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Local Government Finance Circular No. 8/2016

Directors of Finance of Scottish Local Authorities
Audit Scotland
Convention of Scottish Local Authorities (COSLA)

REPLACES CIRCULAR 4/2014

Our ref: A12866086
13 July 2016

Dear Director of Finance,

PILOT TAX INCREMENTAL FINANCING (TIF) PROJECTS

Scottish Ministers have agreed to a maximum of six TIF pilot projects. Taking these projects forward gave rise to a number of questions in relation to the calculation of TIF debt and the repayment of TIF debt from TIF Revenue (retained Non-Domestic Rates (NDR). The terms and conditions of pilot TIF projects define both TIF Debt and TIF Revenue and how these are to be calculated and repaid.

These arrangements are separate, and distinct, from the statutory arrangements for local authority borrowing and the statutory repayment of that borrowing as set out in The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

The purpose of this non-statutory guidance is to set out the arrangements for the TIF Debt to be repaid from TIF Revenue (as set out in the TIF pilot project agreements) and to consider the associated statutory loan fund advances and repayments. In doing so we wish to ensure there is clarity on the two separate, but linked, arrangements.

The guidance is in 2 sections:

SECTION 1: Calculating the borrowing costs for a TIF scheme which is the amount that will be met from the retained incremental NDR (TIF Revenue) as set out in a TIF pilot project agreement; and

SECTION 2: The statutory loan fund advances made for a TIF project.

Some general comments on this guidance

This guidance does not provide any guidance on proper accounting practices. This is provided by the Code of Practice on Local Authority Accounting in the UK (the Code). Should additional accounting guidance be required this will be provided either as a Code update or by the issue of LASAAC guidance.

Expenditure incurred on the infrastructure associated with a TIF project is in accounting terms no different from any other expenditure. The Code sets out the tests to determine if expenditure is capital and these remain relevant for a TIF project. If expenditure on a TIF project meets the tests for capital expenditure it should be accounted for on the same basis as any other capital expenditure and treated as a non-current asset as required by the Code.

Capital expenditure on TIF projects will require financing. As with any other capital project, there may be a number of sources of funding, which may include grants, developer or other third party contributions. It is, however, expected that the main source of funding will be borrowing (an advance from the statutory loans fund). The Code provides guidance of the accounting treatment and presentation of grants, borrowing and third party contributions. These are no different for a TIF project.

Councils should continue to manage external borrowing in accordance with their treasury management strategy. There is no requirement for councils to enter into external borrowing arrangements which mirror the TIF debt borrowing calculations for a TIF project. Councils should continue to borrow, repay and reschedule external borrowing in accordance with sound management principles and based on their capital financing requirement.

I trust you will find this guidance helpful.

Yours faithfully

Hazel Black

Hazel Black

Head of Local Authority Accounting

SECTION 1

Calculating the TIF Debt to be funded from TIF Revenue

1. Both TIF Debt and TIF Revenue are defined in the individual TIF pilot project agreements. The agreement sets out the calculation, which includes the interest rate to be applied (and which is also detailed below), to determine the value of TIF Debt which is to be funded from TIF Revenue.

2. TIF Revenue is the incremental Non Domestic Rate (NDR) income. This means, in any relevant year during the TIF Project Period a (pro-rate) amount of NDR equal to the amount (if any) by which the Collected Amount exceeds the Collectable Amount.

3. TIF Debt is the value of debt which is to be funded from TIF Revenue. This debt is calculated in accordance with the agreement, which requires:

3.1 TIF Debt to be calculated as a fixed rate loan / series of loans, where the rate of interest is fixed for the life of the loan and interest is payable at either yearly or half-yearly intervals. The period of each loan is aligned to the requirement to repay the loan within the 25 year TIF period, and will reflect the timing of capital expenditure within that 25 year period.

3.2 For the purposes of calculating the interest on TIF Debt, a Council applies the relevant interest rate. The relevant interest rate will normally mean the lower of (i) the average interest rate calculated by a Council based on their actual interest costs for borrowing in the year and the value of loans fund advances to be repaid; and (ii) the average of the Public Works Loan Board (PWLB) interest rate across the Financial Year in which the borrowing occurs.

