HISTORIC FRANKLIN TENNESSEE

City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615) 791-3217

Meeting Agenda

Work Session

Tuesday, November 22, 2022	**5:00 PM**	**Board Room**

CALL TO ORDER

CITIZEN COMMENTS

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

WORK SESSION DISCUSSION ITEMS

1. *Consideration Of COF Contract No. 2022-0291, A Professional Services Agreement With Civil & Environmental Consultants, Inc. For The Park At Harlinsdale Multi-Use Trail & Bridge (COF Contract No. 2022-0114) For An Amount Not To Exceed $435,984

   Sponsors: Paul Holzen, Jonathan Marston, David Hodnett

2. Consideration Of Resolution 2022-76, A Resolution To Allocate Tree Funds Up To $17,500.00 For The Purchase Of City Trees

   Sponsors: Lisa Clayton, Heather Eusebio

3. Consideration Of Ordinance 2020-23, An Ordinance To Create A New Chapter 4 Within Title 20 Of The Franklin Municipal Code To Authorize The Disposal Of Unclaimed Personal Property

   Sponsors: Shauna Billingsley, Lisa Clayton, Deb Faulkner

4. Consideration Of Resolution 2022-80, A Resolution To Amend The City Charter To Allow The Vice Mayor To Vote, When Serving As Mayor

   Sponsors: Eric Stuckey, Shauna Billingsley

5. Discussion Regarding Ethics Commission

   Sponsors: Eric Stuckey

6. Presentation On An Update For The Schematic Design of the New City Hall
   WS 9/27/22

   Sponsors: Vernon Gerth, Anna Ruth Kimbrough

OTHER BUSINESS

ADJOURN

Anyone needing accommodations due to disabilities please contact the ADA Coordinator at 615-791-3277 at least 24 hours prior to the meeting.

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-03806

DATE: November 7, 2022

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Paul Holzen, Director of Engineering
Jonathan Marston, Asst. Director of Engineering
David Hodnett, Staff Engineer

SUBJECT:

*Consideration Of COF Contract No. 2022-0291, A Professional Services Agreement With Civil & Environmental Consultants, Inc. For The Park At Harlinsdale Multi-Use Trail & Bridge (COF Contract No. 2022-0114) For An Amount Not To Exceed $435,984

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a Professional Services Agreement with Civil and Environmental Consultants (CEC) to provide survey, construction engineering and inspection, testing, and related technical services for COF 2022-0114, Harlinsdale Farm Multi Use Path and Bridge contract.

BACKGROUND/STAFF COMMENTS:

On October 12, 2022, the COF Contract No. 2022-0114, Harlinsdale Farm Multi Use Path, accepted bids from four construction companies and an apparent low bid was selected. This Professional Service Agreement will be for Civil and Environmental Consultants to perform surveying, construction engineering and inspection, testing, and related technical services for the Harlinsdale Farm Multi Use Path contract.

FINANCIAL IMPACT:

The total cost of this agreement will not exceed $435,984.00 and charged to GL Code 310-89460-43100.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve COF Contract 2022-0291.

CITY OF FRANKLIN, TENNESSEE
PROFESSIONAL SERVICES AGREEMENT
COF Contract No. 2022-0291

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is by and between the City of Franklin, Tennessee, hereinafter referenced as the City, and **CIVIL & ENVIRONMENTAL CONSULTANTS, INC.** hereinafter referenced as the Consultant, who mutually agree as follows:

DECLARATIONS. The City desires to retain the Consultant to provide survey, construction engineering & inspection, testing, and related technical services in connection with the City's project hereinafter referenced as the Project. The Project is described as follows:

Construction Engineering & Inspection (CEI) Services for
The Park at Harlinsdale Farm Multi-Use Trail & Bridge (PIN 12663.00)

1. SCOPE OF SERVICES. The Consultant shall provide survey, construction engineering & inspection, testing, and related technical services for the Project in accordance with the Scope of Services ("Services") as found in Attachment A, which shall be considered as an integral part hereof.

2. The Consultant shall submit as a part of Attachment A an individual Fee Schedule and a Completion Schedule for the Project based on the detailed Scope of Services.

3. In the event of a conflict between this Agreement and the attached document(s), this Agreement shall supersede conflicting terms and conditions.

4. The Consultant shall be paid on a monthly basis for work performed based on the Fee Schedule as contained in Attachment A in the Amount of **Four Hundred Thirty-Five Thousand Nine Hundred Eighty-Four and No/100 Dollars ($435,984.00).**

The Board of Mayor and Aldermen Approved this Agreement on the _____ Day of ______________ 20___.

TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

ARTICLE 1. SERVICES. The Consultant will:

1.1 Act for the City in a professional manner, using that degree of care and skill ordinarily exercised by and consistent with standards of competent consultants using the standards in the industry:

1.2 Consider all reports to be confidential and distribute copies of the same only to those persons specifically designated by the City.

1.3 Perform all services under the general direction of a senior professional employee, licensed and/or registered in the State of Tennessee, when appropriate.

1.4 Designate, in writing, the sole Project representative to coordinate with the City the Services to be provided, including all contact information.

1.5 Unless provided for in the Project Scope of Services (Attachment A), the Consultant shall perform all Services with his own forces (employees). Should sub-consultants be proposed to be used in the Project, a listing of said sub-consultants with Services to be performed shall be provided. After approval of this Agreement, no substitute for sub-consultants shall be allowed unless approved by the City.

1.6 Retain pertinent records relating to the services performed for a period of seven (7) years following the completion of the work; during this period the records shall be available for review by the City at all reasonable times.

ARTICLE 2. CITY'S RESPONSIBILITIES. The City, or its authorized representative, will:

2.1 Provide the Consultant with all information regarding the Project, which is available to, or reasonably obtainable by, the City.

2.2 Furnish right-of-entry onto the Project site for the Consultant's necessary field studies and surveys. The Consultant will endeavor to restore the site to its original condition and shall remain solely liable for all damages, costs and expenses, including reasonable attorneys' fees, for failure to make such restoration.

2.3 Designate, in writing, the sole Project representative to coordinate with and direct the Consultant, including all contact information.

2.4 Guarantee to the Consultant that it has the legal capacity to enter into this contract and that sufficient monies are available to fund the Consultant's compensation.

ARTICLE 3. GENERAL CONDITIONS.

3.1 The Consultant, by the performance of services covered hereunder, does not in any way assume, abridge or abrogate any of those duties, responsibilities or authorities customarily vested in other professionals or agencies participating in the Project.

3.2 The Consultant shall be responsible for the acts or omissions of any party involved in concurrent or subsequent phases of the Project acting upon written instruction issued by the Consultant.

3.3 Neither the City nor the Consultant may assign or transfer its duties or interest in this Agreement without written consent of the other party.

3.4 <u>ALLOCATION OF RISK AND LIABILITY; GENERAL.</u> Considering the potential liabilities that may exist during the performance of the services of this Agreement, the relative benefits and risks of the Project, and the Consultant's fee for the services rendered, and in consideration of the promises contained in this Agreement, the City and the Consultant agree to allocate and limit such liabilities in accordance with this Article.

3.5 INDEMNIFICATION. The Consultant agrees to indemnify and hold the City harmless from and against legal liability for all claims, judgments, losses, damages, and expenses to the extent such claims, judgments, losses, damages, or expenses are caused by the Consultant's negligent act, error or omission in the performance of the Services of this Agreement. In the event claims, judgments, losses, damages, or expenses are caused by the joint or concurrent negligence of the Consultant and the City, they shall be borne by each party in proportion to its own negligence.

3.5.1 SURVIVAL. The terms and conditions of this paragraph shall survive completion of this services agreement.

3.6 LIMITATIONS OF RESPONSIBILITY. The Consultant shall not be responsible for (a) construction means, methods, techniques, sequences, procedures, or safety precautions and programs in connection with the Project unless specifically undertaken in Attachment A, Scope of Services ; (b) the failure of any contractor, subcontractor, Consultant, or other Project participant, not under contract to Consultant, to fulfill contractual responsibilities to the City or to comply with federal, state, or local laws, regulations, and codes; or (c) procuring permits, certificates, and licenses required for any construction unless such procurement responsibilities are specifically assigned to the Consultant in Attachment A, Scope of Services.

ARTICLE 4. TERMINATION BY THE CITY. The City may terminate this Agreement in accordance with the following terms and conditions:

4.1 TERMINATION FOR CONVENIENCE. The City may, when in the interests of the City, terminate performance under this Agreement with the Consultant, in whole or in part, for the convenience of the City. The City shall give written notice of such termination to the Consultant specifying when termination becomes effective. The Consultant shall incur no further obligations in connection with the work so terminated, other than warranties and guarantees for completed work and installed equipment, and the Consultant shall stop work when such termination becomes effective. The Consultant shall also terminate outstanding orders and subcontracts for the affected work. The Consultant shall settle the liabilities and claims arising out of the termination of subcontracts and orders. The City may direct the Consultant to assign the Consultant's right, title and interest under termination orders or subcontracts to the City or its designee. The Consultant shall transfer title and deliver to the City such completed or partially completed work and materials, equipment, parts, fixtures, information and Contract rights as the Consultant has in its possession or control. When terminated for convenience, the Consultant shall be compensated as follows:

(1) The Consultant shall submit a termination claim to the City specifying the amounts due because of the termination for convenience together with costs, pricing or other data required by the City. If the Consultant fails to file a termination claim within one (1) year from the effective date of termination, the City shall pay the Consultant the amount the City deems the Consultant is due.
(2) The City and the Consultant may agree to the compensation, if any, due to the Consultant hereunder.
(3) Absent agreement to the amount due to the Consultant, the City shall pay the Consultant the following amounts:

(a) Contract costs for labor, materials, equipment and other services accepted under this Agreement;

(b) Reasonable costs incurred in preparing to perform and in performing the terminated portion of the work, and in terminating the Consultant's performance, plus a fair and reasonable allowance for direct job site overhead and earned profit thereon (such profit shall not include anticipated profit or consequential damages); provided however, that if it reasonably appears that the Consultant would have not profited or would have sustained a loss if the entire Agreement would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss, if any;

(4) The total sum to be paid the Consultant under this Section shall not exceed the total Agreement Price, as properly adjusted, reduced by the amount of payments otherwise made, and shall in no event include duplication of payment.

4.2 TERMINATION FOR CAUSE. If the Consultant does not perform the work, or any part thereof, in a timely manner, supply adequate labor, supervisory personnel or proper equipment or materials, or if it fails to timely discharge its obligations for labor, equipment and materials, or proceeds to disobey applicable law, or otherwise commits a violation of a material provision of this Agreement, then the City, in addition to any other rights it may have against the Consultant or others, may terminate the performance of the Consultant, in whole or in part at the City's sole option, and assume possession of the Project Plans and materials and may complete the work.

In such case, the Consultant shall not be paid further until the work is complete. After Completion has been achieved, if any portion of the Contract Price, as it may be modified hereunder, remains after the cost to the City of completing the work, including all costs and expenses of every nature incurred, has been deducted by the City, such remainder shall belong to the Consultant. Otherwise, the Consultant shall pay and make whole the City for such cost. This obligation for payment shall survive the termination of the Agreement.

In the event the employment of the Consultant is terminated by the City for cause pursuant to this Section and it is subsequently determined by a Court of competent jurisdiction that such termination was without cause, such termination shall thereupon be deemed a Termination for Convenience under this Section and the provisions of Section 4.1 shall apply.

4.3 TERMINATION FOR NON-APPROPRIATION. The City may also terminate this Agreement, in whole or in part, for non-appropriation of sufficient funds to complete or partially complete the Project, regardless of the source of such funds, and such termination shall be on the terms of Section 4.1.

4.4 The City's rights under this Section shall be in addition to those contained elsewhere herein or provided by law.

ARTICLE 5. SCOPE OF SERVICES. The Consultant shall provide the Services as described in Scope of Services attached hereto as Attachment A and incorporated herein by reference.

5.1 By mutual agreement, this Agreement and scope can be amended by the parties. The scope and fee for any additional tasks or services under such amendment shall be mutually negotiated and agreed to in writing prior to beginning such additional tasks or services.

5.2 <u>ENVIRONMENTAL RESPONSIBILITY.</u> Where drilling/sampling services are involved, the samples obtained from the Project site are the property of the City. Should any of these samples be recognized by the Consultant to be contaminated, the City shall remove them from the Consultant's custody and transport them to a disposal site, all in accordance with applicable government statutes, ordinances, and regulations. For all other samples, the Consultant shall retain them for a sixty (60)-day period following the submission of the drilling/sampling report unless the City directs otherwise; thereafter, the Consultant shall discard the samples in accordance with all federal, state and local laws.

ARTICLE 6. SCHEDULE.

6.1 <u>TIME OF THE ESSENCE.</u> The parties agree that time is of the essence with respect to the parties' performance of all provisions of the Agreement.

6.2 Before executing this Agreement, the Consultant shall have prepared and submitted for approval to the City a Completion Schedule for the Project with milestones for the various stages (tasks) of the Services as outlined in the Scope of Services. The Consultant shall submit and obtain the City's approval for any proposed changes to the logic, durations, sequences, or timing of tasks as approved in the Completion Schedule.

6.3 <u>FORCE MAJEURE.</u> Neither party will be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times will be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "<u>force majeure</u>" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

6.4 Should the City request changes in the scope, extent, or character of the Project, the fee and the time of performance of the Consultant's Services as indicated in Attachment A shall be adjusted equitably.

ARTICLE 7. USE OF DOCUMENTS, DATA.

7.1 All Documents, including, but not limited to, reports, drawings, specifications, and computer software prepared by the Consultant pursuant to this Agreement are instruments of service in respect to the Project. The City shall retain an ownership and property interest therein whether or not the Project is completed.

7.1.1 USE OF DATA SYSTEMS. The City maintains all rights to data systems and data (including derivative or hidden data such as metadata) created and used by the Consultant through information supplied to the Consultant by the City.

7.1.2 DISCLOSURE OF DOCUMENTS/DATA. The City may be required to disclose documents or data under state or federal law. The City shall notify the Consultant if a request for data or documents has been made and shall give the Consultant a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. The Consultant waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page as confidential or proprietary. In exchange, the Consultant agrees to indemnify, defend, and hold harmless the City for any claims by third parties relating thereto or arising out of (i) the City's failure to disclose such documents or information required to be disclosed by law, or (ii) the City's release of documents as a result of the City's reliance upon the Consultant representation that materials supplied by the Consultant (in full or redacted form) do not contain trade secrets or proprietary information, provided that the City impleads the Consultant and the Consultant assumes control over that claim.

7.2 By execution of this Agreement, the Consultant and his sub-consultant(s) grant the City a royalty-free, perpetual, irrevocable, and assignable license to use any and all intellectual property interest the Consultant or his sub-consultant(s) possess to any drawings, details, specifications, documents, and other information created before each of their first involvement with the Project and subsequently incorporated into the Project's documents. City-furnished data that may be relied upon by the Consultant is limited to the printed copies that are delivered to the Consultant pursuant to Article 2 of this Agreement. Any copyrighted electronic files furnished by the City shall be used by the Consultant only for the Project as described herein. The City's posting or publication of such documents created by the Consultant for the City shall constitute fair use and shall not constitute an infringement of the Consultant's copyright, if any.

7.3 Documents that may be relied upon by the City are limited to the printed copies (also known as hard copies) that are signed or sealed by the Consultant. Files in electronic media format of text, data, graphics, or of other types that are furnished by the Consultant to the City are only for convenience of the City, unless the delivery of the Project in electronic media format has been dictated in the Scope of Services attached hereto as Attachment A. Any conclusion or information obtained or derived from electronic files provided for convenience will be at the user's sole risk.

7.4 Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within sixty (60) days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the party delivering the electronic files. Unless stated otherwise herein, the Consultant shall not be responsible to maintain documents stored in electronic media format after acceptance by the City.

7.5 When transferring documents in electronic media format, the Consultant makes no representations as to long term compatibility, usability, or readability, of documents resulting from the use of software application packages, operating systems, or computer hardware differing from that as required of, and used by, the Consultant at the beginning of this Project.

7.6 The City may make and retain copies of Documents for information and reference in connection with use on the Project by the City, or his authorized representative. Such Documents are not intended or represented to be suitable for reuse by the City or others on extensions of the Project or on any other project. Any such reuse or modifications without written verification or adaptation by the Consultant, as appropriate for the specific purpose intended, will be at the City's sole risk and without liability or legal exposure to the Consultant or to the Consultant's sub-consultants.

7.7 If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

7.8 Any verification or adaptation of the Documents for extensions of the Project or for any other project will entitle the Consultant to further compensation at rates to be agreed upon by the City and the Consultant.

ARTICLE 8. INSURANCE.

8.1 During the performance of the Services under this Agreement, the Consultant shall maintain the following minimum insurance:

a) General Liability Insurance with a combined single limit of $1,000,000 per occurrence and $2,000,000 annual aggregate.

b) Automobile Liability Insurance with a combined single limit of $1,000,000 for each person and $1,000,000 for each accident.

c) Workers' Compensation Insurance Coverage A in accordance with statutory requirements and Coverage B, Employer's Liability Insurance, with a limit of $500,000 for each occurrence.

d) Professional Liability Insurance with a limit of $1,000,000 annual aggregate.

8.2 The Consultant shall add the City as an additional insured on all policies unless otherwise prohibited.

8.3 The Consultant shall, upon execution of this Agreement, furnish the City with certificates of insurance, which shall include a provision that such insurance shall not be canceled without at least thirty (30) days' written notice to the City.

8.4 No insurance, of whatever kind or type is to be considered as in any way limiting other parties' responsibility for damages resulting from their activities in the execution of the Project. The City agrees to include, or cause to be included, in the Project's construction contract, such requirements for insurance coverage and performance bonds by the Project's construction contractor as the City deems adequate to indemnify the City, the Consultant, and other concerned parties against claims for damages and to insure compliance of work performance and materials with Project requirements.

ARTICLE 9. PAYMENT.

9.1 The City will pay the Consultant for services and expenses in accordance with the Fee Schedule proposal submitted for the Project as part of the Scope of Services. The Consultant's invoices will be presented at the completion of the work or monthly and will be payable upon receipt. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. The City shall give prompt written notice of any disputed amount and shall pay the remaining amount.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 EQUAL EMPLOYMENT OPPORTUNITY. In connection with this Agreement and the Project, the City and the Consultant shall not discriminate against any employee or applicant for employment because of race, color, sex, national origin, disability or marital status. The City and the Consultant will take affirmative action to ensure that the contractor used for the Project does not discriminate against any employee and employees are treated during employment without regard to their race, age, religion, color, gender, national origin, disability or marital status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10.1.1 The Consultant shall insert the foregoing provision in all contracts relating to this Project.

10.2 TITLE VI – CIVIL RIGHTS ACT OF 1964. The City and the Consultant shall comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), 49 C.F.R., Part 21, and related statutes and regulations.

10.2.1 The Consultant shall insert the foregoing provision in all contracts relating to this Project.

10.3 NO THIRD-PARTY RIGHTS CREATED. The City and the Consultant each binds itself and its successors, executors, administrators, permitted assigns, legal representatives and, in the case of a partnership, its partners, to the other party to this Agreement and to their successors, executors, administrators, permitted assigns, legal representatives and partners of such other party in respect to all provisions of this Agreement. The Services provided for in this Agreement are for the sole use and benefit of the City and the Consultant. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

10.4 WARRANTIES/LIMITATION OF LIABILITY/WAIVER. The City reserves all rights afforded to local governments under law for all general and implied warranties. The City does not waive any rights it may have to all remedies provided by law and therefore any attempt by the Consultant to limit its liability shall be void and unenforceable.

10.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION. This Agreement is a covered transaction for the purposes of 2 CFR Part 180 and 2 CFR Part 1200. As such, the Consultant is required to verify that none of the Consultant's principals (as defined at 2 CFR §180.995) or its affiliates (as defined at 2 CFR §180.905) are excluded (as defined at 2 CFR §180.940) or disqualified (as defined at 2 CFR §180.935).

10.5.1 The Consultant must comply with 2 CFR Part 180, Subpart C and 2 CFR Part 1200, Subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into as a part of this Agreement.

10.5.2 This certification is a material representation of fact relied upon by the City of Franklin. If it is later determined that the Consultant did not comply with 2 CFR Part 180, Subpart C and/or 2 CFR Part 1200, Subpart C, in addition to remedies available to the City of Franklin, the State of Tennessee and/or the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

10.5.3 The Consultant agrees to comply with the requirements of 2 CFR Part 180, Subpart C and 2 CFR 1200, Subpart C while this Agreement is valid and throughout the period of any contract that may arise from this Agreement and Project. The Consultant agrees to include a provision requiring such compliance in its lower tier covered transactions.

ARTICLE 11. EXTENT OF AGREEMENT:

11.1 APPLICABLE LAW/CHOICE OF FORUM AND VENUE. This Agreement is made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to that state's choice of law rules. The parties' choice of forum and venue shall be exclusively in the courts of Williamson County, Tennessee. Any provision of this Agreement held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force.

11.2 ENTIRE AGREEMENT. This Agreement, including these terms and conditions, represent the entire Agreement between the City and the Consultant for this Project and supersedes all prior negotiations, representations or agreements, written or oral. This Agreement may be amended only by written instrument signed by the City and the Consultant.

ARTICLE 12. DISPUTE RESOLUTION, BREACH.

12.1 If a dispute should arise relating to the performance of or payment for the Services under this Agreement, the aggrieved party shall notify the other party of the dispute within a reasonable time after such dispute arises. During the pendency of any dispute, the parties shall continue diligently to fulfill their respective obligations hereunder. No arbitration or mediation shall be required as a condition precedent to filing any legal claim arising out of or relating to this Agreement. No arbitration or mediation shall be binding.

12.2 BREACH. Upon deliberate breach of the Agreement by either party, the non-breaching party shall be entitled to terminate the Agreement with notice, with all of the remedies it would have in the event of termination, and may also have such other remedies as it may be entitled to in law or in equity.

ARTICLE 13. SURVIVAL.

The provisions contained in this Professional Services Agreement shall survive the completion of or any termination of the Agreement, contract or other document to which it may accompany or incorporate by reference or which subsequently may be modified, unless expressly excepted from this Article upon consent of both parties.

(Signatures on Following Page)

THE CITY OF FRANKLIN, TENNESSEE:	**CIVIL & ENVIRONMENTAL CONSULTANTS, INC.:**
_______________________ *(Signature)*	_______________________ *(Signature)*
Name: Dr. Ken Moore	Name: _______________
Title: Mayor	Title: _______________
Date: _______________	Date: _______________

Attest:

____
(Signature)
Eric S. Stuckey
City Administrator

Date: _______________

Approved as to Form:

____
William E. Squires, Assistant City Attorney

October 24, 2022

Mr. David Hodnett, P.E.
City of Franklin Engineering Department
109 Third Avenue South
Franklin, TN 37064

Dear Mr. Hodnett:

Subject: Proposal for Professional Services (Revised to Include Survey Services)
COF 2022-0114 Harlinsdale Farm Multi-Use Path CEI
Franklin, Tennessee

1.0 INTRODUCTION

Civil & Environmental Consultants, Inc. (CEC) is pleased to provide this proposal to the City of Franklin for Construction Engineering and Inspection Services associated with **The Park at Harlinsdale Multi-Use Trail & Bridge Project (PIN 126630.00)** in Franklin, TN. This proposal is being prepared in response your letter dated October 6, 2022. The following scope of services applies to this project proposal.

2.0 SCOPE OF PROFESSIONAL SERVICES

2.1 Construction Engineering and Inspection

CEC will provide a TDOT Certified Inspector, necessary equipment, and administrative support to perform Construction Engineering and Inspection and documentation in accordance with current TDOT Standard Specifications, Local Programs Development Office (LPDO) requirements, Standard Operating Procedure 1-1, Circular Letters and Special Provisions. CEC will inspect the work and maintain documentation in accordance with the TDOT LPDO. The TDOT Certified Inspector will also perform twice weekly Erosion Prevention & Sediment Control (EPSC) inspections in accordance with the TDEC Construction General Permit for projects that disturb less than 50 acres at any one time. This proposal is based on:

1. Approximate construction duration of 15 months (60 weeks).
2. An average of five site visits per week.

3. Three hundred (300) 8-hour visits.
4. Testing and reporting will be provided at appropriate frequency compliant with SOP 1-1 and based on plan quantities at the time of bid for standard proctor, gradation, densities, and concrete strength.
5. Approximately 15 miles per visit for 300 visits.
6. Progress meetings twice per month.

CEC is proposing to utilize Alfred Benesch & Company (Benesch) as a sub-consultant for RFI evaluation and bridge approval submittals. During the construction of the project, Benesch will:

1. Receive and evaluate requests for information (RFI)'s from the contractor.
2. Prepare, attend, and review documentation of meetings held for the project throughout the anticipated duration (15 months).
3. Bridge Approvals/Submittals (as follows):
    a. Process, review, and provide approval of shop drawing submissions for bridge elements.
    b. Provide general construction observation for structural items including foundation of structure before placement of reinforcing steel and prior to allowing concrete pours.
    c. General observation will also include attendance of the pre-construction meeting, and site visits on a bi-weekly basis.
    d. Other visits will also occur for the following items:
        i. One per footing, substructure element, wing-wall, and bridge rail (as necessary)
        ii. One for the bridge deck

The Benesch rate table is attached and will be invoiced at cost plus a 10% administrative fee.

CEC is proposing to utilize ECS Southeast, LLP as a subconsultant for concrete compressive strength testing as well as soil and aggregate testing. It is assumed there will be:

1. Sixty (60) concrete tests.
2. Two standard proctor tests.
3. Four aggregate gradation tests.
4. Twenty (20) field density tests.

The ECS rate table is attached and will be invoiced at cost plus a 10% administrative fee.

2.2 Survey Services

CEC will provide the following two survey related tasks for this project:

1. Stockpile Volumes – CEC will survey two soil stockpiles when requested and report on the volume of each. It is assumed that the stockpile surveys can be completed in two site visits.
2. As-build Survey – CEC will complete a field run as-built topographic survey after construction is completed. It is assumed that this survey will be limited to within the limits of disturbance of this project. The survey will include finish grade contours generated at 1-foot intervals, existing above ground and/or visible utilities, storm and sanitary structures (including invert elevations, pipe size, and pipe material when visible and /or accessible), and existing site improvements.

For these tasks, CEC will utilize survey field technicians equipped with GPS and Robotic Total Station Surveying instruments. The survey will be referenced to the Tennessee State Plan Coordinate System (NAD83) and the North American Vertical Datum of 1988 (NAVD88, Geoid 12B) in U.S. feet. CEC will provide the Client a final project as-built drawing in PDF (*.pdf) format.

Estimated Fee: $17,500

3.0 ESTIMATED FEE

CEC's estimated fee to perform the above referenced scope of services is:

Project Management	$ 21,000
Construction Engineering and Inspection	$274,680
RFI Evaluation and Bridge Approval Submittals	$100,089
Concrete and Soil Testing	$ 22,715
Survey	$ 17,500
Total Estimated Fee	**$435,984**

CEC will obtain approval from the City of Franklin for revisions to our scope of services and associated fees, if necessary, as the project progresses. Invoicing of professional services will be in accordance with the attached 2022 City of Franklin Services Fee Schedule. Reimbursable expenses, including subcontracted services, are included in our estimated fee, and will be invoiced according to the attached Rate Tables. Please note that an assumed 5% rate increase was applied to the 2022 City of Franklin Services Fee Schedule as we understand most of the work will occur in 2023. Our Schedule of Terms and Conditions, which apply to the proposed work, is attached. Any changes to our Terms and Conditions must be agreed to in writing by both parties prior to authorization to proceed. Your oral or written authorization to proceed will form a binding contract and indicates your acceptance of our Terms and Conditions.

4.0 SCHEDULE

CEC is prepared to begin work two weeks following your notification to proceed. CEC assumes the project will be complete within 15 months from the date of the Pre-Construction Meeting.

5.0 CLOSING

CEC appreciates the opportunity to provide the City of Franklin with this proposal for professional services. Should you have any questions or require additional information, please do not hesitate to contact us at 615-333-7797 or via email at jperry@cecinc.com.

Sincerely,

CIVIL & ENVIRONMENTAL CONSULTANTS, INC.

Jon Perry, P.E., CPESC, F. ASCE
Project Manager III

Janette L. Wolf, P.E., CPESC
Senior Project Manager

Attachments: Terms and Conditions
2022 City of Franklin Services Fee Schedule
Alfred Benesch & Company Rate Table
ECS Southeast, LLP Rate Table

CIVIL & ENVIRONMENTAL CONSULTANTS, INC.
117 SEABOARD LANE • SUITE E-100
FRANKLIN, TENNESSEE 37067
PHONE: 615-333-7797 • FAX: 615-333-7751
E-MAIL: nashville@cecinc.com

City of Franklin Services Fee Schedule

January 1, 2022 through December 31, 2022

PROFESSIONAL SERVICES

Classification	Rate/Hour
Senior Principal	$240
Principal	$220
Senior Project Manager	$198
Project Manager III	$184
Project Manager II	$168
Project Manager I	$148
Assistant Project Manager	$125
Project Consultant / Geologist / Ecologist / Environmental Scientist	$116
Staff Consultant / Geologist / Ecologist / Environmental Scientist	$109
Designer	$130
Draftsperson / CADD Operator	$78
Senior Field Technician	$95
Environmental Technician/Intern	$59
Senior Land Surveyor	$152
Assistant Project Surveyor	$115
Survey Technician IV	$108
Survey Technician III	$99
Survey Technician II	$88
Survey Technician I	$77
Administrative Assistant	$75
Administrative Manager	$85

DIRECT EXPENSES

Printing and Reproduction *
Miscellaneous Reimbursables *

* As directed by the City Engineer on a project-by-project basis

SUBCONTRACT SERVICES

Services @ Cost Plus 10%

benesch

Revised 09-08-2022

HOURLY RATE TABLE

CLASSIFICATION	RATE
Technologist I	$56.00
Technologist II	$76.00
Senior Technologist	$110.00
Designer I	$97.00
Designer II	$105.00
Senior Designer	$115.00
Project Engineer/Architect I	$120.00
Project Engineer/Architect II	$130.00
Senior Project Engineer/Architect	$145.00
Project Manager I	$150.00
Project Manager II	$160.00
Senior Project Manager	$185.00
Principal	$225.00

DIRECT REIMBURSABLE EXPENSES

Travel	IRS Approved Rate
Overnight/Special Delivery Postage	At Cost
Special Equipment Rental	At Cost
Tolls/Parking	At Cost
Printing/Copies	At Cost

- Alfred Benesch & Company does not charge additional hourly rates for Accounting or Administrative functions.
- The above rates are all inclusive; there are no extra charges or fees.
- Rates are subject to change on a calendar year basis

ECS Southeast, LLP **Harlinsdale Farm Multi-Use Path – Franklin, TN**

2022 Fee Schedule - Personnel **ECS Proposal No. 26:10235**

Professional Staff		
Principal Engineer	Per Hour	$190.00
Senior Engineer/Project Manager	Per Hour	$150.00
Project Manager	Per Hour	$125.00
Welding Technician, Shop or Field Inspection		
Senior Level AWS CWI (NDE: UT, MT, PT, RI)	Per Hour*	$105.00
AWS CWI (VT with no NDE)	Per Hour*	$95.00
Technicians and Field Staff		
Field Engineer (Staff Engineer)	Per Hour*	$90.00
Senior Field Technician	Per Hour*	$60.00
Field Technician	Per Hour*	$55.00
Miscellaneous		
Administrative Support	Per Hour	$75.00
Trip Charge	Per Trip	$5.00

Note: Fees for engineering and technical personnel are for time spent in the field, conducting engineering analyses, preparing reports, and travel from portal to portal starting from the ECS Nashville office. The trip charge is in lieu of mileage. For scheduling requests received without sufficient notice as stated within the ECS proposal, services will be staffed with available personnel at their associated unit rates.

