

Commission Financial Model Update

December 14, 2019

John Gerner

Vice Chair, Navy Hill Development Advisory Commission

Managing Director, Leisure Business Advisors LLC

johngerner@navyhillcommission.org

Main Source for Financial Numbers is MuniCap 27-A

Tax Increment Financing Projections Draft Projection No. 27-A (Citi Debt Service)

DRAFT

Assumptions:

Updated Increment Financing Area Parcels

Revenues Available for Debt Service:

Includes Real Property Tax Increment Revenues - 100% Pledge

Includes Remaining Expanded TIF District Incremental Tax Revenues

Includes Meals Tax Revenues - 100% Pledge

Includes Lodging Tax Revenues - 100% Pledge

Includes BPOL Fee Revenues - 100% Pledge

Includes Dominion Tower 1 (Anticipated Building 2019) Increment Tax Revenues - 100% Pledge

Includes Dominion Tower 2 (Anticipated Building 2020) Increment Tax Revenues - 100% Pledge

Includes Designated Revenues from Arena

Includes District-Wide Parking Revenues

Includes Music Hall and Armory Revenues

Parcels in MuniCap Projection No. 26

Outside Increment Financing Area (aka TIF district)



These are inside the yellow and blue circled area and mistakenly included in MuniCap No. 26 and earlier reports. The MuniCap 27-A report, which was received by City Council and the Commission on December 6th, removed these parcels.

Projected Real Property Tax Increment Revenues in MuniCap 27-A

Calendar Year Ending	Bond Year Ending	Real Property Tax Increment Revenues		
		Projected TIF District (Schedule XI)	Projected Dominion Towers (Schedule XII)	Projected Remaining Expanded TIF District (Schedule XIII)
31-Dec-18	1-Mar-20	\$0	\$0	\$0
31-Dec-19	1-Mar-21	\$0	\$1,951,920	\$0
31-Dec-20	1-Mar-22	\$29,589	\$2,136,953	\$711,781
31-Dec-21	1-Mar-23	\$44,829	\$3,610,228	\$1,078,384
31-Dec-22	1-Mar-24	\$3,930,603	\$5,856,025	\$1,452,319
31-Dec-23	1-Mar-25	\$7,163,144	\$6,025,707	\$1,833,732
31-Dec-24	1-Mar-26	\$8,978,454	\$6,198,783	\$2,222,774
31-Dec-25	1-Mar-27	\$9,172,672	\$6,375,321	\$2,619,596
31-Dec-26	1-Mar-28	\$9,370,773	\$6,555,389	\$3,024,355
31-Dec-27	1-Mar-29	\$9,572,837	\$6,739,059	\$3,437,210
31-Dec-28	1-Mar-30	\$9,778,942	\$6,926,402	\$3,858,321
31-Dec-29	1-Mar-31	\$9,989,169	\$7,117,492	\$4,287,854
31-Dec-30	1-Mar-32	\$10,203,600	\$7,312,403	\$4,725,978
31-Dec-31	1-Mar-33	\$10,422,320	\$7,511,213	\$5,172,865
31-Dec-32	1-Mar-34	\$10,645,415	\$7,714,000	\$5,628,689
31-Dec-33	1-Mar-35	\$10,872,971	\$7,920,842	\$6,093,630
31-Dec-34	1-Mar-36	\$11,105,079	\$8,131,820	\$6,567,870
31-Dec-35	1-Mar-37	\$11,341,829	\$8,347,019	\$7,051,594
31-Dec-36	1-Mar-38	\$11,583,314	\$8,566,521	\$7,544,993
31-Dec-37	1-Mar-39	\$11,829,628	\$8,790,413	\$8,048,260
31-Dec-38	1-Mar-40	\$12,080,869	\$9,018,783	\$8,561,592
31-Dec-39	1-Mar-41	\$12,337,134	\$9,251,721	\$9,085,191
31-Dec-40	1-Mar-42	\$12,598,525	\$9,489,317	\$9,619,262
31-Dec-41	1-Mar-43	\$12,865,144	\$9,731,666	\$10,164,014
31-Dec-42	1-Mar-44	\$13,137,095	\$9,978,861	\$10,719,662
31-Dec-43	1-Mar-45	\$13,414,485	\$10,231,000	\$11,286,422
31-Dec-44	1-Mar-46	\$13,697,423	\$10,488,182	\$11,864,517
31-Dec-45	1-Mar-47	\$13,986,019	\$10,750,508	\$12,454,175
31-Dec-46	1-Mar-48	\$14,280,388	\$11,018,080	\$13,055,625
Total		\$274,432,250	\$213,745,626	\$172,170,668

MuniCap, Inc.

Source: Schedule XXI in MuniCap,
Inc.; Draft Projection No. 27-A.

