

City of West Linn - Finance Department
Summarizing the Tax Effect to Homeowners on Various Bond Sizes

<u>Size of GO Bond</u>	<u>Rate (est.)</u>	<u>Term (yrs)</u>	<u>Estimated annual tax increase on average West Linn home with Assessed Value of \$285,000 (approx. Real Mkt Value of \$385,000)</u>			
			<u>Per Year</u>	<u>Per Month</u>	<u>Per Week</u>	<u>Per Day</u>
\$8.5 million	4%	20yrs	\$62.42	\$5.20	\$1.20	\$0.17
\$8.6 million	4%	20yrs	\$63.13	\$5.26	\$1.21	\$0.17
\$8.7 million	4%	20yrs	\$63.87	\$5.32	\$1.23	\$0.17
\$8.8 million	4%	20yrs	\$64.61	\$5.38	\$1.24	\$0.18
\$8.9 million	4%	20yrs	\$65.32	\$5.44	\$1.26	\$0.18

City of West Linn - Finance Department
 Estimating Tax Effect to Homeowners on Various Bond Sizes (using level debt-service methodology)

Bond Information			Tax levy needed to cover annual debt service payments on bond issue			Assessed Value			Tax Rate and Annual Amount			Notes
Size of bond issue	Rate of interest (est.)	Term of bonds (yrs)	Annual debt service (est.)	Tax collection rate	Annual amount to levy	Actual Assessed Value FY 2010-11	Estimated annual % increase	Estimated Assessed Value FY 2012-13	Increase in tax rate needed to raise levy	Amount of Assessed Value	Additional taxes per year	
For every \$100,000 of Assessed Value:												
\$ 1,000,000	4%	20	\$ 73,582	95%	\$ 77,500	\$ 2,836,413,365	3%	\$ 3,007,000,000	0.0258	\$ 100,000	\$ 2.58	Use these amounts as a multiplier against your particular Assessed Value per \$100,000. For example, for a \$8M size of bond and your AV is \$300,000; then use \$20.61 times 3.0 = equals +\$62 per year
2,000,000	4%	20	147,164	95%	154,900	2,836,413,365	3%	3,007,000,000	0.0515	100,000	5.15	
3,000,000	4%	20	220,745	95%	232,400	2,836,413,365	3%	3,007,000,000	0.0773	100,000	7.73	
4,000,000	4%	20	294,327	95%	309,800	2,836,413,365	3%	3,007,000,000	0.1030	100,000	10.30	
5,000,000	4%	20	367,909	95%	387,300	2,836,413,365	3%	3,007,000,000	0.1288	100,000	12.88	
6,000,000	4%	20	441,491	95%	464,700	2,836,413,365	3%	3,007,000,000	0.1545	100,000	15.45	
7,000,000	4%	20	515,072	95%	542,200	2,836,413,365	3%	3,007,000,000	0.1803	100,000	18.03	
8,000,000	4%	20	588,654	95%	619,600	2,836,413,365	3%	3,007,000,000	0.2061	100,000	20.61	
8,500,000	4%	20	625,445	95%	658,400	2,836,413,365	3%	3,007,000,000	0.2190	100,000	21.90	
8,600,000	4%	20	632,803	95%	666,100	2,836,413,365	3%	3,007,000,000	0.2215	100,000	22.15	
8,700,000	4%	20	640,161	95%	673,900	2,836,413,365	3%	3,007,000,000	0.2241	100,000	22.41	
8,800,000	4%	20	647,519	95%	681,600	2,836,413,365	3%	3,007,000,000	0.2267	100,000	22.67	
8,900,000	4%	20	654,878	95%	689,300	2,836,413,365	3%	3,007,000,000	0.2292	100,000	22.92	
9,000,000	4%	20	662,236	95%	697,100	2,836,413,365	3%	3,007,000,000	0.2318	100,000	23.18	
10,000,000	4%	20	735,818	95%	774,500	2,836,413,365	3%	3,007,000,000	0.2576	100,000	25.76	
15,000,000	4%	20	1,103,726	95%	1,161,800	2,836,413,365	3%	3,007,000,000	0.3864	100,000	38.64	
25,000,000	4%	20	1,839,544	95%	1,936,400	2,836,413,365	3%	3,007,000,000	0.6440	100,000	64.40	
