



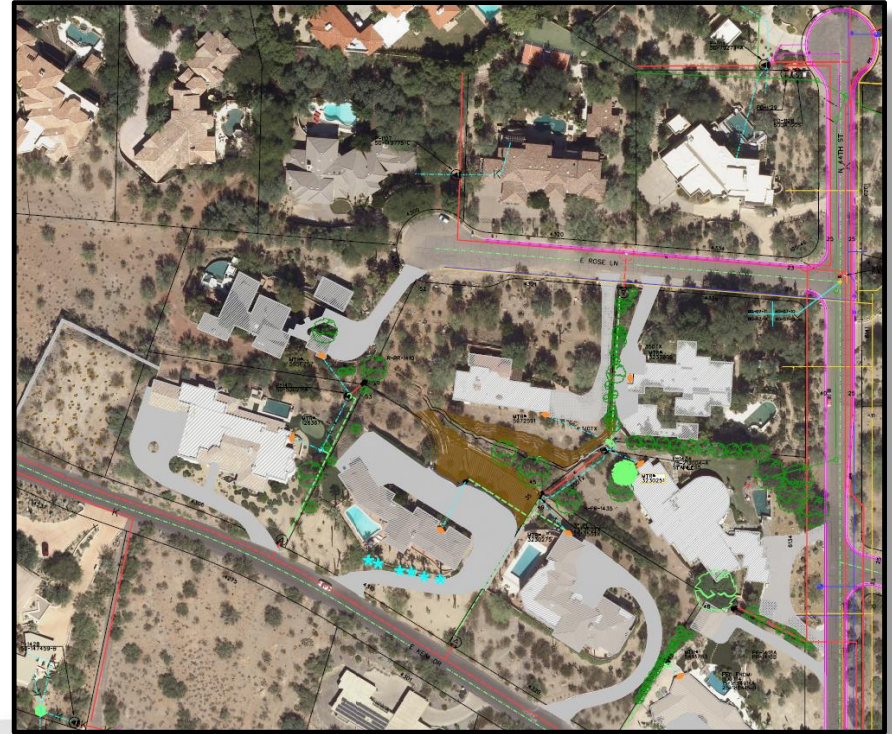
SRP OVERHEAD CONVERSION AND KEIM DISTRICT UPDATE



September 14th, 2017

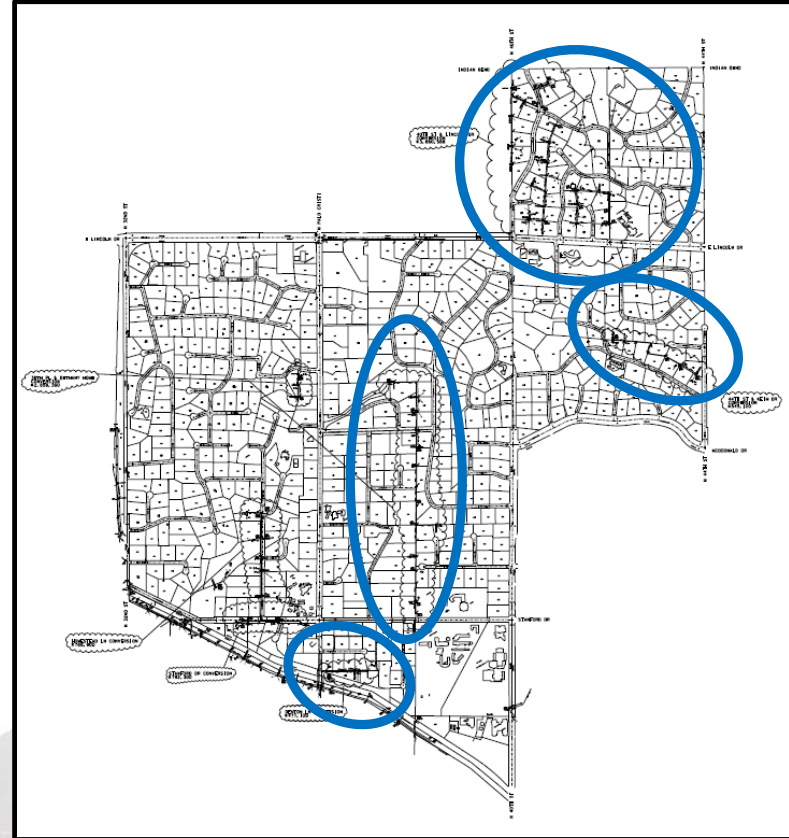
AGENDA

- Background on SRP Conversion
- Update on the Keim District
- Current Cost Sharing Model
- Proposed Cost Sharing Model
- Questions



SRP CONVERSION BACKGROUND

- Completed 19 Districts since 1991
- Four districts remain:
 - Keim
 - Denton
 - 40th Street and Lincoln
 - 38th Place and Bethany Home



