Overview

New GRT

- Primary drivers
 - Increased labor costs
 - Increased capital costs
 - Projected major decline in GRT revenue in future years

– Pros

- Enables accelerated CIP, while minimizing new debt to support CIP
- Improves County's fiscal position going into new bond issuance better rating and lower rates
- Provides additional financial flexibility as potentially large changes occur
 - GRT decline
 - Inflation
 - Costs not yet estimated

Overview

New GRT

- Cons
 - Increases tax burden on individuals
 - Increases costs to LANL
- GRT Comparisons Los Alamos current rate 7.1875%; proposed 7.5625%
 - Neighbors current average 8.14%
 - State-wide current County seats average 7.95%. Los Alamos is 30th lowest of 33 County seats. With proposed change, rate would be 25th lowest of 33.
 - Last GRT change was July 2007; CPI has increased ~45% since then and proposed GRT change is ~15%.

Attachment D