



ESTIMATED FINANCING COST FOR MUSEUM REHABILITATION AND EXPANSION PROJECT

Finance Department

Budget Engagement Commission
March 12, 2020

RiversideCA.gov

1

BACKGROUND

1. Commissioner request to provide estimated cost to issue debt.
 - A. Option 2 – Project Cost of \$22,053,000
 - B. Option 3 – Project Cost of \$24,468,000
2. Assumed Life of Debt was 2036 or 17 years until Measure Z expires.
3. Rate used based on today's historically low interest rate environment.



2

RiversideCA.gov

2

DISCUSSION

	Scenario 1 (Measure Z)	Scenario 2 (Measure Z)
Construction Fund	\$22,053,000	\$24,468,000
Cost of Issuance	\$350,000	\$350,000
Underwriter's Discount	\$165,398	\$183,510
Total Financed	\$22,568,398	\$25,001,510
Term (Years)	17	17
Projected TIC (Interest)	3.50%	3.50%
Annual Payment (Average)	\$1,783,877	\$1,976,198
Total Interest Cost	\$7,757,508	\$8,593,850
Total Cost of Debt	\$30,325,906	\$33,595,360
Measure Z Funding	13,700,000	13,700,000
Additional Funding Needed	\$16,625,906	\$19,895,360



RECOMMENDATION

The Budget Engagement Commission receive and provide input on the estimated cost to issue debt for two options regarding the Museum Rehabilitation and Expansion Project.

