



Date: May 6, 2020

From: Ford & Associates, Inc. ("Ford & Associates")

To: The City of New Port Richey, Florida (the "City")

Attn: Ms. Crystal Feast, Finance Director

Re: Parking Garage Financing

Summary. The following debt service schedules are indicative and subject to change. They are based on several assumptions and are intended for discussion purposes only. Should the City wish to pursue this avenue further, we can work with City Staff to refine the models.

Background Information. The City is interested in financing the construction of a roughly 350 space parking garage, with approximately 140 spaces being used by Keiser University, a not-for-profit entity. The remaining will be under the direct control of the City and will be available for use by the general public. The anticipated construction cost for the facility is \$6.5 million. The developer for Keiser University, Keenan Development, is expected to contribute the land for the parking facility, as well as all the operating and maintenance costs of the parking facility. While Keiser is anticipated to be the end user of the spaces, the City would be working with the developer, who would act as landlord for the University.

Basis of Assumptions. Ford & Associates polled several commercial banks for both loan appetite and indicative rates both for tax exempt loans and taxable. Many banks are in a wait and see mode, with appetites changing almost daily. Others are making loans but are much more selective as to where they will lend, typically limited to clients with existing depository relationships. The term that most banks are willing to extend seems to be 10 years, with the potential to extend further in certain circumstances. While the useful life of the garage will extend well beyond the financing term, banks traditionally limit the terms of their loans to fit within their portfolio targets rather than based off the asset itself. It is important to note that this market is still very fragile, and rates, the loan term, and the number of banks lending are subject to significant fluctuations. The rates used for the attached analysis reflect market conditions as of April 22, 2020. Additionally, the cost of issuance figure is assumed based on similar transactions. We have included amortizations for both 10 and 15 years for illustrative purposes. It is uncertain whether lenders would be willing to extend to a 15 year term.



Tax-Exempt vs Taxable. We requested and received both tax-exempt and taxable rates, as the ability to finance the entire facility on a tax-exempt basis has not been determined. The ultimate analysis driving the eligibility for the project or percentage of project eligible for tax-exempt financing will be determined by Bryant Miller Olive, the City's bond counsel. The primary driver behind the analysis will be the use of the bond proceeds. The City's portion of parking spaces would likely be eligible for tax-exempt proceeds, while the Keiser University portion may run afoul of permissible uses for tax-exempt dollars. Since the agreements would be with the for-profit developer rather than the 501(c)3 University. We show in the table below an indicative tax-exempt and taxable schedule to illustrate the differential between the two. It is possible that bond counsel determines a portion is eligible for tax-exempt financing, leading to the facility being financed by a combination of taxable and tax-exempt issues, which would fall somewhere in between the solely taxable and solely tax-exempt schedules shown.

Please see the attached debt service schedules for the indicative tax-exempt and taxable projected debt service.

If you have any questions about this analysis, please contact Ford & Associates, Inc. at (813) 874-6621.