*Overtime Rate = Standard Rate x 1.50 for more than 8 hours per day or outside normal business hours of Monday through Friday 6:00 am to 6:00 pm, Saturdays and Sundays, and ECS holidays.** In addition, there will be a 4-hour minimum field charge for field-related services (not applied to sample/specimen pickups).

**ECS holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving (not a federal public holiday), and Christmas Day. Three of these (New Year's, Independence, and Christmas) are public holidays that can fall on any day of the week, depending on the year. If a public holiday falls on a weekend, the federally observed holiday will be considered the holiday. This is a Friday or Monday for holidays falling on Saturday or Sunday, respectively; according to 5USC6103.

ECS Southeast, LLP

Harlinsdale Farm Multi-Use Path – Franklin, TN

2021 Fee Schedule – Laboratory & Equipment

ECS Proposal No. 26:10235

Equipment		
Core Machine (and associated equipment)	Per Day	$125.00
Daily Equipment Charge	Per Day	$30.00
Nuclear Density Gauge Charge	Per Day	$35.00
Ultrasonic Equipment	Per Day	$100.00
Soils		
Standard or Modified Proctor (ASTM D-698, ASTM D-1557), 4" mold	Each	$165.00
Standard or Modified Proctor (ASTM D-698, ASTM D-1557), 6" mold	Each	$185.00
One-Point Proctor (AASHTO T272)	Each	$75.00
Particle Size Analysis of Soils (with Hydrometer)	Each	$115.00
Particle Size Analysis of Soils (without Hydrometer)	Each	$90.00
Asphalt Cores (Thickness and Bulk Density)	Each	$25.00
Aggregate Gradation (Coarse or Fine)	Each	$70.00
Aggregate Gradation (Coarse and Fine Mixtures)	Each	$85.00
Atterberg Limits Testing	Each	$85.00
California Bearing Ratio (CBR) (Proctor Included)	Each	$475.00
California Bearing Ratio (CBR) (Proctor not Included)	Each	$350.00
Wash Using No. 200 Sieve	Each	$35.00
Concrete, Grout & Mortar		
Compressive Strength of Grout Cubes	Each	$15.00
Compressive Strength of Concrete Cylinders, Including Reserves (ASTM C-39)	Each	$ 15.00
Core Specimen (Including Sample Preparation)	Per Test	$ 35.00
Contractor Cast Cylinders or Grout (Including Sample Preparation)	Per Test	$ 25.00
Compressive Strength of Grout Prisms (3.5” x 3.5” x 7”)	Per Test	$20.00
Flexural Strength of Concrete Beams, Including Reserves	Each	$47.50
Compressive Strength of Mortar Cubes	Per Test	$15.00
Miscellaneous		
Closeout Letter	Each	$200.00

Note: The above fees are for tests and equipment operated by ECS Southeast, LLP personnel and are in addition to time and trip fees.

ECS Southeast, LLP **Harlinsdale Farm Multi-Use Path – Franklin, TN**

2021 Fee Schedule – Specialty Testing **ECS Proposal No. 26:XXXX**

Concrete Specialty Testing and Equipment		
Relative Humidity of Concrete Slab (ASTM F-2170)	Each	$70.00
Vapor Emission Testing of Slab Surface (ASTM F-1869)	Each	$40.00
Rebound Hammer (Schmidt Hammer) Equipment	Per Day	$75.00
Fireproofing Testing		
Density of SFRM Laboratory Testing	Each	$35.00
Adhesion/Cohesion Field Testing	Each	$25.00

IRAN DIVESTMENT ACT CERTIFICATION

By submission of a bid or proposal to the City of Franklin, the Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that neither they, nor any assignee of the resulting contract, is on the list created pursuant to T.C.A. § 12-12-106. The Bidder further certifies that it shall not utilize any subcontractor identified on the list created pursuant to T.C.A. § 12-12-106. This list is generated to identify entities ineligible to contract with the State of Tennessee or any political subdivision of the State pursuant to the Iran Divestment Act, T.C.A. §§ 12-12-101 – 113, and the current list may be found at the Tennessee Department of General Services, Central Procurement Office, website under the Public Information Library webpage at the following link: https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-/public-information-library.html

This certification shall not be necessary and shall not apply to contracts valued at one thousand dollars ($1,000.00) or less.

CERTIFICATION

The Bidder certifies that, to the best of its knowledge and belief, it is not on the Iran Divestment Act list as described above.

______________________	11/9/2022
Signature	***Date***
Steven E. Casey	VCice President
Printed Name	***Title***
Civil & Environmental Consultants, Inc.	
Name of Firm/Company	

NON-BOYCOTT OF ISRAEL REQUIREMENTS

Tennessee Code Annotated § 12-4-119 (as enacted by Chapter 775 of the Public Acts of 2022) prohibits a public entity from entering into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in, and will not for the duration of the contract engage in, a boycott of Israel. This requirement does not apply to a contract with a total potential value of less than two hundred fifty thousand dollars ($250,000) or to contractors with less than ten (10) employees.

CERTIFICATION

The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119

	11/9/2022
Signature	***Date***
Steven E. Casey	Vice President
Printed Name	***Title***
Civil & Environmental Consultants, Inc.	
Name of Firm/Company	

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-03754

DATE: November 8, 2022

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Lisa Clayton, Director of Parks
Heather Eusebio, Research & Planning Specialist

SUBJECT:

Consideration Of Resolution 2022-76, A Resolution To Allocate Tree Funds Up To $17,500.00 For The Purchase Of City Trees

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the Franklin Tree Commission's recommendation of the Tree Fund allocation towards the purchase of trees for various City locations.

BACKGROUND/STAFF COMMENTS:

On October 24, 2022, the Franklin Tree Commission meeting was held and the Parks Department presented a plan to add new trees to several locations around the City. An estimate of fifteen thousand seven hundred thirteen dollars ($15,713.00) was submitted to the Commission members. The current total amount in the City's Tree Fund is $355,977.59. The Commission members voted to approve an amount not-to-exceed seventeen thousand five-hundred dollars ($17,500.00). The motion was approved unanimously. The Parks Urban Forestry Division will perform all work associated with the delivery, installation and maintenance of the trees.

FINANCIAL IMPACT:

The Franklin Tree Commission recommends allocation from the Tree Fund not-to-exceed a total amount of Seventeen Thousand Five-Hundred Dollars ($17,500.00).

RECOMMENDATION:

The Franklin Tree Commission recommends that the Board of Mayor and Aldermen approve Resolution 2022-76.

RESOLUTION 2022-76

RESOLUTION TO AUTHORIZE THE BOARD OF MAYOR AND ALDERMAN TO ALLOCATE FUNDS FROM THE TREE BANK FUND NOT TO EXCEED $17,500.00 FOR THE PURCHASE OF CITY TREES

WHEREAS, The Franklin Tree Commission held a meeting on October 24, 2022; and

WHEREAS, the Franklin Tree Commission voted unanimously to approve the funding for this purchase; and

WHEREAS, the City of Franklin Parks Department had presented a plan to add new trees to several locations around the city, which included an estimate of $15,713.34 from a local contractor for the planting of ninety-five (95) trees; and

WHEREAS, currently there is $355,977.59 in the Tree Fund Reserve; and

WHEREAS, the Parks Department will perform all work associated with the delivery, installation, maintenance and watering.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that Mayor Ken Moore is hereby authorized to sign for the allocation of funds from the tree bank fund for up to $17,500.00 for the purchase of City trees

IT IS SO RESOLVED AND DONE on this ____ day of _________, 2022.

ATTEST:

By:________________________________
ERIC STUCKEY
CITY ADMINISTRATOR

CITY OF FRANKLIN, TENNESSEE:

By:________________________________
DR. KEN MOORE
MAYOR

APPROVED AS TO FORM:

By:________________________________
Jeana D. Hendrix
Staff Attorney

Law Dept approved 11.08.22

2022 Tree Plantings

Location	Qty.	Size	Species	Price
Pinkerton Park	1	2"	Yoshino Cherry	$ 182.20
Harlinsdale Park	1	2"	Eastern Redbud	$ 161.64
Eastern Flank Battle Field Park	6	6'	Short leaf Pine	$ 504.12
	9	8'	Eastern Red Cedar	$ 1,924.02
	9	6'	Eastern White Pine	$ 1,314.01
	2	2"	Sweetgum	$ 323.29
	3	2"	Chinkapin Oak	$ 769.80
	3	2"	Nuttall Oak	$ 516.21
109 & 111 Battle Ave	1	2"	Chinkapin Oak	$ 256.60
	6	15 Gallon	Southern Magnolia	$ 715.64
	6	15 Gallon	American Holly	$ 594.43
Jim Warren Ph. 4	3	2"	Yoshino Cherry	$ 546.60
	3	2"	Eastern Redbud	$ 484.92
Ft. Granger	5	6'	Southern Magnolia	$ 964.60
Collins Farm	3	6'	Southern Magnolia	$ 578.76
	2	8'	Eastern Red Cedar	$ 427.56
	2	6'	American Holly	$ 448.43
Martin Luther King Jr. Ave.	4	6'	Virginia Pine	$ 336.10
	1	2"	Black Gum	$ 229.43
	13	2"	October Glory Maple	$ 2,145.00
Mack Hatcher & Hillsboro Rd.	3	8'	Sioux Crape Myrtle	$ 563.15
228 Public Square	1	2"	Princeton American Elm	$ 182.50
E. Main St. - St. Philip Church	1	2"	October Glory Maple	$ 165.00
412 Main St.	1	2'	Armstrong Red Maple	$ 212.79
115 4th Ave. South	3	2"	Willow Oak	$ 465.00

Total **$ 15,011.80**

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-03844

DATE: November 10, 2022

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Shauna Billingsley, City Attorney
Lisa Clayton, Director of Parks
Deb Faulkner, Police Chief

SUBJECT:

Consideration Of Ordinance 2020-23, An Ordinance To Create A New Chapter 4 Within Title 20 Of The Franklin Municipal Code To Authorize The Disposal Of Unclaimed Personal Property

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning authority to dispose of, donate or auction unclaimed property after attempting to locate the owner, and to ask for authority to properly dispose of unclaimed property, pursuant to applicable state laws.

BACKGROUND/STAFF COMMENTS:

The City of Franklin, from time to time, comes into possession of unclaimed personal property and City staff requires authority by the Board of Mayor and Aldermen to dispose of, donate, or auction unclaimed property after attempting to locate the owner. The requirements of how items are disposed of are located within State statutes, which have been incorporated within this ordinance.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve Ordinance 2020-23.

ORDINANCE 2020-23

AN ORDINANCE TO CREATE A NEW CHAPTER 4 WITHIN TITLE 20 OF THE FRANKLIN MUNICIPAL CODE TO AUTHORIZE THE DISPOSAL OF UNCLAIMED PERSONAL PROPERTY.

WHEREAS, in order to promote the health, safety, human rights, prosperity, and general welfare of the people of Franklin, Tennessee, the Board of Mayor and Aldermen is authorized to prescribe regulations and standards relative to unclaimed personal property within the City; and

WHEREAS, the City of Franklin, from time to time, comes into possession of unclaimed personal property*;* and

WHEREAS, City staff requires authority by the Board of Mayor and Aldermen to dispose of, donate or auction unclaimed property after attempting to locate the owner; and

WHEREAS, the Board of Mayor and Aldermen find that this action to be in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FRANKLIN BOARD OF MAYOR AND ALDERMEN, AS FOLLOWS:

SECTION I. That the Franklin Municipal Code, Title 20 is amended to add a new Chapter 4 as follows:

CHAPTER 4. - DISPOSAL OF UNCLAIMED PERSONAL PROPERTY

Sec. 20-401. – Definitions.

As used in this Chapter, the term Unclaimed Personal Property shall mean all personal property, including, but not limited to, bicycles, vehicles, electronics, jewelry, phones, clothing, furniture, appliances and any other items that come to be in the possession of the City through any means other than the following:

(1.) Cash, checks, bank accounts, Pension funds stocks, bonds or other such items which shall be disposed of pursuant to the Uniform Unclaimed Property Act, T.C.A. §§ 66-29-101, et seq.;

(2.) City surplus property, which shall be disposed of under the City's Surplus Property Ordinance;

(3.) Any weapon, including but not limited to, firearms which shall be disposed of under T.C.A. §39-17-1317; or

(4.) Property that is seized or forfeited through law enforcement action, which shall be disposed of pursuant to applicable state law.

Sec. 20-402. - Notice to Owner.

(1.) All unclaimed personal property which comes into the possession of the City's Police Department shall immediately be delivered to the evidence officer to be disposed of under these provisions. Prior to disposal of the unclaimed personal property, the evidence officer shall make reasonable efforts to notify the owner, including mailing notice to the owner, by certified mail, to the owner's last known address.

(2.) Prior to disposal of the unclaimed personal property which comes into the possession of any other department of the City, the director of the department or designee shall make reasonable efforts to notify the owner, including mailing notice to the owner, by certified mail, to the owner's last known address. No property shall be disposed of until after the item(s) remains unclaimed for sixty (60) days.

Sec. 20-403. - Methods of Disposal.

Methods of disposal which may be used by the evidence officer or department director shall include:

(1.) Sales at public auction, publicly advertised and held;
(2.) Sale under sealed bids, publicly advertised, opened and recorded;
(3.) Sale by internet auction;
(4.) Donation to a non-profit; or
(5.) Properly discarding

Both public and internet auctions shall occur only if City deems necessary. Notice of any public auctions (excluding internet auctions) and sales under sealed bids, as provided in this part, shall be publicly advertised and publicly held. Notice of intended sale by public auction or sale under sealed bid shall be published by the evidence officer in a newspaper of general circulation in Williamson County. Such notice shall specify and reasonably describe the property to be sold, the date, time, place, manner and conditions of sale, all as previously determined by the evidence officer in accordance with the regulations of the City of Franklin. The advertisement shall be printed in the public notice or equivalent section of the newspaper and shall be run not less than one (1) day. The auction or sale under sealed bid shall be made not sooner than seven (7) days after the last day of publication nor later than fifteen (15) days after the last day of publication of the required notice, excluding Saturdays, Sundays and holidays. Prominent notice shall also be posted conspicuously for ten (10) days prior to the date of disposal, excluding Saturdays, Sundays and holidays, in at least two (2) public places in the City of Franklin. Furthermore, notice shall be sent to the county clerk and such notice shall be posted in the county courthouse unless otherwise directed by the evidence office.

Notice of intended disposal by internet auction shall be posted on the City's website notifying the public of such intended internet sale. Such notice shall identify the website and provide a link to the online auction website in which any citizen may view and bid on any article. The website notice shall be displayed on a basis of twenty-four (24) hours a day, seven (7) days per week. The website notice shall reasonably describe the property to be sold, the date(s), time, manner and conditions of sale, all as previously determined by the internet auction provider in accordance with the contract or signed agreement with the city.

Items including but not limited to (clothing, keys/key fobs, sporting equipment, bicycles) may be discarded by placing in the trash or by donating to a local non-profit. Most of the City's Lost and Found items may be donated to a non-profit.

All electronics that come into the possession of the City shall be kept for (60) sixty days and then submitted to Sanitation and Environmental Services (SES) where they will be recycled.

The evidence officer or department director shall furnish the Board of Mayor and Aldermen with a list of all unclaimed personal property disposed of the method of disposal of such property and the price obtained as a result of the sale of any unclaimed personal property.

Sec. 20-404. - Disposition of Proceeds.

All funds received from the sale of unclaimed personal property shall be paid into the City's general fund. The evidence officer or department director shall certify to the City's CFO the expenses incurred in making the sale or otherwise disposing of such property, including the costs and expenses of storage during the period such property was in the possession of the City.

If the owner of any article of unclaimed personal property sold presents satisfactory proof to the City that they were the owner of any article sold within a period of thirty (30) days after the sale, they shall be entitled to the proceeds of the sale thereof, less their proportionate share of all expenses incurred for the sale.

SECTION II. BE IT FINALLY ORDAINED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, that this Ordinance shall take effect from and after its passage on second and final reading, the health, safety, and welfare of the citizens of Franklin, Tennessee, requiring it.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE:**
By: _______________________	By: _______________________
Eric Stuckey	**Dr. Ken Moore**
City Administrator	Mayor

Approved as to form by:

____
Shauna R. Billingsley
City Attorney

PASSED FIRST READING ___________________

PASSED SECOND READING: ___________________

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-03841

DATE: November 9, 2022

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Eric Stuckey, City Administrator
Shauna Billingsley, City Attorney

SUBJECT:

Consideration Of Resolution 2022-80, A Resolution To Amend The City Charter To Allow The Vice Mayor To Vote, When Serving As Mayor

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning amending the City Charter to allow the Vice-Mayor or Mayor Pro Tempore to vote when serving as Mayor.

BACKGROUND/STAFF COMMENTS:

The City Charter states that the Mayor may not vote on matters except to break a tie. The Charter requires the Board to approve a Vice-Mayor annually who may be called upon to act as Mayor during a board meeting, at which time the Vice-Mayor no longer acts as alderman and therefore is unable to vote. The Charter further provides that in the event neither the Mayor or Vice-Mayor is able to preside over a meeting, the aldermen must appoint a Mayor Pro Tempore who serves as Mayor during that particular meeting, and who is not to act as alderman. As such, when acting as Mayor, neither the Vice-Mayor nor the Mayor Pro Tempore is authorized to vote, except to break a tie.

When an alderman serves as Mayor and cannot vote, it may leave a Ward unrepresented for a period of time. Additionally, aldermen prepare for items and sometimes work months on issues before they are ready for a vote (or more importantly, a final vote). By not allowing an alderman to vote while serving as Mayor, it is possible that constituent voices will go unheard.

The proposed resolution asks that Senator Jack Johnson and Representative Sam Whitson file a private act amending the City's Charter to authorize the Vice-Mayor and Mayor Pro Tempore to vote on all matters when serving as Mayor at a board meeting.

FINANCIAL IMPACT:

There is no financial impact to this resolution.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve Resolution 2022-80 and asks that Senator Jack Johnson and Representative Sam Whitson bring forth this resolution as a private act during their next legislative session.

RESOLUTION 2022-80

A RESOLUTION TO AMEND THE CHARTER TO ALLOW THE VICE MAYOR OR ALDERMAN SERVING AS MAYOR PRO TEMPORE, WHEN SERVING AS MAYOR, TO VOTE

WHEREAS, the Charter of the City of Franklin, Tennessee, is incorporated by Chapter 126 of the Private Acts of Tennessee for 1967, as amended, of the General Assembly of the State of Tennessee; and

WHEREAS, pursuant to Article IV, Section 5 (b) of the City Charter, each year, the Board of Mayor and Aldermen must select a Vice-Mayor to serve in the absence of the Mayor; and

WHEREAS, pursuant to Article V, Section 3, the Vice Mayor serves in the absence of the Mayor, and the Mayor Pro Tempore serves at the absence of both the Mayor and Vice Mayor, and not act as alderman; and

WHEREAS, the Board of Mayor and Aldermen believe that a Vice Mayor or Mayor Pro Tempore should be allowed to vote when serving as Mayor in order to adequately represent their constituents; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the citizens of the City of Franklin to allow a Vice Mayor and Mayor Pro Tempore to vote when serving as Mayor.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, THAT:

The Honorable Jack Johnson and the Honorable Sam Whitson are hereby requested to introduce the following Act to the General Assembly of the State of Tennessee:

AN ACT to amend the Charter of the City of Franklin, Tennessee, being Chapter 126 of the Private Acts of Tennessee for 1967, as amended:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

Section 1. Article IV, Section 5(b) shall be amended by adding the text shown in **bold** so that it shall read as follows:

Section 5. Vice Mayor – Vacancies in Office

(b) Each year at its November meeting, the Board of Mayor and Aldermen shall elect an alderman to the office of vice-mayor, who shall serve when the mayor is absent or unable to discharge the duties of the office. The term of vice-mayor shall be for one (1) year. In the case of a vacancy in the office of mayor, the vice-mayor shall serve until the next regular city election, at which time the office of mayor shall be filled for any unexpired term by the voters. **The Vice Mayor, when serving in the office of mayor, shall have the right to vote on all matters.**

Section 2. Article V, Section 3 shall be amended by adding the text shown in **bold** so that it shall read as follows:

At all meetings at which he or she is present the mayor shall preside. In his or her absence, the vice-mayor shall preside **and shall have the right to vote in all matters while presiding**. In the absence of both mayor and vice-mayor, the meeting shall be called to order by the recorder, and the aldermen shall elect a mayor pro tempore who shall be vested for the time with the powers of the mayor but shall not act as an alderman **but shall have the right to vote in all matters while presiding**. A majority of the members of the Board of Mayor and Aldermen shall constitute a quorum, but a smaller number may adjourn from time to time. The board may by ordinance establish its own rules of procedure not inconsistent with this charter, and such rules until amended or abolished shall be as binding upon the board and succeeding boards as though contained in this charter. No vote shall be taken upon an ordinance, resolution or motion, except a motion to adjourn, unless the same is reduced to writing. Voting, except on procedural motions, shall be by roll call and yeas and nays shall be recorded in the minutes, except as provided in Section 4 of this Article and Section 5 of Article IV, and an affirmative vote of a majority of all members present shall be required for the passage of any ordinance, resolution or motion. The mayor, **excluding the vice-mayor and mayor pro tempore when serving as mayor,** shall be a member of the board but shall have no vote except in the event of a tie vote or votes to fill vacancies in the office of alderman, as provided in Section 5 of Article IV.

Section 3. This act shall become effective when it has been approved by the Board of Mayor and Aldermen of the City of Franklin by a vote of not less than two-thirds of the entire membership of the board after its signing by the governor of this state. The approval or non-approval of the act by the Board of Mayor and Aldermen shall be certified by the mayor of the City of Franklin to the Tennessee Secretary of State.

ADOPTED THIS ____ DAY OF ____________________, 2022.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE:**
By: ____________________________	**By: __________________________**
ERIC S. STUCKEY	**DR. KEN MOORE**
City Administrator	**Mayor**

Approved as to form by:

____

Shauna R. Billingsley
City Attorney

Law Dept approved 11.10.22

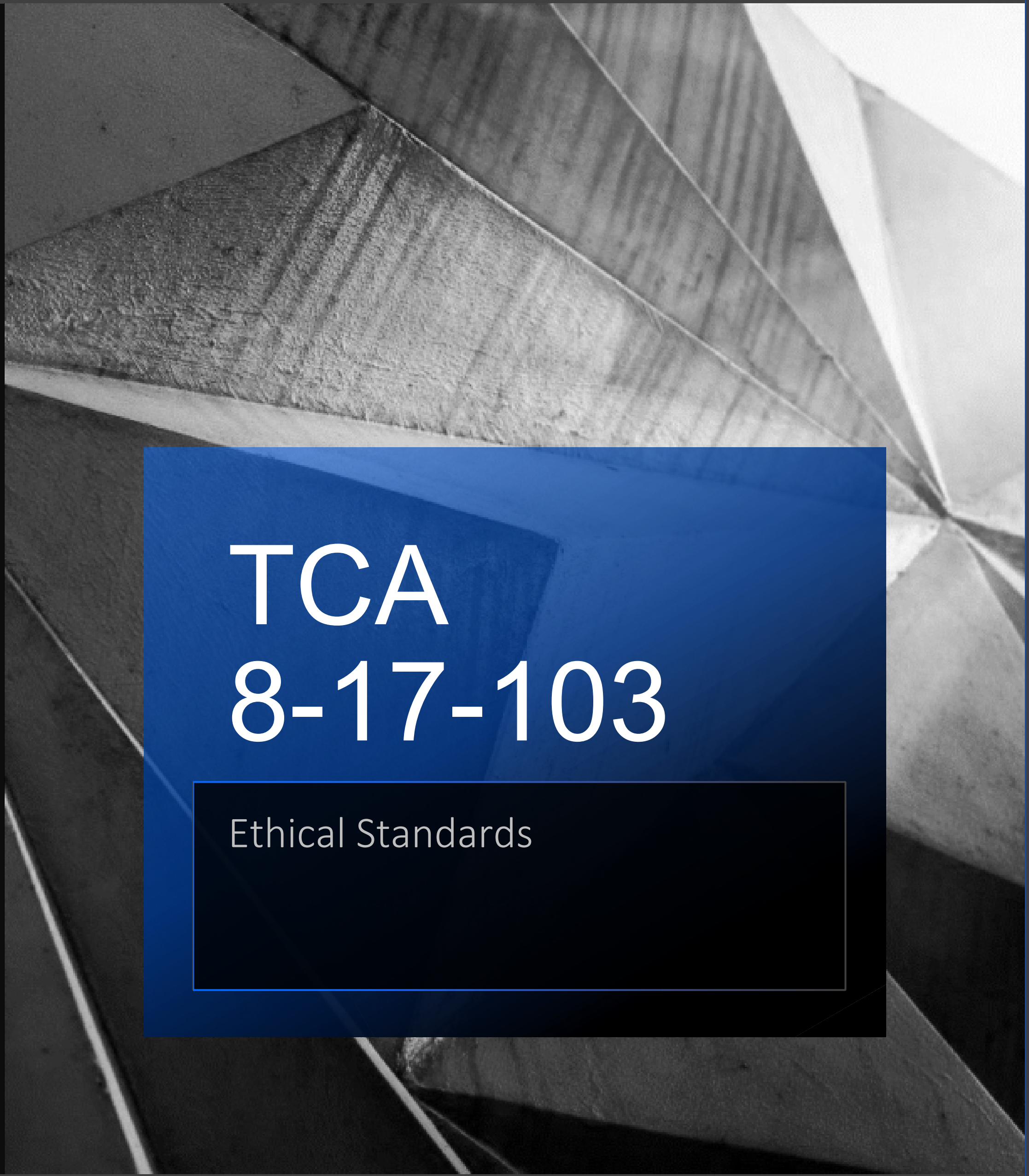
Ethics Ordinance and Ethics Commission

Shauna R. Billingsley

City Attorney

TCA 8-17-103

Ethical Standards



Statute required the City to adopt ethical standards for officials and staff by June 30, 2007

City adopted Ethics Ordinance for officials

City amended the HR manual for employees to add an ethics component

Franklin Municipal Code

Title 1, Chapter 8. Ethics

Ethics Ordinance

- Applies to all full time and part time elected or appointed officials or employees, but if the violation is also a violation of the HR manual (which only applies to employees) then the violation is handled as a violation of the HR manual
- Sets forth rules and regulations relative to personal interest, acceptance of gifts, etc., use of information, municipal time, and municipal facilities for personal gain, and conflicts of interest
- Designates the City Attorney as the ethics officers
- Requires the creation of an ethics commission
- Prior Ethics Commission has not met in years and a new commission needs to be appointed

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-03792

DATE: November 2, 2022

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, Asst. City Administrator Community Development
Anna Ruth Kimbrough

SUBJECT:

Presentation On An Update For The Schematic Design of the New City Hall
WS 9/27/22

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Schematic Design for the New City Hall.

BACKGROUND/STAFF COMMENTS:

On October 27, 2020, the City and the Consultant entered into a Professional Services Agreement to design the new City Hall. The adopted master plan identified programmed space needs for a 115,000 SF building with a subgrade parking level with approximately 200 spaces.

On April 13, 2022, BOMA approved the decision to advance the Project to a new phase, Phase II - Schematic Design. Construction estimates from rising construction costs resulted in the direction for a smaller building and a full subgrade garage, which was based on the available funding from the Capital Investment Model at the time. The consultant team then worked, department by department, in a reprograming exercise to identify efficiencies and reductions while addressing operational needs and future growth.

On September 27, 2022, the results of reprogramming and test fit studies were presented to the BOMA, indicating the need for a slightly larger building for City Hall functions than provided by that based solely on the previous financial model. An updated financial model has also been presented to the BOMA with funding options to cover the revised building size.

At the October 25 BOMA Work Session, the BOMA provided direction to continue to pursue a project of a size based on the results of reprogramming and test fit studies, while exploring options to explore a small retail leasable space component while continuing to explore building efficiencies.

This Work Session presentation will provide an update of next steps, which includes bringing forth a modified PSA to reflect the BOMA feedback.

FINANCIAL IMPACT:

A Professional Services Agreement Amendment will be brought forward for BOMA consideration at a later meeting date.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen acknowledge the City Hall Presentation.

City of Franklin, Tennessee

Presentation On An Update For The Schematic Design of the New City Hall

November 22, 2022
Board of Mayor & Alderman

Outline

- Financial Scenarios

- Base Scenario (Scenario 1: Partial Building/Full Garage) and
- Limited Retail (Scenario 5): Partial Building/ Full Garage / Limited Retail

- Recommendation

- Next Steps & Look Ahead

Financial Scenarios

Financial Scenarios

- Based upon feedback from the last BOMA Work Session on this topic, staff has prepared two scenarios for further review:

1) Scenario 1 – 91,250 sq. ft. Municipal Office Building; and

2) Scenario 5 – 95,750 sq. ft. (91,750 sq. ft. Municipal Office Building with 4,500 sq. ft. of leasable retail space)

Financial Scenarios

- Overall Assumptions:

- Assigned a Risk Factor Guide from Low to High gauging the financial and legal risk to the City of each option
- All bonds issued for 20 years with level annual payments
- Minimum City Hall building assumed is 91,250 sq. ft.
- Construction costs for all municipal building scenarios are standardized at the same amount - $921/sq. ft. all-in cost.
- Construction costs on the retail spaces assumed at $607/sq. ft. with the understanding tenant would be responsible for build out.
- Does assume full garage on all scenarios
- On mixed use development scenario, takes same assumptions as developed by the Gibbs Planning Group and presented on July 13 to the Board of Mayor and Aldermen

Scenario 1: Partial Building/Full Garage

- Smaller building than the Master Plan
- 91,250 square feet
- Meets current and future staffing projections
- Total Construction Cost est. at $84 million, total cost with financing charges is $101 million
- $15 million in cash / $69 million debt
- Annual debt service just over $5 million
- Tax-Exempt bonds issued for 20 years
- Level annual payments

Risk Assessment: Low

Building Summary		
Assumed Square Footage		91,250
Purpose:		Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,113

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- No increase in taxes necessary	

Scenario 5: Partial Building/Full Garage AND Limited Retail Spaces

- Municipal Building Scenario same as Scenario 1
- All Bonds issued tax-exempt for 20 years @ 4.5%
- Includes under 5% of total square footage for for-profit purposes – thus 4,500 sq. ft. of retail
- Completely controlled and operated by City of Franklin
- Subsidy over 20 years forecast at just over $1.1 million, resulting in a payback of 25 years. Staff recommends using additional cash to cover small amount of additional subsidy.

Building Summary	
Assumed Square Footage	95,750
Purpose:	Municipal Office/ Private Retail

Financing Summary

Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,113

Retail Use		
Assumed Square Footage		4,500
Controlling Agency		City of Franklin
Funding Stream		Rents/ City Subsidy
Total Cost	$	2,731,500
Cash	$	2,731,500
Debt	$	-
Principal	$	-
Interest Rate [7]		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per Sq. Ft. Const	$	607
Cost per Sq. Ft. Fin.	$	607

Risk Assessment: Moderate

General Fund Cash Position

New City Hall - Financial & Risk Capacity Scenarios

Available Cash				
A	Planned CIP Usage - 1/2022* *(incl' $6.5 M for City Hall)*		$	16,866,103
B	General Fund Fund Balance	6/30/2021	$	65,481,510
C	Unofficial audited Surplus/ (Deficit)	6/30/2022	$	8,951,696
D (B+C)	Total Est. Fund Balance (GF)	6/30/2022	$	74,433,206
E	Total GF Expenditures	FY 2023	$	94,896,513
F (B/E)	Total Est. Fund Balance as % of GF Exp.			78.4%
G	Minimum Fund Balance Reserve	33%	$	31,632,171
H	Supplemental Reserve	33%-45%	$	11,071,260
I (D-G-H)	Available for Capital Projects	Above 45%	$	31,729,775
J (G+H+I)	Total GF Fund Balance	6/30/2022	$	74,433,206
K (I-A)	**Available Cash for CIP Above Planned Use**		**$**	**14,863,672**
	Growth since August 23rd		**$**	**1,451,696**

Use of Cash - New City Hall project

	Allocated for City Hall		Unallocated Cash Balance Left	
Feb-22	$	6,500,000	$	14,863,672
Aug-22	$	15,000,000	$	6,363,672
Nov-22	$	17,731,500	$	3,632,172

Financial Summary

	Square Footage	Cash	Debt	Cost of Building
Scenario 1	91,250	$ 15,000,000	$ 69,000,000	$ 84,000,000
Scenario 5	95,750	$ 17,731,500	$ 69,000,000	$ 86,731,500

- City unofficially closed June 30, 2022 with additional nearly $9 million surplus (last estimate in August presented to Board of Mayor and Alderman was $7.5 million)
- Current balance of General Fund Capital Reserve (above 45%) is $31.7 million – of which over $3.6 million would still be left if the Board pursues Scenario 5 and funds the rest of the projects in the approved Capital Investment Plan.

