



Michael V. O'Brien
City Manager

CITY OF WORCESTER

cm2010aug26155608

Attachment for Item # 11.4 C

September 7, 2010

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

I respectfully request City Council's review, deliberation and approval of the following actions that are required to facilitate and support the first phase of development at CitySquare.

Much work is underway to advance the CitySquare project. My Administration and I have worked very closely with the new developer of CitySquare to advance the demolition of the former mall, the construction of a new building to be leased by Unum Group, and the construction of Mercantile Street, a direct connection from Major Taylor Boulevard through to Front Street and Worcester Common. The Developer, CitySquare II Development Co. LLC, a development entity including Opus Investment Management, Inc. (an arm of Hanover Insurance Group) and Leggat McCall Properties, have already begun construction activity at the site.

As Phase 1A construction begins, there are a number of minor but important actions that must be taken to recognize new sources of funding and new timelines for the Tax Increment Financing (TIF) Program and District Improvement Financing (DIF) Program to ensure that Unum's timelines align with the developer's construction plans. All of these amendments will strengthen the project and lay the groundwork for on-site construction activity. All of these required changes maintain and enhance our original goals of measured risk and protections for the taxpayer in this significant public/ private redevelopment effort.

These actions include:

- *Amendment of the existing Certified Project designation for Unum Group and The Paul Revere Life Insurance Company related to timing and coverage.* In order to ensure that the targeted tax payment schedule aligns with the construction and occupation schedule, Unum and CitySquare II have requested to move the commencement date from July 1, 2011 to July 1, 2012.
- *Authorization to file and accept an amendment of no less than \$4 million to the City's existing \$7.25 million Growth District Initiative grant.* The State has agreed to increase our Growth District Initiative grant by \$4 million, on top of the \$7.25 million awarded last year. These funds, which will require City Council



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acceptance, are needed to address the construction of the additional public infrastructure and improvements.

- *Authorization to advertise and ultimately approve an amendment to the CitySquare Permit Fee Ordinance.* This action will modify the payment period for the second permit fee payment of \$750,000 from the commencement of the enabling work to the substantial completion of the construction of Building H. This will correspond with the project's budget expenditures and construction schedules.
- *Amendment of the CitySquare District Improvement Financing (DIF) District and Program.* The shift in the timing of the TIF program and the addition of new dollars through the Growth District Initiative grant trigger amendments. The amendment revises the Sources and Uses of the project based on new timelines and additional grant funding sources.

It is important that we work together with the Developer to make these appropriate and reasonable minor adjustments timed with the full commencement of Phase 1A of the project. As you know from past experiences, any changes to the DIF, TIF or GDA require City Council approvals and a public hearing. We will also be required to go before the State's Economic Assistance Coordinating Council (EACC) in order to fulfill these regulatory requirements. Their next meeting is scheduled for September 28, 2010.

It is for these collective reasons that I respectfully request your review, consideration, deliberation and approval of actions, as identified and further detailed within the attachment. Per DIF regulations, we are holding a public hearing on these modifications prior to City Council actions on Tuesday, September 7, 2010 at 7:00 P.M. before the full City Council. This hearing had to be advertised, and all changes made available to the public, to meet all State requirements. Upon adjournment of this DIF public hearing, the City Council will then be able to deliberate on these changes collectively.

The vision for CitySquare is unchanged – intimate street and block patterns, key connections (Front Street), pedestrian friendly, new buildings and new mixed uses, all guided by set design standards to the DIF District. The new developer, CitySquare II, LLC shares our vision for CitySquare. They are proceeding with Phase 1A as per the program and plans per all previous City and State approvals, with the exception of the minor changes to items such as timelines that are now before your Honorable Body.

The original CitySquare development and business plan were shaped by Berkeley Investments in 2005. As the new developer, CitySquare II continues to review all of Berkeley's previous plans and, with their team's extensive financial, real estate, and development expertise, are shaping the CitySquare II development program. My Administration and I are working closely with them as they evaluate the logical next steps of site development beyond Phase IA. This is inclusive of our mutual goal of the complete reconnection of Front Street through to Washington Square.

Advancing the reconnection of Front Street requires sweeping changes to the original CitySquare plans as prepared by Berkeley Investments and approved by the City and State. These changes then trigger extensive revisions and amendments to our previous City and State approvals. The new Front Street, through the CitySquare site, would be

built as an at-grade road on fill versus a bridge deck that would span over the proposed underground garage. This decision, in turn, substantially reduces the size of this underground garage (and proposed revenues from this garage). This may also require thoughtful modification to the development program (building size, locations, and uses). All these will then affect the projected, net-new City revenues (produced by the development), which are applied to support the City's DIF bonds. The City's DIF bonds are applied to build the public infrastructure (underground garage, roads, streetscape, etc.).

This phased project is complex and requires intensive due diligence and planning to ensure that the vision for CitySquare is maintained, the short-term goal of the reconnection of the new Front Street is attained, and the project's measured risk component and taxpayer protections are intact. All of this is within our reach. We expect to have these comprehensive changes before City Council and the community in late Fall of 2010 for review, discussion, and deliberations to hopefully secure all City and State approvals prior to the end of this calendar year. This approach allows us to achieve the significant goal of the reconnection in the heart of Downtown to Washington Square while concurrently meeting and exceeding all other identified standards.