Sincerely,

Jerry W. Ford
President

William S. Reed
Vice President



10 Year Structure								
Period Ending	Tax- Exempt				Taxable			
	Principal	Interest	Debt Service	Annual Debt Service	Principal	Interest	Debt Service	Annual Debt Service
10/1/2020	\$ -	\$ 26,888.75	\$ 26,888.75	\$ 26,888.75	\$ -	\$ 32,925.00	\$ 32,925.00	\$ 32,925.00
4/1/2021	\$ -	\$ 80,666.25	\$ 80,666.25	\$ -	\$ -	\$ 98,775.00	\$ 98,775.00	\$ -
10/1/2021	\$ 590,000.00	\$ 80,666.25	\$ 670,666.25	\$ 751,332.50	\$ 575,000.00	\$ 98,775.00	\$ 673,775.00	\$ 772,550.00
4/1/2022	\$ -	\$ 73,438.75	\$ 73,438.75	\$ -	\$ -	\$ 90,150.00	\$ 90,150.00	\$ -
10/1/2022	\$ 605,000.00	\$ 73,438.75	\$ 678,438.75	\$ 751,877.50	\$ 590,000.00	\$ 90,150.00	\$ 680,150.00	\$ 770,300.00
4/1/2023	\$ -	\$ 66,027.50	\$ 66,027.50	\$ -	\$ -	\$ 81,300.00	\$ 81,300.00	\$ -
10/1/2023	\$ 620,000.00	\$ 66,027.50	\$ 686,027.50	\$ 752,055.00	\$ 610,000.00	\$ 81,300.00	\$ 691,300.00	\$ 772,600.00
4/1/2024	\$ -	\$ 58,432.50	\$ 58,432.50	\$ -	\$ -	\$ 72,150.00	\$ 72,150.00	\$ -
10/1/2024	\$ 635,000.00	\$ 58,432.50	\$ 693,432.50	\$ 751,865.00	\$ 630,000.00	\$ 72,150.00	\$ 702,150.00	\$ 774,300.00
4/1/2025	\$ -	\$ 50,653.75	\$ 50,653.75	\$ -	\$ -	\$ 62,700.00	\$ 62,700.00	\$ -
10/1/2025	\$ 650,000.00	\$ 50,653.75	\$ 700,653.75	\$ 751,307.50	\$ 645,000.00	\$ 62,700.00	\$ 707,700.00	\$ 770,400.00
4/1/2026	\$ -	\$ 42,691.25	\$ 42,691.25	\$ -	\$ -	\$ 53,025.00	\$ 53,025.00	\$ -
10/1/2026	\$ 665,000.00	\$ 42,691.25	\$ 707,691.25	\$ 750,382.50	\$ 665,000.00	\$ 53,025.00	\$ 718,025.00	\$ 771,050.00
4/1/2027	\$ -	\$ 34,545.00	\$ 34,545.00	\$ -	\$ -	\$ 43,050.00	\$ 43,050.00	\$ -
10/1/2027	\$ 680,000.00	\$ 34,545.00	\$ 714,545.00	\$ 749,090.00	\$ 685,000.00	\$ 43,050.00	\$ 728,050.00	\$ 771,100.00
4/1/2028	\$ -	\$ 26,215.00	\$ 26,215.00	\$ -	\$ -	\$ 32,775.00	\$ 32,775.00	\$ -
10/1/2028	\$ 695,000.00	\$ 26,215.00	\$ 721,215.00	\$ 747,430.00	\$ 705,000.00	\$ 32,775.00	\$ 737,775.00	\$ 770,550.00
4/1/2029	\$ -	\$ 17,701.25	\$ 17,701.25	\$ -	\$ -	\$ 22,200.00	\$ 22,200.00	\$ -
10/1/2029	\$ 715,000.00	\$ 17,701.25	\$ 732,701.25	\$ 750,402.50	\$ 730,000.00	\$ 22,200.00	\$ 752,200.00	\$ 774,400.00
4/1/2030	\$ -	\$ 8,942.50	\$ 8,942.50	\$ -	\$ -	\$ 11,250.00	\$ 11,250.00	\$ -
10/1/2030	\$ 730,000.00	\$ 8,942.50	\$ 738,942.50	\$ 747,885.00	\$ 750,000.00	\$ 11,250.00	\$ 761,250.00	\$ 772,500.00
Total	\$ 6,585,000.00	\$ 945,516.25	\$ 7,530,516.25	\$ 7,530,516.25	\$ 6,585,000.00	\$ 1,167,675.00	\$ 7,752,675.00	\$ 7,752,675.00



