

EXHIBIT G

Monetary Obligation

Scenario 1:

On January 1, 2016, the land was assessed at \$247,500. The building and improvements on the land were assessed at \$1,570,000. The total assessed value of the land and improvements was \$1,870,000. In 2016, developer completes construction of improvements. On January 1, 2017, the land is assessed at \$247,500. The building and improvements are assessed at \$1,900,000. The developer is in compliance with all other terms and conditions of its agreements with the City.

Conclusion 1:

In scenario 1, the developer has complied with the tax base guarantee of the development agreement. There are no defaults of any other term or condition of its development agreement or any other agreements with the City. Accordingly, the developer is entitled to receive the lump sum cash grant of \$98,810 less administrative costs in accordance with the development agreement on September 1, 2017.

	<u>Base year 2016</u>	<u>Tax guarantee for 2017</u>	<u>Actual valuation 2017</u>
Land	\$247,500		\$247,500
Improvements	<u>\$1,570,000</u>	\$1,870,000	<u>\$1,900,000</u>
Total assessed value	\$1,870,000		\$2,147,500
<u>Cash grant calculation</u>			
Contribution	\$98,810.00		
<u>Administration fee (15%)</u>	<u>\$14,821.50</u>		
Disbursement to developer	\$83,988.50		

Scenario 2:

On January 1, 2016, the land was assessed at \$247,500. The building and improvements on the land were assessed at \$1,570,000. The total assessed value of the land and improvements was \$1,870,000. In 2016, developer completes construction of some improvements. On January 1, 2017, the land is assessed at \$455,000. The building and improvements are assessed at \$1,700,000. The total assessed value of land and improvements on January 1, 2017 is \$2,155,000. The developer is in compliance with all other terms and conditions of its agreements with the City.

Conclusion 2:

In scenario 2, the developer has not complied with the tax base guarantee. Even though the land may have appreciated due to market conditions, the tax base guarantee from the development agreement applies only to the improvements (e.g. building) on the land. Since the improvements did not reach the amount promised in the tax guarantee, then the City would not issue any lump sum cash grant.

	<u>Base year 2016</u>	<u>Tax guarantee for 2017</u>	<u>Actual valuation 2017</u>
Land	\$247,500		\$455,000
<u>Improvements</u>	<u>\$1,570,000</u>	\$1,870,000	<u>\$1,700,000</u>
Total assessed value	\$1,870,000		\$2,155,000
	<u>PILOT calculation</u>		
Tax guarantee	\$1,870,000		
<u>Actual valuation</u>	<u>\$1,700,000</u>		
Deficiency	\$170,000		
<u>Mill rate</u>	<u>.0029</u>		
PILOT owed for 2017	\$4,930.00		