Scenario 1 Assumptions

February 15, 2013

Facility

$60 million total project cost
Assumes 400 bed core and 300-400 beds at opening

Sales and Use Tax

100% of the revenue from 3/10 of 1% is pooled countywide
2012 Sales and use tax up 6.5% from 2011
2013 Sales and use tax - no growth from 2012
Starting 2014, sales and use tax growth rate of 1% for 5 years, through 2018
Starting 2019, sales and use tax growth rate of 3.5%
Resulting average annual rate 2013-2032 (20 years) is 2.7%

Outsourcing

Current operating budget includes outsourcing of 25 inmates
Assumes increase of 15, 20, and 20 for the years 2014, 2015, 2016, during construction
(assumes this is constrained by facility capacity/inmate status -- otherwise, could increase)

Operating Costs

Current operating budget grows at 3.8% annually through facility opening
Step-up increased costs of operation beginning 2017
(1) additional staffing for new facility (increases approximately $1 million)
(2) assumed one-time costs for hiring, training, etc.
New operating budget grows at 4% annually after opening
Budget built based on current budget, with varying percentage increases
Assumed increase in staffing; approximately 16 positions or 35% increase (46.7 to 63)

Financing

Assumes 25 year bonds at 5% interest (current market estimated at 3.25%)
Assumes issued in 2015, although may adjust timing based on market conditions
1% change in interest cost represents $345,000 to $350,000 per year on $50 million

Scenario 2 - Different Assumptions

Sales and Use Tax

Revenue other than 1/10 of 1% inside cities is pooled countywide
Shortfall in operating costs to be made up from bed rates/other revenue

Scenario 3 - Different Assumptions

Property Tax Levy to fund 100% of the estimated capital cost

Sales and Use Tax

Revenue other than 1/10 of 1% inside cities; and 1/4 of the 60/40 is pooled countywide
Shortfall in operating costs to be made up from bed rates/other revenue