



San Diego Convention Center

Convention Center Expansion and Hotel Projects

Presented By:

**Piper Jaffray
Convention
Sports and
Leisure**

June 15, 2009



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- Full-service capabilities and unparalleled transaction execution
- Growing presence in global growth markets



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Piper Jaffray Hospitality Finance Group Overview

- Capital strength to underwrite over \$4 billion in bonds
- **Only firm with dedicated Hospitality Finance practice**
 - Underwriter for 18 hotel transactions totaling over \$3.3 billion since 1999
 - Recently completed broad restructurings for Austin, Denver and Omaha convention center hotel projects
- Dedicated hospitality group willing to dedicate resources and time necessary to accomplish our clients' objectives
- Piper has been an active participant and the leader in the evolution of this sector (Convention Center Hotel Finance)
- We have implemented a broad range of financing structures to meet our clients' goals, including:
 - Austin Airport, the **first** pure project revenue financing
 - Austin, the **first** multi-line insured financing
 - Omaha restructuring, the **first** AAA insured hotel financing
 - Denver restructuring, the **largest** tax-exempt hotel financing
 - Lombard, **first** project revenue financing with a bi-furcated first mortgage
 - Baltimore, **first** tax-exempt hotel financing to utilize BIG rated sub/mezz debt
 - Austin Restructuring, **first** "AAA" insured project with no government support
- Financial solutions tailored to meet our client's needs
- Expertise, Experience and Execution



Piper Hospitality Finance Group Overview

The Group has closed more tax-exempt hotel revenue bond financings than any other investment banking firm and since 1999 has served as underwriter on 18 hotel transactions totaling over \$3.3 billion in debt (see table below). This includes over 8,500 new hotel rooms.

HOTEL PROJECT	PAR AMOUNT (\$MILLIONS)	HOTEL FLAG	DATE	ROOM COUNT
Tucson Convention Center & Hotel*	\$80.0	Sheraton	2008	500
Omaha Convention Center (Ref.)	\$109.7	Hilton	2007	450
Austin Convention Center (Ref.)	\$260.2	Hilton	2006	800
Denver Convention Center (Ref.)	\$356.2	Hyatt	2006	1,100
Baltimore Convention Center	\$300.9	Hilton	2006	752
Erie Conference Center	\$45.4	Sheraton	2005	203
Lombard Conference Center	\$161.3	Westin	2005	500
Coralville Conference Center	\$86.9	Marriott	2005	286
San Antonio Convention Center	\$208.1	Hyatt	2005	1,000
Phoenix Convention Center	\$350.0	Sheraton	2005	1,000
The Lodge at Storm Lake	\$32.9	Lodge	2005	100
Denver Convention Center	\$354.8	Hyatt	2003	1,100
Vancouver, WA Conference Center	\$67.6	Hilton	2003	226
Bay City, MI Conference Center	\$15.5	Doubletree	2002	150
Omaha Convention Center	\$109.0	Hilton	2002	450
Austin Convention Center	\$265.1	Hilton	2001	800
Houston Convention Center	\$362.2	Hilton	2001	1,200
Austin Airport	\$42.5	Hilton	1999	265
Sacramento Convention Center	\$92.8	Sheraton	1999	500
TOTAL**	\$3,301.10			8,532

* Initial funding for infrastructure, center expansion, predevelopment and other costs

** Total room count does not include refunding transactions.

CS&L Overview

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CONVENTION CENTER AND OTHER EVENT FACILITY PLANNING

- Strategic Project Planning
- Market Analysis
- Preferential Amenities Analysis
- Financial Analysis
- Facility Program/Design Criteria
- Economic Impact Analysis
- Facility Funding Analysis
- Operations Analysis
- Negotiation Assistance
- Strategic Plan Development & Assistance

SPORTS INDUSTRY CONSULTING

- Revenue Enhancement
- Negotiation Assistance
- Sponsoring & Naming Opportunities
- Operations and Best Practices
- Market Research

VISITOR INDUSTRY PLANNING

- Strategic Planning
- Destination Studies
- Hotels & Hospitality Project Planning
- DMO Evaluation & Best Practices Evaluation



CS&L Overview

- Leading advisory & planning firm specializing in providing consulting services to the convention, sport, entertainment and visitor industries.
- Founded in 1988, offices in Minneapolis and Dallas metro areas.
- Staff of 15 professionals.
- Completed more than 500 consulting engagements in North America and abroad.
- Provided evaluation and planning services for hundreds of convention centers of all sizes throughout the country.
- Industry leading expertise in convention center market, financial, economic and funding issues.

