

City of Harrisonburg

Second High School

Cost Consideration





Total Project Costs

1.	\$87.2 Million	- Building, Site and Design
2.	\$8.5 Million	- Furniture, Fixtures, Equipment and Technology
3.	\$5 Million	- Purchase of Land
4.	\$5 Million	- Road Improvements
5.	<u>\$4.1 Million</u>	<u>- Right of Way Acquisition</u>
	\$109.8 Million	- Subtotal
	<u>(\$5 Million)</u>	<u>- Less the Purchase of the Land</u>
	\$104.8 Million	- Total Bond/Borrowing Amount



Borrowing Scenarios

FF&E (15 Years @ 2.4% Interest)

Amount Borrowed	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Annual Debt Payment	680,000	680,000	680,000	680,000	680,000	680,000

Balance of Project (25 Years @ 3% Interest)

Amount Borrowed	66,500,000	71,500,000	76,500,000	81,500,000	86,500,000	91,500,000
Annual Debt Payment	3,820,000	4,110,000	4,390,000	4,680,000	4,970,000	5,250,000

Total Borrowed

Amount Borrowed	75,000,000	80,000,000	85,000,000	90,000,000	95,000,000	100,000,000
Total Annual Debt Payment	4,500,000	4,790,000	5,070,000	5,360,000	5,650,000	5,930,000



Debt Capacity Analysis

Total Amount Borrowed	75,000,000	80,000,000	85,000,000	90,000,000	95,000,000	100,000,000
City Debt Policy	127,000,000	127,000,000	127,000,000	127,000,000	127,000,000	127,000,000
Remaining Debt Capacity	52,000,000	47,000,000	42,000,000	37,000,000	32,000,000	27,000,000



Debt Payment Analysis

Total Amount Borrowed	75,000,000	80,000,000	85,000,000	90,000,000	95,000,000	100,000,000
Total Annual Debt Payments	4,500,000	4,790,000	5,070,000	5,360,000	5,650,000	5,930,000
<i>Fiscal Year 2021:</i>						
Less Debt Payments Rolling Off:						
Keister ES Renovations	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Radio System	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Plus New Debt Payment:						
Share of CSB	320,000	320,000	320,000	320,000	320,000	320,000
Net Annual Debt Payments	4,220,000	4,510,000	4,790,000	5,080,000	5,370,000	5,650,000
Real Estate Tax Rate Impact	9.7	10.3	11.0	11.7	12.3	13.0



Tax Increase Examples

- Current Real Estate Tax Rate:
 - .86 Cents per \$100 of Assessed Value
 - This equals \$860 per \$100,000 of value or \$1,720 on a \$200,000 home
- Real Estate Tax Rate Increased .13 Cents:
 - .99 Cents per \$100 of Assessed Value
 - This equals \$990 per \$100,000 of value or \$1,980 on a \$200,000 home

This equates to \$130 increase per \$100,000 increment in home value or \$260 annually on a \$200,000 home.



City of Harrisonburg, VA

Real Estate Tax Rate Comparisons

Select locality real estate tax rates (per \$100 of assessed value):

- Harrisonburg \$0.86
- Charlottesville \$0.95
- Lynchburg \$1.11
- Staunton \$0.97
- Waynesboro \$0.90
- Winchester \$0.93
- Rockingham County \$0.74