Recommendation

Recommendation

- Advance Schematic Design for a new City Hall with a range of square footage between 91,250 sq. ft. and 95,750 sq. ft.
- Meets current and future staffing/operational needs.
- Builds foundation for additional space and allows for future flexibility.
- Debt issued as per City practice in level payments for 20 years.
- Positive returns from FY 2022 allow for either scenario to fit within City's existing financial capacity without a tax increase and protects CIP capacity.

Next Steps & Looking Ahead

Next Steps

December 2022

Explore Options for Commercial Space

- Reengage the Economic Consultant (Bob Gibbs)
  - Recommendations for highest and best use for the space
  - Recommendations for ideal location/function within the block
- Historic Zoning Commissions DRC Meeting
  - Update on the results of the Reprogramming
  - Gather input on exterior massing / design expectations, etc. for City Hall; including the Commercial space

Begin Schematic Design layouts and overall design for the project

Looking Ahead

January 2023 - February 2023

Return to BOMA with the following:

- Feedback from the Economic Consultant and DRC on the Commercial Space
- A Revised PSA for the amended scope of the project and range of ~91,250 – 95,750 sq. ft.

January 2023 - April 2023

25% - 50% Schematic Design

- Jan 2023: DRC Meeting to Review 25% Schematic Design Progress
- Feb 2023: DRC Meeting to Review 50% Schematic Design Progress
- Feb 2023: FMPC / BOMA Joint Conceptual Workshop to Review 50% Schematic Design Progress

Looking Further Ahead

April 2023 – October 2023

75% - 100% Schematic Design

- May 2023: DRC Meeting to Review 75% Schematic Design
- June 2023: BOMA Work Session to Review 75% Schematic Design
- July 2023: DRC Meeting to Review 100% Schematic Design
- September 2023: BOMA Work Session to Review 100% Schematic Design and Phase 3 PSA
- October 2023: BOMA Meeting to Approve 100% Schematic Design and Phase 3 PSA

Questions

City Hall Redevelopment Project Update & Scenarios

October 25, 2022
Board of Mayor & Alderman

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Outline

- Legal Follow-Ups
- Financial Scenarios
  - Review of Square Footage Costs
  - Scenario 1: Partial Building/Full Garage
  - Scenario 2: Full Master Plan Build-Out
  - Scenario 3a: Partial Building/Full Garage & Mixed Use Office & Retail Building
  - Scenario 4: Partial Building/Full Garage/Retail Space
  - Scenario 5: Partial Building/Full Garage/Limited Retail
  - Sales Tax Generation
- Recommendation
- Next Steps & Questions

City of Franklin, Tennessee

City Hall

Legal Follow-Ups

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Legal Follow-Ups

- Bonds in the State of Tennessee can be issued for 40 years maximum.
- Limited use of IDB in the past. Primary and largest use was the agreement for the Tax Increment Financing District for Nissan approximately 20 years ago.
- Other Boards – namely the Franklin Public Building Authority (PBA) was used to build the Police Station and the Franklin Health and Education Board has served as a conduit for private ventures but not connected to the City of Franklin. The City has also used one other PBA (Lawrenceburg) to issue debt in decades past.

Financial Scenarios

City of Franklin, Tennessee
City Hall

Financial Scenarios

- Staff prepared five scenarios to cover options presented over the last few years of discussions

- Scenarios include:

- Scenario 1: Cost of Partial Building/Full Garage

- Scenario 2: Cost of Full Master Plan

- Scenario 3: Cost of Partial Building/Full Garage + Mixed-Use Office/Retail Building

- Scenario 4: Partial Building/Full Garage/Retail Space

- Scenario 5: Partial Building/Full Garage/Limited Retail

- We also have provided square footage cost breakdowns and estimates for local option sales tax generation

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City of Franklin, Tennessee

City Hall

Financial Scenarios

- Square Footage Cost Breakdowns by Scenario

	Summary	Scenario 1 91,250 sf		Scenario 2 115,700 sf		Scenario 3a - Retail/Office Only 38,000 sf		Scenario 3a combined 129,250 sf		Scenario 4 - Retail Only 24,450 sf		Scenario 4 combined 115,700 sf		Scenario 5 95,750 sf		Average
H	Hard Costs	$ 56,700,000	67.5%	$ 73,500,000	69.1%	$ 16,500,000	71.6%	$ 73,200,000	68.4%	$ 11,186,974	72.6%	$ 67,882,658	68.3%	$ 59,219,453	67.2%	**69.2%**
S	Soft Costs	$ 5,500,000	6.5%	$ 6,600,000	6.2%	$ 1,390,000	6.0%	$ 6,890,000	6.4%	$ 894,355	5.8%	$ 6,394,355	6.4%	$ 5,871,233	6.7%	**6.3%**
D	Design	$ 8,000,000	9.5%	$ 9,200,000	8.6%	$ 2,030,000	8.8%	$ 10,030,000	9.4%	$ 1,306,145	8.5%	$ 9,306,145	9.4%	$ 8,494,521	9.6%	**9.1%**
C	Contingencies	$ 11,300,000	13.5%	$ 14,600,000	13.7%	$ 3,140,000	13.6%	$ 14,440,000	13.5%	$ 2,020,342	13.1%	$ 13,320,342	13.4%	$ 12,057,260	13.7%	**13.5%**
R	Relocation	$ 2,500,000	3.0%	$ 2,500,000	2.3%	$ -	0.0%	$ 2,500,000	2.3%	$ -	0.0%	$ 2,500,000	2.5%	$ 2,500,000	2.8%	**1.9%**
	Overall Cost	**$ 84,000,000**	**100.0%**	**$ 106,400,000**	**100.0%**	**$ 23,060,000**	**100.0%**	**$ 107,060,000**	**100.0%**	**$ 15,407,816**	**100.0%**	**$ 99,403,500**	**100.0%**	**$ 88,142,466**	**100.0%**	100.0%

- Average breakdowns of cost categories show that nearly 70% of cost estimates are related directly to hard costs of construction, 9% to design, 2% to temporary relocation costs, 6% to outfitting (soft costs) and 13% for inflation and construction contingencies.

HISTORIC FRANKLIN TENNESSEE 1799

City of Franklin, Tennessee

City Hall

Financial Scenarios
- Square Footage Cost Breakdowns by Scenario

		Scenario 1 91,250 sf		Scenario 2 115,700 sf		Scenario 3a - Retail/Office Only 38,000 sf		Scenario 3a combined 129,250 sf		Scenario 4 - Retail Only 24,450 sf		Scenario 4 combined 115,700 sf		Scenario 5 95,750 sf	
	New City Hall Cost Estimates														
	Item	**Test Fits**		**Full Master Plan**		**Retail/Office**		**City Hall - Scenario 1 + Retail / Office**		**Retail Only**		**City Hall - Scenario 1 + Retail**		**TEST FIT 95,750sf + Terrace**	
H	Demolition	$ 500,000	$ 5.48	$ 500,000	$ 4.32		$ -	$ 500,000	$ 3.87		$ -	$ 500,000	$ 4.32	$ 500,000	$ 5.22
H	Excavation and Site	$ 7,100,000	$ 77.81	$ 7,100,000	$ 61.37		$ -	$ 7,100,000	$ 54.93		$ -	$ 7,100,000	$ 61.37	$ 7,100,000	$ 74.15
H	Building	$ 40,200,000	$ 440.55	$ 48,500,000	$ 419.19	$ 14,900,000	$ 392.11	$ 55,100,000	$ 426.31	$ 9,586,974	$ 392.11	$ 49,782,658	$ 430.27	$ 42,719,453	$ 446.16
H	Garage	$ 8,900,000	$ 97.53	$ 8,500,000	$ 73.47		$ -	$ 8,900,000	$ 68.86		$ -	$ 8,900,000	$ 76.92	$ 8,900,000	$ 92.95
H	Streetscape		$ -	$ 5,500,000	$ 47.54		$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
H	Urban Parks		$ -	$ 1,600,000	$ 13.83	$ 1,600,000	$ 42.11	$ 1,600,000	$ 12.38	$ 1,600,000	$ 65.44	$ 1,600,000	$ 13.83	$ -	$ -
H	Green Roof		$ -	$ 1,800,000	$ 15.56		$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -
S	Soft Costs (FFE, Tech, etc.)	$ 5,500,000	$ 60.27	$ 6,600,000	$ 57.04	$ 1,390,000	$ 36.58	$ 6,890,000	$ 53.31	$ 894,355	$ 36.58	$ 6,394,355	$ 55.27	$ 5,871,233	$ 61.32
D	Design Fees	$ 8,000,000	$ 87.67	$ 9,200,000	$ 79.52	$ 2,030,000	$ 53.42	$ 10,030,000	$ 77.60	$ 1,306,145	$ 53.42	$ 9,306,145	$ 80.43	$ 8,494,521	$ 88.72
C	Construction Contingency	$ 3,100,000	$ 33.97	$ 4,000,000	$ 34.57	$ 870,000	$ 22.89	$ 3,970,000	$ 30.72	$ 559,776	$ 22.89	$ 3,659,776	$ 31.63	$ 3,352,877	$ 35.02
C	Inflation Contingency	$ 8,200,000	$ 89.86	$ 10,600,000	$ 91.62	$ 2,270,000	$ 59.74	$ 10,470,000	$ 81.01	$ 1,460,566	$ 59.74	$ 9,660,566	$ 83.50	$ 8,704,384	$ 90.91
R	Temporary Relocation**	$ 2,500,000	$ 27.40	$ 2,500,000	$ 21.61		$ -	$ 2,500,000	$ 19.34		$ -	$ 2,500,000	$ 21.61	$ 2,500,000	$ 26.11
	Overall Project Cost	**$ 84,000,000**	**$ 920.55**	**$ 106,400,000**	**$ 919.62**	**$ 23,060,000**	**$ 606.84**	**$ 107,060,000**	**$ 828.32**	**$ 15,407,816**	**$ 630.18**	**$ 99,403,500**	**$ 859.15**	**$ 88,142,466**	**$ 920.55**

City of Franklin, Tennessee
City Hall

Financial Scenarios

- Overall Assumptions:

- Assigned a Risk Factor Guide from Low to High gauging the financial and legal risk to the City of each option
- All bonds issued for 30 years with level annual payments
- Minimum City Hall building assumed is 91,250 sq. ft.
- Construction costs for all municipal building scenarios are standardized at the same amount - $921/sq. ft. all-in cost.
- Does assume full garage on all scenarios
- On mixed use development scenario, takes same assumptions as developed by the Gibbs Planning Group and presented on July 13 to the Board of Mayor and Aldermen

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
City Hall

Scenario 1: Partial Building/Full Garage

- Smaller building than the Master Plan
- 91,250 square feet
- Meets 2040 service needs
- Total Construction Cost est. at $84 million, total cost with financing charges is $117 million
- $15 million in cash / $69 million debt
- Annual debt service just over $3.9 million
- Tax-Exempt bonds issued for 30 years
- Level annual payments

Risk Assessment: Low

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 1		
Overall Cost Increase - 30 year vs. 20 year (additional interest)	$	15,525,000
Annual Savings - 30 year vs. 20 year (lower level payments)	$	1,175,875

Building Summary	
Assumed Square Footage	91,250
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,284

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- No increase in taxes necessary	

City of Franklin, Tennessee
City Hall

Scenario 2: Full Master Plan Build-Out

- Full construction of Master Plan
- 115,700 square feet
- Meets 2040 service needs
- Total Construction Cost est. at $106.6 million, total cost with financing charges is nearly $155 million
- $15 million in cash / $91.6 million debt
- Annual debt service just under $5.2 million
- Tax-Exempt bonds issued for 30 years
- Level annual payments
- Requires additional revenue to service debt (1.8 additional cents of Property Tax)

Risk Assessment: Low

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 2		
Overall Cost Increase - 30 year vs. 20 year (additional interest)	$	20,610,000
Annual Savings - 30 year vs. 20 year (lower level payments)	$	1,561,017

Building Summary	
Assumed Square Footage	115,700
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	106,600,000
Cash	$	15,000,000
Debt	$	91,600,000
Principal	$	91,600,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30

Revenue Requirements		
Additional Revenue Req'	$	38,363,500
Annual Revenue Req'	$	1,278,783
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0180
Cost per sq. Ft. Const.	$	921
Cost per Sq. Ft. Fin.	$	1,344

Risk Assessment	
Risk	Low

Reasons:
- Tax Exempt
- 100% City-controlled
- Increase in taxes necessary - 1+ Cents

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Scenario 3a: Partial Building/Full Garage AND Mixed-Use Office/Retail Building

- Most complicated scenario
- 129,250 square feet

Municipal Office Building (shown at right)

- Same as Scenario 1
- 91,250 square feet
- Meets 2040 service needs
- Total Construction Cost est. at $84 million,
- $15 million in cash / $69 million debt
- Annual debt service just over $3.9 million
- Tax-Exempt bonds issued for 30 years
- Level annual payments
- Controlled by City of Franklin

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
City Hall

Scenario 3a: Partial Building/Full Garage AND Mixed-Use Office/Retail Building

Mixed Use Office/Retail (shown at right)

- 39,000 square feet (36,100 leasable)
- Total Construction Cost est. at $23.0 million (tot. financing cost $45.1 million)
- Cost mostly offset through rents and taxes ($39.2 million in rents and taxes earned over 30 years)
- Taxable Bonds req'd for issue (@ 6.17%)
- Subsidy required to cover annual shortfall in debt payments (ranging from $15K-1.5M/yr.)
- Controlled by Franklin IDB

Private Office/Retail Building		
Assumed Square Footage		38,000
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	23,060,000
Cash	$	-
Debt	$	23,060,000
Principal	$	23,060,000
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		30
Cost per Sq. Ft. Const	$	607
Cost per Sq. Ft. Fin.	$	1,187

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Scenario 3a: Partial Building/Full Garage AND Mixed-Use Office/Retail Building

- Assumptions on rental earnings, leasable space and operational costs have been taken directly from the report presented by the Gibbs Planning Group to the BOMA on July 13, 2022.
- Assumptions on financing structure and legal obligations have come from City Staff and our financial advisors and bond counsel
- For-profit use cannot be owned by the City of Franklin, but City would be logical choice to cover shortfall between annual debt service and rents received.
- Subsidy over 18 years forecast at over $8.1 million, resulting in a payback of 33 years

Risk Assessment: Moderate-High

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 3		
Overall Cost Increase - 30 year vs. 20 year (additional interest)	$	3,129,184
Annual Savings - 30 year vs. 20 year (lower level payments)	$	1,572,550

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Overall Financials		
Total Construction Cost	$	107,060,000
Total Overall Cost (30 yrs.)	$	162,223,060
Less Net Office Rents	$	(39,276,297)
Net Overall Cost (30 yrs.)	$	122,946,762
Composite Cost/Sq. Ft.	$	828
Composite Cost/Sq. Ft.	$	1,255

Revenue Requirements		
Additional Revenue Req'	$	5,819,262
Annual Revenue Req'	$	193,975
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0027

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- Governmental Pledge required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Small annual increase in taxes necessary
- 33 years to payback

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Scenario 4: Partial Building/Full Garage AND Retail Building

- Second most complicated scenario
- 115,700 square feet

Municipal Office Building (shown at right)

- Same as Scenario 1
- 91,250 square feet
- Meets 2040 service needs
- Total Construction Cost est. at $84 million,
- $15 million in cash / $69 million debt
- Annual debt service just over $3.9 million
- Tax-Exempt bonds issued for 30 years
- Level annual payments
- Controlled by City of Franklin

Building Summary		
Assumed Square Footage		115,700
Purpose:		Municipal Office/ Private Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284

Scenario 4: Partial Building/Full Garage AND Retail Building

Mixed Use Office/Retail (shown at right)

- 24,450 square feet
- Total Construction Cost est. at $15.4 million (tot. financing cost $30.1 million)
- Cost partially offset through rents and taxes ($15.6 million in rents and taxes earned over 30 years)
- Taxable Bonds req'd for issue (@ 6.17%)
- Subsidy required to cover annual shortfall in debt payments (ranging from $246K-1.05M/yr.)
- Controlled by Franklin IDB

Private Office/Retail Building		
Assumed Square Footage		24,450
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	15,403,500
Cash	$	-
Debt	$	15,403,500
Principal	$	15,403,500
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		30
Cost per Sq. Ft. Const	$	630
Cost per Sq. Ft. Fin.	$	1,232

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Scenario 4: Partial Building/Full Garage AND Mixed-Use Office/Retail Building

- Assumptions on rental earnings, leasable space and operational costs have been taken directly from the report presented by the Gibbs Planning Group to the BOMA on July 13, 2022.
- Assumptions on financing structure and legal obligations have come from City Staff and our financial advisors and bond counsel
- For-profit use cannot be owned by the City of Franklin, but City would be logical choice to cover shortfall between annual debt service and rents received.
- Subsidy over 30 years forecast at over $14.5 million, resulting in a payback of 47 years

Risk Assessment: Moderate-High

Building Summary	
Assumed Square Footage	115,700
Purpose:	Municipal Office / Private Retail

Overall Financials		
Total Construction Cost	$	99,403,500
Total Overall Cost (30 yrs.)	$	147,250,200
Less Net Office Rents	$	(15,598,549)
Net Overall Cost (30 yrs.)	$	131,651,651
Composite Cost/Sq. Ft.	$	859
Composite Cost/Sq. Ft.	$	1,273

Revenue Requirements		
Additional Revenue Req'	$	14,524,151
Annual Revenue Req'	$	484,138
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0068

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- Governmental Pledge required to backup
- Rents alone cannot pay for full debt service
- Additional Rev. Necessary to offset subsidy
- Increase in taxes necessary - 1 Cent
- 46 years to payback

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Scenario 5: Partial Building/Full Garage AND Limited Retail Building

- Municipal Building Scenario same as Scenario 1
- All Bonds issued tax-exempt for 30 years @ 4.5%
- Includes under 5% of total square footage for for-profit purposes – thus 4,500 sq. ft. of retail
- Completely controlled and operated by City of Franklin
- Subsidy over 30 years forecast at over $2 million, resulting in a payback of 38 years

Risk Assessment: Moderate

Building Summary	
Assumed Square Footage	95,750
Purpose:	Municipal Office/ Private Retail

Overall Financials		
Total Construction Cost	$	88,142,466
Total Overall Cost (30 yrs.)	$	124,159,336
Less Net Rents	$	(5,031,546)
Net Overall Cost (30 yrs.)	$	119,127,790
Composite Cost/Sq. Ft.	$	921
Composite Cost/Sq. Ft.	$	1,284

Revenue Requirements		
Additional Revenue Req'	**$**	**2,000,290**
Annual Revenue Req'	**$**	**66,676**
Value of One Cent (2022)	**$**	**711,438**
Increase in Property Tax	**$**	**0.0009**

Risk Assessment	
Risk	Moderate
Reasons:	

- Dependent upon Retail Rental Market
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Small Increase in taxes necessary
- 38 years to payback

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Financial Scenarios

- Local Option Sales Tax Generation of Retail

Only a portion of the total Sales Tax collected at the register on a sale in Tennessee actually comes back to the City of Franklin. The current sales tax rate of 9.75% for all purchases at the register is broken out as follows:

A	7.00%	State of Tennessee Sales Tax
B	1.375%	Local Option Sales Tax (Public Schools)
C	1.375%	Local Option Sales Tax (City of Franklin)
D (A+B+C)	**9.75%**	**Total Sales Tax Collected on Sales**

To estimate the amount generate by sq. ft., staff took the total collected under Line C above by the City in FY 2022 and divided by total retail in the City.

E	$	57,745,532	Unaudited FY 2022 LOST Collections (City of Franklin)
F		7,500,000	Estimated Total Retail Square Footage, City of Franklin (2022)
G (E/F)	**$**	**7.70**	**Estimated Local Sales Tax Generated by Sq. Ft., City of Franklin - 2022**

Financial Scenarios

- Local Option Sales Tax Generation of Retail

This number has to be reduced, however, because it is inclusive of both online and brick and mortar sales:

G	$	7.70	Estimated Local Sales Tax Generated by Sq. Ft., City of Franklin - 2022
H		14.5%	Percent Attributable to E-commerce (Online) Sales
I (G x (1-H))	**$**	**6.58**	**Average Local Sales Tax Generated/Square Foot at Brick and Mortar Sites**

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City of Franklin, Tennessee
City Hall

Financial Scenarios
- Local Option Sales Tax Generation of Retail

The tables below shows the relative level of sales tax generated from three sizes of retail development:

Scenario 3a - Retail portion of 38,000 sq. ft. Retail/Office proposal			
L		17,100	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
M (L x I)	**$**	**112,569**	Total Annual Sales Tax Generated for Franklin

Scenario 4 - Retail of 24,450 which fills out massing of Full Master Plan			
N		24,450	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
O (N x I)	**$**	**160,954**	Total Annual Sales Tax Generated for Franklin

Scenario 5 - Up to 5% Retail funded through tax-exempt bonds (4500 sq. ft. retail only)			
J		4,500	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
K (J x I)	**$**	**29,623**	Total Annual Sales Tax Generated for Franklin

City of Franklin, Tennessee
City Hall

HISTORIC FRANKLIN TENNESSEE

Summary: Financial Scenarios

- Annual costs reduced significantly when extending issuance term from 20 to 30 years, thus also reducing amount of additional revenue & subsidy necessary:

	Cost of Building	Net Overall Cost	Additional Annual Revenue Needed		
		(with rents/taxes)	Total	Annually	Property Tax Cents
Scenario 1	$ 84,000,000	$ 117,127,500	$ -	$ -	**0.00**
Scenario 2	$ 106,600,000	$ 155,491,000	$ 38,363,500	$ 1,278,783	**1.80**
Scenario 3	$ 107,060,000	$ 122,946,762	$ 5,819,262	$ 193,975	**0.27**
Scenario 4	$ 99,403,500	$ 131,651,651	$ 14,524,151	$ 484,138	**0.68**
Scenario 5	$ 88,142,466	$ 119,127,790	$ 2,000,290	$ 66,676	**0.09**

- However total project costs increase significantly due to added interest costs servicing debt over an additional 10 years:

	A	B	C	D	E	F (E-C)
	Cost of Building	20 Yr Gross Cost	20 Year Net Cost	30 Yr Gross Cost	30 Yr Net Cost	Add'l Total Revenue Needed (20 yr. vs. 30 yr.)
			(with rents)		*(with rents/taxes)*	Total
Scenario 1	$ 84,000,000	$ 101,602,500	$ 101,602,500	$ 117,127,500	$ 117,127,500	$ 15,525,000
Scenario 2	$ 106,600,000	$ 134,881,000	$ 134,881,000	$ 155,491,000	$ 155,491,000	$ 20,610,000
Scenario 3	$ 107,060,000	$ 139,599,698	$ 119,817,578	$ 162,223,060	$ 122,946,762	$ 3,129,184
Scenario 4*	$ 99,403,500	$ 101,602,500	$ 101,602,500	$ 147,250,200	$ 131,651,651	$ 30,049,151
Scenario 5*	$ 88,142,466	$ 101,602,500	$ 101,602,500	$ 124,159,336	$ 119,127,790	$ 17,525,290

Recommendation

- Scenario 1 - "A Master Plan with a budget" (91,250 sq. ft.)
- Meets current and future staffing projections
- Builds foundation for additional space and allows for future flexibility
- Fits within City's existing financial capacity without a tax increase
- The Scenario 1 building program and 20-year financing preserves capacity to meet future capital and operational needs in the community

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Next Steps & Questions

New City Hall - Financial & Risk Capacity Scenarios

Tuesday, October 11, 2022

Summary

This workbook follows up from questions asked during the August 23rd BOMA Work Session regarding potential scenarios for a new City Hall. There are seven attachments in this workbook:

- Detailed Breakout of Square Footage Costs for each Scenario
- Scenario 1: Cost of Partial Building/Full Garage *(revised for 30 year bond issuance instead of 20)*
- Scenario 2: Cost of Full Master Plan *(revised for 30 year bond issuance instead of 20)*
- Scenario 3a: Cost of Partial Building/Full Garage + Mixed-Use Office/Retail Building *(revised for 30 year bond issuance instead of 20)*
- Scenario 4: Cost of Partial Building/Full Garage + Retail Building (same size as the Full Master Plan in Scenario 2)
- Scenario 5: Cost of Partial Building/Full Garage + 4,500 sq.ft. of Retail space all issued under tax-exempt bonds
- Sales Tax Generation potential for Retail Space

Major assumptions used include:

- All bonds issued for 30 years with level annual payments
- Minimum City Hall building assumed is 91,250 sq. ft.
- Construction costs for all municipal building scenarios are standardized at the same amount - $921/sq. ft. all-in cost.
- Does assume full garage on all scenarios
- On mixed use development scenario, takes same assumptions as developed by the Gibbs Planning Group and presented on July 13 to the Board of Mayor and Aldermen

These worksheets also assign a risk factor from Low to High for the City of Franklin. That risk factor is a calculated assessment of both the financial and legal risks to the City of each scenario.

A financial summary of each scenario is shown below. The "Additional Revenue Needed" shown below is the amount of money the City would need to raise in total and annually to afford scenarios 2 and 3.

	Size of Building	Cost of Building	Net Overall Cost	Cost per Sq. Ft		Risk Factor	Additional Annual Revenue Needed			Additional Total Revenue Needed (20 yr. vs. 30 yr.)
				Construction	Overall		Total	Annually	Property Tax Cents	Total
Scenario 1	91,250	$ 84,000,000	$ 117,127,500	$ 921	$ 1,284	Low	$ -	$ -	**0.00**	$ 15,525,000
Scenario 2	115,700	$ 106,600,000	$ 155,491,000	$ 921	$ 1,344	Low	$ 38,363,500	$ 1,278,783	**1.80**	$ 20,610,000
Scenario 3	130,250	$ 107,060,000	$ 122,946,762	$ 828	$ 1,255	Moderate-High	$ 5,819,262	$ 193,975	**0.27**	$ 3,129,184
Scenario 4	115,700	$ 99,403,500	$ 131,651,651	$ 859	$ 1,273	Moderate-High	$ 14,524,151	$ 484,138	**0.68**	$ 30,049,151
Scenario 5	95,750	$ 88,142,466	$ 119,127,790	$ 921	$ 1,284	Moderate	$ 2,000,290	$ 66,676	**0.09**	$ 17,525,290

New City Hall - Financial & Risk Capacity Scenarios

Square Footage Cost Breakouts

Summary: The tables below show itemized cost breakdowns for each of 5 separate scenarios for the new City Hall. Costs are broken out into five major categories - Hard Costs, Soft Costs, Design Costs, Contingencies and Relocation Costs. Within each category there are further breakdowns into components of the Hard Costs - from demolition costs to excavation to the actual building to the garage to add-ons. The difference between scenarios are reflective of economies of scale dependent upon the size of the respective building.

		Scenario 1 91,250 sf		Scenario 2 115,700 sf		Scenario 3a - Retail/Office Only 38,000 sf		Scenario 3a combined 129,250 sf		Scenario 4 - Retail Only 24,450 sf		Scenario 4 combined 115,700 sf		Scenario 5 95,750 sf	
	New City Hall Cost Estimates														
	Item	**Test Fits**		**Full Master Plan**		**Retail/Office**		**City Hall - Scenario 1 + Retail / Office**		**Retail Only**		**City Hall - Scenario 1 + Retail**		**TEST FIT 95,750sf + Terrace**	
H	Demolition	$ 500,000	*$ 5.48*	$ 500,000	*$ 4.32*		*$ -*	$ 500,000	*$ 3.87*		*$ -*	$ 500,000	*$ 4.32*	$ 500,000	*$ 5.22*
H	Excavation and Site	$ 7,100,000	*$ 77.81*	$ 7,100,000	*$ 61.37*		*$ -*	$ 7,100,000	*$ 54.93*		*$ -*	$ 7,100,000	*$ 61.37*	$ 7,100,000	*$ 74.15*
H	Building	$ 40,200,000	*$ 440.55*	$ 48,500,000	*$ 419.19*	$ 14,900,000	*$ 392.11*	$ 55,100,000	*$ 426.31*	$ 9,586,974	*$ 392.11*	$ 49,782,658	*$ 430.27*	$ 42,719,453	*$ 446.16*
H	Garage	$ 8,900,000	*$ 97.53*	$ 8,500,000	*$ 73.47*		*$ -*	$ 8,900,000	*$ 68.86*		*$ -*	$ 8,900,000	*$ 76.92*	$ 8,900,000	*$ 92.95*
H	Streetscape		*$ -*	$ 5,500,000	*$ 47.54*		*$ -*	$ -	*$ -*		*$ -*	$ -	*$ -*	$ -	*$ -*
H	Urban Parks		*$ -*	$ 1,600,000	*$ 13.83*	$ 1,600,000	*$ 42.11*	$ 1,600,000	*$ 12.38*	$ 1,600,000	*$ 65.44*	$ 1,600,000	*$ 13.83*	$ -	*$ -*
H	Green Roof		*$ -*	$ 1,800,000	*$ 15.56*		*$ -*	$ -	*$ -*		*$ -*	$ -	*$ -*	$ -	*$ -*
S	Soft Costs (FFE, Tech, etc.)	$ 5,500,000	*$ 60.27*	$ 6,600,000	*$ 57.04*	$ 1,390,000	*$ 36.58*	$ 6,890,000	*$ 53.31*	$ 894,355	*$ 36.58*	$ 6,394,355	*$ 55.27*	$ 5,871,233	*$ 61.32*
D	Design Fees	$ 8,000,000	*$ 87.67*	$ 9,200,000	*$ 79.52*	$ 2,030,000	*$ 53.42*	$ 10,030,000	*$ 77.60*	$ 1,306,145	*$ 53.42*	$ 9,306,145	*$ 80.43*	$ 8,494,521	*$ 88.72*
C	Construction Contingency	$ 3,100,000	*$ 33.97*	$ 4,000,000	*$ 34.57*	$ 870,000	*$ 22.89*	$ 3,970,000	*$ 30.72*	$ 559,776	*$ 22.89*	$ 3,659,776	*$ 31.63*	$ 3,352,877	*$ 35.02*
C	Inflation Contingency	$ 8,200,000	*$ 89.86*	$ 10,600,000	*$ 91.62*	$ 2,270,000	*$ 59.74*	$ 10,470,000	*$ 81.01*	$ 1,460,566	*$ 59.74*	$ 9,660,566	*$ 83.50*	$ 8,704,384	*$ 90.91*
R	Temporary Relocation**	$ 2,500,000	*$ 27.40*	$ 2,500,000	*$ 21.61*		*$ -*	$ 2,500,000	*$ 19.34*		*$ -*	$ 2,500,000	*$ 21.61*	$ 2,500,000	*$ 26.11*
	Overall Project Cost	**$ 84,000,000**	***$ 920.55***	**$ 106,400,000**	***$ 919.62***	**$ 23,060,000**	***$ 606.84***	**$ 107,060,000**	***$ 828.32***	**$ 15,407,816**	***$ 630.18***	**$ 99,403,500**	***$ 859.15***	**$ 88,142,466**	***$ 920.55***

***Allowance. Final amount based on availability.*

The second table below shows the summary of the five major categories by category and how much each category makes up the total. At the far right is the average of each major category.