SUMMARY OF MODIFICATIONS AND REQUESTED CITY COUNCIL ACTIONS

Tax Increment Financing (TIF)

The first City Council action required is the amendment of the existing Certified Project and TIF Plan. On April 14, 2009, in order to make sure that new construction in Worcester was competitive with existing suburban locations, the City Council authorized a TIF arrangement with The Paul Revere Life Insurance Company, Unum Group, and Worcester Renaissance LLC., whereby the companies would pay specific annual tax payments during the fifteen years of the lease. In addition to the commitment of relocating in CitySquare, the companies agreed to retain 682 full-time jobs and create an additional 50 full-time jobs. Under the original approvals, the eligibility period for these targeted tax payments would begin on July 1, 2011. However, in order to ensure that the targeted tax payment schedule aligns with the construction and occupation schedule, Unum and CitySquare II, successor to Worcester Renaissance LLC, have asked the City to move the commencement date to July 1, 2012.

Growth District Initiative Grant

The second City Council action required relates to the amendment of the existing Growth District Initiative grant from the Commonwealth to include an additional \$4 million for a total Growth District Initiative award grant of \$11.25 million. The original grant of \$7.25 million was approved by City Council on April 14, 2009 and entered into by the City and the Commonwealth on April 24, 2009. This grant will assist the City in the construction of public infrastructure and improvements under the DIF. These additional grant dollars will be applied towards:

- \$500,000 for site work on the portion of the East Garage property fronting Foster Street that was not completed during the recent re-construction of Foster Street;
- \$2,500,000 for the infill of the site bounded by the to-be-constructed Mercantile Street, Front Street Extension, and the East Garage/Eaton Place and infill of other areas in connection with the enabling work and the site work;

- \$1,100,000 for the creation of green space parkland for the filled site to be bounded by Mercantile Street, Front Street Extension, and the East Garage/Eaton Place.

Therefore, included herein is a Resolution to file and accept a \$4 million amendment to the Growth District Initiative Grant to be used to fund public infrastructure and public improvements. The Commonwealth's Executive Office of Housing and Economic Development is responsible for the Growth District Initiative grant program.

Permit Fee Ordinance

As the demolition and construction schedule takes shape and the project's finances become clear, CitySquare II has requested a modification in the payment period for the second permit fee payment of \$750,000 from the commencement of the enabling work to the substantial completion of the construction of the core/shell of Building H. This will delay payment for approximately eighteen (18) months, ensuring it corresponds with project expenditures and construction schedule. An amendment to the permit fee ordinance is attached and requires advertisement and adoption.

District Improvement Financing (DIF)

In light of the above financial modifications, the final City Council action required is an amendment to the District Improvement Financing plan. The shift in the timing of the tax increment financing program and the addition of new dollars through the Growth District Initiative grant triggers certain amendments to the timeline and cash flow. Thus, attached herein is a request for City Council to approve Amendment #4 to the DIF Program. Like the preceding Amendment #3, this is a simple amendment which revises the Sources and Uses of the project based on new timelines and funding sources.

The DIF Amendment, like the Certified Project Amendment, must be approved by the City Council and by the state's Economic Assistance Coordinating Council (EACC). In order to fulfill the requirements of 402 CMR 3.04 (2) which states that the City must hold a single public hearing on the proposed Amendment to the CitySquare Development District and Development Program prior to seeking municipal approval of said Amendment, I respectfully request that the City Council hold a public hearing at the start or after the September 7, 2010 City Council meeting in the Esther Howland Council Chamber. The hearing will provide an opportunity for the public to comment on the proposed DIF Amendment. Written testimony will be accepted until 12:00 noon on September 8th. The hearing was advertised on August 23rd in the *Worcester Telegram & Gazette* and all required public notifications have been sent per the DIF statute.

GDA

The General Development Agreement (GDA) must also be amended to reflect the change in the Sources and Uses and schedule for the project. The attached draft amendment to the GDA is provided for your information. It will be signed upon EACC approval of the above items.

Also, as required, the Inspector General is being provided with the proposed amendment to the GDA for his review. This review is to ensure that the proposed amendment does not affect the fundamental safeguards in the GDA. As the amendment provides for a Revised Cost and Financial Projections chart to increase the State's commitment by \$4 million while maintaining all other significant terms and conditions of the GDA, and the amendment revises the timeline for the project commencement while

implementing the very conditions of the DIF as previously amended, we are confident that we will receive a favorable response from the Inspector General.