RECENT CONVENTION CENTER PLANNING PROJECTS

- Anaheim Convention Center, *Anaheim, CA*
- Boston Convention Facilities, *Boston, MA*
- Colorado Convention Center, *Denver, CO*
- Ernest Morial Convention Center, *New Orleans, LA*
- Jacob K Javits Convention Center, *New York, NY*
- Las Vegas Convention Center, *Las Vegas, NV*
- Los Angeles Convention Center, *Los Angeles, CA*
- Miami Convention Center, *Miami, FL*
- Minneapolis Convention Center, *Minneapolis, MN*
- Nashville Convention Center, *Nashville, TN*
- Pennsylvania Convention Center, *Philadelphia, PA*
- Sacramento Convention Center, *Sacramento, CA*
- Salt Palace Convention Center, *Salt Lake City, UT*
- Washington Convention Center, *Washington, DC*



Scope of Services

Address financing plans for Convention Center Expansion and Hotel projects:

- ✓ Identify and evaluate potential and practical revenue sources
- ✓ Estimate order of magnitude of identified revenue sources
- ✓ Research financing methods of comparable projects
- ✓ Prepare hypothetical plans of finance
- ✓ Identify and evaluate alternative financing options

Project Overview

Convention Center Expansion:

Gross square footage -	1,386,122 GSF
Building cost ⁽¹⁾ -	\$783.4 million
Pedestrian bridge cost ⁽¹⁾ -	38.5 million
Total Cost	821.9 million
Annual retail revenue est. ⁽²⁾ -	6.05 million
Construction begins -	January 2012

Hotel Project:

Rooms -	500
Meeting space -	37,900 sf
Stabilized year ⁽³⁾ -	2016 (Year 3)
Hotel opening -	2014
Building Cost ⁽¹⁾ -	\$199.9 million

- (1) Construction cost estimates provided by DavisLangdon.
(2) Retail revenue estimates provided by London Realty Group.
(3) Hotel operating pro-forma provided by PKF Consulting.

Funding Sources – Large Convention Centers

Hotel Taxes

- ✓ Broadly applied tax percentage – *Anaheim, Chicago, Boston, Colorado and others*
- ✓ Tax on new hotel construction – *Boston*
- ✓ Flat fee-based tax on rooms sold – *New Orleans, Nashville*
- ✓ Subordinate marketing and other uses of tax – *Orlando*

Food and Beverage Tax

- ✓ Broadly applied tax – *Phoenix, Denver*
- ✓ Tax within a specific district – *Chicago, Minneapolis, Boston*
- ✓ Tax on establishments serving mixed drinks – *Minneapolis*

Funding Sources – Large Convention Centers

Taxi Fees

- ✓ Airport departure fees – *Chicago*
- ✓ Taxi medallion license fees – *Boston*

Car Rental Tax

- ✓ Fixed fee surcharge – *Boston, Denver, Chicago*

Ticket Tax

- ✓ Percentage tax on sight-seeing, tourist venues, etc. – *Boston*

Other Sources

- ✓ Tax on city-wide construction projects – *Phoenix*
- ✓ Broad based sales tax – *Cleveland*
- ✓ Tax on city-wide advertising purchases – *Phoenix*

Comparative Convention Center Financing - Anaheim

- ✓ \$395 million “Anaheim Resort” project included \$150 million for the Convention Center expansion, as well as landscape, infrastructure, transportation and parking improvements in the vicinity of the Center and the Disney property.
- ✓ Project costs are funded through the following sources:
 - ❖ Three of the 15 percent city-wide hotel tax
 - ❖ 100 percent of hotel and sales tax from all Disney properties over the 1995 base.
 - ❖ 100 percent of property taxes from Disney properties over the 1995 base.



