

City of Medford, Minnesota

Cost Benefit Analysis of utility connection to Lazy-U Mobile Home Park

*WITHOUT* **LAZY U CONNECTION**

Assumptions:

- 5 # of new homes per year over 20 years
- \$ 130,000 taxable value of homes (after market value exclusion)
- 67% average City tax rate
- 5,000 average water rate usage per home
- 6% Discount Factor

- \$ 4,400 Development Fees per Lot
- \$ 19.53 Base Rate Water
- \$ 4.15 Volume Rate Water
- \$ 14.00 Base Rate Sewer
- \$ 6.05 Volume Rate Sewer

- \$ 530,000 Aeration Basin
- \$ 2,630,000 WWTP Expansion / Upgrades
- \$ 3,160,000** Total PV Costs

YEAR	TAXES		DEVELOPMENT FEES		NEW UTILITY REVENUES	
	GROSS	PV	GROSS	PV	GROSS	PV
1	\$ -	\$ -	\$ 22,000	\$ 20,755	\$ 5,072	\$ 4,785
2	\$ -	\$ -	\$ 22,000	\$ 19,580	\$ 10,144	\$ 9,028
3	\$ 4,355	\$ 3,657	\$ 22,000	\$ 18,472	\$ 15,215	\$ 12,775
4	\$ 8,710	\$ 6,899	\$ 22,000	\$ 17,426	\$ 20,287	\$ 16,069
5	\$ 13,065	\$ 9,763	\$ 22,000	\$ 16,440	\$ 25,359	\$ 18,950
6	\$ 17,420	\$ 12,280	\$ 22,000	\$ 15,509	\$ 30,431	\$ 21,453
7	\$ 21,775	\$ 14,482	\$ 22,000	\$ 14,631	\$ 35,503	\$ 23,611
8	\$ 26,130	\$ 16,394	\$ 22,000	\$ 13,803	\$ 40,574	\$ 25,457
9	\$ 30,485	\$ 18,044	\$ 22,000	\$ 13,022	\$ 45,646	\$ 27,018
10	\$ 34,840	\$ 19,454	\$ 22,000	\$ 12,285	\$ 50,718	\$ 28,321
11	\$ 39,195	\$ 20,647	\$ 22,000	\$ 11,589	\$ 55,790	\$ 29,389
12	\$ 43,550	\$ 21,643	\$ 22,000	\$ 10,933	\$ 60,862	\$ 30,246
13	\$ 47,905	\$ 22,460	\$ 22,000	\$ 10,314	\$ 65,933	\$ 30,912
14	\$ 52,260	\$ 23,115	\$ 22,000	\$ 9,731	\$ 71,005	\$ 31,406
15	\$ 56,615	\$ 23,623	\$ 22,000	\$ 9,180	\$ 76,077	\$ 31,744
16	\$ 60,970	\$ 24,001	\$ 22,000	\$ 8,660	\$ 81,149	\$ 31,944
17	\$ 65,325	\$ 24,259	\$ 22,000	\$ 8,170	\$ 86,221	\$ 32,019
18	\$ 69,680	\$ 24,412	\$ 22,000	\$ 7,708	\$ 91,292	\$ 31,984
19	\$ 74,035	\$ 24,470	\$ 22,000	\$ 7,271	\$ 96,364	\$ 31,850
20	\$ 78,390	\$ 24,442	\$ 22,000	\$ 6,860	\$ 101,436	\$ 31,628
	<b>\$ 744,705</b>	<b>\$ 334,046</b>	<b>\$ 440,000</b>	<b>\$ 252,338</b>	<b>\$ 1,065,078</b>	<b>\$ 500,589</b>