3.3 The PWLB interest rate to be used to calculate the average PWLB rate must match the loan period and repayment method permitted by this approval as set out in this section. The average PWLB interest rate shall be calculated using the arithmetic mean method. The PWLB makes available the historic standard interest rates for new loans for both EIP and Annuity. These can be downloaded from the PWLB website by date range and provides the rates offered each day. The calculation of the arithmetic mean is calculated by summing all the PWLB rates for the financial year for the relevant loan period and type of loan and dividing the result by the number of times the rate was published. For example, in 2013-14 the PWLB published interest rates for EIP loans for 24½-25 years 505 times (rates are usually published twice a day but not published for weekends or public holidays). Adding all the rates together total 1974.29 providing an average interest rate for the year of 3.909485% which rounded to 2 decimal places provides an average interest rate of 3.91%. Where a Council has access to the PWLB certainty rate or project rate the published rates will need to be adjusted by the relevant discount to the standard rate.

3.4 Where a Council is entitled to borrow from the PWLB at the PWLB Certainty Rate of interest, or other special rates, the lower rate must be used to calculate the average PWLB interest rate.

3.5 Where a Council borrows specifically for this project and this is not from the PWLB, the relevant interest rate must be specifically agreed with the Scottish Government.

3.6 Each TIF drawdown shall be calculated as repayable by either (i) Annuity or Equal Repayments (ER) where there are fixed yearly or half yearly payments to include principal and interest; or (ii) Equal instalments of principal (EIP) where there are yearly or half-yearly instalments of principal together with interest on the balance outstanding at the time.

3.7 The TIF Debt which may be met from TIF Revenue is equal to the sum of the repayments for each TIF drawdown calculated for each Financial Year (i.e. the sum of the future principal and interest payments related to each TIF drawdown and as calculated under 3.6).

3.8 The final cost of TIF Debt (repayment and interest) for the 25 year TIF period will be fixed in the financial year where the final TIF loan is drawn down. Thereafter, there will be no adjustment to TIF Debt which may be met from TIF Revenue (i.e. there will be no recalculation of interest costs).

Capital contributions to finance TIF capital expenditure

4. Contributions to the capital cost of a project, such as developer, council or third party contributions, will reduce the amount of capital expenditure to be met from borrowing. The TIF Debt calculation is based on the value of capital expenditure to be met from borrowing after applying the capital contribution.

5. For some TIF projects the Scottish Government has permitted an existing site to be treated as part of the TIF project and for a council to treat the NDR income from this site as TIF Revenue. This may lead to a situation, in the early years of a TIF project, where TIF Revenue (on a cumulative basis) exceeds the value of capital expenditure (on a cumulative basis). In such cases TIF revenue is treated as a capital contribution reducing or negating a council's need to borrow.

6. Where TIF Revenue (capital contribution) exceeds TIF capital expenditure, any excess finances the next year's TIF capital expenditure as a capital contribution.

Worked example

7. A worked example for calculating TIF Debt is set out in Annex A. The worked example shows how capital contributions are applied. TIF Debt in the example is calculated using the annuity loan method. Councils will wish to note that the calculation allows for interest to be charged for capital expenditure incurred in the financial year prior to the loan advance.

8. The example shows TIF Capital Expenditure of £31.3m with capital contributions of £2.45m. Capital expenditure to be financed from borrowing therefore totals £28.85m. With interest costs TIF Debt totals 48.760m. Please note the interest rate used is for illustration only. For actual TIF projects the interest rate to be used for each drawdown is the relevant interest rate as detailed in paragraph 3.

A copy of the spreadsheet calculation is available as a separate document published with this guidance.

9. A Council is required to keep a record of each individual TIF Debt calculation. Each individual debt calculation is then added together to provide the value of total TIF Debt to be funded from TIF Revenue.

10. Please note that the calculation of TIF Debt is a stand-alone exercise undertaken to calculate the value of TIF Debt. It is a memorandum account only and does not require any accounting entries or statutory accounting adjustments in the statutory accounts.

Repayment of TIF Debt from TIF Revenue

11. Following the calculation of the TIF Debt, the calculation of the repayment of the TIF Debt is also a stand-alone exercise and does not require any accounting entries for statutory accounts purposes. Each financial year the TIF Debt will be written down by the amount of TIF Revenue recognised (i.e. the pro-rata amount of NDR equal to the amount (if any) by which the Collected Amount exceeds the Collectable Amount).