Facility:	Anaheim Convention Center
City, State:	Anaheim, CA
Construction Type:	Expansion
Year Completed:	2000
Construction Cost:	\$150 million
Space Added:	
Exhibition SF:	143,500
Meeting SF:	0
Ballroom SF:	0
Sellable SF:	143,500

Convention Center Financing – McCormick Place

1996 Expansion

- ✓ Revenue bonds secured by the following revenue sources:
 - ❖ 2.5 percent hotel tax
 - ❖ 6.0 percent auto rental tax
 - ❖ 1.0 percent downtown/district restaurant tax
 - ❖ \$2.00 airport departure surcharge (taxi's and limousines)
 - ❖ Debt service payments guaranteed by the State



2008 Expansion

- ✓ Limited obligation bonds backed by existing revenue sources.
- ✓ State will contribute sales tax revenue sufficient to cover any shortfalls.
- ✓ 2009 first year state contribution required in excess of dedicated tax revenues.

Facility:	McCormick Place
City, State:	Chicago, IL
Construction Type:	Expansion
Year Completed:	2008
Construction Cost:	\$850 million
Space Added:	
Exhibition SF:	470,000
Meeting SF:	250,000
Ballroom SF:	100,000
Sellable SF:	820,000

Convention Center Financing – Boston



Facility:	Boston Convention Center
City, State:	Boston, MA
Construction Type:	New Construction
Year Completed:	2004
Construction Cost:	\$609.4 million
Space Added:	
Exhibition SF:	516,000
Meeting SF:	160,000
Ballroom SF:	40,000
Sellable SF:	716,000

✓ State debt issuance for BCEC and projects in Springfield and Worcester.
Revenues supporting issuance include the following:

- ❖ 2.75 percent hotel tax in Boston
- ❖ 5.7 percent hotel tax on “new” hotels in Boston, Cambridge and Springfield
- ❖ \$10.00 surcharge on Boston car rentals
- ❖ 5.0 percent tax on sight-seeing tours, entertainment cruises, tourist venues and tours located within or originating within the City of Boston
- ❖ 5.0 percent sales tax collected at “new” hotels
- ❖ \$2.00 per day surcharge on parking structures built in coordination with Center projects.
- ❖ All proceeds from City taxi medallion licenses.

Convention Center Financing – Phoenix

- ✓ State provided \$300 million using general fund revenues.
- ✓ City issued debt supported by the following sources:
 - ❖ Portion of city-wide sales tax revenues.
 - ❖ Portion of City's share of state sales tax revenues.
 - ❖ Portion of City's share of state income tax revenues.
 - ❖ Various other City excise tax revenues.
- ✓ Tax revenues provide for coverage ratios of 15.9 in first year of debt repayment.



Facility:	Phoenix Convention Center
City, State:	Phoenix, AZ
Construction Type:	Expansion
Year Completed:	2009
Construction Cost:	\$600 million
Space Added:	
Exhibition SF:	437,000
Meeting SF:	90,000
Ballroom SF:	45,000
Sellable SF:	572,000

Convention Center Financing – New Orleans

- ✓ Convention Center Authority issued bonds supported by the following sources:
 - ❖ 2.0 percent hotel tax
 - ❖ 0.5 percent food and beverage tax on establishments with annual gross sales over \$300,000.
 - ❖ A hotel occupancy tax implemented on a per room sold basis using the following scale:
 - \$0.50 for hotels with between 10 and 299 rooms
 - \$1.00 for hotels with between 300 and 999 rooms
 - \$2.00 for hotels with 1,000 or more rooms
 - ❖ Convention Center service contractor fee of 2.0 percent of gross sales in the Center.
 - ❖ A \$1.00 tax on tours in the greater New Orleans area.



Facility:	New Orleans Morial Convention Center
City, State:	New Orleans, LA
Construction Type:	Expansion
Year Completed:	1999
Construction Cost:	\$282 million
Space Added:	
Exhibition SF:	384,000
Meeting SF:	96,200
Ballroom SF:	0
Sellable SF:	480,200

Potential Funding Sources

Broad Base Funding Options

- ✓ City or Countywide increase in TOT
- ✓ City or Countywide increase in sales tax
- ✓ Assessment of special sales tax on food and beverage sales (City or Countywide)

Targeted Funding Options

- ✓ Create Tourism Improvement District – additional TOT tax based on proximity to CC
 - ✦ i.e San Francisco
- ✓ Assessment of food and beverage tax on restaurants near CC
- ✓ Extension/Increase in TMD assessment