REVISED COST AND FINANCIAL PROJECTIONS

Sources

State Grant	\$25,000,000.00
Growth District Grant	\$11,250,000.00
DIF Bonds	\$ 4,074,058.16
DIF Bond Contributions (To Date)	\$ 6,100,000.00
Total	\$46,424,058.16

Uses

Demo/Enabling/Street Work	\$39,100,000.00
Project Costs to Date (1st dis.)	\$ 6,100,000.00
Capitalized Interest	\$ 1,224,058.16
Total	\$46,424,058.16

To summarize, I respectfully request the following City Council actions and next steps:

- Hold a public hearing on behalf of the City to solicit public comment on the proposed DIF amendments; scheduled for 7 P.M. on Tuesday, September 7, 2010.
- Vote to adopt the Resolution that approves the Certified Project Application of Unum Group and The Paul Revere Life Insurance Company;
- Vote reconsideration of the vote to approve the Resolution approving the Certified Project Application of Unum Group and The Paul Revere Life Insurance Company;
- Vote to adopt the Resolution to file and accept a Growth District Initiative Grant from the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;
- Vote reconsideration of the Vote to adopt the Resolution to file and accept a Growth District Initiative Grant from the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;
- Vote to advertise the attached Amendment to the CitySquare Permit Fee Ordinance;
- Vote to approve Amendment #4 to the CitySquare DIF District and Program;
- Vote reconsideration of the vote to approve Amendment #4 to the CitySquare DIF District and Program

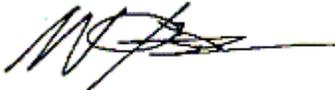
Next Steps:

Following the above Council votes, approvals and adoptions, the following actions will take place:

- September 8th – 10th: Certified Project, Growth District Initiative Grant Application, DIF Amendment #4 Application, Local Certifications, and Hearing Transcript delivered to Executive Office of Housing and Economic Development and the EACC;
- September 10th – 28th: Executive Office of Housing and Economic Development approves Growth District Initiative grant amendment;
- September 28th: EACC votes final approval of Certified Project, Growth District Grant, and DIF Amendment #4;
- September – Third Quarter 2012: Demolition and Construction;
- Third Quarter 2012: Unum occupies Building H

I must extend my sincere gratitude to the City Council for your understanding of these unique circumstances to maintain key project timelines, for the important City Council actions that will allow for this to occur and for your support for this catalyst project since its inception.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael V. O'Brien", with a long horizontal flourish extending to the right.

Michael V. O'Brien
City Manager

**RESOLUTION
 APPROVING CERTIFIED PROJECT APPLICATION OF
 Unum Group and The Paul Revere Life Insurance Company**

WHEREAS: Unum Group and The Paul Revere Life Insurance Company (the COMPANIES) have applied for designation as a Certified Project under the Massachusetts Economic Development Incentive Program (EDIP) created by Chapter 23A of Massachusetts General Laws; and

WHEREAS: The COMPANIES meet the minimum standards of the EDIP and the local economic development goals and criteria established as part of the documents creating the City of Worcester Economic Target Area (ETA) and the Site Specific Economic Opportunity Area (EOA); and

WHEREAS: The proposed Certified Project is located within the boundaries of the new Site Specific EOA at One Mercantile Street, Worcester, MA 01608, City Assessor's Map 02, Block 23B, Lot 00A1A and has a base value of \$500,000; and

WHEREAS: The COMPANIES will be investing approximately \$15,000,000 to \$25,000,000 in the property, retaining approximately 682 jobs, and creating at least 50 new, permanent full-time positions at the site of the Certified Project in the calendar years 2009 through 2013 and will make every effort to ensure that the positions will be made available to or taken by residents of the City of Worcester's Economic Target Area; and

WHEREAS: The City of Worcester has agreed to offer a Tax Increment Financing (TIF) Agreement to the COMPANIES which will occupy approximately 194,858 square feet of office space at One Mercantile Street through a triple net lease with the property owner. The following is a summary of the amount of taxes to be paid to the City of Worcester through a formulaic TIF Plan:

Tax Target Year	Tax Target Payment
1	\$147,076
2	\$141,594
3	\$138,862
4	\$133,049
5	\$126,541
6	\$123,949
7	\$118,092
8	\$ 85,627
9	\$ 43,299
10	\$ 39,005
11	\$ 66,599
12	\$ 43,344
13	\$ 39,593
14	\$ 64,545
15	\$ 44,480
Total Tax Target Payments	\$1,355,655

; and

WHEREAS: The TIF Plan for the COMPANIES will be valid for a period of 20 years beginning July 1, 2012 and in anticipation of an increase in value to the aforementioned parcel as determined by the City of Worcester Assessor's Office. While billing will continue to occur on a quarterly basis, the COMPANIES' exemption for each TIF Year will be calculated annually and will be reflected in the third quarter actual tax bill issued in December upon the realization of an increase in property value; and

WHEREAS: The TIF Plan for the COMPANIES will end on June 30, 2032.

NOW, THEREFORE, BE IT RESOLVED

1. That the Worcester City Council hereby approves the Certified Project application of the COMPANIES and forwards said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and designation;
2. That the City Manager be and is hereby authorized to file the necessary information and application with the Massachusetts Economic Assistance Coordinating Council;
3. That the City Manager be and is hereby authorized to execute any actions necessary to carry out the Site Specific Economic Opportunity Area and Certified Project designation;
4. That this resolution shall take effect upon passage.

