a 10-year period, the annual bonded debt expenditures associated with the Town Core TIF District debt are expected to exceed \$2 million per year. Therefore, the Town believes that in order to complete the public infrastructure projects outlined in the Town Core TIF District Plan, the Town requires public investment

Town of Milton – Town Core TIF District Application – Project Criteria #1

over and above the normal municipal operating budget or bonded debt expenditures. The taxpayers of the Town of Milton have been able to sustain combined debt expenditures for the Town and School District of under \$750,000 per year. In consideration that debt expenditures not associated with the Town Core TIF District may be necessary in addition to those incurred in conjunction with the Town Core TIF District projects, the Town will need to incur debt that is substantially over and above what is normal for the Town.

Without TIF financing, the Town would need to delay many of the proposed projects well into the future, perhaps staggering them over the next 20 to 30 years. At an average construction cost increase per year of at least 5%, the estimated total project costs per year would increase exponentially. For example, if each project started construction just 5 years later than projected in the TIF plan, this would result in a total construction cost increase of nearly \$7.9 million dollars. If the Town had to delay construction longer than that, which is likely if there was not TIF revenue to use, the cost increases would continue to escalate. And the higher the amount bonded, the higher the interest payments, further reducing the Town's ability to fund these projects without TIF financing. Therefore, the Town believes TIF financing is necessary in order to complete the public infrastructure projects outlined in the Town Core TIF District Plan.