Additional Tourist Specific Charges

- ✓ Rental car surcharge
- ✓ Ticket tax on certain tourist activities
 - ✦ Zoo, Sea World
- ✓ Ticket tax on sports and concert events at
 - ✦ Petco Park, Cricket Wireless, Cox Arena
- ✓ Charge on taxicab airport drops/pickups

Property Based and other Options

- ✓ Citywide or Countywide parcel assessment
- ✓ Tax increment financing
- ✓ State or County financial assistance
- ✓ Surplus government revenues
 - ✦ City
 - ✦ Port

Magnitude

Broad Base Funding Options

- ✓ Citywide TOT or TMD tax assessment
 - ✦ 1% equals \$14.7 million annually
- ✓ TOT or TMD on Downtown hotels only
 - ✦ 1% equals \$5.16 million annually
- ✓ Citywide Food and Beverage Tax
 - ✦ 1% equals \$30.6 million
- ✓ Food and Beverage Tax on downtown restaurant establishments
 - ✦ 1% equals \$2.4 million
- ✓ Citywide sales tax
 - ✦ .5% equals \$106.7 MM annually
- ✓ Citywide parcel assessment
 - ✦ To be determined

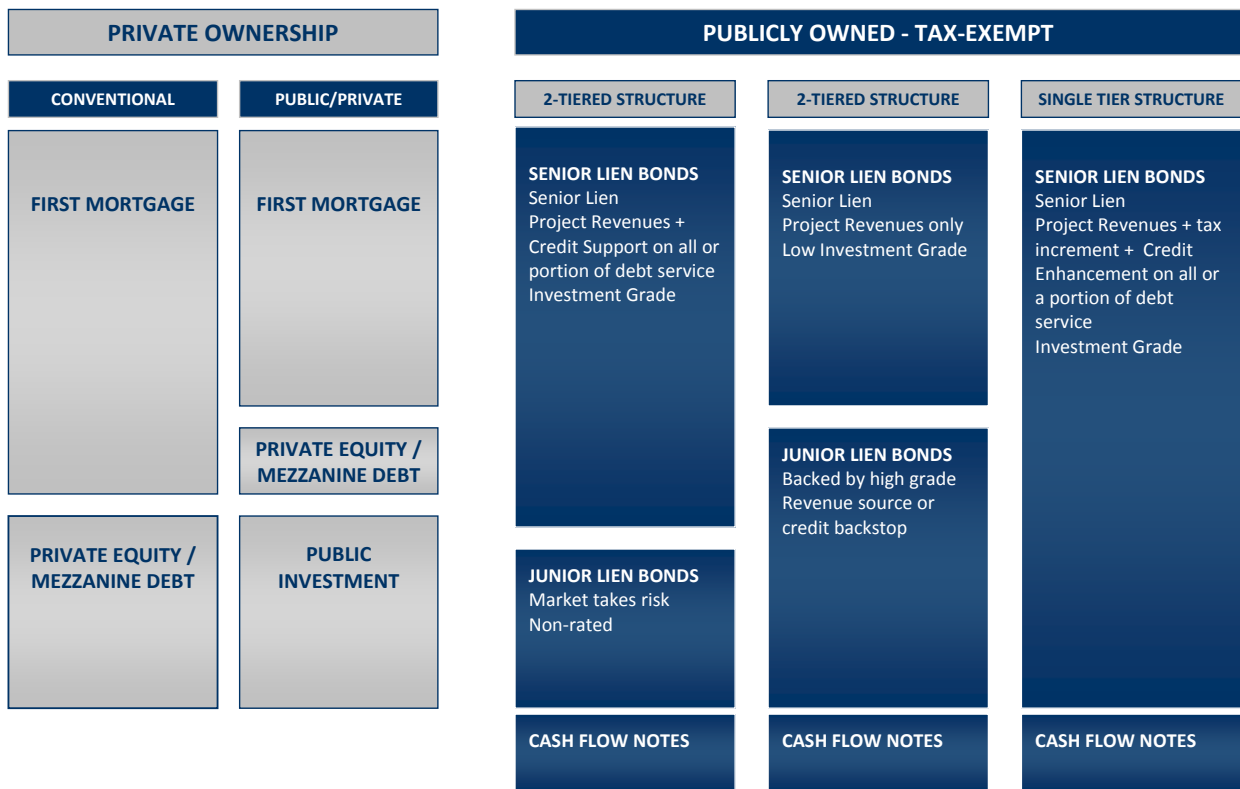
Targeted Funding Options

- ✓ Rental car surcharge
 - ✦ \$10 surcharge equals \$11.5 million annually
- ✓ Taxi charge on airport drops/pickups
 - ✦ \$2 charge equals \$3 million annually
- ✓ Surcharge on tourist activities
 - ✦ Zoo – 3 million visitors annually
 - ✦ Sea World – 11 million visitors annually
- ✓ Venue charge
 - ✦ Padres annual attendance – 2 million

