

# 2011 Capital Improvement Projects

- Public Works Facility on Lacy Drive
- Fire Station #4 on Harrisburg Road
- City Hall Expansion/Relocation



# Public Works Facility

Project Description	Estimated Cost
Mechanic Shop	\$1,950,000
Warehouse	2,000,000
Administration Building	800,000
Fuel Depot and Car Wash	400,000
Fencing, IT Conduits, etc.	100,000
Site Security Features	125,000
Automated Vehicle Maintenance Tracking System	225,000
Covered Parking Stalls for Sanitation and Street Dept Trucks	700,000
Concrete Aggregate Storage Bins	200,000
Equipment	150,000
Less Expenses Incurred (Mechanic Shop)	(960,350)
<b>Remaining Balance</b>	<b>\$5,689,650</b>

# Fire Station #4



- Approximately 10,000 Square Feet
- 2 Engines, 12 firefighters with 3 firefighters staffing the station 24/7

Project Description	Estimated Cost
Fire Station	\$1,900,000
Equipment *	20,000
<b>Total Cost</b>	<b>\$1,920,000</b>

\* Remaining equipment in old fire station will be moved to new fire station

# City Hall Expansion/Relocation

- City sold Huntington Building 2010
- Departments to be relocated
  - Planning (4 employees)
  - Engineering (11 employees)
  - Inspections (7 employees)
  - Finance (1 employees)
  - Grants (2 employees)

\$2,890,350 (remaining available balance)





# Estimated Capital Improvement Projects Cost

Capital Improvement Projects	Estimated Cost
Public Works Facility	\$5,689,650
Fire Station #4	1,920,000
City Hall Expansion/Relocation *	2,890,350
<b>Total Projects Cost</b>	<b>\$10,500,000</b>

\* Amount undetermined



# Tax-Exempt Financing Summary

Loan Amount \$10,500,000

Interest 2.37% tax-exempt fixed for 5 years

Collateral Unsecured

Term Interest only year one then four annual payments

Closing Cost Zero

Financing provided by Integrity First Bank



# INTEGRITY FIRST BANK

February 23, 2011

**To: City of Jonesboro**  
**Subject: Request for Proposal**  
**Tax Exempt Financing**

870-935-8400 • FAX 870-935-8401  
P.O. Box 16420  
Jonesboro, AR 72403-6420  
www.integrity1stbank.com

In response to the City of Jonesboro's request for proposals for tax-exempt financing under Amendment 78 for capital improvements, Integrity First Bank submits the following:

Subject to Integrity First Bank receiving legal counsel opinion that the following transaction is legal, valid, binding, tax-exempt, and a general obligation of the City of Jonesboro, Arkansas, we submit the following proposal:

**Credit Facility:** Closed end line of credit for up to 24 months to facilitate the necessary time to complete capital improvements. Upon completion of the improvements, the balance of the loan will be placed on annual payments to fully amortize balance 5 years from the original date of line of credit.

**Loan Amount:** \$10,500,000

**Pricing:** \*\*2.37% tax-exempt  
Fixed for 5 years

**Collateral:** Unsecured

**Term:** Interest only year one, then 4 annual payments to fully amortize debt

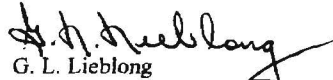
**Closing or other expenses charged by IFB:** Zero

**\*\*Pricing and terms stated above will expire thirty days from the date of this letter**

Requested Financial Institution Information:

**Lender Name:** Integrity First Bank  
**Lender Address:** 400 East Highland Drive  
Jonesboro, AR 72401  
**Primary Contact Person:** G. L. Lieblong  
**Primary Contact Phone Number:** (870) 935-8400  
**Primary Contact E-Mail:** [gllieblong@integrity1stbank.com](mailto:gllieblong@integrity1stbank.com)

Sincerely,

  
G. L. Lieblong



# CONSTRUCTION INFLATION REPORT

	Forecast date	2009	2010	2011	2012	2013
<b>Faithful+Gould</b>	Feb 10	-10	-3	0	+3	+4
<b>BCIS</b>	Feb 10	-10.9	-2.8	+2.9	+3.3	+3.2
<b>Davis Langdon</b>	Jan 10	-10	-4 to -6	-1 to -4	n/a	n/a
<b>EC Harris</b>	Q4 09	-10.5	-3	+1.5	+3	+4
<b>Cyril Sweett</b>	Nov 09	-7	-5	+1	+2	+3.5
<b>Gardiner &amp; Theobald</b>	Q4 2009	-8.5	-4.5	+1	+2	+4
<b>Sense (Mace)</b>	Feb 10	-10	-5	-1	+1	n/a

## Competitors' views

This table shows our competitors' forecasts, highlighting the variable predictions on construction inflation (% change year on year).

Note: % change year on year. Copyright - [Faithful + Gould](#)



# General Information

- Current interest rate on Capital Improvement Funds is 1.393%
- Interest on proposed financing 2.37%
- Only .98% spread between interest expense and interest earned.
- Various building costs are expected to rise drastically in the upcoming year.

