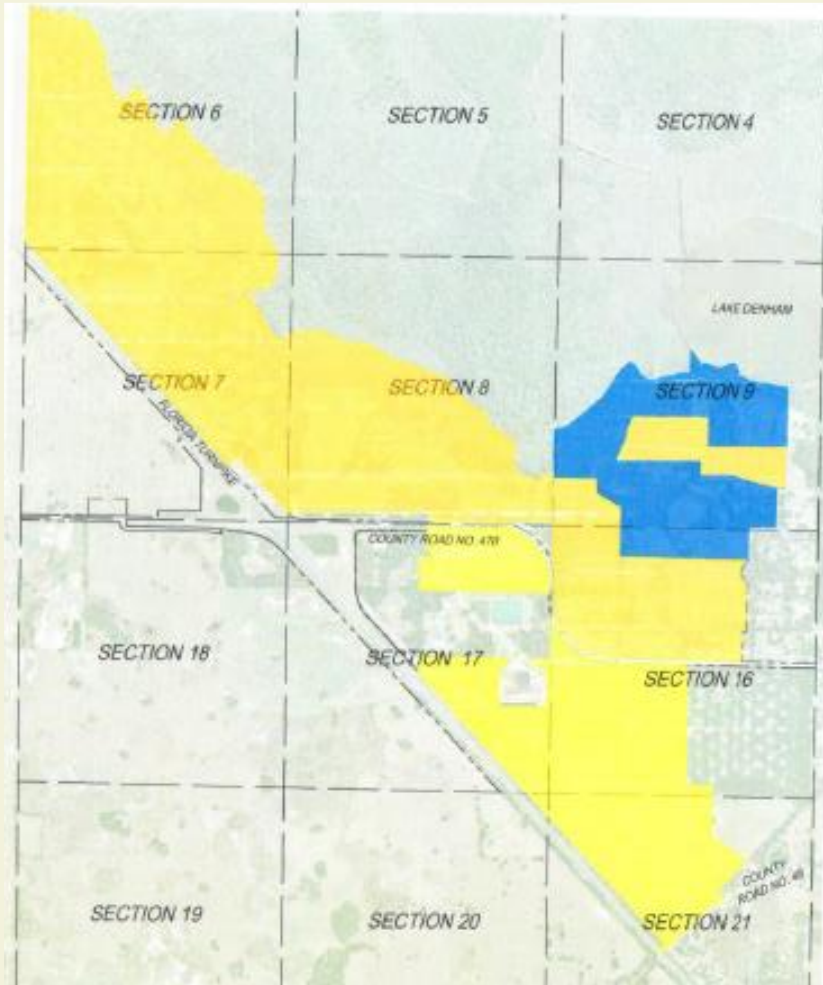




Growth Opportunity
Sale of 470 Property to “The Villages”

470 Property



LAND PURCHASE DETAILS

- 1,938.48 Total Acres
- \$11,918,067 Total Amount
- Exhibit "A" (Yellow Area) – Developable
 - 1,684.435 Acres @ \$7,000
 - \$11,791,045
- Exhibit "B" (Blue Area) – Undevelopable
 - 254.045 Acres @ \$500
 - \$127,022

Due Diligence Period



- Repayment to EPA
 - ✓ 75% of Market Value
 - ✓ 600 Acres x \$5,250 = \$3,150,000
 - ✓ Nets \$8,758,067
- Transfer Protected Lands
- Water, Sewer, Reclaimed Service Areas
- Villages Model LDR in City Comprehensive Plan
- Utility Franchise Fees
- Effluent Utilization, Field Decommission
- General Services – Fire/EMS
- Bulk Water/Wastewater

9 Months for Due Diligence w/ Development Agreement Prior to Closing

Sale Justification



- Lack of Long Term Significant Growth
- Significant Financial Gain

Slow Growth



GROWTH ANALYSIS	
YEAR	SFR PERMITTED
2003	265
2005-2008	1,200
2008-Present	828
TOTAL	2,293
Years	13
Average	176
	POPULATION
Ave Annual Pop Growth (1 SFR = 2.5)	441
2000 Population	16,502
AVERAGE 13 YEAR GROWTH RATE	
2.67%	

