

With the anticipated revenue from the new Twin River Casino, along with the casino site improvements, the following scenarios have been prepared to demonstrate the potential impact of this revenue/valuation on the tax levy/rate applying the Capital Improvement Fund model utilized by the Town of Lincoln.

For Fiscal Year 2018, the Tax Levy (the BASE) was formulated using the following:

Total Proposed Budget for Town		\$49,385,580
Local & State Aid/Revenue		-\$11,038,927
		\$38,346,653
Allowance for Uncollected Taxes		\$20,000
Revenue to be raised by Taxation		\$38,366,653
Revenue from Motor Vehicle Excise Tax:		-\$1,647,900
Revenue to be raised from RE/TPP Tax		\$36,718,753
NET Real Estate & Tangible Property Assessments:		\$1,924,000,000
Tax Rate Needed to raise:	\$36,718,753	\$19.0846

Taxes on a home assessed at:	\$260,000	\$4,962
------------------------------	-----------	---------

With these budget numbers and estimated NET Real Estate & Tangible Property Assessments, a tax rate of \$19.0846 was calculated.

We will use this “BASE” budget in all scenarios to demonstrate the impact of the casino only. No other forecast of growth/revaluation or additional revenue/fees/budget adjustments will be applied.

In these models, we will assume a conservative real estate/tangible property valuation of \$75,000,000 of/for the casino. \$3,000,000 is also assumed in casino revenue sharing (CRS).

And finally, the scenarios presented are based on the casino being fully built and functioning. No phase in of construction or revenue is considered.

* The final certified levy showed a higher NET valuation which lowered the tax rate to \$19.05.

Scenario 1: Addition of \$75M casino property assessment valuations:

Total Proposed Budget for Town	\$49,385,580	
Local & State Aid/Revenue	<u>-\$11,038,927</u>	
	\$38,346,653	
Allowance for Uncollected Taxes	<u>\$20,000</u>	
Revenue to be raised by Taxation	\$38,366,653	
Revenue from Motor Vehicle Excise Tax:	<u>-\$1,647,900</u>	
Revenue to be raised from RE/TPP Tax	\$36,718,753	
NET Real Estate & Tangible Property Assessments:	\$1,999,000,000	Includes \$75M in Casino Assessments
Tax Rate Needed to raise:	\$36,718,753	\$18.3686

Taxes on a home assessed at:	\$260,000	\$4,776
------------------------------	-----------	---------

The addition of the \$75M assumed property valuation (which represents a 3.9% increase to the net town assessments), would reduce the tax rate by \$0.716, or 3.75%.

A home assessed at \$260,000 would see a \$186 reduction in property tax.

This scenario simply demonstrates the impact of the property valuation of the casino property on the tax rate.

\$3M from CRS would go directly to a restricted capital and paving account (CA) and not be part of the budget/levy calculation.

Scenario 2: Funding to Capital Accounts outside of the Budget:

For Fiscal Year 2018, the Municipal side of the budget is broken down as follows:

Capital:	\$	442,476
Debt Service:	\$	4,374,667
Pensions:	\$	700,000
Operating:	\$	13,975,180
TOTAL	\$	19,492,323

Using the estimated revenue from the casino strictly for capital items and paving, scenario 2 reduces \$442,476 from the BASE FY18 Proposed Budget and the balance of the CRS (2.56M) would go to a restricted CA. The resulting tax levy would look like this:

Total Proposed Budget for Town	\$48,943,104	Reduction of \$442,476 (Capital)
Local & State Aid/Revenue	<u>-\$11,038,927</u>	
	\$37,904,177	
Allowance for Uncollected Taxes	<u>\$20,000</u>	
Revenue to be raised by Taxation	\$37,924,177	
Revenue from Motor Vehicle Excise Tax:	<u>-\$1,647,900</u>	
Revenue to be raised from RE/TPP Tax	\$36,276,277	
NET Real Estate & Tangible Property Assessments:	\$1,999,000,000	Includes \$75M in Casino Assessments
Tax Rate Needed to raise:	\$36,276,277	\$18.1472

Taxes on a home assessed at:	\$260,000	\$4,718
------------------------------	-----------	---------

This scenario would reduce the \$19.08 tax rate by \$0.937 or 4.91%. This would lower the taxes on a \$260,000 assessed home by \$244 compared the BASE levy.

Scenario 3: In addition to eliminating Capital from the Levy, \$1M from Casino Revenue Sharing is used to pay-down debt service:

Total Proposed Budget for Town	\$48,943,104	Reduction of \$442,476 (Capital)
Local & State Aid/Revenue	<u>-\$12,038,927</u>	\$1M used to retire debt from CRS
	\$36,904,177	
Allowance for Uncollected Taxes	<u>\$20,000</u>	
Revenue to be raised by Taxation	\$36,924,177	
Revenue from Motor Vehicle Excise Tax:	<u>-\$1,647,900</u>	
Revenue to be raised from RE/TPP Tax	\$35,276,277	
NET Real Estate & Tangible Property Assessments:	\$1,999,000,000	Includes \$75M in Casino Assessments
Tax Rate Needed to raise:	\$35,276,277	\$17.6470

Taxes on a home assessed at:	\$260,000	\$4,588
------------------------------	-----------	---------

This scenario would reduce the BASE tax rate by \$1.437 or 7.53%. The property tax on the sample home would be reduced by \$374.