Projected Real Property Tax Increment Revenues in MuniCap 27-A

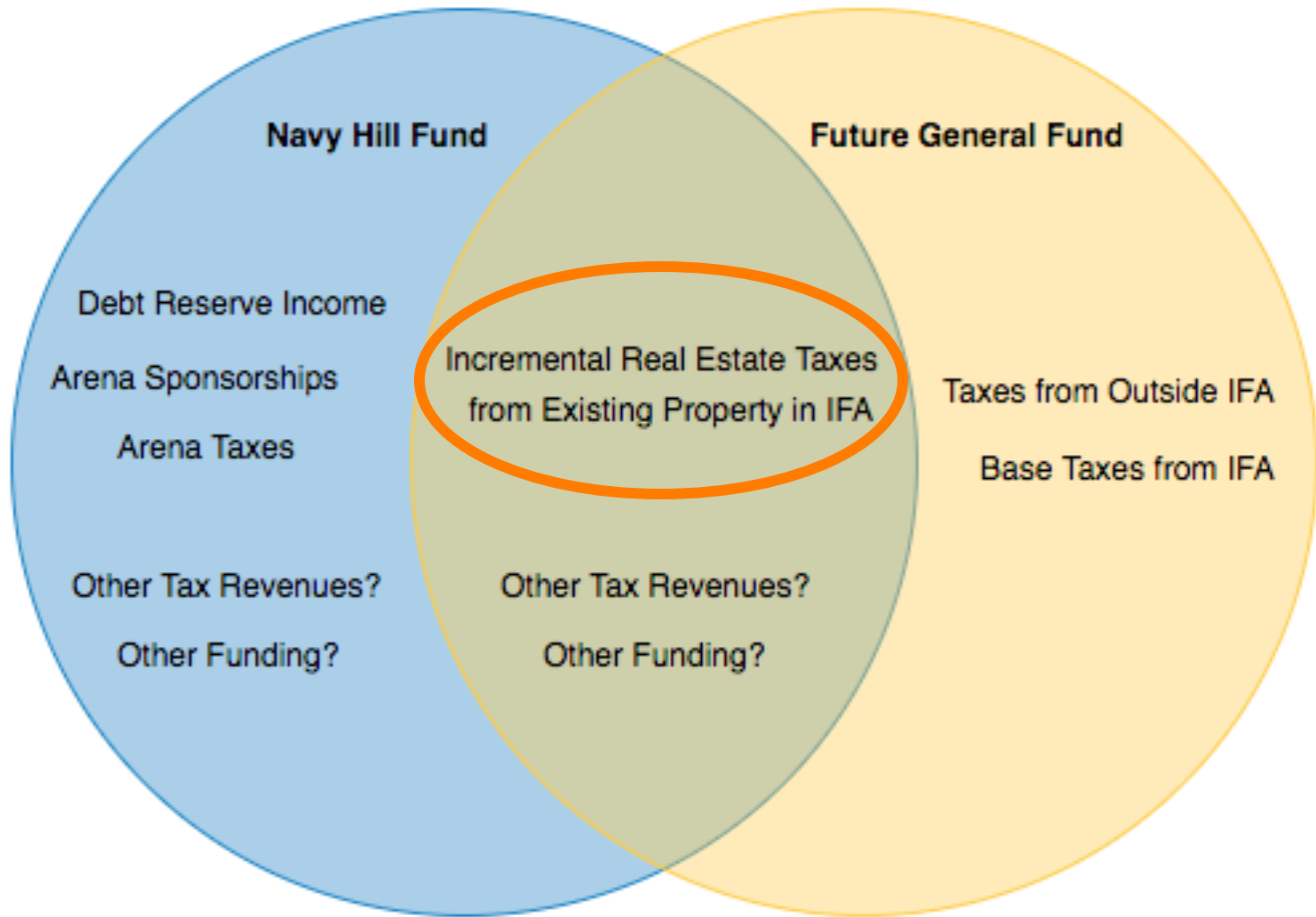
MuniCap Category	Existing or Independently Developed Properties	Navy Hill Development Parcels	Combined
TIF District (original with development parcels)	\$7,157,263	\$267,274,987	\$274,432,250
Dominion Towers	\$213,745,626	\$0	\$213,745,626
Remaining Expanded TIF District	\$172,170,668	\$0	\$172,170,668
Total	\$393,073,557	\$267,274,987	\$660,348,544

Source: MuniCap, Inc.; Draft Projection No. 27-A.

