

Oak Park Police Station Bonding Estimate

Estimated 30-Year Borrowing Rate and Household Cost

If Oak Park financed a \$40 million police station project through -year general obligation bond issue reasonable planning estimate for the interest rate would be around based on current long-term municipal bond market conditions for AA-rated issuers.

Oak Park was recently reaffirmed AAA credit rating by S&P Global with a stable outlook. Current 30-year municipal benchmark yields are approximately:

1. 4.25% for AAA-rated municipal bonds
2. 4.45% for AA-rated municipal bonds

Using those rates as planning assumptions, the estimated debt service over 30 years would be approximately:

Estimated Debt Service Scenarios

Scenario 1: 4.25%

1. **Annual debt service:** approximately \$ 5.96 million per year
2. **Total repaid over 30 years:** approximately \$ 178.8 million
3. **Total interest paid:** approximately \$ 78.8 million

Scenario 2: 4.45%

1. **Annual debt service:** approximately \$ 6.10 million per year
2. **Total repaid over 30 years:** approximately \$ 183.1 million
3. **Total interest paid:** approximately \$ 83.1 million

Scenario 3: 5.00% (conservative case)

1. **Annual debt service:** approximately \$ 6.51 million per year
2. **Total repaid over 30 years:** approximately \$ 195.2 million
3. **Total interest paid:** approximately \$ 95.2 million

Estimated Cost Per Household

Oak Park has approximately 23,387 households.

If the annual debt service were spread evenly across all households, the rough annual and monthly household would be:

At 4 . 2 5 %

- 1 . **Approximately \$ 2 5 5 per household per year**
- 2 . **Approximately \$ 2 1 . 2 5 per household per month**

At 4 . 4 5 %

- 1 . **Approximately \$ 2 6 1 per household per year**
- 2 . **Approximately \$ 2 1 . 7 5 per household per month**

At 5 . 0 0 %

- 1 . **Approximately \$ 2 7 8 per household per year**
- 2 . **Approximately \$ 2 3 . 1 7 per household per month**

Summary

A roughly **\$ 1 0 0 million, 3 0 -year** bond issue for a police station project would likely produce:

- 1 . An interest rate in the neighborhood of **4 . 2 5 % to 4 . 4 5 %** under current market conditions, with **4 . 4 5 %** as a reasonable working estimate for Oak Park
- 2 . Annual debt service of roughly **\$ 6 . 0 million to \$ 6 . 5 million**
- 3 . A total repayment cost of roughly **\$ 1 7 9 million to \$ 1 9 5 million**, depending on final pricing
- 4 . A rough all-household cost of approximately **\$ 2 5 5 to \$ 2 7 8 per year**, or about **\$ 2 1 to \$ 2 3 per month per household**

Notes on Methodology

These figures are planning estimates based on current long-term municipal bond yields and a level-debt-service style repayment assumption for a 3 0-year borrowing. Actual borrowing cost could vary depending on final market conditions, bond structure, timing of issuance, issuance costs, redemption features, and whether the project were financed in one series or multiple phases.