

# Financing Options to Address Deferred Maintenance Costs

# Borrowing Amounts/Costs

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- Assumptions:
  - Will focus on deferred maintenance of all areas except water, sewer, and storm drain. Rate studies (water/sewer) and regional (storm drain) efforts will address these issues this year.
  - Will only look at funding sources that are not committed to ongoing operational costs.
  - Did not include Prop C funds because they are very restrictive and are already earmarked for public transportation streets

# Borrowing Amounts/Costs

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<b>Amount to be Borrowed</b>	<b>Interest Expense</b>	<b>Total Cost</b>	<b>Annual Payment</b>
\$5,000,000	\$1,650,000	\$6,650,000	\$332,500
\$7,500,000	\$2,475,000	\$9,975,000	\$498,750
\$10,000,000	\$3,300,000	\$13,300,000	\$665,000
\$12,500,000	\$4,125,000	\$16,625,000	\$831,250
\$15,000,000	\$4,950,000	\$19,950,000	\$997,500

# Options to Pay the Annual Principal and Interest Payment

<b>Deferred Maintenance</b>	<b>Cost</b>
Street resurfacing/Slurry seal (not including the bus transit streets, funded by Prop C)	\$3,752,000
Sidewalk repairs	\$1,050,000
Building facilities/repairs	\$2,800,000
Parks (play equip., hardscape, maintenance, repairs)	\$1,835,000
Parking lots (resurfacing)	\$200,000
<b>Total</b>	<b>\$9,637,000</b>

# Options to Pay the Annual Principal and Interest Payment

Building facility funds	Up to \$300,000	Funds are not restricted. Using the full \$300,00 will not allow for emergency building repairs
Measure R funds	Up to \$250,000	Use restricted to the streets and sidewalks.

# Options to Pay the Annual Principal and Interest Payment

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- One-time use of funds:
  - Measure R reserves - \$300,000
  - Measure R funds potentially not needed in Station Square - \$1.3M
  - General Fund reserves - \$4.4M
  - Proceeds from sale of Successor Agency properties

# Alternative Option

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- Do not borrow funds
- Use existing funds to do projects on an annual basis
- Can use the potential one-time funds to jump start the most critical areas