Categories are Very Important

- "Total Projected Revenues" in the MuniCap 27-A report includes incremental real estate tax revenues from existing properties in the increment financing area.
- By itself, an increment financing area (or TIF district) does not cause new tax revenues since there is no special assessment fee.
- Instead, it categorizes future tax revenues.
- In this case, one category is the Navy Hill Fund that is paying the arena bond.
- The other category is the City of Richmond's future General Fund, which pays for essential services.
- There is overlap between these two categories since tax revenues are transferred from the future General Fund to the Navy Hill Fund.

These Amounts Are in the Overlap Area of the Future General Fund



IFA = Increment Financing Area (aka TIF district)

Note: This is conceptual and not in proportion.

Tax Revenues from Existing Properties + Planned Dominion 2 Tower

Year	Calendar Year Ending	Bond Year Ending	Existing Real Estate Property in Increment Financing Area					Planned Dominion Tower 2	Existing Properties Plus Planned Dominion Tower 2	
			in Original TIF District	Existing Dominion Tower 1	Remainder of Expanded Financing Area	Total	Cumulative Total			
---	31-Dec-18	1-Mar-20	---	---	---	---	---	---	---	
1	31-Dec-19	1-Mar-21	---	---	---	\$1,951,920	\$1,951,920	---	\$1,951,920	
2	31-Dec-20	1-Mar-22	\$29,589	\$2,110,248	\$711,781	\$2,851,619	\$4,803,539	\$26,705	\$2,878,323	
3	31-Dec-21	1-Mar-23	\$44,829	\$2,191,795	\$1,078,384	\$3,315,008	\$8,118,547	\$1,418,433	\$4,733,441	
4	31-Dec-22	1-Mar-24	\$60,374	\$2,274,972	\$1,452,319	\$3,787,665	\$11,906,212	\$3,581,052	\$7,368,717	
5	31-Dec-23	1-Mar-25	\$76,230	\$2,359,814	\$1,833,732	\$4,269,775	\$16,175,987	\$3,665,894	\$7,935,669	
6	31-Dec-24	1-Mar-26	\$92,402	\$2,446,352	\$2,222,774	\$4,761,528	\$20,937,515	\$3,752,432	\$8,513,959	At-Risk future General Fund revenues, before consideration of other benefits and costs.
7	31-Dec-25	1-Mar-27	\$108,899	\$2,534,620	\$2,619,596	\$5,263,115	\$26,200,630	\$3,840,700	\$9,103,816	
8	31-Dec-26	1-Mar-28	\$125,725	\$2,624,654	\$3,024,355	\$5,774,735	\$31,975,365	\$3,930,734	\$9,705,469	
9	31-Dec-27	1-Mar-29	\$142,887	\$2,716,489	\$3,437,210	\$6,296,586	\$38,271,951	\$4,022,569	\$10,319,156	
10	31-Dec-28	1-Mar-30	\$160,393	\$2,810,161	\$3,858,321	\$6,828,875	\$45,100,826	\$4,116,241	\$10,945,116	
11	31-Dec-29	1-Mar-31	\$178,249	\$2,905,706	\$4,287,854	\$7,371,809	\$52,472,635	\$4,211,786	\$11,583,595	
12	31-Dec-30	1-Mar-32	\$196,462	\$3,003,162	\$4,725,978	\$7,925,603	\$60,398,238	\$4,309,242	\$12,234,844	
13	31-Dec-31	1-Mar-33	\$215,040	\$3,102,567	\$5,172,865	\$8,490,472	\$68,888,709	\$4,408,647	\$12,899,118	
14	31-Dec-32	1-Mar-34	\$233,989	\$3,203,960	\$5,628,689	\$9,066,638	\$77,955,347	\$4,510,040	\$13,576,678	
15	31-Dec-33	1-Mar-35	\$253,317	\$3,307,381	\$6,093,630	\$9,654,328	\$87,609,675	\$4,613,461	\$14,267,788	
16	31-Dec-34	1-Mar-36	\$273,031	\$3,412,870	\$6,567,870	\$10,253,771	\$97,863,446	\$4,718,950	\$14,972,721	
17	31-Dec-35	1-Mar-37	\$293,140	\$3,520,469	\$7,051,594	\$10,865,204	\$108,728,650	\$4,826,549	\$15,691,753	
18	31-Dec-36	1-Mar-38	\$313,651	\$3,630,220	\$7,544,993	\$11,488,865	\$120,217,514	\$4,936,300	\$16,425,165	
19	31-Dec-37	1-Mar-39	\$334,572	\$3,742,167	\$8,048,260	\$12,124,999	\$132,342,513	\$5,048,247	\$17,173,245	
20	31-Dec-38	1-Mar-40	\$355,912	\$3,856,352	\$8,561,592	\$12,773,856	\$145,116,369	\$5,162,432	\$17,936,288	
21	31-Dec-39	1-Mar-41	\$377,678	\$3,972,821	\$9,085,191	\$13,435,690	\$158,552,059	\$5,278,901	\$18,714,590	
22	31-Dec-40	1-Mar-42	\$399,880	\$4,091,619	\$9,619,262	\$14,110,761	\$172,662,819	\$5,397,699	\$19,508,459	
23	31-Dec-41	1-Mar-43	\$422,526	\$4,212,793	\$10,164,014	\$14,799,333	\$187,462,152	\$5,518,873	\$20,318,206	
24	31-Dec-42	1-Mar-44	\$445,624	\$4,336,390	\$10,719,662	\$15,501,676	\$202,963,828	\$5,642,470	\$21,144,147	
25	31-Dec-43	1-Mar-45	\$469,185	\$4,462,460	\$11,286,422	\$16,218,067	\$219,181,895	\$5,768,540	\$21,986,607	
26	31-Dec-44	1-Mar-46	\$493,217	\$4,591,051	\$11,864,517	\$16,948,785	\$236,130,680	\$5,897,131	\$22,845,916	
27	31-Dec-45	1-Mar-47	\$517,729	\$4,722,214	\$12,454,175	\$17,694,118	\$253,824,798	\$6,028,294	\$23,722,412	
28	31-Dec-46	1-Mar-48	\$542,732	\$4,856,000	\$13,055,625	\$18,454,357	\$272,279,155	\$6,162,080	\$24,616,437	
TOTAL			\$7,157,263	\$90,999,305	\$172,170,668	\$272,279,155		\$120,794,401	\$393,073,556	