RESOLUTION

A RESOLUTION TO APPLY FOR, ACCEPT, AMEND, AND EXPEND A GROWTH DISTRICT INITIATIVE GRANT FROM THE COMMONWEALTH OF MASSACHUSETTS EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

WHEREAS: The Patrick/Murray Administration established the Growth District Initiative in February 2008 to target certain areas for significant new growth, whether commercial, residential, or mixed-use; and

WHEREAS: The first announced Growth District was the Innovation Square Growth District in the Lincoln Square area of Worcester; and

WHEREAS: The City of Worcester worked with Administration officials to extend the boundary of the Innovation Square Growth District to include all of Worcester's Downtown, renaming it the Worcester Growth District; and

WHEREAS: CitySquare meets all of the Commonwealth's criteria for Growth District Initiative grants for new growth including job creation, workforce housing, smart growth, and its location within a designated Gateway Plus city; and

WHEREAS: The City of Worcester received a Growth District Initiative grant in the amount of \$7.25 million from the Commonwealth of Massachusetts Executive Office of Housing and Economic Development to enhance economic development efforts within the city; and

WHEREAS: The City of Worcester is now requesting an additional grant of no less than \$4 million to further enhance public investment in its Downtown; and

WHEREAS: The City of Worcester, through this award, will leverage investment in certain public infrastructure to support CitySquare II Development Co. LLC's CitySquare project, a \$563 million public-private partnership.

NOW THEREFORE BE IT RESOLVED:

1. That the City Manager be and is hereby authorized to apply for and accept a grant application and/or amendment with the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;
2. That the City Manager be and is hereby authorized to apply for and accept information as required by the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;
3. That the City Manager be and is hereby authorized to accept grant funds and execute contracts and any amendments thereto in order to carry out the terms purposes and

conditions of the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;

4. That the City Manager be and is hereby authorized to take such other actions as are necessary to carry out the terms, purposes, and conditions of the Commonwealth of Massachusetts Executive Office of Housing and Economic Development;
5. That this resolution shall take effect upon passage.

**AN ORDINANCE AMENDING THE PERMIT AND INSPECTION FEE
ORDINANCE FOR THE CITY SQUARE PROJECT**

Be it Ordained by the City Council of the City of Worcester, as follows:

Section twenty-nine of Chapter two of the Revised Ordinances of 2008 is hereby amended by deleting the words “on the later of June 15, 2009 or the Commencement of the Enabling Work” and replacing them with the words “upon the substantial completion of the construction of the core/shell of Building H”.

Schedule 1
Phase 1A/1B Estimated Tax Revenues

BLDG	M/B/L	Original ASSD VALUE	FY09 ASSD VALUE	2007	2008	2009	2010	2011	2012	2013	2014
A	(2/23B/M)	\$19,875,900	\$20,961,200	\$503,258	\$555,883	\$648,254	\$692,038	\$705,879	\$719,996	\$734,396	\$785,804
B	(2/23B/O)	\$9,446,100	\$11,557,100	\$239,175	\$250,123	\$335,390	\$383,219	\$390,883	\$398,701	\$406,675	\$435,142
C	(2/23B/F)	\$1,227,400	\$2,649,200	\$31,078	\$60,312	\$76,085	\$71,559	\$72,990	\$74,450	\$75,939	\$77,458
MALL	(2/23B/1)	\$2,120,200	\$2,329,200	\$53,683	\$55,633	\$66,895	\$32,764	\$33,419	\$34,088	\$34,769	\$35,465
OTHERS		\$1,583,300	\$2,771,300	\$40,089	\$41,482	\$79,592	\$109,144	\$111,327	\$113,554	\$115,825	\$118,141
TOTAL "BASE" BUILDINGS				\$867,283	\$963,433	\$1,206,215	\$1,288,724	\$1,314,499	\$1,340,789	\$1,367,604	\$1,452,010
BASE VALUE		\$31,760,400	\$40,268,000	\$836,340	\$853,067	\$1,009,486	\$938,986	\$957,766	\$976,921	\$996,459	\$1,016,389
NET INCREMENT EXISTING BUILDINGS				\$30,943	\$60,909	\$196,729	\$349,738	\$356,733	\$363,868	\$371,145	\$435,621
H		\$30,000,000								\$147,076	\$141,594