12. Using the worked example in Annex A this will be a simple record as follows:

| Financial Year | Opening TIF Debt £ | New TIF Debt (+) £ | TIF Revenue (-) £ | Closing TIF Debt £ |
|----------------|-------------------------|-----------------------|----------------------|-----------------------|
| 2013-14 | 0 | 0 | 0 | 0 |
| 2014-15 | 0 | 15,267,550 | 0 | 15,267,550 |
| 2015-16 | 15,267,550 | 16,913,512 | 0 | 32,181,062 |
| 2016-17 | 32,181,062 | 16,579,182 | 0 | 48,760,244 |
| 2017-18 | 48,760,244 ¹ | 0 | (250,000) | 48,510,244 |
| 2018-19 | 48,510,244 | 0 | (2,200,500) | 46,309,744 |
| 2019-20 | 46,309,744 | 0 | (2,400,000) | 43,909,744 |

13. This record will continue until either (1) the TIF Debt is fully paid giving rise to a requirement to pass to the Scottish Government 50% of the TIF Revenue, or (2) the TIF period (i.e. the 25 year period) is complete. Examples of these scenarios are set out below.

14. Situation 1 - The TIF Debt is fully paid and 50% of TIF Revenue is payable to the Scottish Government. In 2036-37, TIF Revenue exceeds the total amount of TIF Debt outstanding. TIF Revenue is used to reduce TIF Debt to zero, with 50% of the balance being retained by the Council (£550,000), and 50% being paid to the NDR pool (£550,000). In 2037-38, the final TIF year, all TIF revenue is surplus and shared 50/50 with the Scottish Government. From 2038-39 all NDR is payable to the NDR pool.

¹ The maximum TIF Debt position reflects the output of the example calculation in Annex A.

Illustration –:

| Financial Year | Opening TIF Debt £ | New TIF Debt (+) £ | TIF Revenue (-) £ | Closing TIF Debt £ |
|----------------|--------------------------|--------------------------|-----------------------|-----------------------|
| 2035-36 | 7,300,000 | 0 | (4,200,000) | 3,100,000 |
| 2036-37 | 3,100,000 | 0 | (4,200,000) | 0 |
| | Surplus TIF Revenue £ | Retained by Council £ | Paid to NDR pool £ | |
| 2036-37 | 1,100,000 | 550,000 | 550,000 | |
| 2037-38 | 4,200,000 | 2,100,000 | 2,100,000 | Final TIF year |

15. Situation 2 – the TIF period is complete, but TIF Debt remains outstanding. From 2038-39 all NDR is payable to the NDR pool.

Illustration:

| Financial Year | Opening TIF Debt £ | New TIF Debt (+) £ | TIF Revenue (-) £ | Closing TIF Debt £ |
|----------------|-----------------------|-----------------------|----------------------|-----------------------|
| 2035-36 | 20,700,000 | 0 | (6,200,000) | 14,500,000 |
| 2036-37 | 14,500,000 | 0 | (6,200,000) | 8,300,000 |
| 2037-38 | 8,300,000 | 0 | (6,200,000) | 2,100,000 |

16. Any TIF Debt remaining at the end of the TIF period represents a Council contribution to the project. There is no accounting entries required to clear this balance as it is memorandum only.

17. The guidance in this section reflects the TIF agreement for calculating and repaying debt. It does not apply to statutory loans fund advances made for a TIF project, which must be advanced and repaid in accordance with the statutory provisions set out in the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. This is covered in Section 2.

Repaying TIF Debt where a TIF business case identifies other income being generated from the project which is to be used to fund the repayment of TIF Debt

18. Guidance on the treatment of capital contributions to the TIF project is set out in paragraphs 4 to 6, and the worked example at Annex A.

19. A TIF business case may identify an income stream which arises due to the investment made by the TIF project, this income being received over a number of future years. An example of this type of income stream may include car park income or other fees which will be received by a Council (or a Council arms-length organisation (ALEO)).

20. Other income which arises or is generated by the project over the 25 TIF project period, such as additional car park fees, is available to fund borrowing costs. This income needs to be reflected in the repayment of the TIF Debt.

