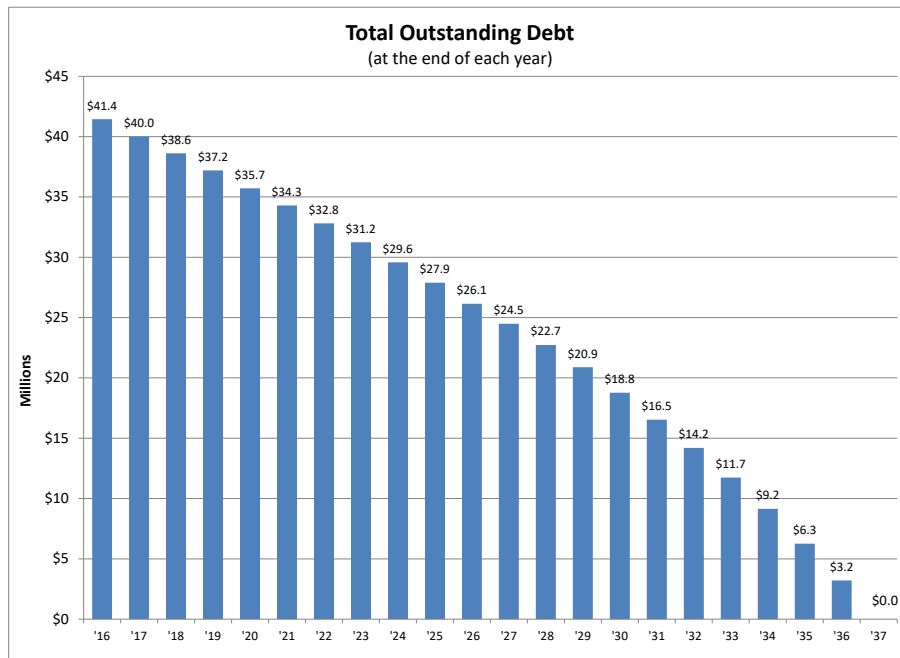


City of University Place Long Term Debt Reduction Plan

Since incorporation, the City of University Place has occasionally issued bonds or other forms of debt in order to fund a variety of major projects, including park purchases, street improvement projects, and the Town Center development. Below is a brief overview of the City's current debt and the debt reduction plan. Additional questions can be directed to Executive Director Eric Faison, efaison@cityofup.com.



What Has the Debt Paid For?	
Project Type	% of Current Debt
Stormwater / Street Improvement	17%
Cirque Park Purchase & Development	4%
Windmill Village Purchase & Development	1%
Town Center Infrastructure	28%
Civic / Library Building	51%

Projected Debt Payments and Sources		
Year	Debt Payment (principle + interest)	Primary Payment Sources
2017	\$3,490,371	SWM fees, General Fund, REET, Arterial Fuel Tax
2018	\$3,389,234	SWM fees, General Fund, REET, Arterial Fuel Tax
2019	\$3,378,067	SWM fees, General Fund, REET, Arterial Fuel Tax
2020	\$3,369,225	SWM fees, General Fund, REET, Arterial Fuel Tax
2021	\$3,246,878	SWM fees, General Fund, REET, Arterial Fuel Tax
2022	\$3,243,787	SWM fees, General Fund, REET, Arterial Fuel Tax
2023	\$3,244,307	SWM fees, General Fund, REET, Arterial Fuel Tax
2024	\$3,244,507	SWM fees, General Fund, REET, Arterial Fuel Tax
2025	\$3,174,303	SWM fees, General Fund, REET, Arterial Fuel Tax
2026	\$3,135,260	General Fund, REET
2027	\$2,959,175	General Fund, REET
2028	\$2,982,668	General Fund, REET
2029	\$2,980,951	General Fund, REET
2030	\$3,162,021	General Fund, REET
2031	\$3,168,997	General Fund, REET
2032	\$3,167,470	General Fund, REET
2033	\$3,170,443	General Fund, REET
2034	\$3,167,414	General Fund, REET
2035	\$3,358,383	General Fund, REET
2036	\$3,362,977	General Fund, REET
2037	\$3,365,250	General Fund, REET

City Debt Q & A

Q: Why does the City have debt?

A: Debt allows cities to build large projects that they would not otherwise be able to fund by spreading the payment out over time. It is common for cities to use debt to pay for major projects that have a useful life that benefits both current and future residents. As shown in the chart above, most of the City's debt relates to construction of the new civic building and library, and the development of streets, sidewalks, street lighting and parking for the Town Center development.

Q: Can the City maintain current services and pay its debt?

A: Based on conservative projections, the City can maintain existing services and meet all of its financial obligations through 2026. During this period, however, statewide initiatives have limited the City's revenue growth to a rate less than inflation. As a result, while the City will meet all of its financial obligations, the City may have to adjust service levels in the future to match available resources as necessary.

Q: Will selling Town Center land reduce the City's debt?

A: No. The City's debt schedule is relatively fixed over the next 21 years. One-time revenue from the sale of Town Center lands, and on-going future retail sales tax revenue following development, will allow the City to build its reserves and, to the extent possible, maintain existing service levels without raising taxes.