Property Based and other Options

- ✓ Tax increment financing
 - ✦ Capacity analysis to be completed
- ✓ State, City, County participation
 - ✦ Unlikely given current economic conditions

Basic Hotel Financing Structures



Private Financing Example

Private Financing Underwriting Criteria

- ✓ 5-7 year holding period
- ✓ Senior debt coverage of 1.40x
- ✓ 50-60% senior loan to cost
- ✓ Required rates of return
 - ✦ Mezzanine debt – 15-18%
 - ✦ Equity – 25%+

Assumptions

- ✓ Stabilized year NOI - \$16.14 million
- ✓ Senior debt capacity of \$120 million (60% LTC)
- ✓ Equity return of 26% (10 year sale)
- ✓ Private equity investment of \$20.2 million

Sources and Uses of Funds (\$000)

Required Subsidy	\$ 75,000
Debt Financing	120,000
Private Equity	20,165
Total Sources	\$ 215,165
Project Costs	\$ 204,999
Operating Reserve	3,000
Financing Costs	7,166
Total Uses	\$ 215,165

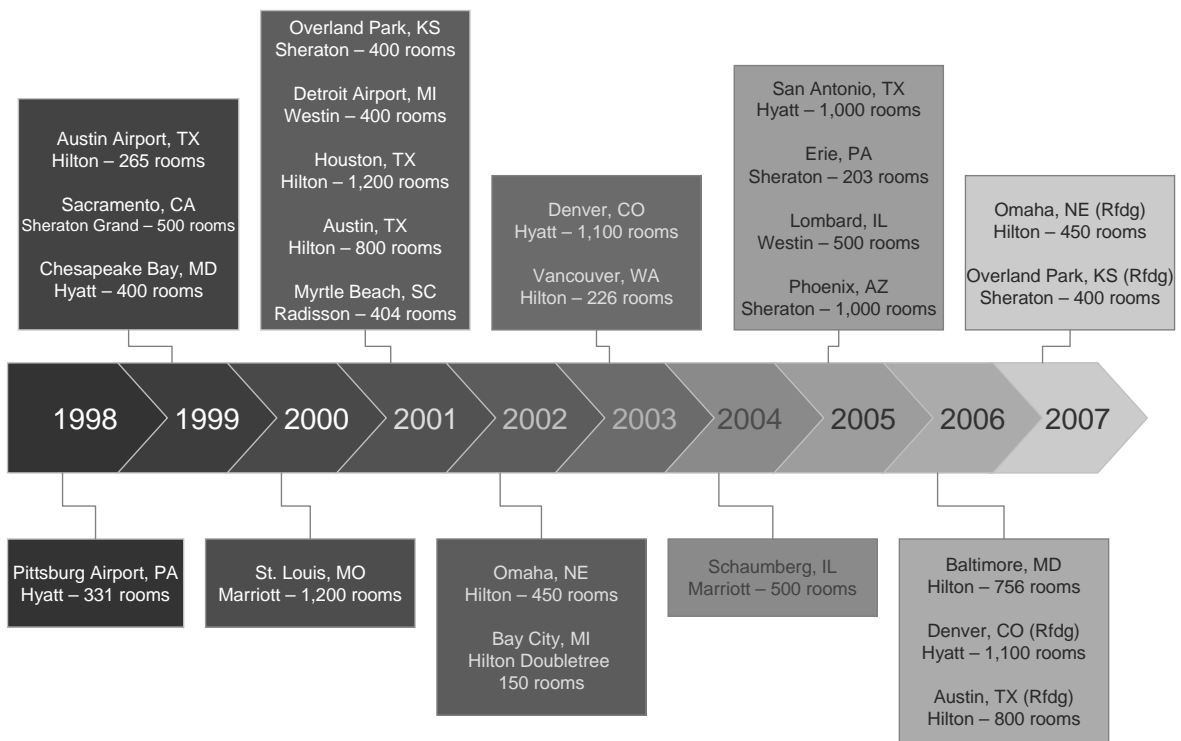
Results

- ✓ Projected NOI and development costs prohibit a 100% private financing under current criteria
- ✓ Substantial public subsidy required
- ✓ Little or no City/Port profit participation available