Cumulative Real Property Tax Increment Revenues from Existing Properties and Independently-Developed Dominion Tower 2

Year	Calendar Year Ending	Bond Year Ending	Existing Properties Plus Planned Dominion Tower 2	Cumulative Existing Properties Plus Planned Dominion Tower 2
---	31-Dec-18	1-Mar-20	---	\$0
1	31-Dec-19	1-Mar-21	\$1,951,920	\$1,951,920
2	31-Dec-20	1-Mar-22	\$2,878,323	\$4,830,243
3	31-Dec-21	1-Mar-23	\$4,733,441	\$9,563,685
4	31-Dec-22	1-Mar-24	\$7,368,717	\$16,932,402
5	31-Dec-23	1-Mar-25	\$7,935,669	\$24,868,071
6	31-Dec-24	1-Mar-26	\$8,513,959	\$33,382,030
7	31-Dec-25	1-Mar-27	\$9,103,816	\$42,485,846
8	31-Dec-26	1-Mar-28	\$9,705,469	\$52,191,315
9	31-Dec-27	1-Mar-29	\$10,319,156	\$62,510,470
10	31-Dec-28	1-Mar-30	\$10,945,116	\$73,455,586
11	31-Dec-29	1-Mar-31	\$11,583,595	\$85,039,182
12	31-Dec-30	1-Mar-32	\$12,234,844	\$97,274,026
13	31-Dec-31	1-Mar-33	\$12,899,118	\$110,173,144
14	31-Dec-32	1-Mar-34	\$13,576,678	\$123,749,822
15	31-Dec-33	1-Mar-35	\$14,267,788	\$138,017,610
16	31-Dec-34	1-Mar-36	\$14,972,721	\$152,990,332
17	31-Dec-35	1-Mar-37	\$15,691,753	\$168,682,084
18	31-Dec-36	1-Mar-38	\$16,425,165	\$185,107,250
19	31-Dec-37	1-Mar-39	\$17,173,245	\$202,280,495
20	31-Dec-38	1-Mar-40	\$17,936,288	\$220,216,783
21	31-Dec-39	1-Mar-41	\$18,714,590	\$238,931,373
22	31-Dec-40	1-Mar-42	\$19,508,459	\$258,439,832
23	31-Dec-41	1-Mar-43	\$20,318,206	\$278,758,038
24	31-Dec-42	1-Mar-44	\$21,144,147	\$299,902,185
25	31-Dec-43	1-Mar-45	\$21,986,607	\$321,888,792
26	31-Dec-44	1-Mar-46	\$22,845,916	\$344,734,708
27	31-Dec-45	1-Mar-47	\$23,722,412	\$368,457,119
28	31-Dec-46	1-Mar-48	\$24,616,437	\$393,073,556
TOTAL			\$393,073,556	

*At-Risk Future General Fund revenues,
before consideration of off-setting benefits
and additional costs.*