	Summary	Scenario 1 91,250 sf		Scenario 2 115,700 sf		Scenario 3a - Retail/Office Only 38,000 sf		Scenario 3a combined 129,250 sf		Scenario 4 - Retail Only 24,450 sf		Scenario 4 combined 115,700 sf		Scenario 5 95,750 sf		Average
H	Hard Costs	$ 56,700,000	*67.5%*	$ 73,500,000	*69.1%*	$ 16,500,000	*71.6%*	$ 73,200,000	*68.4%*	$ 11,186,974	*72.6%*	$ 67,882,658	*68.3%*	$ 59,219,453	*67.2%*	**69.2%**
S	Soft Costs	$ 5,500,000	*6.5%*	$ 6,600,000	*6.2%*	$ 1,390,000	*6.0%*	$ 6,890,000	*6.4%*	$ 894,355	*5.8%*	$ 6,394,355	*6.4%*	$ 5,871,233	*6.7%*	**6.3%**
D	Design	$ 8,000,000	*9.5%*	$ 9,200,000	*8.6%*	$ 2,030,000	*8.8%*	$ 10,030,000	*9.4%*	$ 1,306,145	*8.5%*	$ 9,306,145	*9.4%*	$ 8,494,521	*9.6%*	**9.1%**
C	Contingencies	$ 11,300,000	*13.5%*	$ 14,600,000	*13.7%*	$ 3,140,000	*13.6%*	$ 14,440,000	*13.5%*	$ 2,020,342	*13.1%*	$ 13,320,342	*13.4%*	$ 12,057,260	*13.7%*	**13.5%**
R	Relocation	$ 2,500,000	*3.0%*	$ 2,500,000	*2.3%*	$ -	*0.0%*	$ 2,500,000	*2.3%*	$ -	*0.0%*	$ 2,500,000	*2.5%*	$ 2,500,000	*2.8%*	**1.9%**
	Overall Cost	**$ 84,000,000**	***100.0%***	**$ 106,400,000**	***100.0%***	**$ 23,060,000**	***100.0%***	**$ 107,060,000**	***100.0%***	**$ 15,407,816**	***100.0%***	**$ 99,403,500**	***100.0%***	**$ 88,142,466**	***100.0%***	**100.0%**

New City Hall - Financial & Risk Capacity Scenarios | Scenario 1 rev.

Building Summary	
Assumed Square Footage	91,250
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,284

Risk Assessment	
Risk	**Low**
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- No increase in taxes necessary	

City of Franklin Debt Financing				Level Payments		$ 3,904,250
Year	**Principal**	**Interest**	**Total P& I**	**Annual Principal**	**Annual Interest**	**Annual P & I**
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 799,250	$ 3,105,000	$ 3,904,250
2	$ 66,700,000	$ 3,001,500	$ 69,701,500	$ 902,750	$ 3,001,500	$ 3,904,250
3	$ 64,400,000	$ 2,898,000	$ 67,298,000	$ 1,006,250	$ 2,898,000	$ 3,904,250
4	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 1,109,750	$ 2,794,500	$ 3,904,250
5	$ 59,800,000	$ 2,691,000	$ 62,491,000	$ 1,213,250	$ 2,691,000	$ 3,904,250
6	$ 57,500,000	$ 2,587,500	$ 60,087,500	$ 1,316,750	$ 2,587,500	$ 3,904,250
7	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 1,420,250	$ 2,484,000	$ 3,904,250
8	$ 52,900,000	$ 2,380,500	$ 55,280,500	$ 1,523,750	$ 2,380,500	$ 3,904,250
9	$ 50,600,000	$ 2,277,000	$ 52,877,000	$ 1,627,250	$ 2,277,000	$ 3,904,250
10	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 1,730,750	$ 2,173,500	$ 3,904,250
11	$ 46,000,000	$ 2,070,000	$ 48,070,000	$ 1,834,250	$ 2,070,000	$ 3,904,250
12	$ 43,700,000	$ 1,966,500	$ 45,666,500	$ 1,937,750	$ 1,966,500	$ 3,904,250
13	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 2,041,250	$ 1,863,000	$ 3,904,250
14	$ 39,100,000	$ 1,759,500	$ 40,859,500	$ 2,144,750	$ 1,759,500	$ 3,904,250
15	$ 36,800,000	$ 1,656,000	$ 38,456,000	$ 2,248,250	$ 1,656,000	$ 3,904,250
16	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 2,351,750	$ 1,552,500	$ 3,904,250
17	$ 32,200,000	$ 1,449,000	$ 33,649,000	$ 2,455,250	$ 1,449,000	$ 3,904,250
18	$ 29,900,000	$ 1,345,500	$ 31,245,500	$ 2,558,750	$ 1,345,500	$ 3,904,250
19	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 2,662,250	$ 1,242,000	$ 3,904,250
20	$ 25,300,000	$ 1,138,500	$ 26,438,500	$ 2,765,750	$ 1,138,500	$ 3,904,250
21	$ 23,000,000	$ 1,035,000	$ 24,035,000	$ 2,869,250	$ 1,035,000	$ 3,904,250
22	$ 20,700,000	$ 931,500	$ 21,631,500	$ 2,972,750	$ 931,500	$ 3,904,250
23	$ 18,400,000	$ 828,000	$ 19,228,000	$ 3,076,250	$ 828,000	$ 3,904,250
24	$ 16,100,000	$ 724,500	$ 16,824,500	$ 3,179,750	$ 724,500	$ 3,904,250
25	$ 13,800,000	$ 621,000	$ 14,421,000	$ 3,283,250	$ 621,000	$ 3,904,250
26	$ 11,500,000	$ 517,500	$ 12,017,500	$ 3,386,750	$ 517,500	$ 3,904,250
27	$ 9,200,000	$ 414,000	$ 9,614,000	$ 3,490,250	$ 414,000	$ 3,904,250
28	$ 6,900,000	$ 310,500	$ 7,210,500	$ 3,593,750	$ 310,500	$ 3,904,250
29	$ 4,600,000	$ 207,000	$ 4,807,000	$ 3,697,250	$ 207,000	$ 3,904,250
30	$ 2,300,000	$ 103,500	$ 2,403,500	$ 3,800,750	$ 103,500	$ 3,904,250
	$ 69,000,000	$ 48,127,500	$ 117,127,500	$ 69,000,000	$ 48,127,500	$ 117,127,500

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 1	
Overall Cost Increase - 30 year vs. 20 year (additional interest)	$ 15,525,000
Annual Savings - 30 year vs. 20 year (lower level payments)	$ 1,175,875

Synopsis:

Partial Building/Full Garage

Scenario 1 provides for a smaller building than the Master Plan originally proposed but the full underground garage. It is slightly larger than what was proposed earlier in 2022, but remains within the City's available funding capacity without need for additional revenues.

91,250 square feet is proposed to cover all employee and service needs to 2040. Principal and Interest payments are forecast to be level annually and just over $3.9 million when borrowed over a 30-year term. Interest rates are forecast to be 4.5% - but this will change (as will the cost) when bonds are issued for this project in several years. For now, we are assuming that this would occur today and given recent increases in the Federal Funds rate to fight inflation, 4.5% is a realistic rate even for a AAA credit such as Franklin.

This scenario poses a low risk financially and legally for the City of Franklin.

New City Hall - Financial & Risk Capacity Scenarios

Scenario 2 rev.

Building Summary	
Assumed Square Footage	115,700
Purpose:	Municipal Office

Financing Summary	
Municipal Purpose Building	
Controlling Agency	City of Franklin
Funding Stream	Property Tax Levy
Total Cost	$ 106,600,000
Cash	$ 15,000,000
Debt	$ 91,600,000
Principal	$ 91,600,000
Interest Rate	4.50%
Bond Rating	AAA
Debt Type	Tax-Exempt
Term	30

Revenue Requirements	
Additional Revenue Req'	**$ 38,363,500**
Annual Revenue Req'	**$ 1,278,783**
Value of One Cent (2022)	**$ 711,438**
Increase in Property Tax	**$ 0.0180**
Cost per sq. Ft. Const.	$ 921
Cost per Sq. Ft. Fin.	$ 1,344

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- Increase in taxes necessary - 1+ Cents	

City of Franklin Debt Financing				Level Payments		$ 5,183,033
Year	**Principal**	**Interest**	**Total P& I**	**Annual Principal**	**Annual Interest**	**Annual P & I**
1	$ 91,600,000	$ 4,122,000	$ 95,722,000	$ 1,061,033	$ 4,122,000	$ 5,183,033
2	$ 88,546,667	$ 3,984,600	$ 92,531,267	$ 1,198,433	$ 3,984,600	$ 5,183,033
3	$ 85,493,333	$ 3,847,200	$ 89,340,533	$ 1,335,833	$ 3,847,200	$ 5,183,033
4	$ 82,440,000	$ 3,709,800	$ 86,149,800	$ 1,473,233	$ 3,709,800	$ 5,183,033
5	$ 79,386,667	$ 3,572,400	$ 82,959,067	$ 1,610,633	$ 3,572,400	$ 5,183,033
6	$ 76,333,333	$ 3,435,000	$ 79,768,333	$ 1,748,033	$ 3,435,000	$ 5,183,033
7	$ 73,280,000	$ 3,297,600	$ 76,577,600	$ 1,885,433	$ 3,297,600	$ 5,183,033
8	$ 70,226,667	$ 3,160,200	$ 73,386,867	$ 2,022,833	$ 3,160,200	$ 5,183,033
9	$ 67,173,333	$ 3,022,800	$ 70,196,133	$ 2,160,233	$ 3,022,800	$ 5,183,033
10	$ 64,120,000	$ 2,885,400	$ 67,005,400	$ 2,297,633	$ 2,885,400	$ 5,183,033
11	$ 61,066,667	$ 2,748,000	$ 63,814,667	$ 2,435,033	$ 2,748,000	$ 5,183,033
12	$ 58,013,333	$ 2,610,600	$ 60,623,933	$ 2,572,433	$ 2,610,600	$ 5,183,033
13	$ 54,960,000	$ 2,473,200	$ 57,433,200	$ 2,709,833	$ 2,473,200	$ 5,183,033
14	$ 51,906,667	$ 2,335,800	$ 54,242,467	$ 2,847,233	$ 2,335,800	$ 5,183,033
15	$ 48,853,333	$ 2,198,400	$ 51,051,733	$ 2,984,633	$ 2,198,400	$ 5,183,033
16	$ 45,800,000	$ 2,061,000	$ 47,861,000	$ 3,122,033	$ 2,061,000	$ 5,183,033
17	$ 42,746,667	$ 1,923,600	$ 44,670,267	$ 3,259,433	$ 1,923,600	$ 5,183,033
18	$ 39,693,333	$ 1,786,200	$ 41,479,533	$ 3,396,833	$ 1,786,200	$ 5,183,033
19	$ 36,640,000	$ 1,648,800	$ 38,288,800	$ 3,534,233	$ 1,648,800	$ 5,183,033
20	$ 33,586,667	$ 1,511,400	$ 35,098,067	$ 3,671,633	$ 1,511,400	$ 5,183,033
21	$ 30,533,333	$ 1,374,000	$ 31,907,333	$ 3,809,033	$ 1,374,000	$ 5,183,033
22	$ 27,480,000	$ 1,236,600	$ 28,716,600	$ 3,946,433	$ 1,236,600	$ 5,183,033
23	$ 24,426,667	$ 1,099,200	$ 25,525,867	$ 4,083,833	$ 1,099,200	$ 5,183,033
24	$ 21,373,333	$ 961,800	$ 22,335,133	$ 4,221,233	$ 961,800	$ 5,183,033
25	$ 18,320,000	$ 824,400	$ 19,144,400	$ 4,358,633	$ 824,400	$ 5,183,033
26	$ 15,266,667	$ 687,000	$ 15,953,667	$ 4,496,033	$ 687,000	$ 5,183,033
27	$ 12,213,333	$ 549,600	$ 12,762,933	$ 4,633,433	$ 549,600	$ 5,183,033
28	$ 9,160,000	$ 412,200	$ 9,572,200	$ 4,770,833	$ 412,200	$ 5,183,033
29	$ 6,106,667	$ 274,800	$ 6,381,467	$ 4,908,233	$ 274,800	$ 5,183,033
30	$ 3,053,333	$ 137,400	$ 3,190,733	$ 5,045,633	$ 137,400	$ 5,183,033
	$ 91,600,000	$ 63,891,000	$ 155,491,000	$ 91,600,000	$ 63,891,000	$ 155,491,000

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 2	
Overall Cost Increase - 30 year vs. 20 year (additional interest)	**$ 20,610,000**
Annual Savings - 30 year vs. 20 year (lower level payments)	**$ 1,561,017**

Synopsis:

Construction of the Full Master Plan

Scenario 2 is of similar complexity to Scenario 1 except that instead of building the reduced footprint of 91,250 sq.ft, this shows the cost of building the full master plan amount of 115,700.

The major difference between Scenario 1 and Scenario 2, however, is that the cost exceeds available funding as forecast through the ten-year Capital Investment Program financing model. An additional $53,278,500 would be required to service the necessary debt to cover the costs of the full build-out. This could be raised from increasing local property taxes. The amount - estimated at 3.79 cents - is shown under the box labeled "Revenue Requirements at the left.

Overall, this remains a low risk scenario - all bonds would be tax-exempt, the building would be for governmental purpose and controlled by the City of Franklin, but over $53 million which could go to other purposes and opportunities would now be dedicated to constructing City Hall. Extending the term from 30 years from 20 years does lower annual payments to the tune of $1.5 million, but adds over $20 million in total cost.

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3

Building Summary		
Assumed Square Footage		129,250
Purpose:		Municipal Office/ Private Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284

Private Office/Retail Building		
Assumed Square Footage		38,000
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	23,060,000
Cash	$	-
Debt	$	23,060,000
Principal	$	23,060,000
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		30
Cost per Sq. Ft. Const	$	607
Cost per Sq. Ft. Fin.	$	1,187

Overall Financials		
Total Construction Cost	$	107,060,000
Total Overall Cost (30 yrs.)	$	162,223,060
Less Net Office Rents	$	(39,276,297)
Net Overall Cost (30 yrs.)	$	122,946,762
Composite Cost/Sq. Ft.	$	828
Composite Cost/Sq. Ft.	$	1,255

Revenue Requirements		
Additional Revenue Req'	$	5,819,262
Annual Revenue Req'	$	193,975
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0027

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- Governmental Pledge required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Small annual increase in taxes necessary
- 33 years to payback

City of Franklin Financing - Municipal Office — Level Payments $ 3,904,250 | **City of Franklin Financing - Both**

Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Prop. Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 799,250	$ 3,105,000	$ 3,904,250	$ 3,904,250	$ 1,553,185	$ 5,457,435
2	$ 66,700,000	$ 3,001,500	$ 69,701,500	$ 902,750	$ 3,001,500	$ 3,904,250	$ 3,904,250	$ 1,528,185	$ 5,432,435
3	$ 64,400,000	$ 2,898,000	$ 67,298,000	$ 1,006,250	$ 2,898,000	$ 3,904,250	$ 3,904,250	$ 1,456,989	$ 5,361,239
4	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 1,109,750	$ 2,794,500	$ 3,904,250	$ 3,904,250	$ 915,236	$ 4,819,486
5	$ 59,800,000	$ 2,691,000	$ 62,491,000	$ 1,213,250	$ 2,691,000	$ 3,904,250	$ 3,904,250	$ 353,316	$ 4,257,566
6	$ 57,500,000	$ 2,587,500	$ 60,087,500	$ 1,316,750	$ 2,587,500	$ 3,904,250	$ 3,904,250	$ 330,318	$ 4,234,568
7	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 1,420,250	$ 2,484,000	$ 3,904,250	$ 3,904,250	$ 306,861	$ 4,211,111
8	$ 52,900,000	$ 2,380,500	$ 55,280,500	$ 1,523,750	$ 2,380,500	$ 3,904,250	$ 3,904,250	$ 282,934	$ 4,187,184
9	$ 50,600,000	$ 2,277,000	$ 52,877,000	$ 1,627,250	$ 2,277,000	$ 3,904,250	$ 3,904,250	$ 258,529	$ 4,162,779
10	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 1,730,750	$ 2,173,500	$ 3,904,250	$ 3,904,250	$ 233,636	$ 4,137,886
11	$ 46,000,000	$ 2,070,000	$ 48,070,000	$ 1,834,250	$ 2,070,000	$ 3,904,250	$ 3,904,250	$ 208,245	$ 4,112,495
12	$ 43,700,000	$ 1,966,500	$ 45,666,500	$ 1,937,750	$ 1,966,500	$ 3,904,250	$ 3,904,250	$ 182,347	$ 4,086,597
13	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 2,041,250	$ 1,863,000	$ 3,904,250	$ 3,904,250	$ 155,930	$ 4,060,180
14	$ 39,100,000	$ 1,759,500	$ 40,859,500	$ 2,144,750	$ 1,759,500	$ 3,904,250	$ 3,904,250	$ 128,985	$ 4,033,235
15	$ 36,800,000	$ 1,656,000	$ 38,456,000	$ 2,248,250	$ 1,656,000	$ 3,904,250	$ 3,904,250	$ 101,501	$ 4,005,751
16	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 2,351,750	$ 1,552,500	$ 3,904,250	$ 3,904,250	$ 73,467	$ 3,977,717
17	$ 32,200,000	$ 1,449,000	$ 33,649,000	$ 2,455,250	$ 1,449,000	$ 3,904,250	$ 3,904,250	$ 44,873	$ 3,949,123
18	$ 29,900,000	$ 1,345,500	$ 31,245,500	$ 2,558,750	$ 1,345,500	$ 3,904,250	$ 3,904,250	$ 15,706	$ 3,919,956
19	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 2,662,250	$ 1,242,000	$ 3,904,250	$ 3,904,250	$ (14,043)	$ 3,890,207
20	$ 25,300,000	$ 1,138,500	$ 26,438,500	$ 2,765,750	$ 1,138,500	$ 3,904,250	$ 3,904,250	$ (44,388)	$ 3,859,862
21	$ 23,000,000	$ 1,035,000	$ 24,035,000	$ 2,869,250	$ 1,035,000	$ 3,904,250	$ 3,904,250	$ (75,339)	$ 3,828,911
22	$ 20,700,000	$ 931,500	$ 21,631,500	$ 2,972,750	$ 931,500	$ 3,904,250	$ 3,904,250	$ (106,910)	$ 3,797,340
23	$ 18,400,000	$ 828,000	$ 19,228,000	$ 3,076,250	$ 828,000	$ 3,904,250	$ 3,904,250	$ (139,112)	$ 3,765,138
24	$ 16,100,000	$ 724,500	$ 16,824,500	$ 3,179,750	$ 724,500	$ 3,904,250	$ 3,904,250	$ (171,958)	$ 3,732,292
25	$ 13,800,000	$ 621,000	$ 14,421,000	$ 3,283,250	$ 621,000	$ 3,904,250	$ 3,904,250	$ (205,460)	$ 3,698,790
26	$ 11,500,000	$ 517,500	$ 12,017,500	$ 3,386,750	$ 517,500	$ 3,904,250	$ 3,904,250	$ (239,633)	$ 3,664,617
27	$ 9,200,000	$ 414,000	$ 9,614,000	$ 3,490,250	$ 414,000	$ 3,904,250	$ 3,904,250	$ (274,490)	$ 3,629,760
28	$ 6,900,000	$ 310,500	$ 7,210,500	$ 3,593,750	$ 310,500	$ 3,904,250	$ 3,904,250	$ (310,043)	$ 3,594,207
29	$ 4,600,000	$ 207,000	$ 4,807,000	$ 3,697,250	$ 207,000	$ 3,904,250	$ 3,904,250	$ (346,308)	$ 3,557,942
30	$ 2,300,000	$ 103,500	$ 2,403,500	$ 3,800,750	$ 103,500	$ 3,904,250	$ 3,904,250	$ (383,298)	$ 3,520,952
	$ 69,000,000	$ 48,127,500	$ 117,127,500	$ 69,000,000	$ 48,127,500	$ 117,127,500	$ 117,127,500	$ 5,819,262	$ 122,946,762

Synopsis:

Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 3 is the most complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $117,127,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 30 years.

But it also includes a 39,000 sq. ft. mixed-use development at the corner of 3rd & Church. This building - which has 36,100 leasable sq. footage (19,000 sq. ft. for office and 17,100 sq. ft. for retail) would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 39,000 taxable building costing slightly more than $45.1 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this mixed-use structure - from size of building, to rental rates, to operational costs, have been taken directly from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB. Taxes generated from the retail activities are based upon the attached schedule.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would start near $1.5 million annually for the first three years then taper dramatically until no longer needed in year 18. The cumulative taxpayer contribution would be $8.1 million. Property taxes are also explicitly forbidden under law to be used to subsidize for profit purposes, so sales taxes would have to be redistributed to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 33 years.

Industrial Development Board Bonds — Level Payments $ 1,503,185

	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 23,060,000	$ 1,421,649	$ 24,481,649	$ 81,536	$ 1,421,649	$ 1,503,185
2	$ 22,291,333	$ 1,374,261	$ 23,665,594	$ 128,925	$ 1,374,261	$ 1,503,185
3	$ 21,522,667	$ 1,326,872	$ 22,849,539	$ 176,313	$ 1,326,872	$ 1,503,185
4	$ 20,754,000	$ 1,279,484	$ 22,033,484	$ 223,701	$ 1,279,484	$ 1,503,185
5	$ 19,985,333	$ 1,232,096	$ 21,217,429	$ 271,090	$ 1,232,096	$ 1,503,185
6	$ 19,216,667	$ 1,184,708	$ 20,401,374	$ 318,478	$ 1,184,708	$ 1,503,185
7	$ 18,448,000	$ 1,137,319	$ 19,585,319	$ 365,866	$ 1,137,319	$ 1,503,185
8	$ 17,679,333	$ 1,089,931	$ 18,769,264	$ 413,254	$ 1,089,931	$ 1,503,185
9	$ 16,910,667	$ 1,042,543	$ 17,953,209	$ 460,643	$ 1,042,543	$ 1,503,185
10	$ 16,142,000	$ 995,154	$ 17,137,154	$ 508,031	$ 995,154	$ 1,503,185
11	$ 15,373,333	$ 947,766	$ 16,321,099	$ 555,419	$ 947,766	$ 1,503,185
12	$ 14,604,667	$ 900,378	$ 15,505,044	$ 602,808	$ 900,378	$ 1,503,185
13	$ 13,836,000	$ 852,989	$ 14,688,989	$ 650,196	$ 852,989	$ 1,503,185
14	$ 13,067,333	$ 805,601	$ 13,872,934	$ 697,584	$ 805,601	$ 1,503,185
15	$ 12,298,667	$ 758,213	$ 13,056,879	$ 744,973	$ 758,213	$ 1,503,185
16	$ 11,530,000	$ 710,825	$ 12,240,825	$ 792,361	$ 710,825	$ 1,503,185
17	$ 10,761,333	$ 663,436	$ 11,424,770	$ 839,749	$ 663,436	$ 1,503,185
18	$ 9,992,667	$ 616,048	$ 10,608,715	$ 887,137	$ 616,048	$ 1,503,185
19	$ 9,224,000	$ 568,660	$ 9,792,660	$ 934,526	$ 568,660	$ 1,503,185
20	$ 8,455,333	$ 521,271	$ 8,976,605	$ 981,914	$ 521,271	$ 1,503,185
21	$ 7,686,667	$ 473,883	$ 8,160,550	$ 1,029,302	$ 473,883	$ 1,503,185
22	$ 6,918,000	$ 426,495	$ 7,344,495	$ 1,076,691	$ 426,495	$ 1,503,185
23	$ 6,149,333	$ 379,106	$ 6,528,440	$ 1,124,079	$ 379,106	$ 1,503,185
24	$ 5,380,667	$ 331,718	$ 5,712,385	$ 1,171,467	$ 331,718	$ 1,503,185
25	$ 4,612,000	$ 284,330	$ 4,896,330	$ 1,218,856	$ 284,330	$ 1,503,185
26	$ 3,843,333	$ 236,942	$ 4,080,275	$ 1,266,244	$ 236,942	$ 1,503,185
27	$ 3,074,667	$ 189,553	$ 3,264,220	$ 1,313,632	$ 189,553	$ 1,503,185
28	$ 2,306,000	$ 142,165	$ 2,448,165	$ 1,361,020	$ 142,165	$ 1,503,185
29	$ 1,537,333	$ 94,777	$ 1,632,110	$ 1,408,409	$ 94,777	$ 1,503,185
30	$ 768,667	$ 47,388	$ 816,055	$ 1,455,797	$ 47,388	$ 1,503,185
	$ 23,060,000	$ 22,035,560	$ 45,095,560	$ 23,060,000	$ 22,035,560	$ 45,095,560

Offsetting Revenue Potential

G	H	I	J	K ((G x H)+(I x J))		L	M	N (K+L+M)
Office Sq. Footage [1]	Rental Rate [2]	Retail Sq. Footage [3]	Rental Rate [4]	Total Rental Income (Gross)	Taxes Generated	Less Oper. Cost [5]	Less Annual IDB Cost [6]	Net Rental Income
-	$ 45.00	-	$ 35.00	$ -	$ -	$ -	$ (50,000)	$ (50,000)
-	$ 45.00	-	$ 35.00	$ -	$ -	$ -	$ (25,000)	$ (25,000)
6,333	$ 45.90	5,700	$ 35.70	$ 494,190	$ 37,506	$ (460,000)	$ (25,500)	$ 46,196
12,667	$ 46.82	11,400	$ 36.41	$ 1,008,148	$ 75,012	$ (469,200)	$ (26,010)	$ 587,950
19,000	$ 47.75	17,100	$ 37.14	$ 1,542,466	$ 112,518	$ (478,584)	$ (26,530)	$ 1,149,870
19,000	$ 48.71	17,100	$ 37.89	$ 1,573,315	$ 114,768	$ (488,156)	$ (27,061)	$ 1,172,867
19,000	$ 49.68	17,100	$ 38.64	$ 1,604,781	$ 117,064	$ (497,919)	$ (27,602)	$ 1,196,324
19,000	$ 50.68	17,100	$ 39.42	$ 1,636,877	$ 119,405	$ (507,877)	$ (28,154)	$ 1,220,251
19,000	$ 51.69	17,100	$ 40.20	$ 1,669,615	$ 121,793	$ (518,035)	$ (28,717)	$ 1,244,656
19,000	$ 52.72	17,100	$ 41.01	$ 1,703,007	$ 124,229	$ (528,395)	$ (29,291)	$ 1,269,549
19,000	$ 53.78	17,100	$ 41.83	$ 1,737,067	$ 126,714	$ (538,963)	$ (29,877)	$ 1,294,940
19,000	$ 54.85	17,100	$ 42.66	$ 1,771,808	$ 129,248	$ (549,743)	$ (30,475)	$ 1,320,839
19,000	$ 55.95	17,100	$ 43.52	$ 1,807,245	$ 131,833	$ (560,737)	$ (31,084)	$ 1,347,256
19,000	$ 57.07	17,100	$ 44.39	$ 1,843,389	$ 134,469	$ (571,952)	$ (31,706)	$ 1,374,201
19,000	$ 58.21	17,100	$ 45.28	$ 1,880,257	$ 137,159	$ (583,391)	$ (32,340)	$ 1,401,685
19,000	$ 59.38	17,100	$ 46.18	$ 1,917,862	$ 139,902	$ (595,059)	$ (32,987)	$ 1,429,718
19,000	$ 60.56	17,100	$ 47.11	$ 1,956,220	$ 142,700	$ (606,960)	$ (33,647)	$ 1,458,313
19,000	$ 61.78	17,100	$ 48.05	$ 1,995,344	$ 145,554	$ (619,099)	$ (34,320)	$ 1,487,479
19,000	$ 63.01	17,100	$ 49.01	$ 2,035,251	$ 148,465	$ (631,481)	$ (35,006)	$ 1,517,229
19,000	$ 64.27	17,100	$ 49.99	$ 2,075,956	$ 151,434	$ (644,111)	$ (35,706)	$ 1,547,573
19,000	$ 65.56	17,100	$ 50.99	$ 2,117,475	$ 154,463	$ (656,993)	$ (36,420)	$ 1,578,525
19,000	$ 66.87	17,100	$ 52.01	$ 2,159,825	$ 157,552	$ (670,133)	$ (37,149)	$ 1,610,095
19,000	$ 68.20	17,100	$ 53.05	$ 2,203,021	$ 160,703	$ (683,536)	$ (37,892)	$ 1,642,297
19,000	$ 69.57	17,100	$ 54.11	$ 2,247,081	$ 163,917	$ (697,207)	$ (38,649)	$ 1,675,143
19,000	$ 70.96	17,100	$ 55.19	$ 2,292,023	$ 167,196	$ (711,151)	$ (39,422)	$ 1,708,646
19,000	$ 72.38	17,100	$ 56.30	$ 2,337,864	$ 170,540	$ (725,374)	$ (40,211)	$ 1,742,819
19,000	$ 73.83	17,100	$ 57.42	$ 2,384,621	$ 173,951	$ (739,881)	$ (41,015)	$ 1,777,675
19,000	$ 75.30	17,100	$ 58.57	$ 2,432,313	$ 177,430	$ (754,679)	$ (41,835)	$ 1,813,229
19,000	$ 76.81	17,100	$ 59.74	$ 2,480,959	$ 180,978	$ (769,772)	$ (42,672)	$ 1,849,493
19,000	$ 78.35	17,100	$ 60.94	$ 2,530,579	$ 184,598	$ (785,168)	$ (43,526)	$ 1,886,483

Annual Subsidy Required
O (F-N)
$ 1,553,185
$ 1,528,185
$ 1,456,989
$ 915,236
$ 353,316
$ 330,318
$ 306,861
$ 282,934
$ 258,529
$ 233,636
$ 208,245
$ 182,347
$ 155,930
$ 128,985
$ 101,501
$ 73,467
$ 44,873
$ 15,706
$ (14,043)
$ (44,388)
$ (75,339)
$ (106,910)
$ (139,112)
$ (171,958)
$ (205,460)
$ (239,633)
$ (274,490)
$ (310,043)
$ (346,308)
$ (383,298)
$ 5,819,262

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 30 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 18. This will take another 15 years to fully repay the City the over $8 million necessary over the debt servicing period. The City should fully recoup the investment in year 33.