Village Model v. Industrial Growth

\$900M v. \$200M



PROPERTY TAX ASSUMPTIONS					
PROPERTY	UNITS		CITY PRICES		VILLAGES PRICES
"City's 470 "		4,500	Water Typical Usage	\$ 13.62	\$ 18.19
Home Values	\$	200,000	Sewer Typical Usage	\$ 31.44	\$ 34.06
Homestead Exemption	\$	50,000	Irrigation	\$ 13.60	\$ 18.92
Electric Franchise Fee		6%	Electric Typical Usage	\$ 112.76	\$ 112.76
Villages Utility		6%	Solidwaste	\$ 17.13	\$ 17.90
Utility Tax		10%	Typical Gas Usage	\$ 29.53	\$ 29.53
GENERAL FUND				VILLAGES	
Residential Taxes	\$	675,000	4.2678	\$ 2,736,727	
Industrial or Commercial Taxes				\$ 136,836	
PILOT				\$ 64,017	
Fire Assessment Fee	\$	4,500	\$ 58	\$ (231,336)	
Com. Fire Assessment				\$ (65,340)	
Electric Utility Tax				\$ 608,904	
Water Utility Tax				\$ 98,226	
Gas Utility Tax				\$ 159,462	
Half Cent Sales Tax				\$ 50,000	
Electric Franchise*				\$ 365,342	
Water Franchise				\$ 58,936	
Sewer Franchise				\$ 110,354	
Gas Franchise				\$ 95,677	
Solid Waste Franchise				\$ 57,996	
Irrigation Franchise				\$ 61,301	
Industrial/Commercial Utilities Adjustment for TRF or Franchise				\$ 207,692	
New General Fund Revenue				\$ 4,514,795	

Village Model v. Industrial Growth

\$900M v. \$200M



PROPERTY TAX ASSUMPTIONS					
PROPERTY	UNITS		CITY PRICES		VILLAGES PRICES
"City's 470 "	4,500	Water Typical Usage	\$ 13.62	\$	18.19
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Electric Franchise Fee	6%	Electric Typical Usage	\$ 112.76	\$	112.76
Villages Utility	6%	Solidwaste	\$ 17.13	\$	17.90
Utility Tax	10%	Typical Gas Usage	\$ 29.53	\$	29.53
GENERAL FUND			VILLAGES		INDUSTRIAL
Residential Taxes	\$ 675,000	4.2678	\$ 2,736,727	\$	-
Industrial or Commercial Taxes	\$200M/15 Deals*		\$ 136,836	\$	810,882
PILOT			\$ 64,017	\$	-
Fire Assessment Fee	\$ 4,500	\$ 58	\$ (231,336)	\$	-
Com. Fire Assessment			\$ (65,340)	\$	-
Electric Utility Tax			\$ 608,904	\$	500,000
Water Utility Tax			\$ 98,226	\$	150,000
Gas Utility Tax			\$ 159,462	\$	150,000
Half Cent Sales Tax			\$ 50,000	\$	50,000
Electric Franchise*			\$ 365,342	\$	325,000
Water Franchise			\$ 58,936	\$	75,000
Sewer Franchise			\$ 110,354	\$	100,000
Gas Franchise			\$ 95,677	\$	100,000
Solid Waste Franchise			\$ 57,996	\$	100,000
Irrigation Franchise			\$ 61,301	\$	-
Industrial/Commercial Utilities Adjustment for TRF or Franchise			\$ 207,692	\$	-
New General Fund Revenue			\$ 4,514,795	\$	2,360,882
* Taxes for "CITY" Development most likely to be abated for industrial incentives.					

Other Considerations



- Immediate Earnest Deposit of \$100,000
- 5-7 Years Before Anticipated Construction
- Many Development Issues to Still Be Considered



QUESTIONS