History of Convention Center Hotel Finance

Pre - 1997	-----	CC Hdqtr. hotel project funded with public subsidies
1997	-----	<i>Tax code change allowing 15 year term QMA's</i>
1998-2001	-----	Early publicly owned hotels financed primarily on a project revenue basis
2001	-----	September 11 events, economic slowdown
2002-2006	-----	Hotel projects financed with some form of public support
2006-2007	-----	Favorable environment for refinancing (Denver, Austin, Omaha)
2008-Present	-----	Several projects under consideration (Dallas, Portland, Nashville, Columbus)

Publicly Financed Hotels



Public Participation Options (Publicly Owned Hotels)

- ✓ Contribution of site specific tax increment
- ✓ Contribution of dedicated revenue stream from additional source
- ✓ Pledge of broader base revenue source
 - ✦ Sales or occupancy taxes
 - ✦ Surcharges or other special taxes
 - ✦ Property taxes (GO pledge)
- ✓ Funding of infrastructure or other development costs
- ✓ Land contribution
- ✓ Economic development payments
- ✓ Tax increment contribution (Local or State taxes)
- ✓ Limit support to senior or subordinate series of bonds (multi-tiered financing)

Convention Center Funding Requirements

Construction Cost Estimate (\$000)

	Convention Center	Pedestrian Bridges	Total
Construction Costs	\$ 611,212	\$ 30,026	\$ 641,238
Escalation	28,398	1,395	29,793
Design Fees and Bond	46,372	2,278	48,650
Owner Soft Costs including land	97,450	4,787	102,237
Total	\$ 783,432	\$ 38,486	\$ 821,918

Sources and Uses of Funds (\$000)

	Convention Center	Pedestrian Bridges	Total
Sources:			
Bond Proceeds	\$ 789,208	\$ 38,770	\$ 827,979
Interest Earnings	10,090	496	10,585
Total	\$ 799,298	\$ 39,266	\$ 838,564
Uses of Funds:			
Project Fund Deposit	783,432	38,486	821,918
Capitalized Interest	-	-	-
Other Reserve Funds	-	-	-
Costs of Issuance	15,866	780	16,646
Total	\$ 799,298	\$ 39,266	\$ 838,564

Annual Debt Service Cost ⁽¹⁾

\$62,240

Projected Annual Retail Revenues

(6,045)

Net Annual Funding Requirement

\$56,195

(1) Assumes pledged revenue sources and any additional support generate a A/A2 bond rating.

Hotel Funding Requirements

Construction Cost Estimate (\$000)

	<u>Hotel</u>
Construction Costs	\$ 147,063
Escalation	6,833
Design Fees and Bond	9,618
Owner Soft Costs including land	<u>36,480</u>
Total	<u>\$ 199,994</u>

Sources and Uses of Funds (\$000)

	<u>Hotel</u>
Sources:	
Bond Proceeds	\$ 278,839
Interest Earnings	<u>2,576</u>
Total	\$ 281,415
Uses of Funds:	
Project Fund Deposit	204,994
Capitalized Interest	42,312
Other Reserve Funds	27,741
Costs of Issuance	<u>6,368</u>
Total	\$ 281,415

Projected Hotel NOI (stabilized year) ⁽¹⁾	\$21,420
Site Specific Tax Revenues (stabilized year)	5,702
Annual Net Debt Service Cost ⁽²⁾	\$17,256
Subordinate Expenses ⁽³⁾	2,621
Reserve Fund Deposits	3,691
Projected Residual Cash flow	\$3,691

- (1) Excludes property taxes and FF&E expense.
 (2) Assumes pledged revenue sources and any additional support generate a A/A2 bond rating.
 (3) Includes FF&E expense and subordinate management fees

Total Funding Requirements (\$000)

Funding Requirements:

Convention Center & Pedestrian Bridge	\$56,195
Hotel Residual (Stabilized Year)	<u>(3,691)</u>
Total Requirements	\$52,504

