

Economic Development Fund

Under the City's Local Option Economic Development Program, a \$600,000 sales tax transfer from the General Fund is required in FY16 to make 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 which will be repaid in April 2017. Since its inception, including the budgeted \$600,000 transfer in the current fiscal year, the City will have transferred \$3,288,000 of sales tax revenue into the Economic Development fund.

About the Economic Development Program

- The Mayor & 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.

Economic Development Fund

Economic Development Fund Summary				
	FY13 Actual	FY14 Actual	FY15 Budget	FY16 Approved
REVENUES				
CC Loan Payment	1,186,573	1,186,573	1,186,573	1,186,573
Interest Income	0	173	0	266
Total Revenue	1,186,573	1,186,746	1,186,573	1,186,839
EXPENDITURES				
Professional Services	0	8,714	0	10,000
Debt Service - Bond Principal	570,000	605,000	645,000	685,000
Debt Service - Bond Interest	1,429,662	1,393,396	1,353,854	1,311,427
Total Expenditures	1,999,662	2,007,110	1,998,854	2,006,427
Other Financing Sources (Uses)				
General Fund Transfer - Sales Tax	600,000	300,000	600,000	600,000
Debt Service Fund Transfer - Sales Tax	0	300,000	0	0
Total Other Uses of Funds	600,000	600,000	600,000	600,000
Operating Cash Annual Inc./ (Dec)	(213,089)	(220,364)	(212,281)	(219,588)
Prior Year Cash	1,618,687	668,747	448,383	236,822
End of Year Cash Total	1,405,598	448,383	236,102	17,234
Target Reserve (25% Debt Service)	399,932	499,599	499,714	499,107
Excess Cash Over Reserves	1,005,666	(51,216)	(263,612)	(481,873)

Economic Development Fund

\$21.245M Economic Development Dated July 2007

DATE	PRINCIPAL	COUPON	INTEREST
FY 2016	685,000	6.38000	1,311,427
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
	17,835,000		13,177,647