From Cooperation Agreement in Ordinance No. 2019-211

- 3.3 **Disposition of Pledged Revenues.** For each Fiscal Year beginning with the Fiscal Year commencing July 1, 2020, the Authority shall apply all Pledged Revenues received pursuant to section 4.0 of this Cooperation Agreement as follows:
- A. First, the Authority shall apply such Pledged Revenues to the requirements of the Bond Repayment Fund as specified in the Indenture.
 - B. If any amounts remain after the requirements of subsection (A) have been satisfied, the Authority shall apply those remaining Pledged Revenues to the Stabilization Fund until the Stabilization Fund contains an amount equal to the maximum annual debt service on the Bonds outstanding under the Indenture.
 - C. If any amounts remain after the requirement of subsection (B) has been satisfied, the Authority shall deposit 50 percent of those Pledged Revenues into the Early Repayment Fund and pay the remaining 50 percent of those Pledged Revenues to the City for its general fund. Although a future City Council cannot be obligated to make such an appropriation, the City intends that the first \$10,000,000.00 of the monies received by the City pursuant to this subsection (C) be appropriated for the provision or maintenance of affordable housing in the Increment Financing Area.

Bond Includes "Turbo" Payments – 50% of "Excess" Annual Revenues

- For traditional tax increment bonds, the debt service structure and projected debt service coverage is an extremely important factor for investors
- Although the market preference is for level debt service, ascending debt service structures can be utilized to mirror the expected increasing pledged revenue curve
- The transaction will be underwritten with a debt structure and debt service coverage ratio consistent with the credit discussion above
- MuniCap's base case projected revenues will be used to determine projected debt service coverage ratios
- The goal of the financing is to (i) deliver the required \$245 million of net bond proceeds needed for the Arena, and related infrastructure development costs, (ii) to minimize annual debt service ascension, and (iii) to provide a minimum of 1.50x debt service coverage from total pledged revenues
- After depositing pledged revenues after debt service into the Stabilization Fund, 50% of the **excess** will be used to "turbo" (prepay) the bonds; the remaining amounts will be shared with the City
- Based upon current assumptions, the Bonds will be repaid by approximately 2040, eight years earlier than the stated final maturity date of 2048