Schedule 1
Phase 1A/1B Estimated Tax Revenues

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
\$801,520	\$817,550	\$833,901	\$850,580	\$867,591	\$884,943	\$902,642	\$920,695	\$939,109	\$957,891	\$977,049	\$996,589	\$1,016,521	\$1,036,852	\$1,057,589
\$443,845	\$452,722	\$461,777	\$471,012	\$480,432	\$490,041	\$499,842	\$509,839	\$520,035	\$530,436	\$541,045	\$551,866	\$562,903	\$574,161	\$585,644
\$79,007	\$80,587	\$82,199	\$83,843	\$85,520	\$87,230	\$88,975	\$90,754	\$92,569	\$94,421	\$96,309	\$98,235	\$100,200	\$102,204	\$104,248
\$36,174	\$36,898	\$37,636	\$38,388	\$39,156	\$39,939	\$40,738	\$41,553	\$42,384	\$43,231	\$44,096	\$44,978	\$45,878	\$46,795	\$47,731
\$120,504	\$122,914	\$125,372	\$127,880	\$130,437	\$133,046	\$135,707	\$138,421	\$141,190	\$144,013	\$146,894	\$149,831	\$152,828	\$155,885	\$159,002
<u>\$1,481,050</u>	<u>\$1,510,671</u>	<u>\$1,540,885</u>	<u>\$1,571,702</u>	<u>\$1,603,136</u>	<u>\$1,635,199</u>	<u>\$1,667,903</u>	<u>\$1,701,261</u>	<u>\$1,735,286</u>	<u>\$1,769,992</u>	<u>\$1,805,392</u>	<u>\$1,841,500</u>	<u>\$1,878,330</u>	<u>\$1,915,896</u>	<u>\$1,954,214</u>
\$1,036,716	\$1,057,451	\$1,078,600	\$1,100,172	\$1,122,175	\$1,144,619	\$1,167,511	\$1,190,861	\$1,214,679	\$1,238,972	\$1,263,752	\$1,289,027	\$1,314,807	\$1,341,103	\$1,367,925
<u>\$444,334</u>	<u>\$453,220</u>	<u>\$462,285</u>	<u>\$471,531</u>	<u>\$480,961</u>	<u>\$490,580</u>	<u>\$500,392</u>	<u>\$510,400</u>	<u>\$520,608</u>	<u>\$531,020</u>	<u>\$541,640</u>	<u>\$552,473</u>	<u>\$563,523</u>	<u>\$574,793</u>	<u>\$586,289</u>
<u>\$138,862</u>	<u>\$133,049</u>	<u>\$126,541</u>	<u>\$123,949</u>	<u>\$118,092</u>	<u>\$85,627</u>	<u>\$43,299</u>	<u>\$39,005</u>	<u>\$66,599</u>	<u>\$43,344</u>	<u>\$39,593</u>	<u>\$64,545</u>	<u>\$44,480</u>	<u>\$1,139,887</u>	<u>\$1,168,384</u>

Schedule 1
Phase 1A/1B Estimated Tax Revenues

2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	Total
\$1,078,740	\$1,100,315	\$1,122,322	\$1,144,768	\$1,167,663	\$1,191,017	\$1,214,837	\$1,239,134	\$1,263,916	\$1,289,195	\$1,314,979	\$1,341,278	\$1,368,104	\$35,042,796
\$597,357	\$609,304	\$621,490	\$633,920	\$646,599	\$659,531	\$672,721	\$686,176	\$699,899	\$713,897	\$728,175	\$742,739	\$757,593	\$19,284,310
\$106,333	\$108,460	\$110,629	\$112,841	\$115,098	\$117,400	\$119,748	\$122,143	\$124,586	\$127,078	\$129,619	\$132,212	\$134,856	\$3,467,173
\$48,686	\$49,659	\$50,652	\$51,666	\$52,699	\$53,753	\$54,828	\$55,924	\$57,043	\$58,184	\$59,347	\$60,534	\$61,745	\$1,687,011
\$162,182	\$165,426	\$168,735	\$172,109	\$175,551	\$179,062	\$182,644	\$186,297	\$190,023	\$193,823	\$197,699	\$201,653	\$205,687	\$5,193,970
<u>\$1,993,299</u>	<u>\$2,033,165</u>	<u>\$2,073,828</u>	<u>\$2,115,304</u>	<u>\$2,157,610</u>	<u>\$2,200,763</u>	<u>\$2,244,778</u>	<u>\$2,289,673</u>	<u>\$2,335,467</u>	<u>\$2,382,176</u>	<u>\$2,429,820</u>	<u>\$2,478,416</u>	<u>\$2,527,985</u>	<u>\$64,675,259</u>
\$1,395,284	\$1,423,189	\$1,451,653	\$1,480,686	\$1,510,300	\$1,540,506	\$1,571,316	\$1,602,743	\$1,634,797	\$1,667,493	\$1,700,843	\$1,700,843	\$1,700,843	\$45,894,281
<u>\$598,015</u>	<u>\$609,975</u>	<u>\$622,175</u>	<u>\$634,618</u>	<u>\$647,310</u>	<u>\$660,257</u>	<u>\$673,462</u>	<u>\$686,931</u>	<u>\$700,670</u>	<u>\$714,683</u>	<u>\$728,977</u>	<u>\$777,573</u>	<u>\$827,141</u>	<u>\$18,731,521</u>
<u>\$1,197,593</u>	<u>\$1,227,533</u>	<u>\$1,258,222</u>	<u>\$1,289,677</u>	<u>\$1,321,919</u>	<u>\$1,354,967</u>	<u>\$1,388,841</u>	<u>\$1,423,562</u>	<u>\$1,459,151</u>	<u>\$1,495,630</u>	<u>\$1,525,543</u>	<u>\$1,556,054</u>	<u>\$1,587,175</u>	<u>\$21,749,794</u>