21. The total value of income to be generated over the lifetime of the project as identified in a Council's business case should be reflected in the repayment record as that income is recognised.

Illustration:

| Financial Year | Opening TIF Debt £ | New TIF Debt (+) £ | Other Income (-) £ | TIF Revenue (-) £ | Closing TIF Debt £ |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| 2013-14 | 0 | 0 | | 0 | 0 |
| 2014-15 | 0 | 15,267,550 | | 0 | 15,267,550 |
| 2015-16 | 15,267,550 | 16,913,512 | | 0 | 32,181,062 |
| 2016-17 | 32,181,062 | 16,579,182 | | 0 | 48,760,244 |
| 2017-18 | 48,760,244 ² | 0 | (35,000) | (250,000) | 48,475,244 |
| 2018-19 | 48,475,244 | 0 | (50,000) | (2,200,500) | 46,224,744 |
| 2019-20 | 46,224,744 | 0 | (55,000) | (2,400,000) | 43,769,744 |

22. Please read Part 2 of this guidance which sets out how TIF Revenue is to be treated in the statutory Annual Accounts

² The maximum TIF Debt position reflects the output of the example calculation in the 'Calculating the TIF Debt to be funded from TIF Revenue' section above.

SECTION 2

Statutory loan fund advances made for a TIF project

23. From 1 April 2016 the statutory arrangements for the repayment of loans fund advances changed. The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (the 2016 Regulations) make both the period of the repayment for a loans fund advance, together with the value of each annual instalment, a matter for each council to determine. This determination must represent a prudent repayment as set out in guidance issued by Scottish Ministers in Local Government Finance Circular 7/2016.

24. The value of each statutory loan fund advance should mirror the value of each advance included in the calculation of TIF Debt. Using the example provided in section 1 the statutory loan fund advances would be:

| Financial Year | Advance from loans fund £ |
|----------------|------------------------------|
| 2013-14 | 0 |
| 2014-15 | 8,850,000 |
| 2015-16 | 10,000,000 |
| 2016-17 | 10,000,000 |
| 2017-18 | 0 |

Repayment of loan fund advances

25. A TIF loan fund advance and the repayment of that advance is to be treated in the same way as any other loans fund advance made for a Council capital project.

26. The repayment period for each loan fund advance made for a TIF project is now a matter for a council to determine in accordance with the 2016 Regulations. Recognising the nature of a TIF project, with Scottish Ministers agreeing to a council retaining incremental NDR as TIF Revenue, Scottish Ministers consider it prudent for councils to apply the Income Profile Method. This will see the period and value of each of the loans fund repayments matched to the period and value of TIF Revenue.

27. The annual interest cost charged to the General Fund each year for the TIF project is calculated in accordance with each Council's policy for allocating interest costs. The annual interest cost charged to the General Fund may therefore differ from the annual interest costs calculated for the TIF Debt. When applying the Income Profile Method a council should take into consideration the amount of TIF Revenue that is to be used to fund the interest cost a council associates with the loans fund advance.

28. TIF Revenue is recorded within the Councils statutory accounts in accordance with proper accounting practices.

Loan fund advances made prior to 1 April 2016

29. The 2016 Regulations permit a council to subsequently vary either the period or the amount of the repayment of a loans fund advance if it considers it prudent to do so. This provision was made to support the Income Profile method where the income profile may change and therefore provides flexibility for a council to also vary the repayment to

mirror the income stream associated with a project. Councils may therefore wish to take advantage of this provision to formally vary a TIF loans fund advance made prior to 1 April 2016 and move it to the Income Profile method.

Accounting for TIF Revenue

30. All TIF Revenue is to be recorded as 'Taxation and non-specific grant income' in the Comprehensive Income and Expenditure Statement.

31. Where TIF Revenue is treated as a capital contribution the contribution will be made from the General Fund as a revenue contribution to capital.

32. TIF Revenue is not to be applied directly to the statutory loans fund, that is, the statutory repayment of debt recorded in the statutory accounts is not reduced by the amount of TIF Revenue.