Illustration of Expected “Turbo” Debt Service Schedule

Bonds Sold With Turbo Redemptions

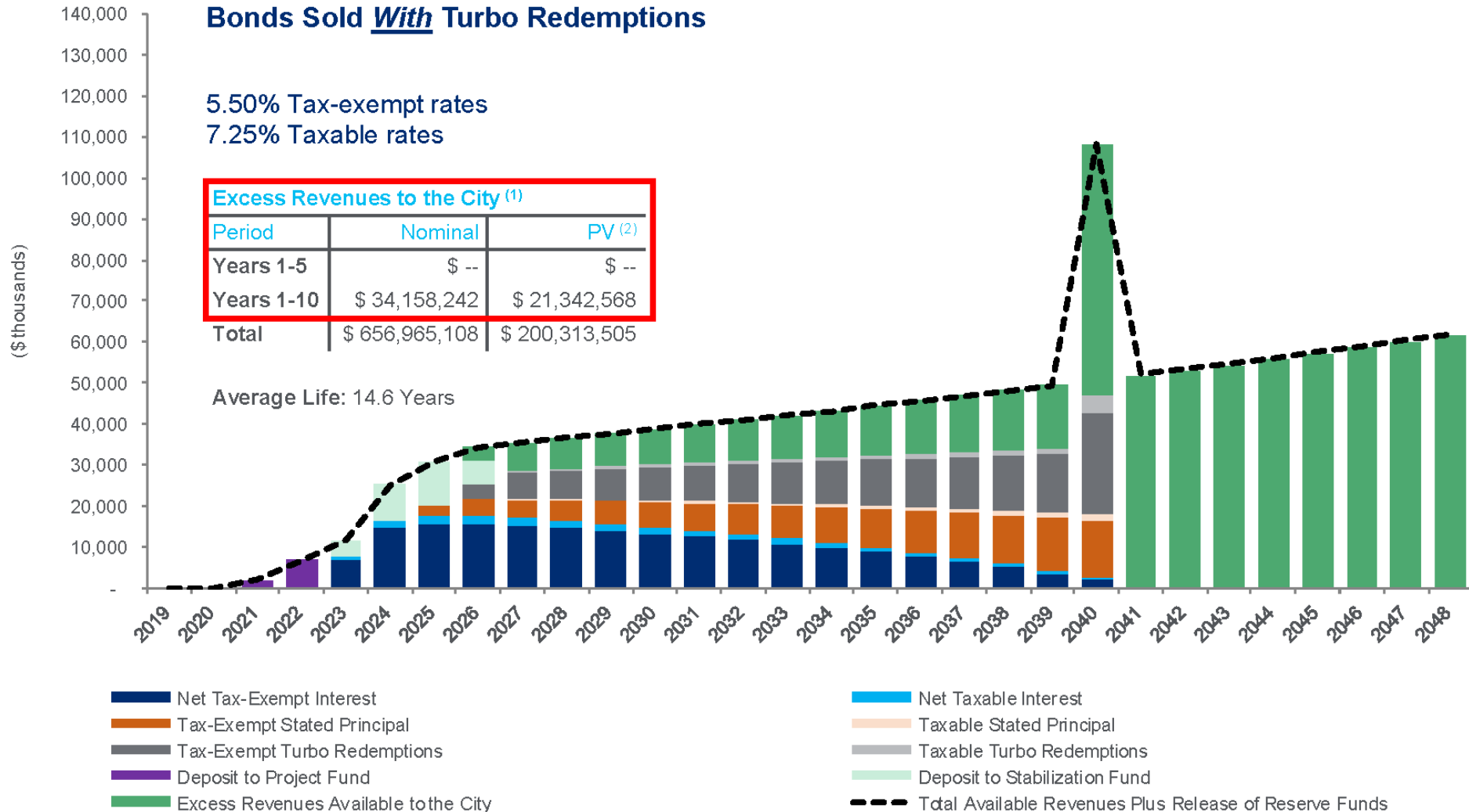
5.50% Tax-exempt rates

7.25% Taxable rates

Excess Revenues to the City ⁽¹⁾

Period	Nominal	PV ⁽²⁾
Years 1-5	\$ --	\$ --
Years 1-10	\$ 34,158,242	\$ 21,342,568
Total	\$ 656,965,108	\$ 200,313,505

Average Life: 14.6 Years



Source: Citigroup and J. P. Morgan, Planned Navy Hill Project Financing Overview presentation (December 7, 2019).

Projected Cash Flow Return to Future General Fund from Turbo Payment Approach

Year	Calendar Year Ending	Bond Year Ending	Annual	Cumulative
---	31-Dec-18	1-Mar-20	\$0	\$0
1	31-Dec-19	1-Mar-21	\$0	\$0
2	31-Dec-20	1-Mar-22	\$0	\$0
3	31-Dec-21	1-Mar-23	\$0	\$0
4	31-Dec-22	1-Mar-24	\$0	\$0
5	31-Dec-23	1-Mar-25	\$0	\$0
6	31-Dec-24	1-Mar-26	\$3,272,000	\$3,272,000
7	31-Dec-25	1-Mar-27	\$6,788,000	\$10,060,000
8	31-Dec-26	1-Mar-28	\$7,431,000	\$17,491,000
9	31-Dec-27	1-Mar-29	\$8,006,000	\$25,497,000
10	31-Dec-28	1-Mar-30	\$8,668,000	\$34,165,000
11	31-Dec-29	1-Mar-31	\$9,296,000	\$43,461,000
12	31-Dec-30	1-Mar-32	\$9,951,000	\$53,412,000
13	31-Dec-31	1-Mar-33	\$10,632,000	\$64,044,000
14	31-Dec-32	1-Mar-34	\$11,350,000	\$75,394,000
15	31-Dec-33	1-Mar-35	\$12,150,000	\$87,544,000
16	31-Dec-34	1-Mar-36	\$12,918,000	\$100,462,000
17	31-Dec-35	1-Mar-37	\$13,728,000	\$114,190,000
18	31-Dec-36	1-Mar-38	\$14,568,000	\$128,758,000
19	31-Dec-37	1-Mar-39	\$15,433,000	\$144,191,000
20	31-Dec-38	1-Mar-40	\$73,957,000	\$218,148,000
21	31-Dec-39	1-Mar-41	\$51,050,000	\$269,198,000
22	31-Dec-40	1-Mar-42	\$52,386,000	\$321,584,000
23	31-Dec-41	1-Mar-43	\$53,728,000	\$375,312,000
24	31-Dec-42	1-Mar-44	\$55,110,000	\$430,422,000
25	31-Dec-43	1-Mar-45	\$56,652,000	\$487,074,000
26	31-Dec-44	1-Mar-46	\$58,098,000	\$545,172,000
27	31-Dec-45	1-Mar-47	\$59,552,000	\$604,724,000
28	31-Dec-46	1-Mar-48	\$61,046,000	\$665,770,000
TOTAL			\$665,770,000	

Source: MuniCap, Inc.; Draft Projection No. 27-A.