Coverage Factor:

Requirement

1.10x	\$57,750
1.25x	65,630
1.40x	73,500
1.50x	78,750

Hypothetical Funding Scenario 1 - (City Wide Funding)

Increase <u>City wide</u> TOT or TMD (1%)	\$14.7 million
<u>City wide</u> tax on food and beverage sales (1%)	30.7 million
Rental car surcharge (\$5 per rental)	5.8 million
Ticket surcharge (\$2 at Sea World and Zoo)	<u>28.0 million</u>
Total	\$79.2 million

Funding requirements at 1.50x coverage	\$78.7 million

Hypothetical Funding Scenario 1

PROGRAMMATIC CASH FLOW

Calendar Year	Beginning Balance	Tax Revenues	Retail Net Revenues	Hotel Revenues	Total Revenues Available	CC Net Debt Service	Hotel Debt Svc. and Exp.	Excess Revenue	Ending Balance
2012	-	79,200	6,045	-	85,245	62,238	-	23,007	23,007
2013	23,007	79,200	6,045	-	85,245	62,246	-	22,999	46,006
2014	46,006	79,200	6,045	20,475	105,720	62,239	16,603	47,352	93,358
2015	93,358	79,200	6,045	25,041	110,286	62,244	22,077	51,007	144,365
2016	144,365	79,200	6,045	27,260	112,505	62,241	23,569	53,954	198,319
2017	198,319	79,200	6,045	28,055	113,300	62,241	25,059	54,054	252,373
2018	252,373	79,200	6,045	28,964	114,209	62,242	25,652	55,280	307,653
2019	307,653	79,200	6,045	29,862	115,107	62,246	26,776	55,948	363,600
2020	363,600	79,200	6,045	30,879	116,124	62,242	27,442	57,319	420,919
2021	420,919	79,200	6,045	31,888	117,133	62,243	28,109	58,669	479,588
2022	479,588	79,200	6,045	32,883	118,128	62,244	28,769	59,997	539,586
2023	539,586	79,200	6,045	33,864	119,109	62,245	29,828	60,899	600,485
2024	600,485	79,200	6,045	34,937	120,182	62,242	30,545	62,331	662,816
2025	662,816	79,200	6,045	36,047	121,292	62,244	31,283	63,811	726,627
2026	726,627	79,200	6,045	37,195	122,440	62,239	32,047	65,349	791,976
2027	791,976	79,200	6,045	38,382	123,627	62,242	32,831	66,936	858,913
2028	858,913	79,200	6,045	39,610	124,855	62,240	33,641	68,584	927,497
2029	927,497	79,200	6,045	40,880	126,125	62,243	34,476	70,286	997,783
2030	997,783	79,200	6,045	42,193	127,438	62,239	35,335	72,057	1,069,840
2031	1,069,840	79,200	6,045	43,551	128,796	62,243	36,220	73,883	1,143,724

Hypothetical Funding Scenario 2 - (Citywide and Downtown)

Increase <u>downtown hotel</u> TOT or TMD (2.5%)	\$12.9 million
Increase <u>non-downtown</u> hotel TOT or TMD (1%)	9.5 million
<u>Citywide</u> tax on food and beverage sales (1%)	30.7 million
Ground Rent Abatement	3.6 million
Rental car surcharge (\$7 per rental)	8.0 million
Ticket surcharge (\$1 at Sea World and Zoo)	14.0 million
Total	\$78.7 million