Scottish Government
Local Government Division
13 July 2016

Illustration of the calculation of TIF Debt

TIF Debt – the cumulative value of 4 individual TIF loans to fund capital expenditure over a 4 year period.

| Loan Repayment - calculated in accordance with TIF Terms | | | | | | |
|--|---------|--------------------|------------|------------------|-------------------|--|
| TIF DEBT | | | | | | |
| Total Advances | | | 28,850,000 | | | |
| | | Repayment Schedule | | Annual | | |
| Year | Payment | Interest | Capital | Total | Balance | |
| 2014/15 | 1 | 0 | 0 | 0 | 0 | |
| 2015/16 | 2 | 442,500 | 213,611 | 656,111 | 8,636,389 | |
| 2016/17 | 3 | 931,819 | 483,997 | 1,415,816 | 18,152,393 | |
| 2017/18 | 4 | 1,407,620 | 788,157 | 2,195,777 | 27,364,235 | |
| 2018/19 | 5 | 1,368,212 | 827,565 | 2,195,777 | 26,536,670 | |
| 2019/20 | 6 | 1,326,833 | 868,944 | 2,195,777 | 25,667,726 | |
| 2020/21 | 7 | 1,283,386 | 912,391 | 2,195,777 | 24,755,336 | |
| 2021/22 | 8 | 1,237,767 | 958,010 | 2,195,777 | 23,797,325 | |
| 2022/23 | 9 | 1,189,866 | 1,005,911 | 2,195,777 | 22,791,415 | |
| 2023/24 | 10 | 1,139,571 | 1,056,206 | 2,195,777 | 21,735,208 | |
| 2024/25 | 11 | 1,086,760 | 1,109,017 | 2,195,777 | 20,626,192 | |
| 2025/26 | 12 | 1,031,310 | 1,164,467 | 2,195,777 | 19,461,724 | |
| 2026/27 | 13 | 973,086 | 1,222,691 | 2,195,777 | 18,239,034 | |
| 2027/28 | 14 | 911,952 | 1,283,825 | 2,195,777 | 16,955,208 | |
| 2028/29 | 15 | 847,760 | 1,348,017 | 2,195,777 | 15,607,192 | |
| 2029/30 | 16 | 780,360 | 1,415,417 | 2,195,777 | 14,191,774 | |
| 2030/31 | 17 | 709,589 | 1,486,188 | 2,195,777 | 12,705,586 | |
| 2031/32 | 18 | 635,279 | 1,560,498 | 2,195,777 | 11,145,088 | |
| 2032/33 | 19 | 557,254 | 1,638,523 | 2,195,777 | 9,506,565 | |
| 2033/34 | 20 | 475,328 | 1,720,449 | 2,195,777 | 7,786,117 | |
| 2034/35 | 21 | 389,306 | 1,806,471 | 2,195,777 | 5,979,645 | |
| 2035/36 | 22 | 298,982 | 1,896,795 | 2,195,777 | 4,082,851 | |
| 2036/37 | 23 | 204,143 | 1,991,634 | 2,195,777 | 2,091,216 | |
| 2037/38 | 24 | 104,561 | 2,091,216 | 2,195,777 | 0 | |
| | | | | | | |
| | | | 19,333,244 | 28,850,000 | 48,183,244 | |
| | | | | | | |
| | | | 577,000 | | 577,000 | |
| | | | | | | |
| | | TIF Debt = | 19,910,244 | 28,850,000 | 48,760,244 | |
| | | | | | | |
| | | <i>Check</i> | 19,910,244 | 28,850,000 | 48,760,244 | |

The summary above is the product of adding together the following 4 separate loan calculations