SRP CONVERSION BACKGROUND

- **Cost sharing as outlined in Resolution 577 and 813**

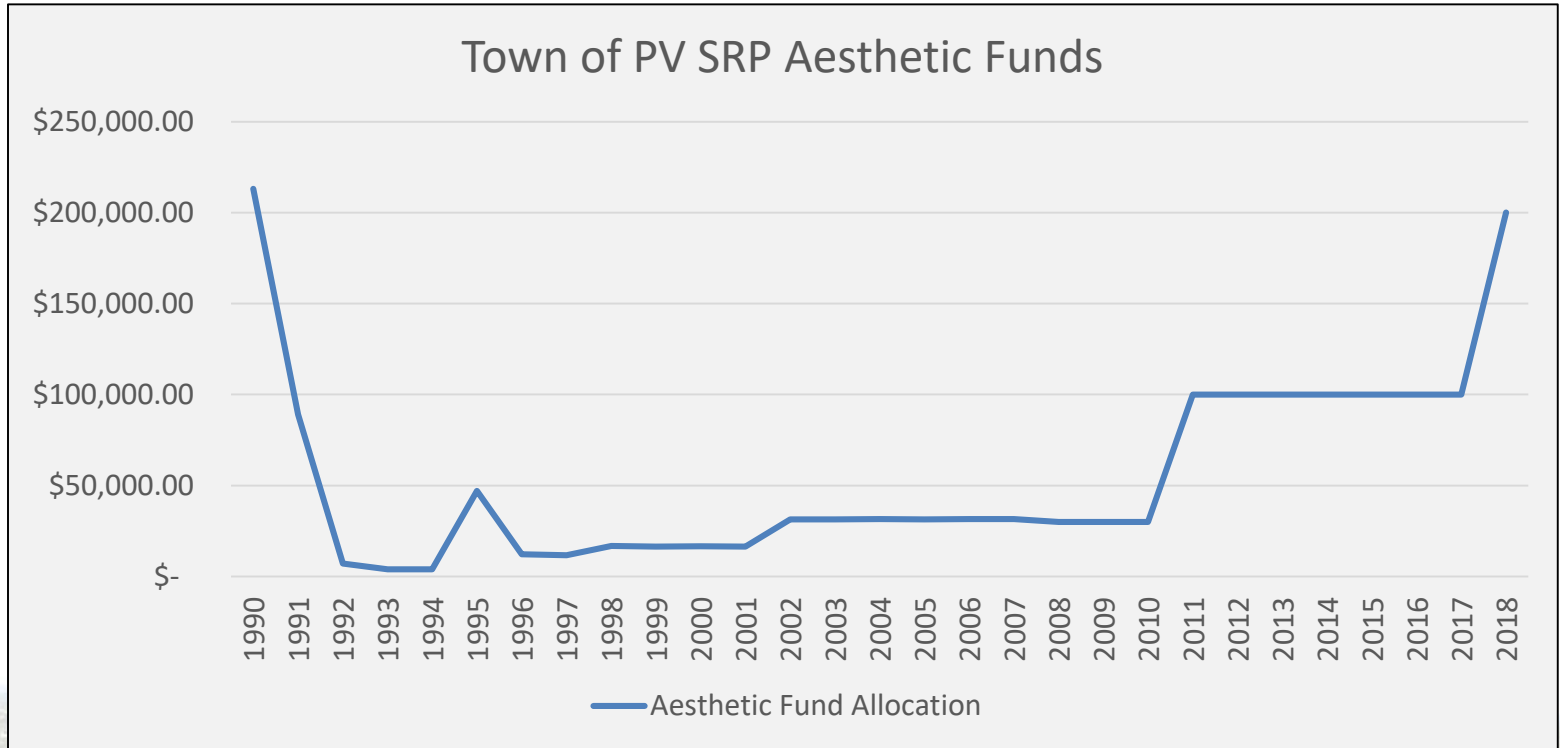
“The Town of Paradise Valley establishes a general and flexible policy whereby the Town may pay a percentage of the total cost of the improvement ... in the Salt River Project Electric Service Area, the Town may pay up to two thirds (66.7%) of the cost of the undergrounding utility lines not paid by Salt River Project.”