Payback

Year	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
1	$ 1,553,185	$ -	$ 1,553,185	$ 1,553,185	
2	$ 1,528,185	$ -	$ 1,528,185	$ 3,081,371	
3	$ 1,988,685	$ 531,696	$ 1,456,989	$ 4,538,360	Rents begin to come in to IDB
4	$ 1,998,395	$ 1,083,160	$ 915,236	$ 5,453,596	
5	$ 2,008,300	$ 1,654,984	$ 353,316	$ 5,806,911	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
6	$ 2,018,402	$ 1,688,084	$ 330,318	$ 6,137,230	Cumulative City Investment Increasing
7	$ 2,028,706	$ 1,721,845	$ 306,861	$ 6,444,091	
8	$ 2,039,217	$ 1,756,282	$ 282,934	$ 6,727,025	
9	$ 2,049,937	$ 1,791,408	$ 258,529	$ 6,985,555	
10	$ 2,060,872	$ 1,827,236	$ 233,636	$ 7,219,191	
11	$ 2,072,026	$ 1,863,781	$ 208,245	$ 7,427,436	
12	$ 2,083,403	$ 1,901,056	$ 182,347	$ 7,609,783	
13	$ 2,095,007	$ 1,939,077	$ 155,930	$ 7,765,713	
14	$ 2,106,844	$ 1,977,859	$ 128,985	$ 7,894,697	
15	$ 2,118,917	$ 2,017,416	$ 101,501	$ 7,996,198	
16	$ 2,131,231	$ 2,057,764	$ 73,467	$ 8,069,665	
17	$ 2,143,792	$ 2,098,920	$ 44,873	$ 8,114,537	
18	$ 2,156,604	$ 2,140,898	$ 15,706	$ 8,130,244	Maximum City Investment
19	$ 2,169,673	$ 2,183,716	$ (14,043)	$ 8,116,201	Cumulative City Investment Decreasing
20	$ 2,183,003	$ 2,227,390	$ (44,388)	$ 8,071,813	
21	$ 2,196,599	$ 2,271,938	$ (75,339)	$ 7,996,473	
22	$ 2,210,467	$ 2,317,377	$ (106,910)	$ 7,889,564	
23	$ 2,224,613	$ 2,363,724	$ (139,112)	$ 7,750,452	
24	$ 2,239,041	$ 2,410,999	$ (171,958)	$ 7,578,494	
25	$ 2,253,758	$ 2,459,219	$ (205,460)	$ 7,373,034	
26	$ 2,268,770	$ 2,508,403	$ (239,633)	$ 7,133,401	
27	$ 2,284,082	$ 2,558,571	$ (274,490)	$ 6,858,911	
28	$ 2,299,700	$ 2,609,743	$ (310,043)	$ 6,548,868	
29	$ 2,315,630	$ 2,661,938	$ (346,308)	$ 6,202,560	
30	$ 2,331,879	$ 2,715,176	$ (383,298)	$ 5,819,262	
31	$ 845,267	$ 2,769,480	$ (1,924,213)	$ 3,895,049	
32	$ 862,173	$ 2,824,870	$ (1,962,697)	$ 1,932,352	
Payback to City occurs in Year 33 33	**$ 879,416**	**$ 2,881,367**	**$ (2,001,951)**	**$ (69,598)**	**City Repaid**

Summary of Difference Between 20 year vs. 30 year Issuance - Scenario 3	
Overall Cost Increase - 30 year vs. 20 year (additional interest)	$ 3,129,184
Annual Savings - 30 year vs. 20 year (lower level payments)	$ 1,572,550

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[3] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[4] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[5] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9.

[6] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.

[7] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

New City Hall - Financial & Risk Capacity Scenarios

Scenario 4

Building Summary		
Assumed Square Footage		115,700
Purpose:		Municipal Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284
Private Office/Retail Building		
Assumed Square Footage		24,450
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	15,403,500
Cash	$	-
Debt	$	15,403,500
Principal	$	15,403,500
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		30
Cost per Sq. Ft. Const	$	630
Cost per Sq. Ft. Fin.	$	1,232

Overall Financials		
Total Construction Cost	$	99,403,500
Total Overall Cost (30 yrs.)	$	147,250,200
Less Net Office Rents	$	(15,598,549)
Net Overall Cost (30 yrs.)	$	131,651,651
Composite Cost/Sq. Ft.	$	859
Composite Cost/Sq. Ft.	$	1,273

Revenue Requirements		
Additional Revenue Req'	$	14,524,151
Annual Revenue Req'	$	484,138
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0068

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- Governmental Pledge required to backup
- Rents alone cannot pay for full debt service
- Additional Rev. Necessary to offset subsidy
- Increase in taxes necessary - 1 Cent
- 46 years to payback

City of Franklin Financing - Municipal Office (Level Payments $ 3,904,250) / City of Franklin Financing - Both

Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Prop. Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 799,250	$ 3,105,000	$ 3,904,250	$ 3,904,250	$ 1,054,090	$ 4,958,340
2	$ 66,700,000	$ 3,001,500	$ 69,701,500	$ 902,750	$ 3,001,500	$ 3,904,250	$ 3,904,250	$ 1,029,090	$ 4,933,340
3	$ 64,400,000	$ 2,898,000	$ 67,298,000	$ 1,006,250	$ 2,898,000	$ 3,904,250	$ 3,904,250	$ 1,068,422	$ 4,972,672
4	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 1,109,750	$ 2,794,500	$ 3,904,250	$ 3,904,250	$ 809,571	$ 4,713,821
5	$ 59,800,000	$ 2,691,000	$ 62,491,000	$ 1,213,250	$ 2,691,000	$ 3,904,250	$ 3,904,250	$ 542,464	$ 4,446,714
6	$ 57,500,000	$ 2,587,500	$ 60,087,500	$ 1,316,750	$ 2,587,500	$ 3,904,250	$ 3,904,250	$ 533,232	$ 4,437,482
7	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 1,420,250	$ 2,484,000	$ 3,904,250	$ 3,904,250	$ 523,814	$ 4,428,064
8	$ 52,900,000	$ 2,380,500	$ 55,280,500	$ 1,523,750	$ 2,380,500	$ 3,904,250	$ 3,904,250	$ 514,209	$ 4,418,459
9	$ 50,600,000	$ 2,277,000	$ 52,877,000	$ 1,627,250	$ 2,277,000	$ 3,904,250	$ 3,904,250	$ 504,411	$ 4,408,661
10	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 1,730,750	$ 2,173,500	$ 3,904,250	$ 3,904,250	$ 494,418	$ 4,398,668
11	$ 46,000,000	$ 2,070,000	$ 48,070,000	$ 1,834,250	$ 2,070,000	$ 3,904,250	$ 3,904,250	$ 484,224	$ 4,388,474
12	$ 43,700,000	$ 1,966,500	$ 45,666,500	$ 1,937,750	$ 1,966,500	$ 3,904,250	$ 3,904,250	$ 473,827	$ 4,378,077
13	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 2,041,250	$ 1,863,000	$ 3,904,250	$ 3,904,250	$ 463,222	$ 4,367,472
14	$ 39,100,000	$ 1,759,500	$ 40,859,500	$ 2,144,750	$ 1,759,500	$ 3,904,250	$ 3,904,250	$ 452,404	$ 4,356,654
15	$ 36,800,000	$ 1,656,000	$ 38,456,000	$ 2,248,250	$ 1,656,000	$ 3,904,250	$ 3,904,250	$ 441,371	$ 4,345,621
16	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 2,351,750	$ 1,552,500	$ 3,904,250	$ 3,904,250	$ 430,116	$ 4,334,366
17	$ 32,200,000	$ 1,449,000	$ 33,649,000	$ 2,455,250	$ 1,449,000	$ 3,904,250	$ 3,904,250	$ 418,637	$ 4,322,887
18	$ 29,900,000	$ 1,345,500	$ 31,245,500	$ 2,558,750	$ 1,345,500	$ 3,904,250	$ 3,904,250	$ 406,928	$ 4,311,178
19	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 2,662,250	$ 1,242,000	$ 3,904,250	$ 3,904,250	$ 394,984	$ 4,299,234
20	$ 25,300,000	$ 1,138,500	$ 26,438,500	$ 2,765,750	$ 1,138,500	$ 3,904,250	$ 3,904,250	$ 382,802	$ 4,287,052
21	$ 23,000,000	$ 1,035,000	$ 24,035,000	$ 2,869,250	$ 1,035,000	$ 3,904,250	$ 3,904,250	$ 370,377	$ 4,274,627
22	$ 20,700,000	$ 931,500	$ 21,631,500	$ 2,972,750	$ 931,500	$ 3,904,250	$ 3,904,250	$ 357,702	$ 4,261,952
23	$ 18,400,000	$ 828,000	$ 19,228,000	$ 3,076,250	$ 828,000	$ 3,904,250	$ 3,904,250	$ 344,775	$ 4,249,025
24	$ 16,100,000	$ 724,500	$ 16,824,500	$ 3,179,750	$ 724,500	$ 3,904,250	$ 3,904,250	$ 331,588	$ 4,235,838
25	$ 13,800,000	$ 621,000	$ 14,421,000	$ 3,283,250	$ 621,000	$ 3,904,250	$ 3,904,250	$ 318,138	$ 4,222,388
26	$ 11,500,000	$ 517,500	$ 12,017,500	$ 3,386,750	$ 517,500	$ 3,904,250	$ 3,904,250	$ 304,419	$ 4,208,669
27	$ 9,200,000	$ 414,000	$ 9,614,000	$ 3,490,250	$ 414,000	$ 3,904,250	$ 3,904,250	$ 290,426	$ 4,194,676
28	$ 6,900,000	$ 310,500	$ 7,210,500	$ 3,593,750	$ 310,500	$ 3,904,250	$ 3,904,250	$ 276,152	$ 4,180,402
29	$ 4,600,000	$ 207,000	$ 4,807,000	$ 3,697,250	$ 207,000	$ 3,904,250	$ 3,904,250	$ 261,594	$ 4,165,844
30	$ 2,300,000	$ 103,500	$ 2,403,500	$ 3,800,750	$ 103,500	$ 3,904,250	$ 3,904,250	$ 246,744	$ 4,150,994
	$ 69,000,000	$ 48,127,500	$ 117,127,500	$ 69,000,000	$ 48,127,500	$ 117,127,500	$ 117,127,500	$ 14,524,151	$ 131,651,651

Synopsis:

Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 4 is another complicated City Hall Financial Scenario. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $117,127,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 30 years.

But it also includes a 24,450 sq. ft. mixed-use development at the corner of 3rd & Church. This building would be made up entirely of retail space and would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 24,450 taxable building costing slightly more than $29 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this retail structure - from size of building, to rental rates, to operational costs, have been taken from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB. Taxes generated from the retail activities are based upon the attached schedule.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would range from $1.05 million to about $246,000 annually for 30 years, cumulatively resulting in a taxpayer contribution of $14.5 million. Property taxes are also explicitly forbidden under law to be used to subsidize for profit purposes, so sales taxes would have to be redistributed to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 47 years.

Industrial Development Board Bonds (Level Payments $ 1,004,090)

	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 15,403,500	$ 949,626	$ 16,353,126	$ 54,464	$ 949,626	$ 1,004,090
2	$ 14,890,050	$ 917,972	$ 15,808,022	$ 86,118	$ 917,972	$ 1,004,090
3	$ 14,376,600	$ 886,317	$ 15,262,917	$ 117,773	$ 886,317	$ 1,004,090
4	$ 13,863,150	$ 854,663	$ 14,717,813	$ 149,427	$ 854,663	$ 1,004,090
5	$ 13,349,700	$ 823,009	$ 14,172,709	$ 181,081	$ 823,009	$ 1,004,090
6	$ 12,836,250	$ 791,355	$ 13,627,605	$ 212,735	$ 791,355	$ 1,004,090
7	$ 12,322,800	$ 759,701	$ 13,082,501	$ 244,389	$ 759,701	$ 1,004,090
8	$ 11,809,350	$ 728,046	$ 12,537,396	$ 276,044	$ 728,046	$ 1,004,090
9	$ 11,295,900	$ 696,392	$ 11,992,292	$ 307,698	$ 696,392	$ 1,004,090
10	$ 10,782,450	$ 664,738	$ 11,447,188	$ 339,352	$ 664,738	$ 1,004,090
11	$ 10,269,000	$ 633,084	$ 10,902,084	$ 371,006	$ 633,084	$ 1,004,090
12	$ 9,755,550	$ 601,430	$ 10,356,980	$ 402,660	$ 601,430	$ 1,004,090
13	$ 9,242,100	$ 569,775	$ 9,811,875	$ 434,315	$ 569,775	$ 1,004,090
14	$ 8,728,650	$ 538,121	$ 9,266,771	$ 465,969	$ 538,121	$ 1,004,090
15	$ 8,215,200	$ 506,467	$ 8,721,667	$ 497,623	$ 506,467	$ 1,004,090
16	$ 7,701,750	$ 474,813	$ 8,176,563	$ 529,277	$ 474,813	$ 1,004,090
17	$ 7,188,300	$ 443,159	$ 7,631,459	$ 560,931	$ 443,159	$ 1,004,090
18	$ 6,674,850	$ 411,505	$ 7,086,355	$ 592,585	$ 411,505	$ 1,004,090
19	$ 6,161,400	$ 379,850	$ 6,541,250	$ 624,240	$ 379,850	$ 1,004,090
20	$ 5,647,950	$ 348,196	$ 5,996,146	$ 655,894	$ 348,196	$ 1,004,090
21	$ 5,134,500	$ 316,542	$ 5,451,042	$ 687,548	$ 316,542	$ 1,004,090
22	$ 4,621,050	$ 284,888	$ 4,905,938	$ 719,202	$ 284,888	$ 1,004,090
23	$ 4,107,600	$ 253,234	$ 4,360,834	$ 750,856	$ 253,234	$ 1,004,090
24	$ 3,594,150	$ 221,579	$ 3,815,729	$ 782,511	$ 221,579	$ 1,004,090
25	$ 3,080,700	$ 189,925	$ 3,270,625	$ 814,165	$ 189,925	$ 1,004,090
26	$ 2,567,250	$ 158,271	$ 2,725,521	$ 845,819	$ 158,271	$ 1,004,090
27	$ 2,053,800	$ 126,617	$ 2,180,417	$ 877,473	$ 126,617	$ 1,004,090
28	$ 1,540,350	$ 94,963	$ 1,635,313	$ 909,127	$ 94,963	$ 1,004,090
29	$ 1,026,900	$ 63,308	$ 1,090,208	$ 940,782	$ 63,308	$ 1,004,090
30	$ 513,450	$ 31,654	$ 545,104	$ 972,436	$ 31,654	$ 1,004,090
	$ 15,403,500	$ 14,719,200	$ 30,122,700	$ 15,403,500	$ 14,719,200	$ 30,122,700

Offsetting Revenue Potential / Annual Subsidy Required

G	H	I (G x H)	J	K	L	M (I+J+K+L)	N (F-M)
Retail Sq. Footage [1]	Rental Rate [2]	Rental Income (Gross)	Taxes Generated	Less Oper. Cost [3]	Less Annual IDB Cost [4]	Net Rental Income	
-	$ 35.00	$ -	$ -	$ -	$ (50,000)	$ (50,000)	$ 1,054,090
-	$ 35.00	$ -	$ -	$ -	$ (25,000)	$ (25,000)	$ 1,029,090
5,700	$ 35.70	$ 203,490	$ 53,651	$ (295,974)	$ (25,500)	$ (64,332)	$ 1,068,422
11,400	$ 36.41	$ 415,120	$ 107,303	$ (301,893)	$ (26,010)	$ 194,519	$ 809,571
17,100	$ 37.14	$ 635,133	$ 160,954	$ (307,931)	$ (26,530)	$ 461,626	$ 542,464
17,100	$ 37.89	$ 647,836	$ 164,173	$ (314,090)	$ (27,061)	$ 470,858	$ 533,232
17,100	$ 38.64	$ 660,792	$ 167,457	$ (320,371)	$ (27,602)	$ 480,276	$ 523,814
17,100	$ 39.42	$ 674,008	$ 170,806	$ (326,779)	$ (28,154)	$ 489,881	$ 514,209
17,100	$ 40.20	$ 687,488	$ 174,222	$ (333,314)	$ (28,717)	$ 499,679	$ 504,411
17,100	$ 41.01	$ 701,238	$ 177,706	$ (339,981)	$ (29,291)	$ 509,672	$ 494,418
17,100	$ 41.83	$ 715,263	$ 181,260	$ (346,780)	$ (29,877)	$ 519,866	$ 484,224
17,100	$ 42.66	$ 729,568	$ 184,886	$ (353,716)	$ (30,475)	$ 530,263	$ 473,827
17,100	$ 43.52	$ 744,160	$ 188,583	$ (360,790)	$ (31,084)	$ 540,868	$ 463,222
17,100	$ 44.39	$ 759,043	$ 192,355	$ (368,006)	$ (31,706)	$ 551,686	$ 452,404
17,100	$ 45.28	$ 774,224	$ 196,202	$ (375,366)	$ (32,340)	$ 562,719	$ 441,371
17,100	$ 46.18	$ 789,708	$ 200,126	$ (382,874)	$ (32,987)	$ 573,974	$ 430,116
17,100	$ 47.11	$ 805,502	$ 204,129	$ (390,531)	$ (33,647)	$ 585,453	$ 418,637
17,100	$ 48.05	$ 821,612	$ 208,211	$ (398,342)	$ (34,320)	$ 597,162	$ 406,928
17,100	$ 49.01	$ 838,044	$ 212,376	$ (406,308)	$ (35,006)	$ 609,106	$ 394,984
17,100	$ 49.99	$ 854,805	$ 216,623	$ (414,435)	$ (35,706)	$ 621,288	$ 382,802
17,100	$ 50.99	$ 871,901	$ 220,956	$ (422,723)	$ (36,420)	$ 633,713	$ 370,377
17,100	$ 52.01	$ 889,340	$ 225,375	$ (431,178)	$ (37,149)	$ 646,388	$ 357,702
17,100	$ 53.05	$ 907,126	$ 229,882	$ (439,801)	$ (37,892)	$ 659,315	$ 344,775
17,100	$ 54.11	$ 925,269	$ 234,480	$ (448,597)	$ (38,649)	$ 672,502	$ 331,588
17,100	$ 55.19	$ 943,774	$ 239,169	$ (457,569)	$ (39,422)	$ 685,952	$ 318,138
17,100	$ 56.30	$ 962,650	$ 243,953	$ (466,721)	$ (40,211)	$ 699,671	$ 304,419
17,100	$ 57.42	$ 981,903	$ 248,832	$ (476,055)	$ (41,015)	$ 713,664	$ 290,426
17,100	$ 58.57	$ 1,001,541	$ 253,808	$ (485,576)	$ (41,835)	$ 727,938	$ 276,152
17,100	$ 59.74	$ 1,021,572	$ 258,885	$ (495,288)	$ (42,672)	$ 742,496	$ 261,594
17,100	$ 60.94	$ 1,042,003	$ 264,062	$ (505,193)	$ (43,526)	$ 757,346	$ 246,744
							$ 14,524,151

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[3] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9. (pro-rated for size of retail).

[4] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.

[5] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

New City Hall - Financial & Risk Capacity Scenarios

Scenario 4

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 30 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 31. This will take another 16 years to fully repay the City the over $14.5 million necessary over the debt servicing period. The City should fully recoup the investment in year 47.

Payback

	Year	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
	1	$ 1,054,090	$ -	$ 1,054,090	$ 1,054,090	
	2	$ 1,029,090	$ -	$ 1,029,090	$ 2,083,180	
	3	$ 1,325,564	$ 257,141	$ 1,068,422	$ 3,151,602	Rents begin to come in to IDB
	4	$ 1,331,993	$ 522,422	$ 809,571	$ 3,961,173	
	5	$ 1,338,551	$ 796,087	$ 542,464	$ 4,503,637	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
	6	$ 1,345,240	$ 812,009	$ 533,232	$ 5,036,869	
	7	$ 1,352,063	$ 828,249	$ 523,814	$ 5,560,683	
	8	$ 1,359,023	$ 844,814	$ 514,209	$ 6,074,892	
	9	$ 1,366,122	$ 861,710	$ 504,411	$ 6,579,303	
	10	$ 1,373,362	$ 878,944	$ 494,418	$ 7,073,721	
	11	$ 1,380,748	$ 896,523	$ 484,224	$ 7,557,945	
	12	$ 1,388,281	$ 914,454	$ 473,827	$ 8,031,772	
	13	$ 1,395,965	$ 932,743	$ 463,222	$ 8,494,994	
	14	$ 1,403,802	$ 951,398	$ 452,404	$ 8,947,398	
	15	$ 1,411,796	$ 970,426	$ 441,371	$ 9,388,769	
	16	$ 1,419,950	$ 989,834	$ 430,116	$ 9,818,885	
	17	$ 1,428,268	$ 1,009,631	$ 418,637	$ 10,237,522	
	18	$ 1,436,751	$ 1,029,824	$ 406,928	$ 10,644,449	
	19	$ 1,445,404	$ 1,050,420	$ 394,984	$ 11,039,434	
	20	$ 1,454,231	$ 1,071,428	$ 382,802	$ 11,422,236	
	21	$ 1,463,234	$ 1,092,857	$ 370,377	$ 11,792,613	
	22	$ 1,472,416	$ 1,114,714	$ 357,702	$ 12,150,315	
	23	$ 1,481,783	$ 1,137,008	$ 344,775	$ 12,495,090	
	24	$ 1,491,337	$ 1,159,749	$ 331,588	$ 12,826,678	
	25	$ 1,501,082	$ 1,182,944	$ 318,138	$ 13,144,816	
	26	$ 1,511,022	$ 1,206,602	$ 304,419	$ 13,449,235	
	27	$ 1,521,160	$ 1,230,734	$ 290,426	$ 13,739,661	
	28	$ 1,531,502	$ 1,255,349	$ 276,152	$ 14,015,813	
	29	$ 1,542,050	$ 1,280,456	$ 261,594	$ 14,277,407	
	30	$ 1,552,809	$ 1,306,065	$ 246,744	$ 14,524,151	Maximum City Investment
	31	$ 559,693	$ 1,332,187	$ (772,493)	$ 13,751,658	
	32	$ 570,887	$ 1,358,830	$ (787,943)	$ 12,963,715	
	33	$ 582,305	$ 1,386,007	$ (803,702)	$ 12,160,013	
	34	$ 593,951	$ 1,413,727	$ (819,776)	$ 11,340,237	
	35	$ 605,830	$ 1,442,002	$ (836,171)	$ 10,504,066	
	36	$ 617,947	$ 1,470,842	$ (852,895)	$ 9,651,171	
	37	$ 630,306	$ 1,500,258	$ (869,953)	$ 8,781,218	
	38	$ 642,912	$ 1,530,264	$ (887,352)	$ 7,893,866	
	39	$ 655,770	$ 1,560,869	$ (905,099)	$ 6,988,767	
	40	$ 668,886	$ 1,592,086	$ (923,201)	$ 6,065,567	
	41	$ 682,263	$ 1,623,928	$ (941,665)	$ 5,123,902	
	42	$ 695,908	$ 1,656,407	$ (960,498)	$ 4,163,404	
	43	$ 709,827	$ 1,689,535	$ (979,708)	$ 3,183,696	
	44	$ 724,023	$ 1,723,325	$ (999,302)	$ 2,184,393	
	45	$ 738,504	$ 1,757,792	$ (1,019,288)	$ 1,165,105	
	46	$ 753,274	$ 1,792,948	$ (1,039,674)	$ 125,431	
Payback to City occurs in Year 47	**47**	**$ 768,339**	**$ 1,828,807**	**$ (1,060,468)**	**$ (935,036)**	**City Repaid**

Cumulative City Investment Increasing

Cumulative City Investment Decreasing

New City Hall - Financial & Risk Capacity Scenarios

Scenario 5

Building Summary	
Assumed Square Footage	95,750
Purpose:	Municipal Office/ Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284

Retail Use		
Assumed Square Footage		4,500
Controlling Agency		City of Franklin
Funding Stream		Rents/ City Subsidy
Total Cost	$	4,142,466
Cash	$	-
Debt	$	4,142,466
Principal	$	4,142,466
Interest Rate [7]		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		30
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,284

Overall Financials		
Total Construction Cost	$	88,142,466
Total Overall Cost (30 yrs.)	$	124,159,336
Less Net Rents	$	(5,031,546)
Net Overall Cost (30 yrs.)	$	119,127,790
Composite Cost/Sq. Ft.	$	921
Composite Cost/Sq. Ft.	$	1,284

Revenue Requirements		
Additional Revenue Req'	$	**2,000,290**
Annual Revenue Req'	$	**66,676**
Value of One Cent (2022)	$	**711,438**
Increase in Property Tax	$	**0.0009**

Risk Assessment	
Risk	Moderate
Reasons:	

- Dependent upon Retail Rental Market
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset subsidy
- Small Increase in taxes necessary
- 38 years to payback

City of Franklin Financing - Municipal Office — Level Payments $ 3,904,250 / **City of Franklin Financing - Both**

Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Prop. Tax)	IDB (Sales Tax)	Total City Contrib.
1	69,000,000	3,105,000	72,105,000	799,250	3,105,000	3,904,250	3,904,250	234,395	4,138,645
2	66,700,000	3,001,500	69,701,500	902,750	3,001,500	3,904,250	3,904,250	234,395	4,138,645
3	64,400,000	2,898,000	67,298,000	1,006,250	2,898,000	3,904,250	3,904,250	98,595	4,002,845
4	62,100,000	2,794,500	64,894,500	1,109,750	2,794,500	3,904,250	3,904,250	95,879	4,000,129
5	59,800,000	2,691,000	62,491,000	1,213,250	2,691,000	3,904,250	3,904,250	93,108	3,997,358
6	57,500,000	2,587,500	60,087,500	1,316,750	2,587,500	3,904,250	3,904,250	90,283	3,994,533
7	55,200,000	2,484,000	57,684,000	1,420,250	2,484,000	3,904,250	3,904,250	87,400	3,991,650
8	52,900,000	2,380,500	55,280,500	1,523,750	2,380,500	3,904,250	3,904,250	84,461	3,988,711
9	50,600,000	2,277,000	52,877,000	1,627,250	2,277,000	3,904,250	3,904,250	81,462	3,985,712
10	48,300,000	2,173,500	50,473,500	1,730,750	2,173,500	3,904,250	3,904,250	78,403	3,982,653
11	46,000,000	2,070,000	48,070,000	1,834,250	2,070,000	3,904,250	3,904,250	75,283	3,979,533
12	43,700,000	1,966,500	45,666,500	1,937,750	1,966,500	3,904,250	3,904,250	72,101	3,976,351
13	41,400,000	1,863,000	43,263,000	2,041,250	1,863,000	3,904,250	3,904,250	68,855	3,973,105
14	39,100,000	1,759,500	40,859,500	2,144,750	1,759,500	3,904,250	3,904,250	65,545	3,969,795
15	36,800,000	1,656,000	38,456,000	2,248,250	1,656,000	3,904,250	3,904,250	62,168	3,966,418
16	34,500,000	1,552,500	36,052,500	2,351,750	1,552,500	3,904,250	3,904,250	58,723	3,962,973
17	32,200,000	1,449,000	33,649,000	2,455,250	1,449,000	3,904,250	3,904,250	55,210	3,959,460
18	29,900,000	1,345,500	31,245,500	2,558,750	1,345,500	3,904,250	3,904,250	51,626	3,955,876
19	27,600,000	1,242,000	28,842,000	2,662,250	1,242,000	3,904,250	3,904,250	47,971	3,952,221
20	25,300,000	1,138,500	26,438,500	2,765,750	1,138,500	3,904,250	3,904,250	44,242	3,948,492
21	23,000,000	1,035,000	24,035,000	2,869,250	1,035,000	3,904,250	3,904,250	40,439	3,944,689
22	20,700,000	931,500	21,631,500	2,972,750	931,500	3,904,250	3,904,250	36,560	3,940,810
23	18,400,000	828,000	19,228,000	3,076,250	828,000	3,904,250	3,904,250	32,603	3,936,853
24	16,100,000	724,500	16,824,500	3,179,750	724,500	3,904,250	3,904,250	28,567	3,932,817
25	13,800,000	621,000	14,421,000	3,283,250	621,000	3,904,250	3,904,250	24,451	3,928,701
26	11,500,000	517,500	12,017,500	3,386,750	517,500	3,904,250	3,904,250	20,252	3,924,502
27	9,200,000	414,000	9,614,000	3,490,250	414,000	3,904,250	3,904,250	15,969	3,920,219
28	6,900,000	310,500	7,210,500	3,593,750	310,500	3,904,250	3,904,250	11,601	3,915,851
29	4,600,000	207,000	4,807,000	3,697,250	207,000	3,904,250	3,904,250	7,145	3,911,395
30	2,300,000	103,500	2,403,500	3,800,750	103,500	3,904,250	3,904,250	2,600	3,906,850
	69,000,000	48,127,500	117,127,500	69,000,000	48,127,500	117,127,500	117,127,500	2,000,290	119,127,790

Synopsis:

Partial City Hall Building/Full Garage w/Limited Allowable Commercial Space under Tax-Exempt Rules

Scenario 5 is another complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $117,127,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 30 years.

But it also includes a limited amount of retail - 4,500 sq. ft. to be exact - which is just under the 5% allowed to be borrowed and still maintain the City's tax-exempt bond ability for this project The City of Franklin would maintain and manage these retail sites since there is no need for outside funding.

All assumptions made for this retail structure - from rental rates, to operational costs, have been taken from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB. Taxes generated from the retail activities are based upon the attached schedule.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents and taxes are accounted for would range from a high of $234,000 to $2,600 annually for 30 years, cumulatively resulting in a taxpayer contribution of just over $2,000,000. Property taxes are also explicitly forbidden under law to be used to subsidize for profit purposes, so sales taxes would have to be redistributed to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 38 years.

Industrial Development Board Bonds — Level Payments $ 234,395

	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	4,142,466	186,411	4,328,877	47,984	186,411	234,395
2	4,004,384	180,197	4,184,581	54,197	180,197	234,395
3	3,866,301	173,984	4,040,285	60,411	173,984	234,395
4	3,728,219	167,770	3,895,989	66,625	167,770	234,395
5	3,590,137	161,556	3,751,693	72,838	161,556	234,395
6	3,452,055	155,342	3,607,397	79,052	155,342	234,395
7	3,313,973	149,129	3,463,101	85,266	149,129	234,395
8	3,175,890	142,915	3,318,805	91,479	142,915	234,395
9	3,037,808	136,701	3,174,510	97,693	136,701	234,395
10	2,899,726	130,488	3,030,214	103,907	130,488	234,395
11	2,761,644	124,274	2,885,918	110,121	124,274	234,395
12	2,623,562	118,060	2,741,622	116,334	118,060	234,395
13	2,485,479	111,847	2,597,326	122,548	111,847	234,395
14	2,347,397	105,633	2,453,030	128,762	105,633	234,395
15	2,209,315	99,419	2,308,734	134,975	99,419	234,395
16	2,071,233	93,205	2,164,438	141,189	93,205	234,395
17	1,933,151	86,992	2,020,142	147,403	86,992	234,395
18	1,795,068	80,778	1,875,847	153,616	80,778	234,395
19	1,656,986	74,564	1,731,551	159,830	74,564	234,395
20	1,518,904	68,351	1,587,255	166,044	68,351	234,395
21	1,380,822	62,137	1,442,959	172,258	62,137	234,395
22	1,242,740	55,923	1,298,663	178,471	55,923	234,395
23	1,104,658	49,710	1,154,367	184,685	49,710	234,395
24	966,575	43,496	1,010,071	190,899	43,496	234,395
25	828,493	37,282	865,775	197,112	37,282	234,395
26	690,411	31,068	721,479	203,326	31,068	234,395
27	552,329	24,855	577,184	209,540	24,855	234,395
28	414,247	18,641	432,888	215,753	18,641	234,395
29	276,164	12,427	288,592	221,967	12,427	234,395
30	138,082	6,214	144,296	228,181	6,214	234,395
	4,142,466	2,889,370	7,031,836	4,142,466	2,889,370	7,031,836

Offsetting Revenue Potential / **Annual Subsidy Required**

G	H	I (G x H)	J	K	M (I+J+K+L)	N (F-M)
Retail Sq. Footage [1]	Rental Rate [2]	Rental Income (Gross)	Taxes Generated	Less Oper. Cost [3]	Net Rental Income	
-	35.00	-	-	-	-	234,395
-	35.00	-	-	-	-	234,395
4,500	35.70	160,650	29,623	(54,474)	135,800	98,595
4,500	36.41	163,863	30,216	(55,563)	138,516	95,879
4,500	37.14	167,140	30,820	(56,674)	141,286	93,108
4,500	37.89	170,483	31,437	(57,808)	144,112	90,283
4,500	38.64	173,893	32,065	(58,964)	146,994	87,400
4,500	39.42	177,371	32,707	(60,143)	149,934	84,461
4,500	40.20	180,918	33,361	(61,346)	152,933	81,462
4,500	41.01	184,536	34,028	(62,573)	155,991	78,403
4,500	41.83	188,227	34,709	(63,825)	159,111	75,283
4,500	42.66	191,992	35,403	(65,101)	162,293	72,101
4,500	43.52	195,831	36,111	(66,403)	165,539	68,855
4,500	44.39	199,748	36,833	(67,731)	168,850	65,545
4,500	45.28	203,743	37,570	(69,086)	172,227	62,168
4,500	46.18	207,818	38,321	(70,468)	175,671	58,723
4,500	47.11	211,974	39,088	(71,877)	179,185	55,210
4,500	48.05	216,214	39,869	(73,314)	182,769	51,626
4,500	49.01	220,538	40,667	(74,781)	186,424	47,971
4,500	49.99	224,949	41,480	(76,276)	190,152	44,242
4,500	50.99	229,448	42,310	(77,802)	193,956	40,439
4,500	52.01	234,037	43,156	(79,358)	197,835	36,560
4,500	53.05	238,717	44,019	(80,945)	201,791	32,603
4,500	54.11	243,492	44,899	(82,564)	205,827	28,567
4,500	55.19	248,362	45,797	(84,215)	209,944	24,451
4,500	56.30	253,329	46,713	(85,900)	214,143	20,252
4,500	57.42	258,395	47,647	(87,618)	218,425	15,969
4,500	58.57	263,563	48,600	(89,370)	222,794	11,601
4,500	59.74	268,835	49,572	(91,157)	227,250	7,145
4,500	60.94	274,211	50,564	(92,980)	231,795	2,600
						2,000,290

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 30 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 31. This will take another 7 years to fully repay the City the over $2 million necessary over the debt servicing period. The City should fully recoup the investment in year 38.