Schedule 2
Phase 1A/1B
Revenue/Expense Summary

Fiscal Year	Short-Term Debt Payment	Long-Term Debt Payment	Capitalized Interest of State Paid	Total Debt Expenses	Existing Buildings Incremental	Bldg H "New Growth"	Permit Fees	Investment Earnings	Total Project Revenues	Net Cash In/(Out)	Reserve Fund
2006	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2007	\$13,501.39	\$10,436.38	\$0.00	\$23,937.77	\$30,943.43	\$0.00	\$250,000.00	\$327,642.09	\$608,585.52	\$584,647.75	\$584,647.75
2008	\$0.00	\$36,472.75	\$0.00	\$36,472.75	\$60,908.84	\$0.00	\$0.00	\$1,420,523.04	\$1,481,431.88	\$1,444,959.13	\$2,029,606.88
2009	\$674,062.50	\$36,775.25	\$674,062.50	\$36,775.25	\$196,728.92	\$0.00	\$0.00	\$511,370.35	\$708,099.27	\$671,324.02	\$2,700,930.90
2010	\$264,919.10	\$507,777.75	\$264,919.10	\$507,777.75	\$349,738.11	\$0.00	\$0.00	\$102,531.34	\$452,269.45	-\$55,508.30	\$2,645,422.60
2011	\$25,594.97	\$443,627.75	\$25,594.97	\$443,627.75	\$356,732.87	\$0.00	\$0.00	\$50,000.00	\$406,732.87	-\$36,894.88	\$2,608,527.72
2012	\$52,461.11	\$443,702.75	\$52,461.11	\$443,702.75	\$363,867.53	\$0.00	\$750,000.00	\$25,000.00	\$1,138,867.53	\$695,164.78	\$3,303,692.50
2013	\$157,458.92	\$507,878.88	\$157,458.92	\$507,878.88	\$371,144.88	\$147,076.00			\$518,220.88	\$10,342.00	\$3,314,034.50
2014	\$61,792.69	\$572,110.01	\$61,792.69	\$572,110.01	\$435,621.34	\$141,594.00			\$577,215.34	\$5,105.33	\$3,319,139.83
2015		\$724,052.77		\$724,052.77	\$444,333.77	\$138,862.00			\$583,195.77	-\$140,857.00	\$3,178,282.83
2016		\$724,912.27		\$724,912.27	\$453,220.45	\$133,049.00			\$586,269.45	-\$138,642.82	\$3,039,640.01
2017		\$725,076.77		\$725,076.77	\$462,284.86	\$126,541.00			\$588,825.86	-\$136,250.91	\$2,903,389.10
2018		\$777,160.64		\$777,160.64	\$471,530.55	\$123,949.00			\$595,479.55	-\$181,681.09	\$2,721,708.01
2019		\$800,949.51		\$800,949.51	\$480,961.16	\$118,092.00			\$599,053.16	-\$201,896.35	\$2,519,811.66
2020		\$823,244.25		\$823,244.25	\$490,580.39	\$85,627.00			\$576,207.39	-\$247,036.86	\$2,272,774.80
2021		\$831,981.75		\$831,981.75	\$500,391.99	\$43,290.00			\$543,681.99	-\$288,299.76	\$1,984,475.05
2022		\$849,291.75		\$849,291.75	\$510,399.83	\$39,005.00			\$549,404.83	-\$299,886.92	\$1,684,588.13
2023		\$867,097.38		\$867,097.38	\$520,607.83	\$66,599.00			\$587,206.83	-\$279,890.55	\$1,404,697.58
2024		\$882,697.99		\$882,697.99	\$531,019.99	\$43,344.00			\$574,363.99	-\$308,334.00	\$1,096,363.58
2025		\$907,649.00		\$907,649.00	\$541,640.39	\$39,593.00			\$581,233.39	-\$326,415.61	\$769,947.97
2026		\$920,066.25		\$920,066.25	\$552,473.20	\$64,545.00			\$617,018.20	-\$303,048.05	\$466,899.91
2027		\$941,648.75		\$941,648.75	\$563,522.66	\$44,480.00			\$608,002.66	-\$333,646.09	\$133,253.82
2028		\$927,612.50		\$927,612.50	\$574,793.11	\$1,139,886.72			\$1,714,679.83	\$787,067.33	\$920,321.15
2029		\$944,518.75		\$944,518.75	\$586,288.97	\$1,168,383.89			\$1,754,672.86	\$810,154.11	\$1,730,475.27
2030		\$969,581.25		\$969,581.25	\$598,014.75	\$1,197,593.49			\$1,795,608.24	\$826,026.99	\$2,556,502.26
2031		\$980,750.00		\$980,750.00	\$609,975.05	\$1,227,533.32			\$1,837,508.37	\$856,758.37	\$3,413,260.63
2032		\$998,000.00		\$998,000.00	\$622,174.55	\$1,258,221.66			\$1,880,396.21	\$882,396.21	\$4,295,656.83
2033		\$1,012,875.00		\$1,012,875.00	\$634,618.04	\$1,289,677.20			\$1,924,295.24	\$911,420.24	\$5,207,077.07
2034		\$1,025,125.00		\$1,025,125.00	\$647,310.40	\$1,321,919.13			\$1,969,229.53	\$944,104.53	\$6,151,181.60
2035		\$1,044,750.00		\$1,044,750.00	\$660,256.61	\$1,354,967.10			\$2,015,223.72	\$970,473.72	\$7,121,655.32
2036		\$1,061,250.00		\$1,061,250.00	\$673,461.74	\$1,388,841.28			\$2,062,303.03	\$1,001,053.03	\$8,122,708.34
2037		\$1,074,875.00		\$1,074,875.00	\$686,930.98	\$1,423,562.31			\$2,110,493.29	\$1,035,618.29	\$9,158,326.63
2038		\$1,095,125.00		\$1,095,125.00	\$700,669.60	\$1,459,151.37			\$2,159,820.97	\$1,064,695.97	\$10,223,022.60
2039		\$254,000.00		\$254,000.00	\$714,682.99	\$1,495,630.16			\$2,210,313.15	\$1,956,313.15	\$12,179,335.75
2040		\$252,750.00		\$252,750.00	\$728,976.65	\$1,525,542.76			\$2,254,519.41	\$2,001,769.41	\$14,181,105.16
2041		\$251,125.00		\$251,125.00	\$777,573.05	\$1,556,053.62			\$2,333,626.66	\$2,082,501.66	\$16,263,606.82
2042		\$73,500.00		\$73,500.00	\$827,141.37	\$1,587,174.69			\$2,414,316.06	\$2,340,816.06	\$18,604,422.87
	\$1,249,790.67	\$25,300,448.10	\$1,236,289.28	\$25,313,949.49	\$18,731,520.86	\$21,749,784.69	\$1,000,000.00	\$2,437,066.82	\$43,918,372.36		