- **Residents pay 33.3% and Town pays 66.7%**



SRP CONVERSION BACKGROUND

- Third aspect, aesthetic funds



CURRENT COST SHARING MODEL

Aesthetic Funds Off the Town's Portion

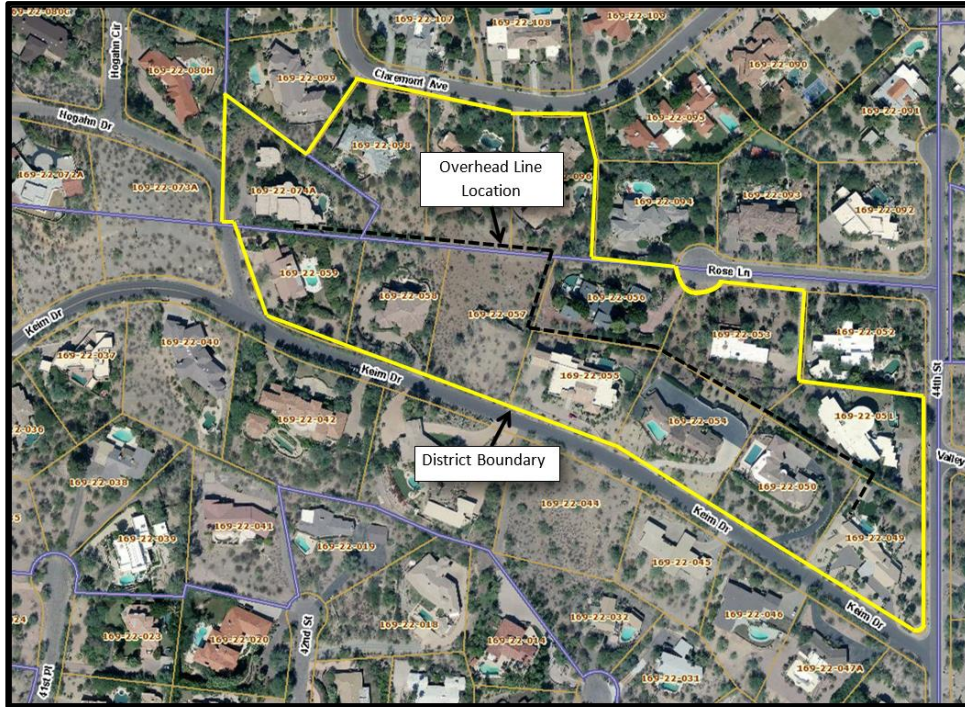
Town Portion = Total SRP Project Cost X 66.7% - Aesthetics Funds + Cox/CenturyLink costs

Resident Portion = Total SRP Project Cost X 33.3%

- **Historically received smaller amounts of Aesthetic Funds ~ \$20k year**
- **Made little impact to the overall cost of the district**
- **Deviated from this model in 2013/14 when we completed Stanford and Homestead Districts due to efficiencies with Stanford Drive Roadway Reconstruction**



KEIM DISTRICT



Funding Source	Amount
Town	\$ 612,000
SRP Aesthetics Funds	\$ 238,609
Residents	\$ 373,791
Total	\$ 1,224,400

- **14 Residences in district = \$26,699.36 contribution per lot**
- **Received 3 verbal commitments to date**



PROPOSED COST SHARING

Aesthetic Funds Off the Top

Town Portion = (Total SRP Project Cost – Aesthetic Funds) X 66.7% + Cox/CenturyLink costs

Resident Portion = (Total SRP Project Cost – Aesthetic Funds) X 33.3%

- **Generally receiving larger aesthetic fund allocation ~ \$100k +**
- **Has larger impact on the overall cost of the district –**

We can save funds over three years and borrow into the future

- **Up to \$1.2M available per project every 6 years, if \$200k allocation remains**
- **Applying funds more equitably, lower resident contributions**

Ultimately, more likely to fund final four SRP Districts



PROPOSED COST SHARING

Effect on Keim District

Current Model

Funding Source	Amount
Town	\$ 612,000
SRP Aesthetics Funds	\$ 238,609
Residents	\$ 373,791
Total	\$ 1,224,400

Resident Contribution per lot = \$26,699.36

Proposed Model

Funding Source	Amount
Town	\$ 386,291
SRP Aesthetics Funds	\$ 645,000
Residents	\$ 193,109
Total	\$ 1,224,400

Resident Contribution per lot = \$13,793.50



PROPOSED COST SHARING

Effect on Future SRP Districts / CIP

Effect on Future Districts and CIP

District	Estimate	Aesthetic Funds	Town Portion	Resident Portion	Per Lot	CIP Budget
Keim	\$ 1,224,385	\$ 645,000	\$ 386,291	\$ 193,109	\$ 13,794	\$ 612,000
Denton	\$ 577,100	\$ 246,866	\$ 220,266	\$ 110,067	\$ 15,724	\$ 342,880
38 th and Bethany Home	\$ 2,858,360	\$ 800,000 ¹	\$1,372,927	\$ 686,051	\$ 18,542	\$ 1,422,271
40 th and Lincoln	\$ 3,860,568	\$ 1,000,000 ²	\$1,907,999	\$ 953,427	\$ 19,458	\$ 2,017,178

1 – One year advance of Aesthetic Funds, project moved from FY23 to FY22

2 – Two year advance of Aesthetic Funds, project moved from FY22 to FY26



THANK YOU!

Questions?