\$1.557M of the casino revenue sharing would go directly to a restricted capital and paving account.

Scenario 4: \$1.7M from Casino Revenue Sharing is used to pay down the debt and offset Pension expense.

Total Proposed Budget for Town	\$48,943,104	Reduction of \$442,476 (Capital)
Local & State Aid/Revenue	<u>-\$12,738,927</u>	\$1.7M used for Debt/Pension reductions from CRS
	\$36,204,177	
Allowance for Uncollected Taxes	<u>\$20,000</u>	
Revenue to be raised by Taxation	\$36,224,177	
Revenue from Motor Vehicle Excise Tax:	<u>-\$1,647,900</u>	
Revenue to be raised from RE/TPP Tax	\$34,576,277	
NET Real Estate & Tangible Property Assessments:	\$1,999,000,000	Includes \$75M in Casino Assessments
Tax Rate Needed to raise:	\$34,576,277	\$17.2968

Taxes on a home assessed at:	\$260,000	\$4,497
------------------------------	-----------	---------

In this case, the tax rate would be lowered by \$1.788, or a 9.37% reduction. The sample homeowner would save \$465 on his annual property tax bill from the BASE levy.

\$857,524 would be used for the CA from CRS funds.

Scenario 5: \$3 Million from Casino Revenue Sharing is considered revenue to the General Fund.

Total Proposed Budget for Town	\$49,385,580	
Local & State Aid/Revenue	<u>-\$14,038,927</u>	\$3 Million CRS added to outside revenue
	\$35,346,653	
Allowance for Uncollected Taxes	<u>\$20,000</u>	
Revenue to be raised by Taxation	\$35,366,653	
Revenue from Motor Vehicle Excise Tax:	<u>-\$1,647,900</u>	
Revenue to be raised from RE/TPP Tax	\$33,718,753	
NET Real Estate & Tangible Property Assessments:	\$1,999,000,000	Includes \$75M in Casino Assessments
Tax Rate Needed to raise:	\$33,718,753	\$16.8678

Taxes on a home assessed at:	\$260,000	\$4,386
------------------------------	-----------	---------

In this scenario, all of the anticipated Casino Revenue Sharing would be considered as revenue to offset any tax rate increase. In this example, we also include the potential Casino assessment/property taxes. From the base, this scenario lowers the tax rate by \$2.2168, or 11.62%. This would lower the taxes on the example home by \$576.

SUMMARY OF ALL SCENARIOS ON THE FOLLOWING PAGE

	FY 18 'AS IS' BASE BUDGET	Scenario 1: Added Casino Assessment	Scenario 2: Funding Cap. Outside of FTR Budget	Scenario 3: Capital Out, Debt Service Paydown	Scenario 4: Eliminate Cap from Base Budget, Paydown Debt, Offset Pension	Scenario 5: All monies from Casino will be treated as Revenue	
Total Proposed Budget for Town	\$49,385,580	\$49,385,580	\$48,943,104	\$48,943,104	\$48,943,104	\$49,385,580	
Local & State Aid/Revenue	-\$11,038,927	-\$11,038,927	-\$11,038,927	-\$12,038,927	-\$12,738,927	-\$14,038,927	
	\$38,346,653	\$38,346,653	\$37,904,177	\$36,904,177	\$36,204,177	\$35,346,653	
Allowance for Uncollected Taxes	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
Revenue to be raised by Taxation	\$38,366,653	\$38,366,653	\$37,924,177	\$36,924,177	\$36,224,177	\$35,366,653	
Revenue from Motor Vehicle Excise Tax:	-\$1,647,900	-\$1,647,900	-\$1,647,900	-\$1,647,900	-\$1,647,900	-\$1,647,900	
Revenue to be raised from RE/TPP Tax	\$36,718,753	\$36,718,753	\$36,276,277	\$35,276,277	\$34,576,277	\$33,718,753	
NET Real Estate & Tangible Property Assessments:	\$1,924,000,000	\$1,999,000,000	\$1,999,000,000	\$1,999,000,000	\$1,999,000,000	\$1,999,000,000	
Tax Rate Needed:	\$19.0846	\$18.3686	\$18.1472	\$17.6470	\$17.2968	\$16.8678	
<hr/>							
Taxes on a home assessed at:	\$260,000	\$4,962	\$ 4,776	\$ 4,718	\$ 4,588	\$ 4,497	\$ 4,386
A Property Tax Reduction of From the Base:		\$186	\$244	\$374	\$465	\$576	
Percentage Reduction:		3.75%	4.91%	7.53%	9.37%	11.62%	