| | | | | | | | |
|--|---------------------------|---------|----------|--|-------|---------|--|
| Loan Repayment Proposal - TIF Terms | | | | | | | |
| LOAN 1 - First Repayment within 12 months after expenditure (24 year repayment) | | | | | | | |
| TIF Capital expenditure | 1,300,000 | | | Annuity | | | 0 |
| less capital contribution from TIF Revenue | 1,000,000 | | | unused contribution applied to future year | | | |
| less capital contribution from [insert source] | 300,000 | | | unused contribution applied to future year | | | |
| Loans Fund Advance | 0 | | | cannot be negative | | | |
| Method | end of year annuity based | | | | | | |
| Period of repayment | 24 years | | | | | | |
| Borrowing Rate | 5.000% | | | | | | Change this cell to reflect the interest rate you want |
| | Repayment Schedule | | | Annual | | | |
| | Year | Payment | Interest | Capital | Total | Balance | check |
| | 2014/15 | 1 | 0 | 0 | 0 | 0 | okay |
| | 2015/16 | 2 | 0 | 0 | 0 | 0 | okay |
| | 2016/17 | 3 | 0 | 0 | 0 | 0 | okay |
| | 2017/18 | 4 | 0 | 0 | 0 | 0 | okay |
| | 2018/19 | 5 | 0 | 0 | 0 | 0 | okay |
| | 2019/20 | 6 | 0 | 0 | 0 | 0 | okay |
| | 2020/21 | 7 | 0 | 0 | 0 | 0 | okay |
| | 2021/22 | 8 | 0 | 0 | 0 | 0 | okay |
| | 2022/23 | 9 | 0 | 0 | 0 | 0 | okay |
| | 2023/24 | 10 | 0 | 0 | 0 | 0 | okay |
| | 2024/25 | 11 | 0 | 0 | 0 | 0 | okay |
| | 2025/26 | 12 | 0 | 0 | 0 | 0 | okay |
| | 2026/27 | 13 | 0 | 0 | 0 | 0 | okay |
| | 2027/28 | 14 | 0 | 0 | 0 | 0 | okay |
| | 2028/29 | 15 | 0 | 0 | 0 | 0 | okay |
| | 2029/30 | 16 | 0 | 0 | 0 | 0 | okay |
| | 2030/31 | 17 | 0 | 0 | 0 | 0 | okay |
| | 2031/32 | 18 | 0 | 0 | 0 | 0 | okay |
| | 2032/33 | 19 | 0 | 0 | 0 | 0 | okay |
| | 2033/34 | 20 | 0 | 0 | 0 | 0 | okay |
| | 2034/35 | 21 | 0 | 0 | 0 | 0 | okay |
| | 2035/36 | 22 | 0 | 0 | 0 | 0 | okay |
| | 2036/37 | 23 | 0 | 0 | 0 | 0 | okay |
| | 2037/38 | 24 | 0 | 0 | 0 | 0 | okay |
| | | | 0 | 0 | 0 | | |
| Add Year 1 Interest | | | 0 | | 0 | | |
| | | | 0 | 0 | 0 | | |

| Loan Repayment Proposal - TIF Terms | | | | | | | |
|--|---------------------------|--|-----------|------------|-----------|---------|--|
| LOAN 2 - First Repayment within 12 months after expenditure (23 year repayment) | | | | | | | |
| TIF Capital expenditure | 10,000,000 | | | | Annuity | 656,111 | |
| less capital contribution from TIF Revenue | 900,000 | from previous year / current year | | | | | |
| less capital contribution from [insert source] | 250,000 | from previous year / current year | | | | | |
| Loans Fund Advance | 8,850,000 | cannot be negative | | | | | |
| Method | end of year annuity based | | | | | | |
| Period of repayment | 23 years | | | | | | |
| Borrowing Rate | 5.000% | ← Change this cell to reflect the interest rate you want | | | | | |
| Repayment Schedule | | | | Annual | | | |
| Year | Payment | Interest | Capital | Total | Balance | check | |
| 2015/16 | 1 | 442,500 | 213,611 | 656,111 | 8,636,389 | okay | |
| 2016/17 | 2 | 431,819 | 224,291 | 656,111 | 8,412,098 | okay | |
| 2017/18 | 3 | 420,605 | 235,506 | 656,111 | 8,176,592 | okay | |
| 2018/19 | 4 | 408,830 | 247,281 | 656,111 | 7,929,310 | okay | |
| 2019/20 | 5 | 396,466 | 259,645 | 656,111 | 7,669,665 | okay | |
| 2020/21 | 6 | 383,483 | 272,628 | 656,111 | 7,397,037 | okay | |
| 2021/22 | 7 | 369,852 | 286,259 | 656,111 | 7,110,778 | okay | |
| 2022/23 | 8 | 355,539 | 300,572 | 656,111 | 6,810,207 | okay | |
| 2023/24 | 9 | 340,510 | 315,601 | 656,111 | 6,494,606 | okay | |
| 2024/25 | 10 | 324,730 | 331,381 | 656,111 | 6,163,225 | okay | |
| 2025/26 | 11 | 308,161 | 347,950 | 656,111 | 5,815,276 | okay | |
| 2026/27 | 12 | 290,764 | 365,347 | 656,111 | 5,449,929 | okay | |
| 2027/28 | 13 | 272,496 | 383,614 | 656,111 | 5,066,314 | okay | |
| 2028/29 | 14 | 253,316 | 402,795 | 656,111 | 4,663,519 | okay | |
| 2029/30 | 15 | 233,176 | 422,935 | 656,111 | 4,240,584 | okay | |
| 2030/31 | 16 | 212,029 | 444,082 | 656,111 | 3,796,503 | okay | |
| 2031/32 | 17 | 189,825 | 466,286 | 656,111 | 3,330,217 | okay | |
| 2032/33 | 18 | 166,511 | 489,600 | 656,111 | 2,840,617 | okay | |
| 2033/34 | 19 | 142,031 | 514,080 | 656,111 | 2,326,537 | okay | |
| 2034/35 | 20 | 116,327 | 539,784 | 656,111 | 1,786,753 | okay | |
| 2035/36 | 21 | 89,338 | 566,773 | 656,111 | 1,219,979 | okay | |
| 2036/37 | 22 | 60,999 | 595,112 | 656,111 | 624,867 | okay | |
| 2037/38 | 23 | 31,243 | 624,867 | 656,111 | 0 | okay | |
| | | 6,240,550 | 8,850,000 | 15,090,550 | | | |
| Add Year 1 Interest | | 177,000 | | 177,000 | | | |
| | | 6,417,550 | 8,850,000 | 15,267,550 | | | |

