

Mack Hatcher/Spencer Creek Financial Analysis - Finance Department - July 27, 2017

In Progress

	Option 1 Cheekwood	Option 2 Discovery Center	Option 3 FHC/Affordable Housing	Option 4 Disposition / Sale	Option 5 Keep Property/Maintain Natural Buffer
COF Costs					
COF Costs Ongoing	Additional maintenance costs of expanded water management area/processing of reclaimed water (annual maintenance / processing cost \$20,000)	Maintenance of parks & grounds "Public Space" - \$40,000 (includes maintenance of River/creek, landscaping, parking lot, trail, electricity of public areas and irrigation)	Maintenance of parks & grounds "Public Space" - \$20,000 annually	N/A	Minimal maintenance of area
One-Time			Design costs of utilities for development - \$50,000-\$150,000 one-time Infrastructure - water, streets, sewer - \$350,000-\$1,250,000 one-time Removal of construction fees for new development (\$25,000) per unit, minimum of (\$350,000) (14 units x \$25,000) to a maximum of (\$1,225,000) (49 x \$25,000) of lost permit fee revenue to City.	Cut & Fill of developable acreage in Northeastern corner of property - \$500,000	
Total COF Costs Year 1	\$ 20,000	\$ 40,000	\$770,000-\$2,645,000	\$ 500,000	\$ -
Total COF Costs Year 10	\$ 200,000	\$ 400,000	\$950,000-\$2,825,000	\$ 500,000	\$ -
Total COF Costs Year 25	\$ 500,000	\$ 1,000,000	\$1,250,000-\$3,125,000	\$ 500,000	\$ -
Total COF Costs Year 50	\$ 1,000,000	\$ 2,000,000	\$1,750,000-\$3,625,000	\$ 500,000	\$ -
Potential Revenue*					
Ongoing	Annual proposed lease - \$72,900 (to be determine through negotiations)	\$ 1	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	Sale of approx. 10 acres of land (based on creating 10 acres of developable land & inclusive of 150' MH buffer) sold for an average of \$150,000 to \$300,000 per acre	\$ -
Total COF Revenue Year 1	\$ 72,900	\$ 1	\$ -	\$1,500,000-\$3,000,000	\$ -
Total COF Revenue Year 10	\$ 729,000	\$ 10	\$ -	\$1,500,000-\$3,000,000	\$ -
Total COF Revenue Year 25	\$ 1,822,500	\$ 25	\$ -	\$1,500,000-\$3,000,000	\$ -
Total COF Revenue Year 50	\$ 3,645,000	\$ 50	\$ -	\$1,500,000-\$3,000,000	\$ -
*NO economic impact (including estimated taxes generated from for-profit or non-profit activities included in this analysis. The City of Franklin does not engage in development specific economic impact analysis. Although additional taxes maybe generated, it is impossible for the City to validate the estimates provided by applicants.					
Net Surplus (Deficit) Year 1	\$ 52,900	\$ (39,999)	(\$770,000-\$2,645,000)	\$1,000,000-\$2,500,000	\$ -
Net Surplus (Deficit) Year 10	\$ 529,000	\$ (399,990)	(\$950,000-\$2,825,000)	\$1,000,000-\$2,500,000	\$ -
Net Surplus (Deficit) Year 25	\$ 1,322,500	\$ (999,975)	(\$1,250,000-\$3,125,000)	\$1,000,000-\$2,500,000	\$ -
Net Surplus (Deficit) Year 50	\$ 2,645,000	\$ (1,999,950)	(\$1,750,000-\$3,625,000)	\$1,000,000-\$2,500,000	\$ -
City controls asset?	City owned, Land leased	City owned, Land leased	City owned, Land leased	No	Yes