Payback

Year	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
1	$ 234,395	$ -	$ 234,395	$ 234,395	
2	$ 234,395	$ -	$ 234,395	$ 468,789	
3	$ 288,868	$ 190,273	$ 98,595	$ 567,384	Rents at full when building opens (because of only 3 retail spots)
4	$ 289,958	$ 194,079	$ 95,879	$ 663,263	
5	$ 291,069	$ 197,961	$ 93,108	$ 756,371	
6	$ 292,202	$ 201,920	$ 90,283	$ 846,654	
7	$ 293,359	$ 205,958	$ 87,400	$ 934,054	
8	$ 294,538	$ 210,077	$ 84,461	$ 1,018,515	
9	$ 295,741	$ 214,279	$ 81,462	$ 1,099,977	
10	$ 296,968	$ 218,564	$ 78,403	$ 1,178,380	
11	$ 298,219	$ 222,936	$ 75,283	$ 1,253,663	
12	$ 299,496	$ 227,394	$ 72,101	$ 1,325,765	
13	$ 300,798	$ 231,942	$ 68,855	$ 1,394,620	
14	$ 302,126	$ 236,581	$ 65,545	$ 1,460,165	
15	$ 303,480	$ 241,313	$ 62,168	$ 1,522,332	
16	$ 304,862	$ 246,139	$ 58,723	$ 1,581,055	
17	$ 306,271	$ 251,062	$ 55,210	$ 1,636,265	
18	$ 307,709	$ 256,083	$ 51,626	$ 1,687,891	
19	$ 309,175	$ 261,205	$ 47,971	$ 1,735,861	
20	$ 310,671	$ 266,429	$ 44,242	$ 1,780,103	
21	$ 312,196	$ 271,757	$ 40,439	$ 1,820,542	
22	$ 313,752	$ 277,192	$ 36,560	$ 1,857,102	
23	$ 315,340	$ 282,736	$ 32,603	$ 1,889,705	
24	$ 316,958	$ 288,391	$ 28,567	$ 1,918,273	
25	$ 318,610	$ 294,159	$ 24,451	$ 1,942,724	
26	$ 320,294	$ 300,042	$ 20,252	$ 1,962,975	
27	$ 322,012	$ 306,043	$ 15,969	$ 1,978,945	
28	$ 323,764	$ 312,164	$ 11,601	$ 1,990,545	
29	$ 325,552	$ 318,407	$ 7,145	$ 1,997,690	
30	$ 327,375	$ 324,775	$ 2,600	$ 2,000,290	Maximum City Investment
31	$ 94,840	$ 331,271	$ (236,431)	$ 1,763,859	
32	$ 96,737	$ 337,896	$ (241,159)	$ 1,522,700	
33	$ 98,672	$ 344,654	$ (245,982)	$ 1,276,717	
34	$ 100,645	$ 351,547	$ (250,902)	$ 1,025,815	
35	$ 102,658	$ 358,578	$ (255,920)	$ 769,895	
36	$ 104,711	$ 365,750	$ (261,039)	$ 508,856	
37	$ 106,805	$ 373,065	$ (266,259)	$ 242,597	
Payback to City occurs in Year 38 38	**$ 108,941**	**$ 380,526**	**$ (271,585)**	**$ (28,988)**	**City Repaid**

Cumulative City Investment Increasing (Years 4–28)

Cumulative City Investment Decreasing (Years 31–37)

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[3] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9. (pro-rated for size of retail).

Taxes Generated by New Retail Development

Each business in the City of Franklin generates a series of fees, and taxes. For the purposes of this analysis, staff has focused on recurring Local Option Sales Tax (LOST) revenues which are generated as a result of the business. While other taxes are generated, they either produce insignificant amounts of revenue annually or do not come to the City but rather the State of Tennessee.

Sales Taxes

It is important to note that only a portion of the total Sales Tax collected at the register on a sale in Tennessee actually comes directly back to the City of Franklin. The current sales tax rate of 9.75% for all purchases at the register is broken out as follows:

A	7.00%	State of Tennessee Sales Tax
B	1.375%	Local Option Sales Tax (Public Schools)
C	1.375%	Local Option Sales Tax (City of Franklin)
D (A+B+C)	**9.75%**	**Total Sales Tax Collected on Sales**

To estimate the amount of sales tax collected at brick and mortar establishments in the City of Franklin, staff has focused only on the amount of sales tax generated from the 1.375% LOST received annually by the City of Franklin. The figure below shows that the average amount of LOST generated by square foot of retail space in Franklin in 2022 is $7.70/sf.

E	$	57,745,532	Unaudited FY 2022 LOST Collections (City of Franklin)
F		7,500,000	Estimated Total Retail Square Footage, City of Franklin (2022)
G (E/F)	**$**	**7.70**	**Estimated Local Sales Tax Generated by Sq. Ft., City of Franklin - 2022**

But this number has to be reduced further because the total LOST collected by the City of Franklin is inclusive of both online sales and sales in brick and mortar institutions. Using national averages provided from the U.S. Census Bureau[1], the percentage of total sales in the United States through the 2nd quarter of 2022 attributable to e-commerce (online) was 14.5%. (Exact percentages for online vs. on-site sales in Franklin are unavailable. Using a national average was fair approximation)

G	$	7.70	Estimated Local Sales Tax Generated by Sq. Ft., City of Franklin - 2022
H		14.5%	Percent Attributable to E-commerce (Online) Sales
I (G x (1-H))	**$**	**6.58**	**Average Local Sales Tax Generated/Square Foot at Brick and Mortar Sites**

Sales Tax Generation Potential - City Hall Scenarios

The tables below shows the relative level of sales tax generated from three sizes of retail development:

Scenario 3a - Retail portion of 38,000 sq. ft. Retail/Office proposal

L		17,100	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
M (L x I)	**$**	**112,569**	Total Annual Sales Tax Generated for Franklin

Scenario 4 - Retail of 24,450 which fills out massing of Full Master Plan

N		24,450	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
O (N x I)	**$**	**160,954**	Total Annual Sales Tax Generated for Franklin

Scenario 5 - Up to 5% Retail funded through tax-exempt bonds (4500 sq. ft. retail only)

J		4,500	Total Usable Retail Square Footage
I	$	6.58	Average Local Option Sales Tax/Sq. Ft. in Franklin (2022)
K (J x I)	**$**	**29,623**	Total Annual Sales Tax Generated for Franklin

Notes:

[1] Source: https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

Reference Materials from August 23rd

Original Scenario 1
Original Scenario 2
Original Scenario 3a
Original Scenario 3b
Cash Summary - General Fund - CIP Programming

New City Hall - Financial & Risk Capacity Scenarios

Scenario 1

Building Summary	
Assumed Square Footage	91,250
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,113

Risk Assessment	
Risk	Low

Reasons:
- Tax Exempt
- 100% City-controlled
- No increase in taxes necessary

City of Franklin Debt Financing				Level Payments		$ 5,080,125
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500

Synopsis:

Partial Building/Full Garage

Scenario 1 provides for a smaller building than the Master Plan originally proposed but the full underground garage. It is slightly larger than what was proposed earlier in 2022, but remains within the City's available funding capacity without need for additional revenues.

91,250 square feet is proposed to cover all employee and service needs to 2040. Principal and Interest payments are forecast to be level annually and just over $5 million. Interest rates are forecast to be 4.5% - but this will change (as will the cost) when bonds are issued for this project in several years. For now, we are assuming that this would occur today and given recent increases in the Federal Funds rate to fight inflation, 4.5% is a realistic rate even for a AAA credit such as Franklin.

This scenario poses a low risk financially and legally for the City of Franklin.

New City Hall - Financial & Risk Capacity Scenarios

Scenario 2

Building Summary	
Assumed Square Footage	115,700
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	106,600,000
Cash	$	15,000,000
Debt	$	91,600,000
Principal	$	91,600,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20

Revenue Requirements		
Additional Revenue Req'	$	33,278,500
Annual Revenue Req'	$	1,663,925
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0234
Cost per sq. Ft. Const.	$	921
Cost per Sq. Ft. Fin.	$	1,166

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- Increase in taxes necessary - 2+ Cents	

City of Franklin Debt Financing				Level Payments		$ 6,744,050
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 91,600,000	$ 4,122,000	$ 95,722,000	$ 2,622,050	$ 4,122,000	$ 6,744,050
2	$ 87,020,000	$ 3,915,900	$ 90,935,900	$ 2,828,150	$ 3,915,900	$ 6,744,050
3	$ 82,440,000	$ 3,709,800	$ 86,149,800	$ 3,034,250	$ 3,709,800	$ 6,744,050
4	$ 77,860,000	$ 3,503,700	$ 81,363,700	$ 3,240,350	$ 3,503,700	$ 6,744,050
5	$ 73,280,000	$ 3,297,600	$ 76,577,600	$ 3,446,450	$ 3,297,600	$ 6,744,050
6	$ 68,700,000	$ 3,091,500	$ 71,791,500	$ 3,652,550	$ 3,091,500	$ 6,744,050
7	$ 64,120,000	$ 2,885,400	$ 67,005,400	$ 3,858,650	$ 2,885,400	$ 6,744,050
8	$ 59,540,000	$ 2,679,300	$ 62,219,300	$ 4,064,750	$ 2,679,300	$ 6,744,050
9	$ 54,960,000	$ 2,473,200	$ 57,433,200	$ 4,270,850	$ 2,473,200	$ 6,744,050
10	$ 50,380,000	$ 2,267,100	$ 52,647,100	$ 4,476,950	$ 2,267,100	$ 6,744,050
11	$ 45,800,000	$ 2,061,000	$ 47,861,000	$ 4,683,050	$ 2,061,000	$ 6,744,050
12	$ 41,220,000	$ 1,854,900	$ 43,074,900	$ 4,889,150	$ 1,854,900	$ 6,744,050
13	$ 36,640,000	$ 1,648,800	$ 38,288,800	$ 5,095,250	$ 1,648,800	$ 6,744,050
14	$ 32,060,000	$ 1,442,700	$ 33,502,700	$ 5,301,350	$ 1,442,700	$ 6,744,050
15	$ 27,480,000	$ 1,236,600	$ 28,716,600	$ 5,507,450	$ 1,236,600	$ 6,744,050
16	$ 22,900,000	$ 1,030,500	$ 23,930,500	$ 5,713,550	$ 1,030,500	$ 6,744,050
17	$ 18,320,000	$ 824,400	$ 19,144,400	$ 5,919,650	$ 824,400	$ 6,744,050
18	$ 13,740,000	$ 618,300	$ 14,358,300	$ 6,125,750	$ 618,300	$ 6,744,050
19	$ 9,160,000	$ 412,200	$ 9,572,200	$ 6,331,850	$ 412,200	$ 6,744,050
20	$ 4,580,000	$ 206,100	$ 4,786,100	$ 6,537,950	$ 206,100	$ 6,744,050
	$ 91,600,000	$ 43,281,000	$ 134,881,000	$ 91,600,000	$ 43,281,000	$ 134,881,000

Synopsis:

Construction of the Full Master Plan

Scenario 2 is of similar complexity to Scenario 1 except that instead of building the reduced footprint of 91,250 sq.ft, this shows the cost of building the full master plan amount of 115,700.

The major difference between Scenario 1 and Scenario 2, however, is that the cost exceeds available funding as forecast through the ten-year Capital Investment Program financing model. An additional $33,278,500 would be required to service the necessary debt to cover the costs of the full build-out. This could be raised from increasing local property taxes. The amount - estimated at 2.34 cents - is shown under the box labeled "Revenue Requirements at the left.

Overall, this remains a low risk scenario - all bonds would be tax-exempt, the building would be for governmental purpose and controlled by the City of Franklin, but over $33 million which could go to other purposes and opportunities would now be dedicated to constructing City Hall.

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3a

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary	
Municipal Purpose Building	
Assumed Square Footage	91,250
Controlling Agency	City of Franklin
Funding Stream	Property Tax Levy
Total Cost	$ 84,000,000
Cash	$ 15,000,000
Debt	$ 69,000,000
Principal	$ 69,000,000
Interest Rate	4.50%
Bond Rating	AAA
Debt Type	Tax-Exempt
Term	20
Cost per Sq. Ft. Const	$ 921
Cost per Sq. Ft. Fin.	$ 1,113

City of Franklin Financing - Municipal Office			Level Payments			$ 5,080,125	City of Franklin Financing - Both		
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Property Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125	$ 5,080,125	$ 1,949,860	$ 7,029,985
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125	$ 5,080,125	$ 1,924,860	$ 7,004,985
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125	$ 5,080,125	$ 1,891,170	$ 6,971,295
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125	$ 5,080,125	$ 1,386,922	$ 6,467,047
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125	$ 5,080,125	$ 862,508	$ 5,942,633
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125	$ 5,080,125	$ 841,761	$ 5,921,886
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125	$ 5,080,125	$ 820,599	$ 5,900,724
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125	$ 5,080,125	$ 799,014	$ 5,879,139
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125	$ 5,080,125	$ 776,997	$ 5,857,122
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125	$ 5,080,125	$ 754,540	$ 5,834,665
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125	$ 5,080,125	$ 731,634	$ 5,811,759
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125	$ 5,080,125	$ 708,269	$ 5,788,394
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125	$ 5,080,125	$ 684,437	$ 5,764,562
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125	$ 5,080,125	$ 660,129	$ 5,740,254
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125	$ 5,080,125	$ 635,334	$ 5,715,459
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125	$ 5,080,125	$ 610,044	$ 5,690,169
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125	$ 5,080,125	$ 584,247	$ 5,664,372
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125	$ 5,080,125	$ 557,935	$ 5,638,060
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125	$ 5,080,125	$ 531,096	$ 5,611,221
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125	$ 5,080,125	$ 503,721	$ 5,583,846
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 101,602,500	$ 18,215,078	$ 119,817,578

Synopsis: Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 3a is the most complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $101,602,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 20 years.

But it also includes a 38,000 sq. ft. mixed-use development at the corner of 3rd & Church. This building uses estimated per square footage costs provided by the Gibbs Design Group of $607/ sq.ft. This building - which has 36,100 leasable sq. footage (19,000 sq. ft. for office and 17,100 sq. ft. for retail) - would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 38,000 square foot taxable building costing slightly less than $38 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this mixed-use structure - from size of building, to the cost of the building, to rental rates, to operational costs, have been taken directly from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would range from more that $500,000 to $1.9 million annually for 20 years, cumulatively resulting in a taxpayer contribution of $18.2 million. To avoid state constitutional concerns on the use of property tax revenues, the City may avoid property tax support of the for-profit building. As a result, sales taxes are shown herein and would be redistributed from operations to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 32 years.

Private Office/Retail Building	
Assumed Square Footage	38,000
Controlling Agency	Franklin IDB
Funding Stream	Rents/ City Subsidy
Total Cost	$ 23,066,000
Cash	$ -
Debt	$ 23,066,000
Principal	$ 23,066,000
Interest Rate [7]	6.17%
Bond Rating	TBD
Debt Type	Taxable
Term	20
Cost per Sq. Ft. Const	$ 607
Cost per Sq. Ft. Fin.	$ 1,000

Industrial Development Board Bonds			Level Payments			$ 1,899,860
	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 23,066,000	$ 1,422,019	$ 24,488,019	$ 477,841	$ 1,422,019	$ 1,899,860
2	$ 21,912,700	$ 1,350,918	$ 23,263,618	$ 548,942	$ 1,350,918	$ 1,899,860
3	$ 20,759,400	$ 1,279,817	$ 22,039,217	$ 620,043	$ 1,279,817	$ 1,899,860
4	$ 19,606,100	$ 1,208,716	$ 20,814,816	$ 691,144	$ 1,208,716	$ 1,899,860
5	$ 18,452,800	$ 1,137,615	$ 19,590,415	$ 762,245	$ 1,137,615	$ 1,899,860
6	$ 17,299,500	$ 1,066,514	$ 18,366,014	$ 833,346	$ 1,066,514	$ 1,899,860
7	$ 16,146,200	$ 995,413	$ 17,141,613	$ 904,447	$ 995,413	$ 1,899,860
8	$ 14,992,900	$ 924,312	$ 15,917,212	$ 975,548	$ 924,312	$ 1,899,860
9	$ 13,839,600	$ 853,211	$ 14,692,811	$ 1,046,649	$ 853,211	$ 1,899,860
10	$ 12,686,300	$ 782,110	$ 13,468,410	$ 1,117,750	$ 782,110	$ 1,899,860
11	$ 11,533,000	$ 711,009	$ 12,244,009	$ 1,188,850	$ 711,009	$ 1,899,860
12	$ 10,379,700	$ 639,909	$ 11,019,609	$ 1,259,951	$ 639,909	$ 1,899,860
13	$ 9,226,400	$ 568,808	$ 9,795,208	$ 1,331,052	$ 568,808	$ 1,899,860
14	$ 8,073,100	$ 497,707	$ 8,570,807	$ 1,402,153	$ 497,707	$ 1,899,860
15	$ 6,919,800	$ 426,606	$ 7,346,406	$ 1,473,254	$ 426,606	$ 1,899,860
16	$ 5,766,500	$ 355,505	$ 6,122,005	$ 1,544,355	$ 355,505	$ 1,899,860
17	$ 4,613,200	$ 284,404	$ 4,897,604	$ 1,615,456	$ 284,404	$ 1,899,860
18	$ 3,459,900	$ 213,303	$ 3,673,203	$ 1,686,557	$ 213,303	$ 1,899,860
19	$ 2,306,600	$ 142,202	$ 2,448,802	$ 1,757,658	$ 142,202	$ 1,899,860
20	$ 1,153,300	$ 71,101	$ 1,224,401	$ 1,828,759	$ 71,101	$ 1,899,860
	$ 23,066,000	$ 14,931,198	$ 37,997,198	$ 23,066,000	$ 14,931,198	$ 37,997,198

Offsetting Revenue Potential								Annual Subsidy Required
G	H	I	J	K ((G x H)+(I x J))	L	M	N (K+L+M)	O (F-N)
Office Sq. Footage [1]	Rental Rate [2]	Retail Sq. Footage [3]	Rental Rate [4]	Total Rental Income (Gross)	Less Operating Cost [5]	Less Annual IDB Cost [6]	Net Rental Income	
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (50,000)	$ (50,000)	$ 1,949,860
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (25,000)	$ (25,000)	$ 1,924,860
6,333	$ 45.90	5,700	$ 35.70	$ 494,190	$ (460,000)	$ (25,500)	$ 8,690	$ 1,891,170
12,667	$ 46.82	11,400	$ 36.41	$ 1,008,148	$ (469,200)	$ (26,010)	$ 512,938	$ 1,386,922
19,000	$ 47.75	17,100	$ 37.14	$ 1,542,466	$ (478,584)	$ (26,530)	$ 1,037,352	$ 862,508
19,000	$ 48.71	17,100	$ 37.89	$ 1,573,315	$ (488,156)	$ (27,061)	$ 1,058,099	$ 841,761
19,000	$ 49.68	17,100	$ 38.64	$ 1,604,781	$ (497,919)	$ (27,602)	$ 1,079,261	$ 820,599
19,000	$ 50.68	17,100	$ 39.42	$ 1,636,877	$ (507,877)	$ (28,154)	$ 1,100,846	$ 799,014
19,000	$ 51.69	17,100	$ 40.20	$ 1,669,615	$ (518,035)	$ (28,717)	$ 1,122,863	$ 776,997
19,000	$ 52.72	17,100	$ 41.01	$ 1,703,007	$ (528,395)	$ (29,291)	$ 1,145,320	$ 754,540
19,000	$ 53.78	17,100	$ 41.83	$ 1,737,067	$ (538,963)	$ (29,877)	$ 1,168,226	$ 731,634
19,000	$ 54.85	17,100	$ 42.66	$ 1,771,808	$ (549,743)	$ (30,475)	$ 1,191,591	$ 708,269
19,000	$ 55.95	17,100	$ 43.52	$ 1,807,245	$ (560,737)	$ (31,084)	$ 1,215,423	$ 684,437
19,000	$ 57.07	17,100	$ 44.39	$ 1,843,389	$ (571,952)	$ (31,706)	$ 1,239,731	$ 660,129
19,000	$ 58.21	17,100	$ 45.28	$ 1,880,257	$ (583,391)	$ (32,340)	$ 1,264,526	$ 635,334
19,000	$ 59.38	17,100	$ 46.18	$ 1,917,862	$ (595,059)	$ (32,987)	$ 1,289,816	$ 610,044
19,000	$ 60.56	17,100	$ 47.11	$ 1,956,220	$ (606,960)	$ (33,647)	$ 1,315,613	$ 584,247
19,000	$ 61.78	17,100	$ 48.05	$ 1,995,344	$ (619,099)	$ (34,320)	$ 1,341,925	$ 557,935
19,000	$ 63.01	17,100	$ 49.01	$ 2,035,251	$ (631,481)	$ (35,006)	$ 1,368,763	$ 531,096
19,000	$ 64.27	17,100	$ 49.99	$ 2,075,956	$ (644,111)	$ (35,706)	$ 1,396,139	$ 503,721
								$ 18,215,078

Overall Financials	
Total Construction Cost	$ 107,066,000
Total Overall Cost (20 yrs.)	$ 139,599,698
Less Net Office Rents	$ (19,782,121)
Net Overall Cost (20 yrs.)	$ 119,817,578
Composite Cost/Sq. Ft.	$ 828
Composite Cost/Sq. Ft.	$ 1,080

Revenue Requirements	
Additional Revenue Req'	$ 18,215,078
Annual Revenue Req'	$ 910,754
Value of One Cent (2022)	$ 711,438
Increase in Property Tax	$ 0.0128

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- City Appropriation required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Increase in taxes necessary
- 32 years to payback

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[3] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

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[5] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9.

[6] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.

[7] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3a

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 20 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 21. This will take another 12 years to fully repay the City the over $18 million necessary over the debt servicing period. The City should fully recoup the investment in year 32.

Payback

	Year	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
	1	$ 1,949,860	$ -	$ 1,949,860	$ 1,949,860	
	2	$ 1,924,860	$ -	$ 1,924,860	$ 3,874,720	
	3	$ 2,385,360	$ 494,190	$ 1,891,170	$ 5,765,890	Rents begin to come in to IDB
	4	$ 2,395,070	$ 1,008,148	$ 1,386,922	$ 7,152,812	
	5	$ 2,404,974	$ 1,542,466	$ 862,508	$ 8,015,320	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
	6	$ 2,415,076	$ 1,573,315	$ 841,761	$ 8,857,082	Cumulative City Investment Increasing
	7	$ 2,425,381	$ 1,604,781	$ 820,599	$ 9,677,681	
	8	$ 2,435,891	$ 1,636,877	$ 799,014	$ 10,476,695	
	9	$ 2,446,612	$ 1,669,615	$ 776,997	$ 11,253,692	
	10	$ 2,457,547	$ 1,703,007	$ 754,540	$ 12,008,232	
	11	$ 2,468,701	$ 1,737,067	$ 731,634	$ 12,739,866	
	12	$ 2,480,077	$ 1,771,808	$ 708,269	$ 13,448,135	
	13	$ 2,491,682	$ 1,807,245	$ 684,437	$ 14,132,572	
	14	$ 2,503,518	$ 1,843,389	$ 660,129	$ 14,792,700	
	15	$ 2,515,591	$ 1,880,257	$ 635,334	$ 15,428,034	
	16	$ 2,527,906	$ 1,917,862	$ 610,044	$ 16,038,078	
	17	$ 2,540,467	$ 1,956,220	$ 584,247	$ 16,622,325	
	18	$ 2,553,279	$ 1,995,344	$ 557,935	$ 17,180,260	
	19	$ 2,566,347	$ 2,035,251	$ 531,096	$ 17,711,357	
	20	$ 2,579,677	$ 2,075,956	$ 503,721	$ 18,215,078	Maximum City Investment
	21	$ 693,414	$ 2,117,475	$ (1,424,061)	$ 16,791,016	Cumulative City Investment Decreasing
	22	$ 707,282	$ 2,159,825	$ (1,452,543)	$ 15,338,474	
	23	$ 721,427	$ 2,203,021	$ (1,481,594)	$ 13,856,880	
	24	$ 735,856	$ 2,247,081	$ (1,511,225)	$ 12,345,655	
	25	$ 750,573	$ 2,292,023	$ (1,541,450)	$ 10,804,205	
	26	$ 765,585	$ 2,337,864	$ (1,572,279)	$ 9,231,926	
	27	$ 780,896	$ 2,384,621	$ (1,603,725)	$ 7,628,201	
	28	$ 796,514	$ 2,432,313	$ (1,635,799)	$ 5,992,402	
	29	$ 812,444	$ 2,480,959	$ (1,668,515)	$ 4,323,887	
	30	$ 828,693	$ 2,530,579	$ (1,701,885)	$ 2,622,002	
	31	$ 845,267	$ 2,581,190	$ (1,735,923)	$ 886,079	
Payback to City occurs in Year 32	**32**	**$ 862,173**	**$ 2,632,814**	**$ (1,770,641)**	**$ (884,562)**	**City Repaid**

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3

Building Summary	
Assumed Square Footage	130,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary	
Municipal Purpose Building	
Assumed Square Footage	91,250
Controlling Agency	City of Franklin
Funding Stream	Property Tax Levy
Total Cost	$ 84,000,000
Cash	$ 15,000,000
Debt	$ 69,000,000
Principal	$ 69,000,000
Interest Rate	4.50%
Bond Rating	AAA
Debt Type	Tax-Exempt
Term	20
Cost per Sq. Ft. Const	$ 921
Cost per Sq. Ft. Fin.	$ 1,113

Private Office/Retail Building	
Assumed Square Footage	39,000
Controlling Agency	Franklin IDB
Funding Stream	Rents/ City Subsidy
Total Cost	$ 35,901,370
Cash	$ -
Debt	$ 35,901,370
Principal	$ 35,901,370
Interest Rate [7]	6.17%
Bond Rating	TBD
Debt Type	Taxable
Term	20
Cost per Sq. Ft. Const	$ 921
Cost per Sq. Ft. Fin.	$ 1,516

Overall Financials	
Total Construction Cost	$ 119,901,370
Total Overall Cost (20 yrs.)	$ 160,743,724
Less Net Office Rents	$ (19,782,121)
Net Overall Cost (20 yrs.)	$ 140,961,604
Composite Cost/Sq. Ft.	$ 921
Composite Cost/Sq. Ft.	$ 1,234

Revenue Requirements	
Additional Revenue Req'	$ 39,359,104
Annual Revenue Req'	$ 1,967,955
Value of One Cent (2022)	$ 711,438
Increase in Property Tax	$ 0.0277

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- Governmental Pledge required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Increase in taxes necessary - 2+ Cents
- 43 years to payback

City of Franklin Financing - Municipal Office		Level Payments			$ 5,080,125	City of Franklin Financing - Both		
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Property Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125	$ 5,080,125	$ 3,007,061	$ 8,087,186
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125	$ 5,080,125	$ 2,982,061	$ 8,062,186
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125	$ 5,080,125	$ 2,948,371	$ 8,028,496
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125	$ 5,080,125	$ 2,444,124	$ 7,524,249
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125	$ 5,080,125	$ 1,919,710	$ 6,999,835
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125	$ 5,080,125	$ 1,898,963	$ 6,979,088
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125	$ 5,080,125	$ 1,877,801	$ 6,957,926
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125	$ 5,080,125	$ 1,856,215	$ 6,936,340
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125	$ 5,080,125	$ 1,834,198	$ 6,914,323
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125	$ 5,080,125	$ 1,811,741	$ 6,891,866
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125	$ 5,080,125	$ 1,788,835	$ 6,868,960
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125	$ 5,080,125	$ 1,765,470	$ 6,845,595
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125	$ 5,080,125	$ 1,741,638	$ 6,821,763
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125	$ 5,080,125	$ 1,717,330	$ 6,797,455
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125	$ 5,080,125	$ 1,692,535	$ 6,772,660
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125	$ 5,080,125	$ 1,667,245	$ 6,747,370
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125	$ 5,080,125	$ 1,641,449	$ 6,721,574
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125	$ 5,080,125	$ 1,615,136	$ 6,695,261
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125	$ 5,080,125	$ 1,588,298	$ 6,668,423
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125	$ 5,080,125	$ 1,560,922	$ 6,641,047
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 101,602,500	$ 39,359,104	$ 140,961,604

Synopsis:

Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 3 is the most complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $101,602,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 20 years.

But it also includes a 39,000 sq. ft. mixed-use development at the corner of 3rd & Church. This building - which has 36,100 leasable sq. footage (19,000 sq. ft. for office and 17,100 sq. ft. for retail) would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 39,000 taxable building costing slightly more than $59.1 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this mixed-use structure - from size of building, to rental rates, to operational costs, have been taken directly from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would range from $1.6 to $3.0 million annually for 20 years, cumulatively resulting in a taxpayer contribution of $39.4 million. Property taxes are also explicitly forbidden under law to be used to subsidize for profit purposes, so sales taxes would have to be redistributed to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 43 years.