Schedule 3
Phase 1A/1B
Quarterly Bond Anticipation Notes (BANS)

Dated Dated	Amount Required	Due Date	Amount Borrowed	Rate	City Portion		Taxable Interest Due	Total Interest Due	Total Interest FY	Issuance Costs	EOAF Grant Funding	CDI Original Funding	CDI Additional Funding					
					Tax-Exempt Interest Due	Total Interest Due												
2/6/2006	\$175,000.00	11/10/2006	\$175,000.00	4.25%	\$5,660.76	\$5,660.76	fy 07		\$0.00	\$0.00	fy 07	\$437.50	\$0.00	\$0.00	\$0.00			
4/27/2006	\$325,000.00	11/10/2006	\$325,000.00	4.50%	\$7,840.63	\$7,840.63	fy 07	\$13,501.39	\$0.00	\$0.00	fy 07	\$812.50	\$0.00	\$0.00	\$0.00			
7/15/2006	\$0.00	7/15/2008	\$0.00	4.50%	\$0.00	\$0.00	fy 09		\$0.00	\$0.00	fy 09	\$0.00	\$0.00	\$0.00	\$0.00			
11/8/2006	\$7,500,000.00	11/7/2008	\$7,500,000.00	4.50%	\$674,062.50	\$674,062.50	fy 09	\$674,062.50	\$0.00	\$0.00	fy 09	\$18,750.00	\$0.00	\$0.00	\$0.00			
11/15/2008	\$7,500,000.00	11/15/2009	\$8,174,062.50	3.25%	\$264,919.10	\$264,919.10	fy 10	\$264,919.10	\$0.00	\$0.00	fy 10	\$20,435.16	\$0.00	\$0.00	\$0.00			
2/18/2010	\$1,295,000.00	11/5/2010	\$1,295,000.00	1.25%	\$11,556.08	\$11,556.08	fy 11		\$0.00	\$0.00	fy 11	\$3,237.50	\$1,165,500.00	\$0.00	\$0.00			
6/3/2010	\$1,900,000.00	11/5/2010	\$1,900,000.00	1.75%	\$14,038.89	\$14,038.89	fy 11	\$25,594.97	\$0.00	\$0.00	fy 11	\$4,750.00	\$0.00	\$0.00	\$0.00			
9/15/2010	\$1,809,992.00	9/15/2012	\$180,999.20	3.50%	\$0.00	\$0.00	fy 13		\$12,669.94	\$12,669.94	fy 13	\$2,500.00	\$1,628,992.80	fy 11	\$0.00	\$0.00		
11/5/2010	\$155,094.97	9/15/2012	\$155,094.97	1.75%	\$4,945.81	\$4,945.81	fy 13									\$0.00		
11/5/2010	\$1,900,000.00	6/3/2012	\$1,900,000.00	1.75%	\$52,461.11	\$52,461.11	fy 12	\$52,461.11										
12/15/2010	\$6,144,513.00	9/15/2012	\$614,451.30	3.50%	\$0.00	\$0.00	fy 13		\$37,635.14	\$37,635.14	fy 13	\$2,500.00	\$5,530,061.70	fy 11	\$0.00	\$0.00		
3/15/2011	\$7,680,968.00	9/15/2012	\$768,096.80	3.50%	\$0.00	\$0.00	fy 13	\$0.00	\$40,325.08	\$40,325.08	fy 13	\$2,500.00	\$6,912,871.20	fy 11	\$0.00	\$0.00		
6/15/2011	\$6,334,828.00	9/15/2012	\$633,482.80	3.50%	\$0.00	\$0.00			\$27,714.87	\$27,714.87	fy 13	\$5,701,345.20	fy 11	\$0.00	\$0.00	\$0.00		
9/15/2011	\$5,562,019.00		\$0.00	3.50%	\$0.00	\$0.00			\$0.00	\$0.00	fy 14	\$0.00	\$4,061,229.10	fy 12	\$1,500,789.90	fy 12	\$0.00	
12/15/2011	\$3,876,498.00		\$0.00	3.50%					\$0.00	\$0.00	fy 14	\$0.00	\$0.00	fy 12	\$3,876,498.00	fy 12		
3/15/2012	\$4,063,086.00		\$0.00	3.50%					\$0.00	\$0.00	fy 14	\$0.00		fy 12	\$1,622,712.10	fy 12	\$2,440,373.90	fy 13
6/3/2012	\$1,952,461.11	6/3/2013	\$1,952,461.11	1.75%	\$34,168.07	\$34,168.07	fy 13	\$39,113.88										
6/15/2012	\$2,134,315.00	6/15/2014	\$574,688.90	3.50%					\$40,228.22	\$40,228.22	fy 14	\$2,500.00		fy 12	\$0.00	fy 13	\$1,559,626.10	
9/15/2012	\$352,073.00	6/15/2014	\$352,073.00	3.50%					\$21,564.47	\$21,564.47	fy 14	\$61,792.69	\$2,500.00		fy 13	\$0.00		
	<u>\$53,160,848.08</u>		<u>\$26,500,410.58</u>		<u>\$1,069,652.94</u>	<u>\$1,069,652.94</u>		<u>\$1,069,652.94</u>	<u>\$180,137.73</u>	<u>\$180,137.73</u>		<u>\$180,137.73</u>	<u>\$63,422.66</u>	<u>\$25,000,000.00</u>		<u>\$7,000,000.00</u>	<u>\$4,000,000.00</u>	

