DSO Building

Financing

Comparison of Options

	Option 1: Current Locations	Option 2: McCullough	Option 3: NRP	Option 4: New Sheridan	
Building	$ -	$ 21.5	$ 67.0	$ 57.8	
Parking Garage & Land	-	17.7	above	6.1	
Identified Maintenance	14.6	28.6	n/a	n/a	
Renovation	28.8	12.7	n/a	n/a	
Cost of Move	3.5	3.5	3.5	5.0	
Sale/trade of properties	(12.0)	(25.0)	(15.9)	(24.3)	
Net Cost of DSO Building	$ 34.9	$ 59.0	$ 54.6	$ 44.6	*
Eliminate Deferred Maint. On					
Existing DSO	-	(14.6)	(14.6)	(14.6)	
All in Cost	$ 34.9	$ 44.4	$ 40.0	$ 30.0	

New Sheridan Option net $5M to $15M Less Expensive

McCullough is Tower II + 50% of interconnect
NRP option assumes sales of surplus properties
Opt. 1 includes sale of Playland Park only

* Could build in 2 phases: FY16 $33M Debt delaying move of Pat Booker 100 employees; and complete in FY18 add'l $11.6M

Steps for Financing District Support Operations Building

1) Sale of current properties
2) Use of existing tax revenues

Sale of Current Properties
($ Millions)

Sell 2222 N Alamo	$12.0
Initial Sales	$12.0
Sell 811 W. Houston St.	$2.7
Sell Pat Booker Properties	9.6
Total Proceeds	$24.3

Options: Build in Phases or at One Time

Phase 1		
Building	$	45.2
Property Sales		(12.0)
Net	$	33.2
Phase 2		
Building	$	23.7
Property Sales		(12.3)
Net	$	11.4
Total		
Building	$	68.9
Property Sales	$	(24.3)
Net	$	44.6

Phase 1 is Sheridan and Houston Street locations

Phase 2 is Pat Booker locations

Cost of Building includes building, parking garage, moving, FF&E

Phase 1: Use of Existing Tax Revenue

- Currently have ability to finance up to $33 million for Phase 1 of DSO Building with current tax revenue
  - 2222 N Alamo Street (Playland Park) would be sold immediately to begin work
- **No change to overall tax rate to Taxpayers**

Phase 2: Debt Issuance in future year (est. 2018)

Other Future Savings/Revenue

- Design to include a future possible large conference center
  - Avoids renting outside facilities for large employee meetings or gatherings
  - Make available to the community to produce rental revenue to cover future maintenance needs

Benefits of Financing Approach

- Employees: Addresses DSO safety and security needs
- Taxpayers: Is fiscally responsible
  - Least expensive option
  - No increase in tax rate
  - Avoids large investment in deferred maintenance
  - Avoids higher annual maintenance & utility costs due to age and condition of buildings
  - Level of financing minimizes impact on balance sheet financial ratios
- Community: Enhances surrounding community and builds neighborhood.