Projected Cash Flow Return to Future General Fund from Turbo Payment Approach

Year	Calendar Year Ending	Bond Year Ending	Projected Cumulative Cash Flow Return to Future General Fund from Navy Hill Fund Based on Turbo Payment Approach	Projected Cumulative Revenues from Existing and Independently Developed Properties to Navy Hill Fund	Cumulative Difference
---	31-Dec-18	1-Mar-20	\$0	\$0	\$0
1	31-Dec-19	1-Mar-21	\$0	(\$1,951,920)	(\$1,951,920)
2	31-Dec-20	1-Mar-22	\$0	(\$4,830,243)	(\$4,830,243)
3	31-Dec-21	1-Mar-23	\$0	(\$9,563,685)	(\$9,563,685)
4	31-Dec-22	1-Mar-24	\$0	(\$16,932,402)	(\$16,932,402)
5	31-Dec-23	1-Mar-25	\$0	(\$24,868,071)	(\$24,868,071)
6	31-Dec-24	1-Mar-26	\$3,272,000	(\$33,382,030)	(\$30,110,030)
7	31-Dec-25	1-Mar-27	\$10,060,000	(\$42,485,846)	(\$32,425,846)
8	31-Dec-26	1-Mar-28	\$17,491,000	(\$52,191,315)	(\$34,700,315)
9	31-Dec-27	1-Mar-29	\$25,497,000	(\$62,510,470)	(\$37,013,470)
10	31-Dec-28	1-Mar-30	\$34,165,000	(\$73,455,586)	(\$39,290,586)
11	31-Dec-29	1-Mar-31	\$43,461,000	(\$85,039,182)	(\$41,578,182)
12	31-Dec-30	1-Mar-32	\$53,412,000	(\$97,274,026)	(\$43,862,026)
13	31-Dec-31	1-Mar-33	\$64,044,000	(\$110,173,144)	(\$46,129,144)
14	31-Dec-32	1-Mar-34	\$75,394,000	(\$123,749,822)	(\$48,355,822)
15	31-Dec-33	1-Mar-35	\$87,544,000	(\$138,017,610)	(\$50,473,610)
16	31-Dec-34	1-Mar-36	\$100,462,000	(\$152,990,332)	(\$52,528,332)
17	31-Dec-35	1-Mar-37	\$114,190,000	(\$168,682,084)	(\$54,492,084)
18	31-Dec-36	1-Mar-38	\$128,758,000	(\$185,107,250)	(\$56,349,250)
19	31-Dec-37	1-Mar-39	\$144,191,000	(\$202,280,495)	(\$58,089,495)
20	31-Dec-38	1-Mar-40	\$218,148,000	(\$220,216,783)	(\$2,068,783)
21	31-Dec-39	1-Mar-41	\$269,198,000	(\$238,931,373)	\$30,266,627
22	31-Dec-40	1-Mar-42	\$321,584,000	(\$258,439,832)	\$63,144,168
23	31-Dec-41	1-Mar-43	\$375,312,000	(\$278,758,038)	\$96,553,962
24	31-Dec-42	1-Mar-44	\$430,422,000	(\$299,902,185)	\$130,519,815
25	31-Dec-43	1-Mar-45	\$487,074,000	(\$321,888,792)	\$165,185,208
26	31-Dec-44	1-Mar-46	\$545,172,000	(\$344,734,708)	\$200,437,292
27	31-Dec-45	1-Mar-47	\$604,724,000	(\$368,457,119)	\$236,266,881
28	31-Dec-46	1-Mar-48	\$665,770,000	(\$393,073,556)	\$272,696,444

Amounts before consideration of additional benefits and costs.

Source: MuniCap, Inc.; Draft Projection No. 27-A.

Projected Cash Flow Return to Future General Fund from Turbo Payment Approach Including Additional Benefits

