

## Attachment #4

### Wakulla County BOCC Courthouse financing agenda 6/07/2010

You received a copy of the RFP we sent out to obtain financing proposals (attachment #1). This gives us the option to borrow up to \$2.5 million dollars. But we have some discretion about how much we borrow and how much from each loan we borrow.

Herein is one more option, based on the most advantageous way I see of completing this project. I have obtained from the two lowest rate quoted banks; rates on 10 year as opposed to 15 year terms for the loan B which is the surcharge pledged funding. The inspiration for this option was proposed by one of the banks who would not propose out the entire 15 year duration on the surcharge revenue due to the economic climate, but instead recommended a duration of 10 years with excellent rates.

The total GMP is \$ 2,243,324 and the cash on hand in the Courthouse only funds is approximately \$350k, so we only need to borrow \$1.9 million total (unless we decided to borrow more of the project cost for some reason).

#### Suntrust Bank option

Max out the loan B (surcharge loan) at \$1.0 million loan over 15 years and take the other \$900k on loan A (1 cent) over the remaining 7.5 years

This option makes the total cumulative interest paid out over the life of both loans \$ 482,834.37

#### Hancock Bank option

Max out the loan A (1 cent) at \$1.5 million over 7.5 years remaining, and take the remaining \$400k on loan B (surcharge loan) over 10 years

With this option the total cumulative interest paid out over the life of both loans is \$ 279,350.10

This option is much more advantageous to the taxpayer and the County saves \$ 203,484.07 in interest costs. Combined with the savings on the project itself this would bring the total savings on the Courthouse project to nearly half a million dollars!

Choosing the Hancock Bank option and saving all that money may require us to pledge the ½ sales tax revenue in addition to the surcharge and this would tie up a

larger portion of our 1 cent sales tax for the remaining 7.5 years of its duration. But in these difficult economic times, we recommend saving the \$200,000+