

**Mixed Use Development Example**  
*Estimated City Revenue Projections*

Item	Calculation	Est. City Revenue	
		Per Year	
<b>Estimated Year 1 Tax Revenue</b>			
<b>Transient Occupancy Tax</b>			
# of Hotel Rooms	1,300		
Average Daily Rate	\$ 227		
Occupancy	63%		
# of Days	365		
Gross Hotel Revenue	67,782,690		
Lodging Tax Rate	13%		
<b>Est. Lodging Tax <sup>(1)</sup></b>			8,811,750
<b>Retail Sales Tax</b>			
Retail SF	90,000		
Sales per SF	\$500		
Gross Retail Sales	45,000,000		
Retail Sales Tax Rate	1.0%		
<b>Est. Retail Sales Tax - Retail</b>			450,000
<b>Hotel Food and Beverage Sales Tax Revenue</b>			
Sales Per Available Room	\$ 95		
Available Rooms	819		
Gross F&B Sales	\$ 28,278,010		
Retail Sales Tax Rate	1.0%		
<b>Est. Hotel F&amp;B Sales Tax</b>			282,780
<b>Food and Beverage Tax</b>			
Restaurant SF	60,000		
Sales per SF	\$700		
Gross Retail Sales	42,000,000		
Retail Sales Tax Rate	1.0%		
<b>Est. Retail Sales Tax - Restaurant</b>			420,000
<b>Entertainment Tax</b>			
Restaurant SF <sup>(2)</sup>	5,000		
Sales per SF	\$700		
Gross Retail Sales	3,500,000		
Retail Sales Tax Rate	1.0%		
<b>Est. Retail Sales Tax - Restaurant</b>			35,000
<b>Property Tax</b>			
# of Hotel Rooms	1,300		
SF per Room	650		
Cost per SF	\$410		
<b>Est. Hotel Construction Cost</b>	346,450,000		
North End Dining Pads SF	20,000		
Cost per SF	\$300		
<b>Est. North End Pads Construction Cost</b>	6,000,000		
Retail and Restaurant SF	42,750,000		
Total Construction Cost	395,200,000		
Property Tax Rate	0.7%		
<b>Est. Property Tax</b>	2,766,400		2,766,400
<b>Est. Total Tax Revenue</b>			<b>\$ 12,765,930</b>
<b>Estimated Parking Revenue</b>			
<b>Parking Revenue</b>			
Parking Structure			
# of Room Nights	143,367		
Rent per Day	\$15.00		
<b>Est. Parking Structure Revenue</b>	\$ 2,150,503		
<b>Parking Structure Maint. Cost</b>			
# of Stalls	1438		
Cost per Stall per Year	\$475		
<b>Est. Parking Structure Maint. Cost</b>	\$683,050		
<b>Est. Net Parking Revenue</b>			
<b>Common Area Maintenance Experience Gap</b>			
<b>Est. Developer Assistance Payment</b>			
<i>Total</i>			
<b>Estimated Year 1 City Tax Revenue</b>			<b>12,765,930</b>

Hotel Revenue Assumptions <sup>(2)</sup>			
	Total Keys	Average Daily Rate	Occupancy at Stabilization
Specialty Hotel	800	\$270	76%
Full Service Hotel	300	\$174	74%
Limited Service Hotel	200	\$135	76%

City Investment Assumptions	
Estimated Parking Garage Cost:	\$ 13,000,000
Estimated Land Acquisition/ Demolition Cost:	\$ 50,000,000
Project Improvements & Site Amenities	\$ 12,000,000
<b>Estimated City Investment:</b>	<b>\$ 75,000,000</b>

Estimated City Payback Assumptions					
Year	Est. City Revenue Per Year	Est. City Balance Per Year <sup>(1)</sup>	Est. Balance To Developer <sup>(3)</sup>		
	Initial Cost: \$	(75,000,000)			
2014	1	\$8,360,055	(\$7,500,000)	860,055	
2015	2	9,011,592	(7,500,000)	1,511,592	
2016	3	9,876,834	(7,500,000)	2,376,834	
2017	4	10,178,069	(7,500,000)	2,678,069	
2018	5	10,483,411	(7,500,000)	2,983,411	
2019	6	10,797,914	(7,500,000)	3,297,914	
2020	7	11,121,851	(7,500,000)	3,621,851	
2021	8	11,455,507	(7,500,000)	3,955,507	
2022	9	11,799,172	(7,500,000)	4,299,172	
2023	10	12,153,147	(7,500,000)	4,653,147	
2024	11	19,645,530	12,645,530	7,000,000	
2025	12	20,234,896	32,880,426	-	
2026	13	20,841,943	53,722,369	-	
2027	14	21,467,201	75,189,571	-	
2028	15	22,111,217	97,300,788	-	
2029	16	22,774,554	120,075,342	-	
2030	17	23,457,790	143,533,132	-	
2031	18	24,161,524	167,694,656	-	
2032	19	24,886,370	192,581,026	-	
2033	20	\$25,632,961	\$218,213,987	-	
<b>Estimated Net City Proceeds:</b>		<b>\$218,213,987</b>	<b>\$37,237,551</b>		
<b>Estimated Payback Period:</b>		<b>10.0 Years</b>			
<b>NPV of Balance to Developer:</b>		<b>\$19,134,646</b>			

