

EXHIBIT C

PFM Review of Responses (Public Facilities Finance)

5/2/2017

Plenary			Strada Scannel		
Summary of Financing Structure	63-20 Non-Profit Structure City leases public facilities to 63-20; 63-20 leases back sites and new public facilities to City		63-20 Non-Profit Structure		
	Public offering of tax-exempt bonds plus privately placed tax-exempt bonds (to developer)		Private placement of tax-exempt bonds		
Agreements	Design-Build Contract Qualified Management Contract Incidental Services Contract				
City Lease Payments (Total) Includes O&M and Capital Reserve	Escalating Payments \$5,792,898 (2016\$) (32 years) [fixed component and variable component tied to CPI] →\$10.7 million in final year \$2.6 million →11.07 million (2% annual escalation; see City Payments Schedule) 7,834,437 8,255,787 (average payment) for 32 years Total Payments: 255,929,392		Escalating Payments 8,149,364 (average payment) including fire station for 30 years 7,954,346 (average payment) excluding fire station Offers 40-year option		
O&M Payment	720,879 727,129 per year (2016\$, inflated at CPI annually)		784,546 in year 1 (2.75% annual escalation) 1,723,025 in year 30 1,194,984 average payment (30 years) Above figures for Administration and Essential Services only (assumes Fire Station O&M would need to be paid separately by the City)		
Capital Reserve	207,834 average payment (30 years) JCI fluctuating lifecycle		437,067.95 average payment (30 years) Above figures for Administration and Essential Services only (assumes Fire Station O&M would need to be paid separately by the City)		
Swing Space Costs	\$7 million (\$2.90/sf) \$4,637,306 now included in cost of financing		N/A		
New Annual Tax Revenues	2,730,155 beginning in year 3 (3.89% annual escalation)		2.7 million beginning in year 3 (2.75% annual escalation)		
Risk Sharing	\$9.2 9.8 million subordinate debt purchased by Plenary (they earn 12% interest)				
Construction	83,376,440 86,669,774 (Scope additions, 4 th floor)		94,370,201		
Public Facilities Cost (NPV 5%)	Original		Cost of Public Facilities (Civic Campus)		\$94,370,201.25
			Cost of Public Facilities (Fire Station #1)		\$6,927,350.40
			NPV Cost of Financing		\$46,948,599.44
			NPV Cost of Phasing		N/A
			NPV Cost of O&M (30 years)		\$23,769,889.80
			Total Public Facilities Cost		\$172,016,040.89
			Residual Land Value of Excess City Land		\$21,670,000.00
			NPV Anticipated Additional Tax Revenue		\$49,855,815.36
			Net Public Facilities Cost		\$100,490,225.53
	Total Public Facilities Cost	164,799,859 164,312,040		172,016,041	
	Net Public Building Cost	91,727,865 93,488,966		100,490,226	
Financing Assumptions	Senior Debt: AA/AA- rating DSRF sized at ½ MADS 32-year term Capitalized interest during construction Subordinate Debt: 0% during construction, 12% interest during operations 32-year term		AA category ratings Capitalized interest during construction No DSRF Developer Fee of \$7 million Two Options: 30-year term or 40-year term (figures reflect 30-year term)		
Credit	Recommends single rating from S&P or Moody's Assumes AA/AA- (appropriation backed rating one notch below GO)		Assumes AA category ratings		

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Value of Excess City Land	14,350,000 for Superblock Site (firm fixed offer) [11,834,410 available proceeds for construction] [2,515,590 carried interest in hotel portion of private development]	21,670,000 total 13,310,000 for City Hall and Police Department 6,320,000 for CSB Block 2,040,000 for Fire Station 1
Private Developer Proceeds	14,350,000	21,670,000 (land) 3,500,000 (predevelopment cost which requires return)
Tax-Exempt Debt	83,195,216 88,481,427 (publicly sold in municipal market)	104,993,600.30 (privately placed)
Subordinated Debt	9,244,562 9,840,278 (sold to developer)	
Notes	Advantage over 100% public finance alternative: Long-term O&M contract Possible treatment of 63-20 debt as operating lease Proposal based on 4-story option	
Cost Reductions	\$4.5 million in aggregate fees DSRF lowered to ½ MADS requirement instead of MADS Lower interest rate assumptions for debt	No fee reductions
Affordable Housing	“affordable housing being provided at a property owned and controlled by Cresleigh at Soscol and Central”	