35,000,000	4%	20	2,575,361	95%	2,710,900	2,836,413,365	3%	3,007,000,000	0.9015	100,000	90.15	
45,000,000	4%	20	3,311,179	95%	3,485,500	2,836,413,365	3%	3,007,000,000	1.1591	100,000	115.91	
55,000,000	4%	20	4,046,996	95%	4,260,000	2,836,413,365	3%	3,007,000,000	1.4167	100,000	141.67	
65,000,000	4%	20	4,782,814	95%	5,034,500	2,836,413,365	3%	3,007,000,000	1.6743	100,000	167.43	
For the home with an average Assessed Value of \$285,000:												
1,000,000	4%	20	73,582	95%	77,500	2,836,413,365	3%	3,007,000,000	0.0258	285,000	7.35	Use these amounts as as guide for the home in West Linn with an average Assessed Value of \$285,000
2,000,000	4%	20	147,164	95%	154,900	2,836,413,365	3%	3,007,000,000	0.0515	285,000	14.68	
3,000,000	4%	20	220,745	95%	232,400	2,836,413,365	3%	3,007,000,000	0.0773	285,000	22.03	
4,000,000	4%	20	294,327	95%	309,800	2,836,413,365	3%	3,007,000,000	0.1030	285,000	29.36	
5,000,000	4%	20	367,909	95%	387,300	2,836,413,365	3%	3,007,000,000	0.1288	285,000	36.71	
6,000,000	4%	20	441,491	95%	464,700	2,836,413,365	3%	3,007,000,000	0.1545	285,000	44.03	
7,000,000	4%	20	515,072	95%	542,200	2,836,413,365	3%	3,007,000,000	0.1803	285,000	51.39	
8,000,000	4%	20	588,654	95%	619,600	2,836,413,365	3%	3,007,000,000	0.2061	285,000	58.74	
8,500,000	4%	20	625,445	95%	658,400	2,836,413,365	3%	3,007,000,000	0.2190	285,000	62.42	
8,600,000	4%	20	632,803	95%	666,100	2,836,413,365	3%	3,007,000,000	0.2215	285,000	63.13	
8,700,000	4%	20	640,161	95%	673,900	2,836,413,365	3%	3,007,000,000	0.2241	285,000	63.87	
8,800,000	4%	20	647,519	95%	681,600	2,836,413,365	3%	3,007,000,000	0.2267	285,000	64.61	
8,900,000	4%	20	654,878	95%	689,300	2,836,413,365	3%	3,007,000,000	0.2292	285,000	65.32	
9,000,000	4%	20	662,236	95%	697,100	2,836,413,365	3%	3,007,000,000	0.2318	285,000	66.06	
10,000,000	4%	20	735,818	95%	774,500	2,836,413,365	3%	3,007,000,000	0.2576	285,000	73.42	
15,000,000	4%	20	1,103,726	95%	1,161,800	2,836,413,365	3%	3,007,000,000	0.3864	285,000	110.12	
25,000,000	4%	20	1,839,544	95%	1,936,400	2,836,413,365	3%	3,007,000,000	0.6440	285,000	183.54	
35,000,000	4%	20	2,575,361	95%	2,710,900	2,836,413,365	3%	3,007,000,000	0.9015	285,000	256.93	
45,000,000	4%	20	3,311,179	95%	3,485,500	2,836,413,365	3%	3,007,000,000	1.1591	285,000	330.34	
55,000,000	4%	20	4,046,996	95%	4,260,000	2,836,413,365	3%	3,007,000,000	1.4167	285,000	403.76	
65,000,000	4%	20	4,782,814	95%	5,034,500	2,836,413,365	3%	3,007,000,000	1.6743	285,000	477.18	

Assumption: the above tax rate estimations assume a level debt service payment amount over the amortization period. Often amortization schedules are set to increase in amount each year by the same estimated annual AV increase (i.e., 3%) producing a level tax rate amount over the amortization period. Utilizing this other method, produces results that approximate 80 percent of the above amounts. For example, a level debt service amount of \$8.5M equates to \$0.219 cents per \$1000 using a level debt-service methodology whereas, when using a level tax rate methodology, the results of this same example will be lower at \$0.16 cents per \$1000.