

Lost Revenues to Borough from Annexation of Fred Meyer Subdivision

Taxable Assessed Value	2008	2009
Taco Bell	\$833,833	\$887,159
Mt. McKinley Bank	\$1,475,014	\$1,473,961
Fred Meyer	\$22,652,568	\$22,604,203
Total FM Subdivision	<u>\$24,961,415</u>	<u>\$24,965,323</u>

assessed values did not significantly increase in 2009

Borough taxes that would not be charged to FMSub after annexation

	2008 mill rate	2008 Taxes	2009 mill rate	2009 Taxes
EMS (ambulance)	0.256	\$6,390	0.276	\$6,890
Solid Waste	1.103	\$27,532	1.121	\$27,986
Econ. Dev	0.144	\$3,594	0.117	\$2,921
Univ. Fire Service Area (UFSA)	2.138	<u>\$53,368</u>	2.301	<u>\$57,445</u>
Total lost property taxes		<u>\$90,885</u>		<u>\$95,243</u>
Lost Alcohol taxes -approx*	5%	\$380,000		\$380,000
(no lost tobacco tax)	8%	<u>\$0</u>		<u>\$0</u>
TOTAL approx yearly loss to Borough		<u>\$470,885</u>		<u>\$475,243</u>

*Alcohol taxes are confidential but actual is higher

SUMMARY:

	FY09
City Gains	\$669,832
FNSB Loses	-\$475,243 (includes \$57,445 loss to UFSA)

Expenses v. Revenues for City

Expenses

Increased Costs of services supplied to FM Subdivision by City (from p. 16)

\$1,000	Gen Gov	\$1,000	
\$50,000	Police	\$37,500	footnote on page 16 250 calls x \$75/hr x 1hr av = \$37,500
\$1,000	pub works	\$1,000	City states "\$50,000 is a safe margin"
<u>\$52,000</u>		<u>\$39,500</u>	

Revenues

City's 2009 increased revenues estimates (p.16)

\$149,653	property tax to City
\$151,946	Alcohol Tax
\$157,502	tobacco tax
\$10,000	licenses and Permits
<u>\$469,101</u>	Increased Revenues to City (p.16)

\$417,101 City's increased revenue minus expenses
(\$469,101 - \$52,000 from p. 16 of Petition)

Borough's calculation

\$122,330	(4.9mills x 2009 assessed value)
\$380,000	approximate (actual figures are confidential)
\$157,502	using City's figure
\$10,000	City's figure for licenses and permits
<u>\$669,832</u>	Borough's estimated increased revenues to City

\$617,832 Revenues minus expenses
(\$629,832 - \$52,000)

Increase cost to Fred Meyer Sub owners

2.35 mills as per page 14 of the City's Petition

\$58,659 Increased property taxes(=2.35 mills x 2008 assessed value for FM Sub)

\$10,000 Licenses & permits as per page 16

\$68,659 Total* increase to be paid by FM Sub

*Does not include increased insurance, if any, caused by a lower ISO rating in the City