**Notes:**

- (1) City currently receives 10% of total investment years 1-10
- (2) Transit occupancy tax revenues revenues assume 4 year stabilization period with 3% annual increase thereafter
- (3) Excess project revenue generated after returning \$75 million to the Agency and 50% TOT to the hotel developer

NOTE: The information contained in these schedules is only an estimate of development revenues, expenses, volume and types of products, and the timing thereof. This information is presented for illustrative purposes only. This information is not meant to be a representation or promise of actual projects results, and is not meant to be a promise of the amount of investment return, cash flow, tax collections or the timing thereof. Actual results will vary.

**Mixed Use Development Example**  
Summary of Project Cash Flows

<b>Estimated Unleveraged Internal Rate of Return</b>	<b>15.0%</b>
<b>Estimated Stabilized Return On Cost <sup>(1)</sup></b>	<b>10.4%</b>
<b>Net Operating Income at Stabilization <sup>(2)</sup></b>	<b>6,939,250</b>
<b>NPV of Subsidy Revenue (10%)</b>	<b>19,134,646</b>

PREDEVELOPMENT EXPENSES	\$1,200,000
SITE CONSTRUCTION	\$24,256,151
VERTICAL CONSTRUCTION	\$27,747,500
TENANT IMPROVEMENTS	\$20,250,000
SALES, MARKETING & OTHER	\$5,950,000
FINANCE, INSURANCE, TAX, ETC.	\$7,492,813
DEVELOPMENT EXPENSE	\$3,612,683
GENERAL CONTINGENCY	\$7,820,365
<b>SUBTOTAL</b>	<b>\$98,329,512</b>
less: HOTEL SITE REIMBURSEMENTS	(\$10,400,000)
less: CITY DEV. PARTICIPATION	(\$12,000,000)
<b>TOTAL</b>	<b>\$75,929,512</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Est. Development Costs</b>											
Total	(43,348,314)	(23,490,859)	(10,967,559)	-	-	-	-	-	-	-	75,929,512
<b>Est. Operating Income</b>											
Gross Income	-	-	4,386,667	7,520,000	7,520,000	7,520,000	7,520,000	7,958,667	8,272,000	8,272,000	58,969,333
Common Area Maintenance Reimbursement	-	-	-	3,015,000	3,105,450	3,198,614	3,294,572	3,393,409	3,495,211	3,600,068	23,102,323
Gross Common Area Maintenance	-	-	-	(3,015,000)	(3,105,450)	(3,198,614)	(3,294,572)	(3,393,409)	(3,495,211)	(3,600,068)	(23,102,323)
Common Area Maintenance Slippage Expense	-	-	(4,500)	(55,620)	(57,289)	(59,007)	(60,777)	(62,601)	(64,479)	(66,413)	(430,686)
Vacancy Expense	-	-	(307,271)	(526,750)	(531,273)	(535,931)	(540,729)	(557,477)	(579,425)	(579,425)	(4,158,280)
Net Operating Income	-	-	4,074,896	6,937,630	6,931,439	6,925,062	6,918,494	7,338,589	7,628,096	7,626,162	54,380,367
Project Improvements & Site Amenities <sup>(3)</sup>	-	-	-	860,055	1,511,592	2,376,834	2,678,069	2,983,411	3,297,914	19,047,873	32,755,748
<b>Est. Sale Proceeds</b>											
Total	-	-	-	-	-	-	-	-	-	104,630,940	104,630,940
<b>Est. Project Cash Flow</b>	<b>\$ (43,348,314)</b>	<b>\$ (23,490,859)</b>	<b>\$ (6,892,663)</b>	<b>\$ 7,797,685</b>	<b>\$ 8,443,030</b>	<b>\$ 9,301,896</b>	<b>\$ 9,596,563</b>	<b>\$ 10,322,000</b>	<b>\$ 10,926,010</b>	<b>\$ 131,304,975</b>	<b>\$ 113,960,324</b>

- (1) Est. Stabilized Net Operating Income / Total Project Cost  
(2) Project's Est. Annual Revenue When Fully Developed and Leased  
(3) Excess project generated revenue after returning \$75 million to Agency and 50% TOT to the hotels

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