| Loan Repayment Proposal - Draft TIF Terms | | | | | | | |
|--|---------|-----------|---------------------------|----------------|-----------|--|---------|
| LOAN 3 - First Repayment within 12 months after expenditure (22 year repayment) | | | | | | | |
| TIF Capital expenditure | | | 10,000,000 | | Annuity | | 759,705 |
| less capital contribution from TIF Revenue | | | 0 | | | | |
| less capital contribution from [insert source] | | | 0 | | | | |
| Loans Fund Advance | | | 10,000,000 | | | | |
| Method | | | end of year annuity based | | | | |
| Period of repayment | | | 22 years | | | | |
| Borrowing Rate | | | 5.000% | | | Change this cell to reflect the interest rate you want | |
| Repayment Schedule | | | | | Annual | | |
| Year | Payment | Interest | Capital | Total | Balance | check | |
| 2016/17 | 1 | 500,000 | 259,705 | 759,705 | 9,740,295 | okay | |
| 2017/18 | 2 | 487,015 | 272,690 | 759,705 | 9,467,605 | okay | |
| 2018/19 | 3 | 473,380 | 286,325 | 759,705 | 9,181,280 | okay | |
| 2019/20 | 4 | 459,064 | 300,641 | 759,705 | 8,880,639 | okay | |
| 2020/21 | 5 | 444,032 | 315,673 | 759,705 | 8,564,965 | okay | |
| 2021/22 | 6 | 428,248 | 331,457 | 759,705 | 8,233,509 | okay | |
| 2022/23 | 7 | 411,675 | 348,030 | 759,705 | 7,885,479 | okay | |
| 2023/24 | 8 | 394,274 | 365,431 | 759,705 | 7,520,048 | okay | |
| 2024/25 | 9 | 376,002 | 383,703 | 759,705 | 7,136,345 | okay | |
| 2025/26 | 10 | 356,817 | 402,888 | 759,705 | 6,733,457 | okay | |
| 2026/27 | 11 | 336,673 | 423,032 | 759,705 | 6,310,425 | okay | |
| 2027/28 | 12 | 315,521 | 444,184 | 759,705 | 5,866,241 | okay | |
| 2028/29 | 13 | 293,312 | 466,393 | 759,705 | 5,399,848 | okay | |
| 2029/30 | 14 | 269,992 | 489,713 | 759,705 | 4,910,136 | okay | |
| 2030/31 | 15 | 245,507 | 514,198 | 759,705 | 4,395,937 | okay | |
| 2031/32 | 16 | 219,797 | 539,908 | 759,705 | 3,856,029 | okay | |
| 2032/33 | 17 | 192,801 | 566,904 | 759,705 | 3,289,125 | okay | |
| 2033/34 | 18 | 164,456 | 595,249 | 759,705 | 2,693,877 | okay | |
| 2034/35 | 19 | 134,694 | 625,011 | 759,705 | 2,068,865 | okay | |
| 2035/36 | 20 | 103,443 | 656,262 | 759,705 | 1,412,604 | okay | |
| 2036/37 | 21 | 70,630 | 689,075 | 759,705 | 723,529 | okay | |
| 2037/38 | 22 | 36,176 | 723,529 | 759,705 | 0 | okay | |
| | | 6,713,512 | 10,000,000 | 16,713,512 | | | |
| Add Year 1 Interest | | 200,000 | | 200,000 | | | |
| | | 6,913,512 | 10,000,000 | 16,913,512 | | | |