Period Ending	15 Year Structure									
	Tax- Exempt					Taxable				
	Principal	Interest	Debt Service	Annual Debt Service		Principal	Interest	Debt Service	Annual Debt Service	
10/1/2020	\$ -	\$ 29,083.75	\$ 29,083.75	\$ 29,083.75		\$ -	\$ 35,668.75	\$ 35,668.75	\$ 35,668.75	
4/1/2021	\$ -	\$ 87,251.25	\$ 87,251.25	\$ -		\$ -	\$ 107,006.25	\$ 107,006.25	\$ -	
10/1/2021	\$ 365,000.00	\$ 87,251.25	\$ 452,251.25	\$ 539,502.50		\$ 345,000.00	\$ 107,006.25	\$ 452,006.25	\$ 559,012.50	
4/1/2022	\$ -	\$ 82,415.00	\$ 82,415.00	\$ -		\$ -	\$ 101,400.00	\$ 101,400.00	\$ -	
10/1/2022	\$ 375,000.00	\$ 82,415.00	\$ 457,415.00	\$ 539,830.00		\$ 360,000.00	\$ 101,400.00	\$ 461,400.00	\$ 562,800.00	
4/1/2023	\$ -	\$ 77,446.25	\$ 77,446.25	\$ -		\$ -	\$ 95,550.00	\$ 95,550.00	\$ -	
10/1/2023	\$ 380,000.00	\$ 77,446.25	\$ 457,446.25	\$ 534,892.50		\$ 370,000.00	\$ 95,550.00	\$ 465,550.00	\$ 561,100.00	
4/1/2024	\$ -	\$ 72,411.25	\$ 72,411.25	\$ -		\$ -	\$ 89,537.50	\$ 89,537.50	\$ -	
10/1/2024	\$ 395,000.00	\$ 72,411.25	\$ 467,411.25	\$ 539,822.50		\$ 380,000.00	\$ 89,537.50	\$ 469,537.50	\$ 559,075.00	
4/1/2025	\$ -	\$ 67,177.50	\$ 67,177.50	\$ -		\$ -	\$ 83,362.50	\$ 83,362.50	\$ -	
10/1/2025	\$ 405,000.00	\$ 67,177.50	\$ 472,177.50	\$ 539,355.00		\$ 395,000.00	\$ 83,362.50	\$ 478,362.50	\$ 561,725.00	
4/1/2026	\$ -	\$ 61,811.25	\$ 61,811.25	\$ -		\$ -	\$ 76,943.75	\$ 76,943.75	\$ -	
10/1/2026	\$ 415,000.00	\$ 61,811.25	\$ 476,811.25	\$ 538,622.50		\$ 410,000.00	\$ 76,943.75	\$ 486,943.75	\$ 563,887.50	
4/1/2027	\$ -	\$ 56,312.50	\$ 56,312.50	\$ -		\$ -	\$ 70,281.25	\$ 70,281.25	\$ -	
10/1/2027	\$ 425,000.00	\$ 56,312.50	\$ 481,312.50	\$ 537,625.00		\$ 420,000.00	\$ 70,281.25	\$ 490,281.25	\$ 560,562.50	
4/1/2028	\$ -	\$ 50,681.25	\$ 50,681.25	\$ -		\$ -	\$ 63,456.25	\$ 63,456.25	\$ -	
10/1/2028	\$ 435,000.00	\$ 50,681.25	\$ 485,681.25	\$ 536,362.50		\$ 435,000.00	\$ 63,456.25	\$ 498,456.25	\$ 561,912.50	
4/1/2029	\$ -	\$ 44,917.50	\$ 44,917.50	\$ -		\$ -	\$ 56,387.50	\$ 56,387.50	\$ -	
10/1/2029	\$ 445,000.00	\$ 44,917.50	\$ 489,917.50	\$ 534,835.00		\$ 450,000.00	\$ 56,387.50	\$ 506,387.50	\$ 562,775.00	
4/1/2030	\$ -	\$ 39,021.25	\$ 39,021.25	\$ -		\$ -	\$ 49,075.00	\$ 49,075.00	\$ -	
10/1/2030	\$ 460,000.00	\$ 39,021.25	\$ 499,021.25	\$ 538,042.50		\$ 465,000.00	\$ 49,075.00	\$ 514,075.00	\$ 563,150.00	
4/1/2031	\$ -	\$ 32,926.25	\$ 32,926.25	\$ -		\$ -	\$ 41,518.75	\$ 41,518.75	\$ -	
10/1/2031	\$ 470,000.00	\$ 32,926.25	\$ 502,926.25	\$ 535,852.50		\$ 480,000.00	\$ 41,518.75	\$ 521,518.75	\$ 563,037.50	
4/1/2032	\$ -	\$ 26,698.75	\$ 26,698.75	\$ -		\$ -	\$ 33,718.75	\$ 33,718.75	\$ -	
10/1/2032	\$ 485,000.00	\$ 26,698.75	\$ 511,698.75	\$ 538,397.50		\$ 495,000.00	\$ 33,718.75	\$ 528,718.75	\$ 562,437.50	
4/1/2033	\$ -	\$ 20,272.50	\$ 20,272.50	\$ -		\$ -	\$ 25,675.00	\$ 25,675.00	\$ -	
10/1/2033	\$ 495,000.00	\$ 20,272.50	\$ 515,272.50	\$ 535,545.00		\$ 510,000.00	\$ 25,675.00	\$ 535,675.00	\$ 561,350.00	
4/1/2034	\$ -	\$ 13,713.75	\$ 13,713.75	\$ -		\$ -	\$ 17,387.50	\$ 17,387.50	\$ -	
10/1/2034	\$ 510,000.00	\$ 13,713.75	\$ 523,713.75	\$ 537,427.50		\$ 525,000.00	\$ 17,387.50	\$ 542,387.50	\$ 559,775.00	
4/1/2035	\$ -	\$ 6,956.25	\$ 6,956.25	\$ -		\$ -	\$ 8,856.25	\$ 8,856.25	\$ -	
10/1/2035	\$ 525,000.00	\$ 6,956.25	\$ 531,956.25	\$ 538,912.50		\$ 545,000.00	\$ 8,856.25	\$ 553,856.25	\$ 562,712.50	
Total	\$ 6,585,000.00	\$ 1,509,108.75	\$ 8,094,108.75	\$ 8,094,108.75		\$ 6,585,000.00	\$ 1,875,981.25	\$ 8,460,981.25	\$ 8,460,981.25	