INFORMATION REGARDING POTENTIAL ANNEXATION*

tyco
Fire Protection Products

Potential Payment for Increase in Real Estate Taxes and Water Charges if Areas of PWSA Are Annexed to City Of Marinette

* If annexation is pursued by residents and is successful, Tyco would provide an upfront, one-time payment to property owners in the annexed area that would be calculated using the net present value (NPV) of 20 years of increased property taxes and water bills, based on current home assessment values, tax rates, and average water bills. This is in addition to paying for the construction of the water line.

* THIS SAMPLE CALCULATION IS PROVIDED FOR DISCUSSION PURPOSES ONLY
THE ASSESSED VALUE OF EACH PARCEL MAY BE DIFFERENT, AND THE EXPENSES INCURRED BY EACH OWNER WILL BE UNIQUE

SAMPLE CALCULATIONS FOR DEVELOPED PROPERTIES

2021 Assessed Value	2021 Property Tax	Estimated Water Cost Per Year	NPV Estimated Increase in Property Tax and Water Bills Over 20 Years
$17,500.00	$180.00	$480.00	$12,459.98
$50,000.00	$620.00	$480.00	$18,552.53
$100,000.00	$1,300.00	$480.00	$27,925.68
$129,500.00	$1,690.00	$480.00	$33,362.11
$200,000.00	$2,100.00	$480.00	$46,671.98
$300,000.00	$3,000.00	$480.00	$65,418.28
$320,000.00	$4,300.00	$480.00	$65,167.55

We calculated the increase in property taxes per parcel by using the increase in 2021 property taxes and applying an assumed rate of annual increase (2.5%) to the 2021 number over 20 years.

We took the additional cost for the water fee in 2021 (estimated $480/year) and calculated what that amount would be for each of the 20 years using an assumed annual increase (3%) for the water fee.

We added together the increase in property taxes and the water fee (both adjusted for annual increases) for each of the 20 years, and we discounted the total of those costs for each year to present value based on an assumed discount rate (3.15%). This is the net present value presented on the spreadsheet.

The formula for any one year of the calculation is set forth below:

$$\textit{Future Value of Water Fee} = W = 480 \text{ x } (1+r_w)^n$$

$$\textit{Future Value of Property Tax Increase} = P = 2021 \text{ Increase x } (1+r_p)^n$$

$$\textit{Present Value of P} + W = (P+W) \text{ x } \left(\frac{1}{(1+r_a)^n}\right)$$

If you would like assistance calculating the upfront payment you would receive if you are annexed, please contact Tyco at 715-582-7100 or via the "Contact Us" form at www.tycomarinette.com. Please indicate if you want to communicate further via U.S. mail, email or telephone.

** This information is not provided as tax advice