Funding requirements at 1.50x coverage **\$78.7 million**

Hypothetical Funding Scenario 2

PROGRAMMATIC CASH FLOW

Calendar Year	Beginning Balance	Tax Revenues	Retail Net Revenues	Hotel Revenues	Total Revenues Available	CC Net Debt Service	Hotel Debt Svc. and Exp.	Excess Revenue	Ending Balance
2012	-	78,700	6,045	-	84,745	62,238	-	22,507	22,507
2013	22,507	78,700	6,045	-	84,745	62,246	-	22,499	45,006
2014	45,006	78,700	6,045	20,475	105,220	62,239	16,603	46,852	91,858
2015	91,858	78,700	6,045	25,041	109,786	62,244	22,077	50,507	142,365
2016	142,365	78,700	6,045	27,260	112,005	62,241	23,569	53,454	195,819
2017	195,819	78,700	6,045	28,055	112,800	62,241	25,059	53,554	249,373
2018	249,373	78,700	6,045	28,964	113,709	62,242	25,652	54,780	304,153
2019	304,153	78,700	6,045	29,862	114,607	62,246	26,776	55,448	359,600
2020	359,600	78,700	6,045	30,879	115,624	62,242	27,442	56,819	416,419
2021	416,419	78,700	6,045	31,888	116,633	62,243	28,109	58,169	474,588
2022	474,588	78,700	6,045	32,883	117,628	62,244	28,769	59,497	534,086
2023	534,086	78,700	6,045	33,864	118,609	62,245	29,828	60,399	594,485
2024	594,485	78,700	6,045	34,937	119,682	62,242	30,545	61,831	656,316
2025	656,316	78,700	6,045	36,047	120,792	62,244	31,283	63,311	719,627
2026	719,627	78,700	6,045	37,195	121,940	62,239	32,047	64,849	784,476
2027	784,476	78,700	6,045	38,382	123,127	62,242	32,831	66,436	850,913
2028	850,913	78,700	6,045	39,610	124,355	62,240	33,641	68,084	918,997
2029	918,997	78,700	6,045	40,880	125,625	62,243	34,476	69,786	988,783
2030	988,783	78,700	6,045	42,193	126,938	62,239	35,335	71,557	1,060,340
2031	1,060,340	78,700	6,045	43,551	128,296	62,243	36,220	73,383	1,133,724

Hypothetical Funding Scenario 3 – (Downtown Focus)

Increase <u>downtown hotel</u> TOT or TMD (5.0%)	\$25.6 million
Taxi cab drop off charge (\$2)	3.0 million
Tax on <u>downtown</u> food and beverage sales (3%)	7.2 million
Ground rent abatement (Port)	3.6 million
Rental car surcharge (\$10 per rental)	11.5 million
Ticket surcharge (\$2 at Sea World and Zoo)	28.0 million
Total	\$78.9 million

Funding requirements at 1.50x coverage **\$78.7 million**

Hypothetical Funding Scenario 3

PROGRAMMATIC CASH FLOW

Calendar Year	Beginning Balance	Tax Revenues	Retail Net Revenues	Hotel Revenues	Total Revenues Available	CC Net Debt Service	Hotel Debt Svc. and Exp.	Excess Revenue	Ending Balance
2012	-	78,900	6,045	-	84,945	62,238	-	22,707	22,707
2013	22,707	78,900	6,045	-	84,945	62,246	-	22,699	45,406
2014	45,406	78,900	6,045	20,475	105,420	62,239	16,603	47,052	92,458
2015	92,458	78,900	6,045	25,041	109,986	62,244	22,077	50,707	143,165
2016	143,165	78,900	6,045	27,260	112,205	62,241	23,569	53,654	196,819
2017	196,819	78,900	6,045	28,055	113,000	62,241	25,059	53,754	250,573
2018	250,573	78,900	6,045	28,964	113,909	62,242	25,652	54,980	305,553
2019	305,553	78,900	6,045	29,862	114,807	62,246	26,776	55,648	361,200
2020	361,200	78,900	6,045	30,879	115,824	62,242	27,442	57,019	418,219
2021	418,219	78,900	6,045	31,888	116,833	62,243	28,109	58,369	476,588
2022	476,588	78,900	6,045	32,883	117,828	62,244	28,769	59,697	536,286
2023	536,286	78,900	6,045	33,864	118,809	62,245	29,828	60,599	596,885
2024	596,885	78,900	6,045	34,937	119,882	62,242	30,545	62,031	658,916
2025	658,916	78,900	6,045	36,047	120,992	62,244	31,283	63,511	722,427
2026	722,427	78,900	6,045	37,195	122,140	62,239	32,047	65,049	787,476
2027	787,476	78,900	6,045	38,382	123,327	62,242	32,831	66,636	854,113
2028	854,113	78,900	6,045	39,610	124,555	62,240	33,641	68,284	922,397
2029	922,397	78,900	6,045	40,880	125,825	62,243	34,476	69,986	992,383
2030	992,383	78,900	6,045	42,193	127,138	62,239	35,335	71,757	1,064,140
2031	1,064,140	78,900	6,045	43,551	128,496	62,243	36,220	73,583	1,137,724