Industrial Development Board Bonds		Level Payments			$ 2,957,061
	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 35,901,370	$ 2,213,319	$ 38,114,689	$ 743,742	$ 2,213,319	$ 2,957,061
2	$ 34,106,301	$ 2,102,653	$ 36,208,955	$ 854,408	$ 2,102,653	$ 2,957,061
3	$ 32,311,233	$ 1,991,988	$ 34,303,220	$ 965,074	$ 1,991,988	$ 2,957,061
4	$ 30,516,164	$ 1,881,322	$ 32,397,486	$ 1,075,740	$ 1,881,322	$ 2,957,061
5	$ 28,721,096	$ 1,770,656	$ 30,491,751	$ 1,186,406	$ 1,770,656	$ 2,957,061
6	$ 26,926,027	$ 1,659,990	$ 28,586,017	$ 1,297,072	$ 1,659,990	$ 2,957,061
7	$ 25,130,959	$ 1,549,324	$ 26,680,283	$ 1,407,738	$ 1,549,324	$ 2,957,061
8	$ 23,335,890	$ 1,438,658	$ 24,774,548	$ 1,518,404	$ 1,438,658	$ 2,957,061
9	$ 21,540,822	$ 1,327,992	$ 22,868,814	$ 1,629,070	$ 1,327,992	$ 2,957,061
10	$ 19,745,753	$ 1,217,326	$ 20,963,079	$ 1,739,736	$ 1,217,326	$ 2,957,061
11	$ 17,950,685	$ 1,106,660	$ 19,057,345	$ 1,850,401	$ 1,106,660	$ 2,957,061
12	$ 16,155,616	$ 995,994	$ 17,151,610	$ 1,961,067	$ 995,994	$ 2,957,061
13	$ 14,360,548	$ 885,328	$ 15,245,876	$ 2,071,733	$ 885,328	$ 2,957,061
14	$ 12,565,479	$ 774,662	$ 13,340,141	$ 2,182,399	$ 774,662	$ 2,957,061
15	$ 10,770,411	$ 663,996	$ 11,434,407	$ 2,293,065	$ 663,996	$ 2,957,061
16	$ 8,975,342	$ 553,330	$ 9,528,672	$ 2,403,731	$ 553,330	$ 2,957,061
17	$ 7,180,274	$ 442,664	$ 7,622,938	$ 2,514,397	$ 442,664	$ 2,957,061
18	$ 5,385,205	$ 331,998	$ 5,717,203	$ 2,625,063	$ 331,998	$ 2,957,061
19	$ 3,590,137	$ 221,332	$ 3,811,469	$ 2,735,729	$ 221,332	$ 2,957,061
20	$ 1,795,068	$ 110,666	$ 1,905,734	$ 2,846,395	$ 110,666	$ 2,957,061
	$ 35,901,370	$ 23,239,854	$ 59,141,224	$ 35,901,370	$ 23,239,854	$ 59,141,224

Offsetting Revenue Potential								Annual Subsidy Required
G	H	I	J	K ((G x H)+(I x J))	L	M	N (K+L+M)	O (F-N)
Office Sq. Footage [1]	Rental Rate [2]	Retail Sq. Footage [3]	Rental Rate [4]	Total Rental Income (Gross)	Less Operating Cost [5]	Less Annual IDB Cost [6]	Net Rental Income	
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (50,000)	$ (50,000)	$ 3,007,061
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (25,000)	$ (25,000)	$ 2,982,061
6,333	$ 45.90	5,700	$ 35.70	$ 494,190	$ (460,000)	$ (25,500)	$ 8,690	$ 2,948,371
12,667	$ 46.82	11,400	$ 36.41	$ 1,008,148	$ (469,200)	$ (26,010)	$ 512,938	$ 2,444,124
19,000	$ 47.75	17,100	$ 37.14	$ 1,542,466	$ (478,584)	$ (26,530)	$ 1,037,352	$ 1,919,710
19,000	$ 48.71	17,100	$ 37.89	$ 1,573,315	$ (488,156)	$ (27,061)	$ 1,058,099	$ 1,898,963
19,000	$ 49.68	17,100	$ 38.64	$ 1,604,781	$ (497,919)	$ (27,602)	$ 1,079,261	$ 1,877,801
19,000	$ 50.68	17,100	$ 39.42	$ 1,636,877	$ (507,877)	$ (28,154)	$ 1,100,846	$ 1,856,215
19,000	$ 51.69	17,100	$ 40.20	$ 1,669,615	$ (518,035)	$ (28,717)	$ 1,122,863	$ 1,834,198
19,000	$ 52.72	17,100	$ 41.01	$ 1,703,007	$ (528,395)	$ (29,291)	$ 1,145,320	$ 1,811,741
19,000	$ 53.78	17,100	$ 41.83	$ 1,737,067	$ (538,963)	$ (29,877)	$ 1,168,226	$ 1,788,835
19,000	$ 54.85	17,100	$ 42.66	$ 1,771,808	$ (549,743)	$ (30,475)	$ 1,191,591	$ 1,765,470
19,000	$ 55.95	17,100	$ 43.52	$ 1,807,245	$ (560,737)	$ (31,084)	$ 1,215,423	$ 1,741,638
19,000	$ 57.07	17,100	$ 44.39	$ 1,843,389	$ (571,952)	$ (31,706)	$ 1,239,731	$ 1,717,330
19,000	$ 58.21	17,100	$ 45.28	$ 1,880,257	$ (583,391)	$ (32,340)	$ 1,264,526	$ 1,692,535
19,000	$ 59.38	17,100	$ 46.18	$ 1,917,862	$ (595,059)	$ (32,987)	$ 1,289,816	$ 1,667,245
19,000	$ 60.56	17,100	$ 47.11	$ 1,956,220	$ (606,960)	$ (33,647)	$ 1,315,613	$ 1,641,449
19,000	$ 61.78	17,100	$ 48.05	$ 1,995,344	$ (619,099)	$ (34,320)	$ 1,341,925	$ 1,615,136
19,000	$ 63.01	17,100	$ 49.01	$ 2,035,251	$ (631,481)	$ (35,006)	$ 1,368,763	$ 1,588,298
19,000	$ 64.27	17,100	$ 49.99	$ 2,075,956	$ (644,111)	$ (35,706)	$ 1,396,139	$ 1,560,922
								$ 39,359,104

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.

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[6] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.

[7] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 20 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 21. This will take another 23 years to fully repay the City the over $39 million necessary over the debt servicing period. The City should fully recoup the investment in year 43.

Payback

	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
1	$ 3,007,061	$ -	$ 3,007,061	$ 3,007,061	
2	$ 2,982,061	$ -	$ 2,982,061	$ 5,989,122	
3	$ 3,442,561	$ 494,190	$ 2,948,371	$ 8,937,494	Rents begin to come in to IDB
4	$ 3,452,271	$ 1,008,148	$ 2,444,124	$ 11,381,617	
5	$ 3,462,175	$ 1,542,466	$ 1,919,710	$ 13,301,327	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
6	$ 3,472,278	$ 1,573,315	$ 1,898,963	$ 15,200,289	Cumulative City Investment Increasing
7	$ 3,482,582	$ 1,604,781	$ 1,877,801	$ 17,078,090	
8	$ 3,493,092	$ 1,636,877	$ 1,856,215	$ 18,934,305	
9	$ 3,503,813	$ 1,669,615	$ 1,834,198	$ 20,768,504	
10	$ 3,514,748	$ 1,703,007	$ 1,811,741	$ 22,580,245	
11	$ 3,525,902	$ 1,737,067	$ 1,788,835	$ 24,369,080	
12	$ 3,537,279	$ 1,771,808	$ 1,765,470	$ 26,134,550	
13	$ 3,548,883	$ 1,807,245	$ 1,741,638	$ 27,876,188	
14	$ 3,560,719	$ 1,843,389	$ 1,717,330	$ 29,593,518	
15	$ 3,572,793	$ 1,880,257	$ 1,692,535	$ 31,286,054	
16	$ 3,585,107	$ 1,917,862	$ 1,667,245	$ 32,953,299	
17	$ 3,597,668	$ 1,956,220	$ 1,641,449	$ 34,594,747	
18	$ 3,610,480	$ 1,995,344	$ 1,615,136	$ 36,209,883	
19	$ 3,623,549	$ 2,035,251	$ 1,588,298	$ 37,798,181	
20	$ 3,636,878	$ 2,075,956	$ 1,560,922	$ 39,359,104	Maximum City Investment
21	$ 693,414	$ 2,117,475	$ (1,424,061)	$ 37,935,042	Cumulative City Investment Decreasing
22	$ 707,282	$ 2,159,825	$ (1,452,543)	$ 36,482,499	
23	$ 721,427	$ 2,203,021	$ (1,481,594)	$ 35,000,906	
24	$ 735,856	$ 2,247,081	$ (1,511,225)	$ 33,489,680	
25	$ 750,573	$ 2,292,023	$ (1,541,450)	$ 31,948,230	
26	$ 765,585	$ 2,337,864	$ (1,572,279)	$ 30,375,951	
27	$ 780,896	$ 2,384,621	$ (1,603,725)	$ 28,772,227	
28	$ 796,514	$ 2,432,313	$ (1,635,799)	$ 27,136,428	
29	$ 812,444	$ 2,480,959	$ (1,668,515)	$ 25,467,913	
30	$ 828,693	$ 2,530,579	$ (1,701,885)	$ 23,766,028	
31	$ 845,267	$ 2,581,190	$ (1,735,923)	$ 22,030,105	
32	$ 862,173	$ 2,632,814	$ (1,770,641)	$ 20,259,463	
33	$ 879,416	$ 2,685,470	$ (1,806,054)	$ 18,453,409	
34	$ 897,004	$ 2,739,180	$ (1,842,175)	$ 16,611,234	
35	$ 914,944	$ 2,793,963	$ (1,879,019)	$ 14,732,215	
36	$ 933,243	$ 2,849,843	$ (1,916,599)	$ 12,815,615	
37	$ 951,908	$ 2,906,839	$ (1,954,931)	$ 10,860,684	
38	$ 970,946	$ 2,964,976	$ (1,994,030)	$ 8,866,654	
39	$ 990,365	$ 3,024,276	$ (2,033,910)	$ 6,832,744	
40	$ 1,010,173	$ 3,084,761	$ (2,074,589)	$ 4,758,155	
41	$ 1,030,376	$ 3,146,457	$ (2,116,080)	$ 2,642,075	
42	$ 1,050,984	$ 3,209,386	$ (2,158,402)	$ 483,673	
Payback to City occurs in Year 43 **43**	**$ 1,072,003**	**$ 3,273,573**	**$ (2,201,570)**	**$ (1,717,898)**	**City Repaid**

New City Hall - Financial & Risk Capacity Scenarios

Available Cash

This summary estimates available Fund Balance in the General Fund at the end of FY 2022 and as a result the available amount of cash available to spend on capital projects. As a reminder, the City of Franklin's Fund Balance policy for the General Fund sets forth that the any amount of fund balance over 45% of the current year's general fund expenditures (for FY 2023, this amount is estimated to be what is shown in row J - or $20,278,079) is available to dedicated to capital projects. Row A shows the amount of fund balance programmed in to support approved projects in the FY 2022-2031 CIP. The favorable results of FY 2021 and FY 2022 have generated significant amounts of additional cash which can be used to lower borrowing needs.

A	Planned CIP Usage - 1/2022		$	**16,866,103**
B	General Fund Fund Balance	6/30/2021	$	**65,481,510**
C	Conservative Est. Surplus/ (Deficit)	6/30/2022	$	**7,500,000**
D (B+C)	Total Est. Fund Balance (GF)	6/30/2022	$	**72,981,510**
E	Total GF Expenditures	FY 2023	$	**94,896,513**
F (B/E)	Total Est. Fund Balance as % of GF Exp.			**76.9%**
G	Minimum Fund Balance Reserve	33%	$	**31,632,171**
H	Supplemental Reserve	33%-45%	$	**11,071,260**
I (D-G-H)	Available for Capital Projects	Above 45%	$	**30,278,079**
J (G+H+I)	Total GF Fund Balance	6/30/2022	$	**72,981,510**
K (I-A)	**Available Cash for CIP Above Planned Use**		$	**13,411,976**

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City of Franklin, Tennessee

City Hall Redevelopment Project Update & Scenarios

August 23, 2022
Board of Mayor & Alderman

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
City Hall

Outline

- Review of Project Progress
- Legal & Financial Considerations
- Financial Scenarios
  - Scenario 1: Partial Building/Full Garage
  - Scenario 2: Full Master Plan Build-Out
  - Scenario 3a-3b: Partial Building/Full Garage & Mixed Use Office & Retail Building
- Recommendation
- Next Steps

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City of Franklin, Tennessee

City Hall

Project Review

City of Franklin, Tennessee

City Hall

Review of Project Progress

2020:

- Board of Mayor and Alderman authorized Phase 1 work on the replacement of the current City Hall (selection of architecture firms & the establishment of goals/objectives of the Master Plan

2021:

- Public Engagement for the Master Plan

- Development of the Master Plan

2022:

- Review of available financial resources for City Hall redevelopment

- BOMA approved Phase 2 work on the replacement of the current City Hall through Schematic Design work

- External consultant evaluation of feasibility of Office/Retail use on a portion of current City Hall site (Gibbs Design Group)

- Reprogramming of Master Plan to accommodate smaller footprint within existing financial resources

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City of Franklin, Tennessee

City Hall

Review of Project Progress

Reprogramming

- Staff and Studio8/OHM architects have worked throughout 2022 to reevaluate the current and future staffing needs (20-year outlook) of the City Hall and worked to reduce the 115,700 sq. ft. size called for in the Master Plan to a smaller footprint that would cost less that $107 million, fitting within the City’s existing financial resources.

- While work is continuing, this presentation and financial scenarios take into account that work and propose a reduced footprint of 91,250 square feet at a cost of $84,000,000. This is approximately $9 million more than the threshold recommended in February 2022. This gap is made up with cash generated by favorable year-end results from FY 2021 (audited) and FY 2022 (estimated surplus).

Legal & Financial Considerations

City of Franklin, Tennessee

City Hall

Legal & Financial Considerations

Structure of Potential City Hall Financing

Scenario	Purpose	Financing	Issuer
Scenario 1	Partial Building/Full Garage	G.O. Debt/Cash (Tax-exempt)	City of Franklin
Scenario 2	Full Master Plan	G.O. Debt/Cash (Tax-exempt)	City of Franklin
Scenario 3a	Partial Building/Full Garage/Mixed Use Office/Retail	G.O. Debt/Cash (Tax-Exempt) / Taxable Debt	City of Franklin / Franklin IDB
Scenario 3b	Partial Building/Full Garage/Mixed Use Office/Retail	G.O. Debt/Cash (Tax-Exempt) / Taxable Debt	City of Franklin / Franklin IDB

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Financial Structure of Bond Financing

City Tax-Exempt General Obligation ("GO") Bonds

- City Approval Process
- City's Credit Rating of Aaa/AAA
- Tax-Exempt Interest Rates

Industrial Development Board Taxable Non-GO Bonds

- IDB Approval Process, including additional documents between the City and IDB
- IBD debt credit rating is unknown but will be lower than the City's rating (lower rating results in higher interest rates)
- Taxable Interest Rates (higher)

Legal Structure of Bond Financing

City Tax-Exempt General Obligation (“GO”) Bonds

- Typical structure – public projects, minimal private use
- GO pledge OK under TN Constitution “Lending of Credit” clause (cities cannot lend their credit to private entities without a referendum)
- Federal tax-exemption OK under federal tax rules

Industrial Development Board Taxable Non-GO Bonds

- Long-term private use of projects
- No GO pledge because of TN Constitutional limitations
- No federal tax-exemption permitted under federal tax rules
- State law permits IDB Bonds for broad range of privately used projects secured by project revenues
- State law permits City financial support via annual appropriation, but City may avoid property tax support because of TN Constitutional limitations

Financial Scenarios

Financial Scenarios

Overall Assumptions:

- Assigned a Risk Factor Guide from Low to High gauging the financial and legal risk to the City of each option
- All bonds issued for 20 years with level annual payments
- Minimum City Hall building assumed is 91,250 sq. ft.
- Construction costs for government office scenarios are standardized at the same amount - $921/sq. ft. all-in cost. Commercial Scenario 3a and 3b have a range of potential square footage costs.
- All scenarios assume construction of the full garage
- For Scenarios 3a & 3b (mixed use development scenarios), takes same assumptions as developed by the Gibbs Planning Group and presented on July 13 to the Board of Mayor and Aldermen

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
City Hall

Scenario 1: Partial Building/Full Garage *(pg. 3-4)*

- Smaller building than the Master Plan
- 91,250 square feet
- Meets current and future staffing projections
- Total Construction Cost est. at $84 million, total cost with financing charges is $101 million
- $15 million in cash / $69 million debt
- Annual debt service just over $5 million
- Tax-Exempt bonds issued for 20 years
- Level annual payments

Risk Assessment: Low

Building Summary		
Assumed Square Footage		91,250
Purpose:		Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,113

Risk Assessment	
Risk	Low

Reasons:
- Tax Exempt
- 100% City-controlled
- No increase in taxes necessary

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City of Franklin, Tennessee
City Hall

Scenario 2: Full Master Plan Build-Out *(pg. 5-6)*

- Full construction of Master Plan
- 115,700 square feet
- Meets current & future staffing projections
- Total Construction Cost est. at $106.6 million, total cost with financing charges is nearly $135 million
- $15 million in cash / $91.6 million debt
- Annual debt service just over $6.7 million
- Tax-Exempt bonds issued for 20 years
- Level annual payments
- Requires additional revenue to service debt (2.3 additional cents of Property Tax)

Risk Assessment: Low

Building Summary		
Assumed Square Footage		115,700
Purpose:		Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	106,600,000
Cash	$	15,000,000
Debt	$	91,600,000
Principal	$	91,600,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20

Revenue Requirements		
Additional Revenue Req'	$	33,278,500
Annual Revenue Req'	$	1,663,925
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0234
Cost per sq. Ft. Const.	$	921
Cost per Sq. Ft. Fin.	$	1,166

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- Increase in taxes necessary - 2+ Cents	

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City of Franklin, Tennessee
City Hall

Scenario 3a&b: Partial Building/Full Garage AND Mixed-Use Office/Retail Building *(pg. 7-10)*

- Most complicated scenario
- 129,250 square feet

Municipal Office Building (shown at right)

- Same as Scenario 1
- 91,250 square feet
- Meets current & future staffing needs
- Total Construction Cost est. at $84 million,
- $15 million in cash / $69 million debt
- Annual debt service just over $5 million
- Tax-Exempt bonds issued for 20 years
- Level annual payments
- Controlled by City of Franklin

Building Summary	
Assumed Square Footage	130,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,113

City of Franklin, Tennessee
City Hall

HISTORIC FRANKLIN TENNESSEE 1799

Scenario 3a: Partial Building/Full Garage AND Mixed-Use Office/Retail Building *(pg. 7-10)*

Mixed Use Office/Retail (shown at right)

- 38,000 square feet (36,100 leasable)
- Total Construction Cost est. at $23 million (tot. financing cost $38 million)
- Assumes costs from external consultant
- Cost partially offset through rents ($19.8 million in rents earned over 20 years)
- Taxable Bonds req'd for issue (@ 6.17%)
- Subsidy required to cover annual shortfall in debt payments (ranging from $0.5-1.9M/yr.)
- Owned by Franklin IDB

Private Office/Retail Building		
Assumed Square Footage		38,000
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	23,066,000
Cash	$	-
Debt	$	23,066,000
Principal	$	23,066,000
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		20
Cost per Sq. Ft. Const	$	607
Cost per Sq. Ft. Fin.	$	1,000

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City of Franklin, Tennessee

City Hall

Scenario 3b: Partial Building/Full Garage AND Mixed-Use Office/Retail Building *(pg.7-10)*

Mixed Use Office/Retail (shown at right)

- 38,000 square feet (36,100 leasable)
- Total Construction Cost est. at $34.9 million (tot. financing cost $57.6 million)
- Assumes same cost as rest of City Hall
- Cost partially offset through rents ($19.8 million in rents earned over 20 years)
- Taxable Bonds req'd for issue (@ 6.17%)
- Subsidy required to cover annual shortfall in debt payments (ranging from $1.5-2.9M/yr.)
- Owned by Franklin IDB

Private Office/Retail Building		
Assumed Square Footage		38,000
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	34,980,822
Cash	$	-
Debt	$	34,980,822
Principal	$	34,980,822
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		20
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,516

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City of Franklin, Tennessee

City Hall

Scenario 3a-b: Partial Building/Full Garage AND Mixed-Use Office/Retail Building

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Risk Assessment	
Risk	Moderate-High
Reasons:	
- Dependent upon Office Rental Market	
- Dependent upon Retail Rental Market	
- Private Office Ownership Transferred to IDB	
- City Appropriation required to backup	
- Rents alone cannot pay for full debt service	
- Additional Revenues Necessary to offset	
- Increase in taxes necessary	

- Assumptions on rental earnings, leasable space and operational costs have been taken directly from the report presented by the Gibbs Planning Group to the BOMA on July 13, 2022.
- Assumptions on financing structure and legal obligations have come from City Staff and our financial advisors and bond counsel.
- Mixed-use office/retail building would be owned by IDB, but City would be logical choice to cover shortfall between annual debt service and rents received. City subsidy must be via annual appropriation, and property tax support may be avoided.
- Subsidy ranges over 20 years between $18.2-$37.8 million, resulting in a payback of 32-42 years

Risk Assessment: Moderate-High

Recommendation

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

City Hall

Recommendation

- Scenario 1 - "A Master Plan with a budget"
- Meets current and future staffing projections
- Builds foundation for additional space and allows for future flexibility
- Fits within City's existing financial capacity without a tax increase
- Balances the future needs by preserving capacity for future capital / operational needs in the community

Next Steps

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City of Franklin, Tennessee

City Hall

Next Steps

- Address BOMA questions and additional information needs.

- Determine which Scenario to proceed with. Becomes basis for Schematic Design.

- Come back in Fall 2022 to present "test fits" of Scenario 1 to BOMA and the community.

Questions

New City Hall - Financial & Risk Capacity Scenarios

Summary

This workbook lays out three distinct financial scenarios for the redevelopment of a new City Hall:

- Scenario 1: Cost of Partial Building/Full Garage (Pages 3-4)
- Scenario 2: Cost of Full Master Plan (Pages 5-6)
- Scenario 3a-3b: Cost of Partial Building/Full Garage + Mixed-Use Office/Retail Building (Pages 7-10)

Major assumptions used include:

- All bonds issued for 20 years with level annual payments
- Minimum City Hall building assumed is 91,250 sq. ft.
- Construction costs for all government office building scenarios are standardized at the same amount - $921/sq. ft. all-in cost. Commercial costs vary between Scenarios 3a & 3b.
- Does assume full garage on all scenarios
- On mixed use development scenario, takes same assumptions as developed by the Gibbs Planning Group and presented on July 13 to the Board of Mayor and Aldermen

These worksheets also assign a risk factor from Low to High for the City of Franklin. That risk factor is a calculated assessment of both the financial and legal risks to the City of each scenario.

A financial summary of each scenario is shown below. The "Additional Revenue Needed" shown below is the amount of money the City would need to raise in total and annually to afford scenarios 2 and 3.

	Size of Building	Cost of Building	Overall Cost	Cost per Sq. Ft		Risk Factor	Additional Revenue Needed		
				Construction	Overall		Total	Annually	Property Tax Cents
Scenario 1	91,250	$ 84,000,000	$ 101,602,500	$ 921	$ 1,113	Low	$ -	$ -	**0.00**
Scenario 2	115,700	$ 106,400,000	$ 134,586,500	$ 921	$ 1,163	Low	$ 32,984,000	$ 1,649,200	**2.32**
Scenario 3a	129,250	$ 107,066,000	$ 119,817,578	$ 828	$ 1,080	Moderate-High	$ 18,215,078	$ 910,754	**1.28**
Scenario 3b	129,250	$ 118,980,822	$ 139,445,162	$ 921	$ 1,232	Moderate-High	$ 37,842,662	$ 1,892,133	**2.66**

New City Hall - Financial & Risk Capacity Scenarios

Scenario 1

Building Summary	
Assumed Square Footage	91,250
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per sq. ft. Const.	$	921
Cost per Sq. Ft.	$	1,113

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- No increase in taxes necessary	

City of Franklin Debt Financing				Level Payments		$ 5,080,125
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500

Synopsis:

Partial Building/Full Garage

Scenario 1 provides for a smaller building than the Master Plan originally proposed but the full underground garage. It is slightly larger than what was proposed earlier in 2022, but remains within the City's available funding capacity without need for additional revenues.

91,250 square feet is proposed to cover all employee and service needs to 2040. Principal and Interest payments are forecast to be level annually and just over $5 million. Interest rates are forecast to be 4.5% - but this will change (as will the cost) when bonds are issued for this project in several years. For now, we are assuming that this would occur today and given recent increases in rates by the Federal Reserve Bank to fight inflation, 4.5% is a realistic rate even for a AAA credit such as Franklin.

This scenario poses a low risk financially and legally for the City of Franklin.

New City Hall - Financial & Risk Capacity Scenarios | Scenario 2

Building Summary	
Assumed Square Footage	115,700
Purpose:	Municipal Office

Financing Summary		
Municipal Purpose Building		
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	106,400,000
Cash	$	15,000,000
Debt	$	91,400,000
Principal	$	91,400,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20

Revenue Requirements		
Additional Revenue Req'	**$**	**32,984,000**
Annual Revenue Req'	**$**	**1,649,200**
Value of One Cent (2022)	**$**	**711,438**
Increase in Property Tax	**$**	**0.0232**
Cost per sq. Ft. Const.	$	921
Cost per Sq. Ft. Fin.	$	1,163

Risk Assessment	
Risk	Low
Reasons:	
- Tax Exempt	
- 100% City-controlled	
- Increase in taxes necessary - 2+ Cents	

City of Franklin Debt Financing			Level Payments			$ 6,729,325
Year	**Principal**	**Interest**	**Total P& I**	**Annual Principal**	**Annual Interest**	**Annual P & I**
1	$ 91,400,000	$ 4,113,000	$ 95,513,000	$ 2,616,325	$ 4,113,000	$ 6,729,325
2	$ 86,830,000	$ 3,907,350	$ 90,737,350	$ 2,821,975	$ 3,907,350	$ 6,729,325
3	$ 82,260,000	$ 3,701,700	$ 85,961,700	$ 3,027,625	$ 3,701,700	$ 6,729,325
4	$ 77,690,000	$ 3,496,050	$ 81,186,050	$ 3,233,275	$ 3,496,050	$ 6,729,325
5	$ 73,120,000	$ 3,290,400	$ 76,410,400	$ 3,438,925	$ 3,290,400	$ 6,729,325
6	$ 68,550,000	$ 3,084,750	$ 71,634,750	$ 3,644,575	$ 3,084,750	$ 6,729,325
7	$ 63,980,000	$ 2,879,100	$ 66,859,100	$ 3,850,225	$ 2,879,100	$ 6,729,325
8	$ 59,410,000	$ 2,673,450	$ 62,083,450	$ 4,055,875	$ 2,673,450	$ 6,729,325
9	$ 54,840,000	$ 2,467,800	$ 57,307,800	$ 4,261,525	$ 2,467,800	$ 6,729,325
10	$ 50,270,000	$ 2,262,150	$ 52,532,150	$ 4,467,175	$ 2,262,150	$ 6,729,325
11	$ 45,700,000	$ 2,056,500	$ 47,756,500	$ 4,672,825	$ 2,056,500	$ 6,729,325
12	$ 41,130,000	$ 1,850,850	$ 42,980,850	$ 4,878,475	$ 1,850,850	$ 6,729,325
13	$ 36,560,000	$ 1,645,200	$ 38,205,200	$ 5,084,125	$ 1,645,200	$ 6,729,325
14	$ 31,990,000	$ 1,439,550	$ 33,429,550	$ 5,289,775	$ 1,439,550	$ 6,729,325
15	$ 27,420,000	$ 1,233,900	$ 28,653,900	$ 5,495,425	$ 1,233,900	$ 6,729,325
16	$ 22,850,000	$ 1,028,250	$ 23,878,250	$ 5,701,075	$ 1,028,250	$ 6,729,325
17	$ 18,280,000	$ 822,600	$ 19,102,600	$ 5,906,725	$ 822,600	$ 6,729,325
18	$ 13,710,000	$ 616,950	$ 14,326,950	$ 6,112,375	$ 616,950	$ 6,729,325
19	$ 9,140,000	$ 411,300	$ 9,551,300	$ 6,318,025	$ 411,300	$ 6,729,325
20	$ 4,570,000	$ 205,650	$ 4,775,650	$ 6,523,675	$ 205,650	$ 6,729,325
	$ 91,400,000	$ 43,186,500	$ 134,586,500	$ 91,400,000	$ 43,186,500	$ 134,586,500

Synopsis:

Construction of the Full Master Plan

Scenario 2 is of similar complexity to Scenario 1 except that instead of building the reduced footprint of 91,250 sq.ft, this shows the cost of building the full master plan amount of 115,700.

The major difference between Scenario 1 and Scenario 2, however, is that the cost exceeds available funding as forecast through the ten-year Capital Investment Program financing model. An additional $32,984,000 would be required to service the necessary debt to cover the costs of the full build-out. This could be raised from increasing local property taxes. The amount - estimated at 2.32 cents - is shown under the box labeled "Revenue Requirements" on the left.

Overall, this remains a low risk scenario - all bonds would be tax-exempt, the building would be for governmental purpose and controlled by the City of Franklin, but nearly $33 million which could go to other purposes and opportunities would now be dedicated to constructing City Hall.

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3a

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary		
Municipal Purpose Building		
Assumed Square Footage		91,250
Controlling Agency		City of Franklin
Funding Stream		Property Tax Levy
Total Cost	$	84,000,000
Cash	$	15,000,000
Debt	$	69,000,000
Principal	$	69,000,000
Interest Rate		4.50%
Bond Rating		AAA
Debt Type		Tax-Exempt
Term		20
Cost per Sq. Ft. Const	$	921
Cost per Sq. Ft. Fin.	$	1,113

City of Franklin Financing - Municipal Office			Level Payments			$ 5,080,125
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500

Year	City of Franklin Financing - Both: Municipal (Property Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 5,080,125	$ 1,949,860	$ 7,029,985
2	$ 5,080,125	$ 1,924,860	$ 7,004,985
3	$ 5,080,125	$ 1,891,170	$ 6,971,295
4	$ 5,080,125	$ 1,386,922	$ 6,467,047
5	$ 5,080,125	$ 862,508	$ 5,942,633
6	$ 5,080,125	$ 841,761	$ 5,921,886
7	$ 5,080,125	$ 820,599	$ 5,900,724
8	$ 5,080,125	$ 799,014	$ 5,879,139
9	$ 5,080,125	$ 776,997	$ 5,857,122
10	$ 5,080,125	$ 754,540	$ 5,834,665
11	$ 5,080,125	$ 731,634	$ 5,811,759
12	$ 5,080,125	$ 708,269	$ 5,788,394
13	$ 5,080,125	$ 684,437	$ 5,764,562
14	$ 5,080,125	$ 660,129	$ 5,740,254
15	$ 5,080,125	$ 635,334	$ 5,715,459
16	$ 5,080,125	$ 610,044	$ 5,690,169
17	$ 5,080,125	$ 584,247	$ 5,664,372
18	$ 5,080,125	$ 557,935	$ 5,638,060
19	$ 5,080,125	$ 531,096	$ 5,611,221
20	$ 5,080,125	$ 503,721	$ 5,583,846
	$ 101,602,500	$ 18,215,078	$ 119,817,578

Synopsis: Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 3a is the most complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $101,602,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 20 years.

But it also includes a 38,000 sq. ft. mixed-use development at the corner of 3rd & Church. This building uses estimated per square footage costs provided by the Gibbs Design Group of $607/ sq.ft. This building - which has 36,100 leasable sq. footage (19,000 sq. ft. for office and 17,100 sq. ft. for retail) - would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 38,000 square foot taxable building costing slightly less than $38 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this mixed-use structure - from size of building, to the cost of the building, to rental rates, to operational costs, have been taken directly from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would range from more that $500,000 to $1.9 million annually for 20 years, cumulatively resulting in a taxpayer contribution of $18.2 million. To avoid state constitutional concerns on the use of property tax revenues, the City may avoid property tax support of the for-profit building. As a result, sales taxes are shown herein and would be redistributed from operations to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 32 years.

