



Financing the Road Network

Updated Presentation to the ARTA Board

November 7, 2018



Cost of Financing the Roads By 2072 (000s)



100% Build Out – No Slowdown				
	9%	8%	7%	6%
Principal	\$199,785	\$199,785	\$199,785	\$199,785
Interest	681,695	322,530	206,936	143,450
Total	\$881,480	\$522,315	\$406,721	\$343,235
<i>Remaining Liabilities</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>

- Assumptions:**
- \$552,000 SF / \$225,000 MF Avg. Home Prices
 - Avg. 339 Res. Units / Year Absorbed
 - 7,448 SF / 4,284 MF Residential Units Total
 - 2% inflation – Total construction cost of ~\$199.8 mm
 - 7.20% Residential Assessment Rate

40% Slowdown (per year) with 10 Year Catch Up				
	9%	8%	7%	6%
Principal	\$0	\$114	\$199,785	\$199,785
Interest	956,972	956,858	508,998	279,847
Total	\$956,972	\$956,972	\$708,783	\$479,632
<i>Remaining Liabilities</i>	<i>\$2,289,634</i>	<i>\$604,307</i>	<i>\$0</i>	<i>\$0</i>

- Assumptions:**
- \$552,000 SF / \$225,000 MF Avg. Home Prices
 - Avg. 339 Res. Units / Year Absorbed
 - 7,448 SF / 4,284 MF Residential Units Total
 - 2% inflation – Total construction cost of ~\$199.8 mm
 - 7.20% Residential Assessment Rate



Cost of Financing the Roads By 2072 (000s) (Cont'd)



100% Build Out – No Slowdowns

	9%	8%	7%	6%
Principal	\$1,180	\$178,299	\$199,785	\$199,785
Interest	915,336	738,218	320,603	196,955
Total	\$916,517	\$916,517	\$520,388	\$396,741
<i>Remaining Liabilities</i>	<i>\$1,356,964</i>	<i>\$21,486</i>	<i>\$0</i>	<i>\$0</i>

Assumptions:

- \$424,700 SF / \$182,000 MF Avg. Home Prices
- Avg. 339 Res. Units / Year Absorbed
- 7,448 SF / 4,284 MF Residential Units Total
- 2% inflation – Total construction cost of ~\$199.8 mm
- 7.20% Residential Assessment Rate

40% Slowdown with 10 Year Catch Up

	9%	8%	7%	6%
Principal	\$0	\$0	\$0	\$199,785
Interest	848,882	848,882	848,882	388,649
Total	\$848,882	\$848,882	\$848,882	\$588,434
<i>Remaining Liabilities</i>	<i>\$3,382,869</i>	<i>\$1,408,228</i>	<i>\$275,357</i>	<i>\$0</i>

Assumptions:

- \$424,700 SF / \$182,000 MF Avg. Home Prices
- Avg. 339 Res. Units / Year Absorbed
- 7,448 SF / 4,284 MF Residential Units Total
- 2% inflation – Total construction cost of ~\$199.8 mm
- 7.20% Residential Assessment Rate

