

Chart 1 Marin Emergency Radio Authority Strategic Plan Funding Alternatives				
Sources	Amount	Requirements	Discussion	Implementation
Grants	\$5M+	Applications, staff time, not assured in amount or timing	Supplemental financing. Often project specific. Continue to pursue to extent reasonably possible	
Member agency contributions	\$1M/yr additional??	Included in annual budgets of member agencies	Current annual funding \$1.5M operating plus \$2.345M bond and note repayment	Review of funding formula? Additional annual funding from all member agencies
Property taxes	\$4.0M/yr (\$50M+ bond) County AV = \$56B Estimated tax rate = \$0.072 per \$1,000 AV For home w/AV = \$500k = \$36/yr	Two-thirds voter approval of those voting	Voter approval creates a <u>new</u> revenue source to support debt service Taxes may <u>not</u> be used for any other purpose.	Requires grass-roots support. Voted county-wide as a county bond issue
Parcel taxes	\$4.0M/yr (\$50M+ bond) Estimated 105,000 equivalent parcels = \$37 per parcel	Report showing the amount of tax for each parcel and intended use of revenues collected. Two-thirds voter approval.	May be used to for debt financing and possibly some O&M	Requires grass-roots support. Voted county-wide. Two-thirds approving vote of those voting
Low-interest loan programs	\$5M +	Qualification requirements, Staff time	Often project specific	Requires a revenue source

Table 1
Marin Emergency Radio Authority
700MHz System Financial program
Capital Costs and Average Facilities Life

	Cost Class	Estimated Life	Estimated Cost**	Average Life - years	Effective Bond Term Years
Planning	soft cost	*	\$175,000		
Special counsel	soft cost	*	150,000		
Staff support	soft cost	*	2,200,000		
Vender payment - equipment	equipment	12	2,200,000		
FCC approval	soft cost	*	50,000		
Environmental	soft cost	*	500,000		
ROW	soft cost	*	200,000		
Permits	soft cost	*	150,000		
Design	soft cost	*	1,100,000		
Site improvements	grading/concrete	30	3,000,000		
Microwave equipment	equipment	15	2,000,000		
Backbone equipment	equipment	12	4,400,000		
Dispatch center	radios/equipment	10	550,000		
Master and remote site equipment	equipment	12	1,100,000		
Training	soft cost	*	300,000		
Test equip	equipment	12	150,000		
Subscriber equipment	radios (5,000)	7	16,650,000		
Testing	soft cost	*	1,100,000		
Final acceptance	soft cost	*	550,000		
Spare parts	equipment	12	250,000		
Subtotal Capital Costs			36,775,000		
Contingency @ 25%		*	<u>9,194,000</u>		
Total Capital Cost			\$45,969,000		
Weighted average facility life - with radios				11.3	18
Weighted average facility life - w/o radios				16.3	25

* - Estimated life of soft costs & contingency equals the weighted life of construction and equipment.

** - Cost estimates prepared by Marin County staff and consultants.

Table 2
Marin Emergency Radio Authority
700MHz System Financial program
Estimated Number of Equivalent Parcels

Land Use	Use Code	Parcel Count*	Estimated Parcel Equivalent Factor	Parcel Equivalents
Single family unimproved	10	5,496	0.5	2,700
Single family improved	11	61,766	1.0	61,800
Mobile home	12	243	0.5	100
Floating home	13	378	0.5	200
Single family attached	14	13,428	1.0	13,400
Common area	15	397	0.3	100
Multi family unimproved	20	165	1.0	200
Multi family improved	21	4,928	3.0	14,800
Agriculture unimproved	30	127	2.0	300
Agriculture improved	31	86	3.0	300
Agriculture preserve unimproved	32	193	2.0	400
Agriculture preserve improved	33	219	3.0	700
Farmland unimproved	34	32	2.0	100
Farmland improved	35	34	3.0	100
Open space unimproved	36	20	2.0	0
Open space improved	37	5	3.0	0
Historically significant	38	7	1.0	0
Industrial unimproved	40	109	2.0	200
Industrial improved	41	551	4.0	2,200
Commercial unimproved	50	402	1.0	400
Commercial improved	51	2,889	2.0	5,800
Exempt unimproved	60	153	1.0	200
Exempt improved	61	707	2.0	1,400
State valued taxable	91	51	1.0	<u>100</u>
Total estimated parcel equivalents				105,500

* - Based on 2011 Marin County Secured Tax Roll

Table 3
Marin Emergency Radio Authority
700MHz System Financial program
Amount of Bond Issue

Required proceeds	from Table 1	\$46,000,000
Capitalized interest	30 months @ 3.5%	0
Reserve fund	average annual payment	4,000,000
Issuance		<u>300,000</u>
Amount of Bond Issue		\$50,300,000
Average annual payment: 18 years, 4.0%		\$3,970,000
Less: earnings on reserve fund @ 1.0%		40,000
Net annual payment		\$3,930,000
Estimated number of equivalent parcels		105,000
Annual cost per equivalent parcel		\$37

Table 4
Marin Emergency Radio Authority
700MHz System Financial program
Preliminary Schedule

Preliminary planning	Ongoing
Ballot measure	Nov 2014
Parcel tax revenues beginning	Dec 2015
System startup	Mid 2018
Bond and Note maturity	Aug 2021

Table 5**Marin Emergency Radio Authority
700MHz System Financial program
Financing Plan Outline**

Current financing

Bond and note mature in 2021 \$2.1MM + \$220M
Operating costs funded by member agencies

Identify Capital Projects

Planning requirements ~\$7 million
Major capital requirements \$39 million
 Number of radios included
 Funding extra radios

Review capital financing alternatives

Implementation, sufficient amount
Property taxes; parcel taxes; sales tax
Issuing body
Timing

Other capital sources

Grants
Member agency loans
Low-interest loan programs

Future ongoing operating costs

Motorola communications system	Estimated Cost	Estimated Life - years	
Towers and buildings	\$1,750,000	20	\$35,000,000
Generators and fuel systems	275,000	12	3,300,000
Trunking bases and backbone controllers	4,663,200	12	55,958,400
Microwave system	1,300,000	15	19,500,000
Fire station alerting	629,300	12	7,551,600
Dispatch center consoles	1,808,700	10	18,087,000
Mobile radios and control stations	3,287,100	10	32,871,000
Portable radios	3,582,900	7	25,080,300
Equipment	125,000	12	1,500,000
Capitalized services	3,140,800	22	69,097,600
Capitalized interest	3,140,800	22	69,097,600
Radio frequencies	562,500	10	5,625,000
Land and improvements (Mt. Tiburon)	160,000	22	3,520,000
Reserve fund	<u>2,066,200</u>	22	<u>45,456,400</u>
	\$26,491,500		\$391,644,900
	average life	14.8	
		7	16,650,000

	estimated life			
planning	S			
spec counsel	S			
staff support	S	2,525,000		
vender contract -EQUIPMENT	12	2,200,000	26,400,000	
FCC approval	S			
EIR	S			
ROW	S			
PERMITS	S	900,000		
Design	S	1,100,000		
site improvements	30	3,000,000	90,000,000	
Microwave equipment	15	2,000,000	30,000,000	
Backbone equip	12	4,400,000	52,800,000	
Dispatch center	10	550,000	5,500,000	
MAster and remote site equipment	12	1,100,000	13,200,000	
Training	S	300,000		
Test equip	12	150,000	1,800,000	
Subscriber equipment	7			
Testing	s	1,100,000		
Final acceptance	s	550,000		
Spare parts	12	250,000	3,000,000	
116,550,000		20,125,000	222,700,000	11.066