| Loan Repayment Proposal - Draft TIF Terms | | | | | | | |
|--|---------------------------|--|------------|----------------|-----------|---------|--|
| LOAN 4 - First Repayment within 12 months after expenditure (21 year repayment) | | | | | | | |
| TIF Capital expenditure | 10,000,000 | | | | Annuity | 779,961 | |
| less capital contribution from TIF Revenue | 0 | | | | | | |
| less capital contribution from [insert source] | 0 | | | | | | |
| Loans Fund Advance | 10,000,000 | | | | | | |
| Method | end of year annuity based | | | | | | |
| Period of repayment | 21 years | | | | | | |
| Borrowing Rate | 5.000% | ← Change this cell to reflect the interest rate you want | | | | | |
| Repayment Schedule | | | | Annual | | | |
| Year | Payment | Interest | Capital | Total | Balance | check | |
| 2017/18 | 1 | 500,000 | 279,961 | 779,961 | 9,720,039 | okay | |
| 2018/19 | 2 | 486,002 | 293,959 | 779,961 | 9,426,080 | okay | |
| 2019/20 | 3 | 471,304 | 308,657 | 779,961 | 9,117,423 | okay | |
| 2020/21 | 4 | 455,871 | 324,090 | 779,961 | 8,793,333 | okay | |
| 2021/22 | 5 | 439,667 | 340,294 | 779,961 | 8,453,038 | okay | |
| 2022/23 | 6 | 422,652 | 357,309 | 779,961 | 8,095,729 | okay | |
| 2023/24 | 7 | 404,786 | 375,175 | 779,961 | 7,720,555 | okay | |
| 2024/25 | 8 | 386,028 | 393,933 | 779,961 | 7,326,621 | okay | |
| 2025/26 | 9 | 366,331 | 413,630 | 779,961 | 6,912,991 | okay | |
| 2026/27 | 10 | 345,650 | 434,312 | 779,961 | 6,478,680 | okay | |
| 2027/28 | 11 | 323,934 | 456,027 | 779,961 | 6,022,653 | okay | |
| 2028/29 | 12 | 301,133 | 478,828 | 779,961 | 5,543,824 | okay | |
| 2029/30 | 13 | 277,191 | 502,770 | 779,961 | 5,041,054 | okay | |
| 2030/31 | 14 | 252,053 | 527,908 | 779,961 | 4,513,146 | okay | |
| 2031/32 | 15 | 225,657 | 554,304 | 779,961 | 3,958,842 | okay | |
| 2032/33 | 16 | 197,942 | 582,019 | 779,961 | 3,376,823 | okay | |
| 2033/34 | 17 | 168,841 | 611,120 | 779,961 | 2,765,703 | okay | |
| 2034/35 | 18 | 138,285 | 641,676 | 779,961 | 2,124,027 | okay | |
| 2035/36 | 19 | 106,201 | 673,760 | 779,961 | 1,450,268 | okay | |
| 2036/37 | 20 | 72,513 | 707,448 | 779,961 | 742,820 | okay | |
| 2037/38 | 21 | 37,141 | 742,820 | 779,961 | 0 | okay | |
| | | 6,379,182 | 10,000,000 | 16,379,182 | | | |
| Add Year 1 Interest | | 200,000 | | 200,000 | | | |
| | | 6,579,182 | 10,000,000 | 16,579,182 | | | |