Year	Calendar Year Ending	Bond Year Ending	Projected Cumulative Cash Flow Return to Future General Fund from Navy Hill Fund Based on Turbo Payment Approach	Projected Cumulative Revenues from Existing and Independently Developed Properties to Navy Hill Fund	Cumulative Other Benefits			Adjusted Cumulative Difference
					Purchase of Land	1.5% Meals Tax Available to City	Coliseum Cost Savings	
---	31-Dec-18	1-Mar-20	\$0	\$0	\$0	\$0	\$0	\$0
1	31-Dec-19	1-Mar-21	\$0	(\$1,951,920)	\$0	\$0	\$0	(\$1,951,920)
2	31-Dec-20	1-Mar-22	\$0	(\$4,830,243)	\$0	\$0	\$800,000	(\$4,030,243)
3	31-Dec-21	1-Mar-23	\$0	(\$9,563,685)	\$0	\$136,288	\$1,600,000	(\$7,827,397)
4	31-Dec-22	1-Mar-24	\$0	(\$16,932,402)	\$6,794,000	\$606,324	\$2,400,000	(\$7,132,078)
5	31-Dec-23	1-Mar-25	\$0	(\$24,868,071)	\$12,640,000	\$1,377,312	\$3,200,000	(\$7,650,759)
6	31-Dec-24	1-Mar-26	\$3,272,000	(\$33,382,030)	\$14,220,000	\$2,271,396	\$4,000,000	(\$9,618,634)
7	31-Dec-25	1-Mar-27	\$10,060,000	(\$42,485,846)	\$15,800,000	\$3,198,801	\$4,000,000	(\$9,427,045)
8	31-Dec-26	1-Mar-28	\$17,491,000	(\$52,191,315)	\$15,800,000	\$4,174,100	\$4,000,000	(\$10,726,215)
9	31-Dec-27	1-Mar-29	\$25,497,000	(\$62,510,470)	\$15,800,000	\$5,168,905	\$4,000,000	(\$12,044,565)
10	31-Dec-28	1-Mar-30	\$34,165,000	(\$73,455,586)	\$15,800,000	\$6,183,606	\$4,000,000	(\$13,306,980)
11	31-Dec-29	1-Mar-31	\$43,461,000	(\$85,039,182)	\$15,800,000	\$7,218,601	\$4,000,000	(\$14,559,581)
12	31-Dec-30	1-Mar-32	\$53,412,000	(\$97,274,026)	\$15,800,000	\$8,274,296	\$4,000,000	(\$15,787,730)
13	31-Dec-31	1-Mar-33	\$64,044,000	(\$110,173,144)	\$15,800,000	\$9,351,105	\$4,000,000	(\$16,978,039)
14	31-Dec-32	1-Mar-34	\$75,394,000	(\$123,749,822)	\$15,800,000	\$10,449,450	\$4,000,000	(\$18,106,372)
15	31-Dec-33	1-Mar-35	\$87,544,000	(\$138,017,610)	\$15,800,000	\$11,569,762	\$4,000,000	(\$19,103,848)
16	31-Dec-34	1-Mar-36	\$100,462,000	(\$152,990,332)	\$15,800,000	\$12,712,480	\$4,000,000	(\$20,015,852)
17	31-Dec-35	1-Mar-37	\$114,190,000	(\$168,682,084)	\$15,800,000	\$13,878,053	\$4,000,000	(\$20,814,031)
18	31-Dec-36	1-Mar-38	\$128,758,000	(\$185,107,250)	\$15,800,000	\$15,066,937	\$4,000,000	(\$21,482,313)
19	31-Dec-37	1-Mar-39	\$144,191,000	(\$202,280,495)	\$15,800,000	\$16,279,599	\$4,000,000	(\$22,009,896)
20	31-Dec-38	1-Mar-40	\$218,148,000	(\$220,216,783)	\$15,800,000	\$17,516,514	\$4,000,000	\$35,247,731
21	31-Dec-39	1-Mar-41	\$269,198,000	(\$238,931,373)	\$15,800,000	\$18,778,167	\$4,000,000	\$68,844,794
22	31-Dec-40	1-Mar-42	\$321,584,000	(\$258,439,832)	\$15,800,000	\$20,065,054	\$4,000,000	\$103,009,222
23	31-Dec-41	1-Mar-43	\$375,312,000	(\$278,758,038)	\$15,800,000	\$21,377,678	\$4,000,000	\$137,731,640
24	31-Dec-42	1-Mar-44	\$430,422,000	(\$299,902,185)	\$15,800,000	\$22,716,555	\$4,000,000	\$173,036,370
25	31-Dec-43	1-Mar-45	\$487,074,000	(\$321,888,792)	\$15,800,000	\$24,082,209	\$4,000,000	\$209,067,417
26	31-Dec-44	1-Mar-46	\$545,172,000	(\$344,734,708)	\$15,800,000	\$25,475,176	\$4,000,000	\$245,712,468
27	31-Dec-45	1-Mar-47	\$604,724,000	(\$368,457,119)	\$15,800,000	\$26,896,003	\$4,000,000	\$282,962,884
28	31-Dec-46	1-Mar-48	\$665,770,000	(\$393,073,556)	\$15,800,000	\$28,345,246	\$4,000,000	\$320,841,690

Alternative Scenario:

**Increment Financing Area (aka TIF district)
with only Developer Parcels. No Expanded TIF.
No Existing or Independently-Developed Properties.
No “Turbo” Accelerated Payment Approach**

Hypothetical Total Revenues and Debt Coverage Ratio Based on Alternative Scenario with No Expanded TIF District

AFTER PRESENTATION NOTE:

This slide will be revised with the higher assumed interest rates in the Dec. 7th Citigroup presentation.

Note: 150% or 1.5 debt coverage ratio is the targeted minimum annual level for the current financing approach.

Questions?

John Gerner

Vice Chair, Navy Hill Development Advisory Commission

Managing Director, Leisure Business Advisors LLC

johngerner@navyhillcommission.org