Private Office/Retail Building		
Assumed Square Footage		38,000
Controlling Agency		Franklin IDB
Funding Stream		Rents/ City Subsidy
Total Cost	$	23,066,000
Cash	$	-
Debt	$	23,066,000
Principal	$	23,066,000
Interest Rate [7]		6.17%
Bond Rating		TBD
Debt Type		Taxable
Term		20
Cost per Sq. Ft. Const	$	607
Cost per Sq. Ft. Fin.	$	1,000

Industrial Development Board Bonds			Level Payments			$ 1,899,860
	A	B	C (A x B)	D	E	F (D+E)
Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I
1	$ 23,066,000	$ 1,422,019	$ 24,488,019	$ 477,841	$ 1,422,019	$ 1,899,860
2	$ 21,912,700	$ 1,350,918	$ 23,263,618	$ 548,942	$ 1,350,918	$ 1,899,860
3	$ 20,759,400	$ 1,279,817	$ 22,039,217	$ 620,043	$ 1,279,817	$ 1,899,860
4	$ 19,606,100	$ 1,208,716	$ 20,814,816	$ 691,144	$ 1,208,716	$ 1,899,860
5	$ 18,452,800	$ 1,137,615	$ 19,590,415	$ 762,245	$ 1,137,615	$ 1,899,860
6	$ 17,299,500	$ 1,066,514	$ 18,366,014	$ 833,346	$ 1,066,514	$ 1,899,860
7	$ 16,146,200	$ 995,413	$ 17,141,613	$ 904,447	$ 995,413	$ 1,899,860
8	$ 14,992,900	$ 924,312	$ 15,917,212	$ 975,548	$ 924,312	$ 1,899,860
9	$ 13,839,600	$ 853,211	$ 14,692,811	$ 1,046,649	$ 853,211	$ 1,899,860
10	$ 12,686,300	$ 782,110	$ 13,468,410	$ 1,117,750	$ 782,110	$ 1,899,860
11	$ 11,533,000	$ 711,009	$ 12,244,009	$ 1,188,850	$ 711,009	$ 1,899,860
12	$ 10,379,700	$ 639,909	$ 11,019,609	$ 1,259,951	$ 639,909	$ 1,899,860
13	$ 9,226,400	$ 568,808	$ 9,795,208	$ 1,331,052	$ 568,808	$ 1,899,860
14	$ 8,073,100	$ 497,707	$ 8,570,807	$ 1,402,153	$ 497,707	$ 1,899,860
15	$ 6,919,800	$ 426,606	$ 7,346,406	$ 1,473,254	$ 426,606	$ 1,899,860
16	$ 5,766,500	$ 355,505	$ 6,122,005	$ 1,544,355	$ 355,505	$ 1,899,860
17	$ 4,613,200	$ 284,404	$ 4,897,604	$ 1,615,456	$ 284,404	$ 1,899,860
18	$ 3,459,900	$ 213,303	$ 3,673,203	$ 1,686,557	$ 213,303	$ 1,899,860
19	$ 2,306,600	$ 142,202	$ 2,448,802	$ 1,757,658	$ 142,202	$ 1,899,860
20	$ 1,153,300	$ 71,101	$ 1,224,401	$ 1,828,759	$ 71,101	$ 1,899,860
	$ 23,066,000	$ 14,931,198	$ 37,997,198	$ 23,066,000	$ 14,931,198	$ 37,997,198

Year	Offsetting Revenue Potential: G	H	I	J	K ((G x H)+(I x J))	L	M	N (K+L+M)	Annual Subsidy Required: O (F-N)
	Office Sq. Footage [1]	Rental Rate [2]	Retail Sq. Footage [3]	Rental Rate [4]	Total Rental Income (Gross)	Less Operating Cost [5]	Less Annual IDB Cost [6]	Net Rental Income	
1	-	$ 45.00	-	$ 35.00	$ -	$ -	$ (50,000)	$ (50,000)	$ 1,949,860
2	-	$ 45.00	-	$ 35.00	$ -	$ -	$ (25,000)	$ (25,000)	$ 1,924,860
3	6,333	$ 45.90	5,700	$ 35.70	$ 494,190	$ (460,000)	$ (25,500)	$ 8,690	$ 1,891,170
4	12,667	$ 46.82	11,400	$ 36.41	$ 1,008,148	$ (469,200)	$ (26,010)	$ 512,938	$ 1,386,922
5	19,000	$ 47.75	17,100	$ 37.14	$ 1,542,466	$ (478,584)	$ (26,530)	$ 1,037,352	$ 862,508
6	19,000	$ 48.71	17,100	$ 37.89	$ 1,573,315	$ (488,156)	$ (27,061)	$ 1,058,099	$ 841,761
7	19,000	$ 49.68	17,100	$ 38.64	$ 1,604,781	$ (497,919)	$ (27,602)	$ 1,079,261	$ 820,599
8	19,000	$ 50.68	17,100	$ 39.42	$ 1,636,877	$ (507,877)	$ (28,154)	$ 1,100,846	$ 799,014
9	19,000	$ 51.69	17,100	$ 40.20	$ 1,669,615	$ (518,035)	$ (28,717)	$ 1,122,863	$ 776,997
10	19,000	$ 52.72	17,100	$ 41.01	$ 1,703,007	$ (528,395)	$ (29,291)	$ 1,145,320	$ 754,540
11	19,000	$ 53.78	17,100	$ 41.83	$ 1,737,067	$ (538,963)	$ (29,877)	$ 1,168,226	$ 731,634
12	19,000	$ 54.85	17,100	$ 42.66	$ 1,771,808	$ (549,743)	$ (30,475)	$ 1,191,591	$ 708,269
13	19,000	$ 55.95	17,100	$ 43.52	$ 1,807,245	$ (560,737)	$ (31,084)	$ 1,215,423	$ 684,437
14	19,000	$ 57.07	17,100	$ 44.39	$ 1,843,389	$ (571,952)	$ (31,706)	$ 1,239,731	$ 660,129
15	19,000	$ 58.21	17,100	$ 45.28	$ 1,880,257	$ (583,391)	$ (32,340)	$ 1,264,526	$ 635,334
16	19,000	$ 59.38	17,100	$ 46.18	$ 1,917,862	$ (595,059)	$ (32,987)	$ 1,289,816	$ 610,044
17	19,000	$ 60.56	17,100	$ 47.11	$ 1,956,220	$ (606,960)	$ (33,647)	$ 1,315,613	$ 584,247
18	19,000	$ 61.78	17,100	$ 48.05	$ 1,995,344	$ (619,099)	$ (34,320)	$ 1,341,925	$ 557,935
19	19,000	$ 63.01	17,100	$ 49.01	$ 2,035,251	$ (631,481)	$ (35,006)	$ 1,368,763	$ 531,096
20	19,000	$ 64.27	17,100	$ 49.99	$ 2,075,956	$ (644,111)	$ (35,706)	$ 1,396,139	$ 503,721
									$ 18,215,078

Overall Financials		
Total Construction Cost	$	107,066,000
Total Overall Cost (20 yrs.)	$	139,599,698
Less Net Office Rents	$	(19,782,121)
Net Overall Cost (20 yrs.)	$	119,817,578
Composite Cost/Sq. Ft.	$	828
Composite Cost/Sq. Ft.	$	1,080

Revenue Requirements		
Additional Revenue Req'	$	18,215,078
Annual Revenue Req'	$	910,754
Value of One Cent (2022)	$	711,438
Increase in Property Tax	$	0.0128

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- City Appropriation required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Increase in taxes necessary
- 32 years to payback

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[3] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[4] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[5] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9.
[6] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.
[7] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 20 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 21. This will take another 12 years to fully repay the City the over $18 million necessary over the debt servicing period. The City should fully recoup the investment in year 32.

Payback

	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
1	$ 1,949,860	$ -	$ 1,949,860	$ 1,949,860	
2	$ 1,924,860	$ -	$ 1,924,860	$ 3,874,720	
3	$ 2,385,360	$ 494,190	$ 1,891,170	$ 5,765,890	Rents begin to come in to IDB
4	$ 2,395,070	$ 1,008,148	$ 1,386,922	$ 7,152,812	
5	$ 2,404,974	$ 1,542,466	$ 862,508	$ 8,015,320	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
6	$ 2,415,076	$ 1,573,315	$ 841,761	$ 8,857,082	Cumulative City Investment Increasing
7	$ 2,425,381	$ 1,604,781	$ 820,599	$ 9,677,681	
8	$ 2,435,891	$ 1,636,877	$ 799,014	$ 10,476,695	
9	$ 2,446,612	$ 1,669,615	$ 776,997	$ 11,253,692	
10	$ 2,457,547	$ 1,703,007	$ 754,540	$ 12,008,232	
11	$ 2,468,701	$ 1,737,067	$ 731,634	$ 12,739,866	
12	$ 2,480,077	$ 1,771,808	$ 708,269	$ 13,448,135	
13	$ 2,491,682	$ 1,807,245	$ 684,437	$ 14,132,572	
14	$ 2,503,518	$ 1,843,389	$ 660,129	$ 14,792,700	
15	$ 2,515,591	$ 1,880,257	$ 635,334	$ 15,428,034	
16	$ 2,527,906	$ 1,917,862	$ 610,044	$ 16,038,078	
17	$ 2,540,467	$ 1,956,220	$ 584,247	$ 16,622,325	
18	$ 2,553,279	$ 1,995,344	$ 557,935	$ 17,180,260	
19	$ 2,566,347	$ 2,035,251	$ 531,096	$ 17,711,357	
20	$ 2,579,677	$ 2,075,956	$ 503,721	$ 18,215,078	Maximum City Investment
21	$ 693,414	$ 2,117,475	$ (1,424,061)	$ 16,791,016	Cumulative City Investment Decreasing
22	$ 707,282	$ 2,159,825	$ (1,452,543)	$ 15,338,474	
23	$ 721,427	$ 2,203,021	$ (1,481,594)	$ 13,856,880	
24	$ 735,856	$ 2,247,081	$ (1,511,225)	$ 12,345,655	
25	$ 750,573	$ 2,292,023	$ (1,541,450)	$ 10,804,205	
26	$ 765,585	$ 2,337,864	$ (1,572,279)	$ 9,231,926	
27	$ 780,896	$ 2,384,621	$ (1,603,725)	$ 7,628,201	
28	$ 796,514	$ 2,432,313	$ (1,635,799)	$ 5,992,402	
29	$ 812,444	$ 2,480,959	$ (1,668,515)	$ 4,323,887	
30	$ 828,693	$ 2,530,579	$ (1,701,885)	$ 2,622,002	
31	$ 845,267	$ 2,581,190	$ (1,735,923)	$ 886,079	
Payback to City occurs in Year 32 32	**$ 862,173**	**$ 2,632,814**	**$ (1,770,641)**	**$ (884,562)**	**City Repaid**

New City Hall - Financial & Risk Capacity Scenarios

Scenario 3b

Building Summary	
Assumed Square Footage	129,250
Purpose:	Municipal Office/ Private Office / Private Retail

Financing Summary	
Municipal Purpose Building	
Assumed Square Footage	91,250
Controlling Agency	City of Franklin
Funding Stream	Property Tax Levy
Total Cost	$ 84,000,000
Cash	$ 15,000,000
Debt	$ 69,000,000
Principal	$ 69,000,000
Interest Rate	4.50%
Bond Rating	AAA
Debt Type	Tax-Exempt
Term	20
Cost per Sq. Ft. Const	$ 921
Cost per Sq. Ft. Fin.	$ 1,113

Private Office/Retail Building	
Assumed Square Footage	38,000
Controlling Agency	Franklin IDB
Funding Stream	Rents/ City Subsidy
Total Cost	$ 34,980,822
Cash	$ -
Debt	$ 34,980,822
Principal	$ 34,980,822
Interest Rate [7]	6.17%
Bond Rating	TBD
Debt Type	Taxable
Term	20
Cost per Sq. Ft. Const	$ 921
Cost per Sq. Ft. Fin.	$ 1,516

Overall Financials	
Total Construction Cost	$ 118,980,822
Total Overall Cost (20 yrs.)	$ 159,227,282
Less Net Office Rents	$ (19,782,121)
Net Overall Cost (20 yrs.)	$ 139,445,162
Composite Cost/Sq. Ft.	$ 921
Composite Cost/Sq. Ft.	$ 1,232

Revenue Requirements	
Additional Revenue Req'	**$ 37,842,662**
Annual Revenue Req'	**$ 1,892,133**
Value of One Cent (2022)	**$ 711,438**
Increase in Property Tax	**$ 0.0266**

Risk Assessment	
Risk	Moderate-High

Reasons:
- Dependent upon Office Rental Market
- Dependent upon Retail Rental Market
- Private Office Ownership Transferred to IDB
- City Appropriation required to backup
- Rents alone cannot pay for full debt service
- Additional Revenues Necessary to offset
- Increase in taxes necessary
- 42 years to payback

City of Franklin Financing - Municipal Office (Level Payments: $ 5,080,125) and City of Franklin Financing - Both

Year	Principal	Interest	Total P& I	Annual Principal	Annual Interest	Annual P & I	Municipal (Property Tax)	IDB (Sales Tax)	Total City Contrib.
1	$ 69,000,000	$ 3,105,000	$ 72,105,000	$ 1,975,125	$ 3,105,000	$ 5,080,125	$ 5,080,125	$ 2,931,239	$ 8,011,364
2	$ 65,550,000	$ 2,949,750	$ 68,499,750	$ 2,130,375	$ 2,949,750	$ 5,080,125	$ 5,080,125	$ 2,906,239	$ 7,986,364
3	$ 62,100,000	$ 2,794,500	$ 64,894,500	$ 2,285,625	$ 2,794,500	$ 5,080,125	$ 5,080,125	$ 2,872,549	$ 7,952,674
4	$ 58,650,000	$ 2,639,250	$ 61,289,250	$ 2,440,875	$ 2,639,250	$ 5,080,125	$ 5,080,125	$ 2,368,302	$ 7,448,427
5	$ 55,200,000	$ 2,484,000	$ 57,684,000	$ 2,596,125	$ 2,484,000	$ 5,080,125	$ 5,080,125	$ 1,843,887	$ 6,924,012
6	$ 51,750,000	$ 2,328,750	$ 54,078,750	$ 2,751,375	$ 2,328,750	$ 5,080,125	$ 5,080,125	$ 1,823,140	$ 6,903,265
7	$ 48,300,000	$ 2,173,500	$ 50,473,500	$ 2,906,625	$ 2,173,500	$ 5,080,125	$ 5,080,125	$ 1,801,978	$ 6,882,103
8	$ 44,850,000	$ 2,018,250	$ 46,868,250	$ 3,061,875	$ 2,018,250	$ 5,080,125	$ 5,080,125	$ 1,780,393	$ 6,860,518
9	$ 41,400,000	$ 1,863,000	$ 43,263,000	$ 3,217,125	$ 1,863,000	$ 5,080,125	$ 5,080,125	$ 1,758,376	$ 6,838,501
10	$ 37,950,000	$ 1,707,750	$ 39,657,750	$ 3,372,375	$ 1,707,750	$ 5,080,125	$ 5,080,125	$ 1,735,919	$ 6,816,044
11	$ 34,500,000	$ 1,552,500	$ 36,052,500	$ 3,527,625	$ 1,552,500	$ 5,080,125	$ 5,080,125	$ 1,713,013	$ 6,793,138
12	$ 31,050,000	$ 1,397,250	$ 32,447,250	$ 3,682,875	$ 1,397,250	$ 5,080,125	$ 5,080,125	$ 1,689,648	$ 6,769,773
13	$ 27,600,000	$ 1,242,000	$ 28,842,000	$ 3,838,125	$ 1,242,000	$ 5,080,125	$ 5,080,125	$ 1,665,816	$ 6,745,941
14	$ 24,150,000	$ 1,086,750	$ 25,236,750	$ 3,993,375	$ 1,086,750	$ 5,080,125	$ 5,080,125	$ 1,641,508	$ 6,721,633
15	$ 20,700,000	$ 931,500	$ 21,631,500	$ 4,148,625	$ 931,500	$ 5,080,125	$ 5,080,125	$ 1,616,713	$ 6,696,838
16	$ 17,250,000	$ 776,250	$ 18,026,250	$ 4,303,875	$ 776,250	$ 5,080,125	$ 5,080,125	$ 1,591,423	$ 6,671,548
17	$ 13,800,000	$ 621,000	$ 14,421,000	$ 4,459,125	$ 621,000	$ 5,080,125	$ 5,080,125	$ 1,565,626	$ 6,645,751
18	$ 10,350,000	$ 465,750	$ 10,815,750	$ 4,614,375	$ 465,750	$ 5,080,125	$ 5,080,125	$ 1,539,314	$ 6,619,439
19	$ 6,900,000	$ 310,500	$ 7,210,500	$ 4,769,625	$ 310,500	$ 5,080,125	$ 5,080,125	$ 1,512,476	$ 6,592,601
20	$ 3,450,000	$ 155,250	$ 3,605,250	$ 4,924,875	$ 155,250	$ 5,080,125	$ 5,080,125	$ 1,485,100	$ 6,565,225
	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 69,000,000	$ 32,602,500	$ 101,602,500	$ 101,602,500	$ 37,842,662	$ 139,445,162

Synopsis: Partial City Hall Building/Full Garage/Mixed-Use Office/Retail Building

Scenario 3b is the most complicated of the City Hall Financial Scenarios. It starts with Scenario 1 - a 91,250 sq. ft. government use City Hall costing $101,602,500, funded through Tax-Exempt bonds with the full G.O. credit of the City of Franklin behind it. Bonds are issued for 20 years.

But it also includes a 38,000 sq. ft. mixed-use development at the corner of 3rd & Church. (The difference, between this and scenario 3a is using the more conservative $921/sq. ft. estimate for the commercial building as well as the government office building.) This building - which has 36,100 leasable sq. footage (19,000 sq. ft. for office and 17,100 sq. ft. for retail) - would not legally be able to be financed directly by the City of Franklin. Instead a third-party conduit would have to issue the debt to build the building. This scenario assumes a mechanism the City has used before and is used by other cities in the State of Tennessee - the Industrial Development Board (IDB). Franklin has used its IDB once before - to issue and service the debt for the TIF district in Cool Springs around the Nissan headquarters (2005). And since it is for a for-profit purpose, the bonds issued would not be eligible for tax exemption and thus cost more. We estimate the 38,000 square foot taxable building costing slightly more than $57.6 million with an interest rate of 6.17%. There is no way to estimate what rating these bonds would receive at this time.

All assumptions made for this mixed-use structure - from size of building, to rental rates, to operational costs, have been taken directly from the Gibbs Planning Group report: City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee, dated June 28, 2022 and presented at the Board of Mayor and Alderman meeting of July 13, 2022. Additional costs have been made to account for the minimum staffing of the IDB.

With all of those assumptions taken together, this is the riskiest of scenarios from both a financial and legal standpoint for the City of Franklin. Annual subsidy from the City of Franklin to service the IDB bonds ***AFTER*** rents are accounted for would range from $1.5 to $2.9 years, cumulatively resulting in a taxpayer contribution of $37.8 million. To avoid state constitutional concerns on the use of property tax revenues, the City may avoid property tax support of the for-profit building. As a result, sales taxes are shown herein and would be redistributed to service the IDB debt. It is estimated the payback on this investment of Sales Tax would take approximately 43 years.

Industrial Development Board Bonds (Level Payments: $ 2,881,239)

Year	A: Principal	B: Interest	C (A x B): Total P& I	D: Annual Principal	E: Annual Interest	F (D+E): Annual P & I
1	$ 34,980,822	$ 2,156,568	$ 37,137,390	$ 724,671	$ 2,156,568	$ 2,881,239
2	$ 33,231,781	$ 2,048,739	$ 35,280,520	$ 832,500	$ 2,048,739	$ 2,881,239
3	$ 31,482,740	$ 1,940,911	$ 33,423,651	$ 940,328	$ 1,940,911	$ 2,881,239
4	$ 29,733,699	$ 1,833,083	$ 31,566,781	$ 1,048,157	$ 1,833,083	$ 2,881,239
5	$ 27,984,658	$ 1,725,254	$ 29,709,912	$ 1,155,985	$ 1,725,254	$ 2,881,239
6	$ 26,235,616	$ 1,617,426	$ 27,853,042	$ 1,263,813	$ 1,617,426	$ 2,881,239
7	$ 24,486,575	$ 1,509,597	$ 25,996,173	$ 1,371,642	$ 1,509,597	$ 2,881,239
8	$ 22,737,534	$ 1,401,769	$ 24,139,303	$ 1,479,470	$ 1,401,769	$ 2,881,239
9	$ 20,988,493	$ 1,293,941	$ 22,282,434	$ 1,587,299	$ 1,293,941	$ 2,881,239
10	$ 19,239,452	$ 1,186,112	$ 20,425,564	$ 1,695,127	$ 1,186,112	$ 2,881,239
11	$ 17,490,411	$ 1,078,284	$ 18,568,695	$ 1,802,955	$ 1,078,284	$ 2,881,239
12	$ 15,741,370	$ 970,455	$ 16,711,825	$ 1,910,784	$ 970,455	$ 2,881,239
13	$ 13,992,329	$ 862,627	$ 14,854,956	$ 2,018,612	$ 862,627	$ 2,881,239
14	$ 12,243,288	$ 754,799	$ 12,998,086	$ 2,126,440	$ 754,799	$ 2,881,239
15	$ 10,494,247	$ 646,970	$ 11,141,217	$ 2,234,269	$ 646,970	$ 2,881,239
16	$ 8,745,205	$ 539,142	$ 9,284,347	$ 2,342,097	$ 539,142	$ 2,881,239
17	$ 6,996,164	$ 431,314	$ 7,427,478	$ 2,449,926	$ 431,314	$ 2,881,239
18	$ 5,247,123	$ 323,485	$ 5,570,608	$ 2,557,754	$ 323,485	$ 2,881,239
19	$ 3,498,082	$ 215,657	$ 3,713,739	$ 2,665,582	$ 215,657	$ 2,881,239
20	$ 1,749,041	$ 107,828	$ 1,856,869	$ 2,773,411	$ 107,828	$ 2,881,239
	$ 34,980,822	$ 22,643,961	$ 57,624,782	$ 34,980,822	$ 22,643,961	$ 57,624,782

Offsetting Revenue Potential and Annual Subsidy Required

G: Office Sq. Footage [1]	H: Rental Rate [2]	I: Retail Sq. Footage [3]	J: Rental Rate [4]	K ((G x H)+(I x J)): Total Rental Income (Gross)	L: Less Operating Cost [5]	M: Less Annual IDB Cost [6]	N (K+L+M): Net Rental Income	O (F-N): Annual Subsidy Required
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (50,000)	$ (50,000)	$ 2,931,239
-	$ 45.00	-	$ 35.00	$ -	$ -	$ (25,000)	$ (25,000)	$ 2,906,239
6,333	$ 45.90	5,700	$ 35.70	$ 494,190	$ (460,000)	$ (25,500)	$ 8,690	$ 2,872,549
12,667	$ 46.82	11,400	$ 36.41	$ 1,008,148	$ (469,200)	$ (26,010)	$ 512,938	$ 2,368,302
19,000	$ 47.75	17,100	$ 37.14	$ 1,542,466	$ (478,584)	$ (26,530)	$ 1,037,352	$ 1,843,887
19,000	$ 48.71	17,100	$ 37.89	$ 1,573,315	$ (488,156)	$ (27,061)	$ 1,058,099	$ 1,823,140
19,000	$ 49.68	17,100	$ 38.64	$ 1,604,781	$ (497,919)	$ (27,602)	$ 1,079,261	$ 1,801,978
19,000	$ 50.68	17,100	$ 39.42	$ 1,636,877	$ (507,877)	$ (28,154)	$ 1,100,846	$ 1,780,393
19,000	$ 51.69	17,100	$ 40.20	$ 1,669,615	$ (518,035)	$ (28,717)	$ 1,122,863	$ 1,758,376
19,000	$ 52.72	17,100	$ 41.01	$ 1,703,007	$ (528,395)	$ (29,291)	$ 1,145,320	$ 1,735,919
19,000	$ 53.78	17,100	$ 41.83	$ 1,737,067	$ (538,963)	$ (29,877)	$ 1,168,226	$ 1,713,013
19,000	$ 54.85	17,100	$ 42.66	$ 1,771,808	$ (549,743)	$ (30,475)	$ 1,191,591	$ 1,689,648
19,000	$ 55.95	17,100	$ 43.52	$ 1,807,245	$ (560,737)	$ (31,084)	$ 1,215,423	$ 1,665,816
19,000	$ 57.07	17,100	$ 44.39	$ 1,843,389	$ (571,952)	$ (31,706)	$ 1,239,731	$ 1,641,508
19,000	$ 58.21	17,100	$ 45.28	$ 1,880,257	$ (583,391)	$ (32,340)	$ 1,264,526	$ 1,616,713
19,000	$ 59.38	17,100	$ 46.18	$ 1,917,862	$ (595,059)	$ (32,987)	$ 1,289,816	$ 1,591,423
19,000	$ 60.56	17,100	$ 47.11	$ 1,956,220	$ (606,960)	$ (33,647)	$ 1,315,613	$ 1,565,626
19,000	$ 61.78	17,100	$ 48.05	$ 1,995,344	$ (619,099)	$ (34,320)	$ 1,341,925	$ 1,539,314
19,000	$ 63.01	17,100	$ 49.01	$ 2,035,251	$ (631,481)	$ (35,006)	$ 1,368,763	$ 1,512,476
19,000	$ 64.27	17,100	$ 49.99	$ 2,075,956	$ (644,111)	$ (35,706)	$ 1,396,139	$ 1,485,100
								$ 37,842,662

Notes

[1] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[2] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[3] Assumption of Total Leasable sq. ft. comes from City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[4] Assumption of Rental Rate comes from "Figure 13. Economic Return Summary Base Case" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 10.
[5] Assumption of Operating Costs comes from "Figure 12: Annual Operating Expenses Upon Stabilization" City Hall Development Mixed-Use Economic Feasibility Analysis - City of Franklin Tennessee. Gibbs Planning Group. June 28th, 2022. Page 9.
[6] Assumption of Annual IDB (Industrial Development Board) Operating Costs comes form City of Franklin, Tennessee staff best estimates to reconstitute IDB and provide minimal overhead management of property manager, private counsel, auditing and accounting services.
[7] Taxable vs. Tax Exempt Spread is based on highest taxable bracket of 37%. (In other words, the taxable rate is assumed to be 37% higher than the tax-exempt rate).

New City Hall - Financial & Risk Capacity Scenarios | **Scenario 3b**

Payback Summary: The chart below shows the estimated time it would take for the City to recoup its initial investment. Because a subsidy to service the annual debt service is necessary for the 20 years the debt will be issued for, the IDB will be unable to begin paying the City back until year 21. This will take another 22 years to fully repay the City the just under $38 million necessary over the debt servicing period. The City should fully recoup the investment in year 42.

Payback

	Year	Gross Expenses	Gross Revenues	Subsidy Amount	Cumulative	
	1	$ 2,931,239	$ -	$ 2,931,239	$ 2,931,239	
	2	$ 2,906,239	$ -	$ 2,906,239	$ 5,837,478	
	3	$ 3,366,739	$ 494,190	$ 2,872,549	$ 8,710,027	Rents begin to come in to IDB
	4	$ 3,376,449	$ 1,008,148	$ 2,368,302	$ 11,078,329	
	5	$ 3,386,353	$ 1,542,466	$ 1,843,887	$ 12,922,216	Rents maximize to 95% occupancy as recommended by Gibbs Planning Group (within 5 years)
	6	$ 3,396,456	$ 1,573,315	$ 1,823,140	$ 14,745,357	
	7	$ 3,406,760	$ 1,604,781	$ 1,801,978	$ 16,547,335	
	8	$ 3,417,270	$ 1,636,877	$ 1,780,393	$ 18,327,729	
	9	$ 3,427,991	$ 1,669,615	$ 1,758,376	$ 20,086,105	
	10	$ 3,438,926	$ 1,703,007	$ 1,735,919	$ 21,822,024	
	11	$ 3,450,080	$ 1,737,067	$ 1,713,013	$ 23,535,037	
	12	$ 3,461,457	$ 1,771,808	$ 1,689,648	$ 25,224,685	
	13	$ 3,473,061	$ 1,807,245	$ 1,665,816	$ 26,890,501	
	14	$ 3,484,897	$ 1,843,389	$ 1,641,508	$ 28,532,009	
	15	$ 3,496,971	$ 1,880,257	$ 1,616,713	$ 30,148,722	
	16	$ 3,509,285	$ 1,917,862	$ 1,591,423	$ 31,740,145	
	17	$ 3,521,846	$ 1,956,220	$ 1,565,626	$ 33,305,772	
	18	$ 3,534,658	$ 1,995,344	$ 1,539,314	$ 34,845,086	
	19	$ 3,547,727	$ 2,035,251	$ 1,512,476	$ 36,357,562	
	20	$ 3,561,056	$ 2,075,956	$ 1,485,100	$ 37,842,662	Maximum City Investment
	21	$ 693,414	$ 2,117,475	$ (1,424,061)	$ 36,418,600	
	22	$ 707,282	$ 2,159,825	$ (1,452,543)	$ 34,966,058	
	23	$ 721,427	$ 2,203,021	$ (1,481,594)	$ 33,484,464	
	24	$ 735,856	$ 2,247,081	$ (1,511,225)	$ 31,973,239	
	25	$ 750,573	$ 2,292,023	$ (1,541,450)	$ 30,431,789	
	26	$ 765,585	$ 2,337,864	$ (1,572,279)	$ 28,859,510	
	27	$ 780,896	$ 2,384,621	$ (1,603,725)	$ 27,255,785	
	28	$ 796,514	$ 2,432,313	$ (1,635,799)	$ 25,619,986	
	29	$ 812,444	$ 2,480,959	$ (1,668,515)	$ 23,951,471	
	30	$ 828,693	$ 2,530,579	$ (1,701,885)	$ 22,249,586	
	31	$ 845,267	$ 2,581,190	$ (1,735,923)	$ 20,513,663	
	32	$ 862,173	$ 2,632,814	$ (1,770,641)	$ 18,743,022	
	33	$ 879,416	$ 2,685,470	$ (1,806,054)	$ 16,936,967	
	34	$ 897,004	$ 2,739,180	$ (1,842,175)	$ 15,094,792	
	35	$ 914,944	$ 2,793,963	$ (1,879,019)	$ 13,215,773	
	36	$ 933,243	$ 2,849,843	$ (1,916,599)	$ 11,299,174	
	37	$ 951,908	$ 2,906,839	$ (1,954,931)	$ 9,344,242	
	38	$ 970,946	$ 2,964,976	$ (1,994,030)	$ 7,350,213	
	39	$ 990,365	$ 3,024,276	$ (2,033,910)	$ 5,316,302	
	40	$ 1,010,173	$ 3,084,761	$ (2,074,589)	$ 3,241,713	
	41	$ 1,030,376	$ 3,146,457	$ (2,116,080)	$ 1,125,633	
Payback to City occurs in Year 42	**42**	**$ 1,050,984**	**$ 3,209,386**	**$ (2,158,402)**	**$ (1,032,769)**	**City Repaid**

Cumulative City Investment Increasing

Cumulative City Investment Decreasing

New City Hall - Financial & Risk Capacity Scenarios

Available Cash

This summary estimates available Fund Balance in the General Fund at the end of FY 2022 and as a result the available amount of cash available to spend on capital projects. As a reminder, the City of Franklin's Fund Balance policy for the General Fund sets forth that the any amount of fund balance over 45% of the current year's general fund expenditures (for FY 2023, this amount is estimated to be what is shown in row J - or $20,278,079) is available to dedicated to capital projects. Row A shows the amount of fund balance programmed in to support approved projects in the FY 2022-2031 CIP. The favorable results of FY 2021 and FY 2022 have generated significant amounts of additional cash which can be used to lower borrowing needs.

A	Planned CIP Usage - 1/2022		$	**16,866,103**
B	General Fund Fund Balance	6/30/2021	$	**65,481,510**
C	Conservative Est. Surplus/ (Deficit)	6/30/2022	$	**7,500,000**
D (B+C)	Total Est. Fund Balance (GF)	6/30/2022	$	**72,981,510**
E	Total GF Expenditures	FY 2023	$	**94,896,513**
F (B/E)	Total Est. Fund Balance as % of GF Exp.			**76.9%**
G	Minimum Fund Balance Reserve	33%	$	**31,632,171**
H	Supplemental Reserve	33%-45%	$	**11,071,260**
I (D-G-H)	Available for Capital Projects	Above 45%	$	**30,278,079**
J (G+H+I)	Total GF Fund Balance	6/30/2022	$	**72,981,510**
K (I-A)	**Available Cash for CIP Above Planned Use**		**$**	**13,411,976**