\$500,000 bonded November 15, 2006 for portion of legal costs.

9.3.10

\$39,100,000.00 Total Project Costs post 6/10 including contingency
\$36,000,000 grants

Schedule 4
Phase 1A/1B

Capitalized Interest and Bond Issuance Costs

Fiscal Year	Amount Borrowed	City Borrowing		State	
		Interest Rate	Interest Due	Capitalized Interest	Contribution Amount Applied
2007	\$7,500,000.00	4.50%	\$13,501.39	\$0.00	\$0.00
2008	\$0.00		\$0.00	\$0.00	\$0.00
2009	\$7,500,000.00	3.25%	\$674,062.50	\$674,062.50	\$0.00
2010	\$3,195,000.00	1.25%/1.75%	\$264,919.10	\$264,919.10	\$0.00
2011	\$4,252,125.07	3.50%	\$25,594.97	\$25,594.97	\$20,938,770.90
2012	\$2,527,150.01	3.50%	\$52,461.11	\$52,461.11	\$11,061,229.10
2013	\$352,073.00	3.50%	\$157,458.92	\$157,458.92	\$4,000,000.00
2014	\$0.00	3.50%	\$61,792.69	\$61,792.69	
	<u>\$25,326,348.08</u>		<u>\$1,249,790.67</u>	<u>\$1,236,289.28</u>	<u>\$36,000,000.00</u>

Bond Issuance			Taxable	Tax-Exempt
2007	\$500,000.00	4.07%	\$0.00	\$500,000.00
2010	\$8,785,000.00	4.71%	\$0.00	\$8,785,000.00
2011	\$0.00	3.50%	\$0.00	\$0.00
2012	\$0.00	0.00%	\$0.00	\$0.00
2013	\$2,562,045.09	5.00%	\$2,562,045.09	\$0.00
2014	\$988,554.59	5.00%	\$988,554.59	\$0.00
	<u>\$12,835,599.69</u>		<u>\$3,550,599.69</u>	<u>\$9,285,000.00</u>

Assumptions:
 Issuance Costs - Notes are 1/4 of 1% (minimum of \$2,500) Bonds are 1% due at time of issuance and covered by required premium amounts
 \$25MM State Grant received in lump sum payment in FY2007
 \$1,900,000 6/3/10 original BAN not incorporated into Phase 1A, 1B pro-forma as repayment will be captured in Phase II
 Tax-Exempt Notes and Bonds at Actual Rates except for FY 11 Bonds estimated at 3.50%
 Taxable Notes at 3.50% and Bonds at 5%
 BAN's issued based on cash flow requirement of Phase IA and Phase 1B. \$268,000 paydown on \$7.5MM prior to bond
 Bonds issued using level payments with 5 year delay of principal payments from date principal payment required, each issue maturing over 30 years
 Nov 1 2009 Bonds capitalize interest for fiscal 2010 and 2011 payments for estimated total of \$878,937
 9.3.10

Schedule 5
Phase 1A/1B
Principal Repayment Schedule

Fiscal Year	Principal Outstanding	Principal Payments	Interest Payments	11/15/2006 Bonding	Total Debt Due
2007	\$0.00	\$0.00	\$0.00	\$10,436.38	\$10,436.38
2008	\$0.00	\$0.00	\$0.00	\$36,472.75	\$36,472.75
2009	\$0.00	\$0.00	\$0.00	\$36,775.25	\$36,775.25
2010	\$8,785,000.00	\$268,000.00	\$203,725.00	\$36,052.75	\$507,777.75
2011	\$8,785,000.00	\$0.00	\$407,450.00	\$36,177.75	\$443,627.75
2012	\$8,785,000.00	\$0.00	\$407,450.00	\$36,252.75	\$443,702.75
2013	\$11,347,045.00	\$0.00	\$471,501.13	\$36,377.75	\$507,878.88
2014	\$12,335,600.00	\$0.00	\$535,552.26	\$36,557.75	\$572,110.01
2015	\$12,230,600.00	\$105,000.00	\$582,355.02	\$36,697.75	\$724,052.77
2016	\$12,120,600.00	\$110,000.00	\$578,080.02	\$36,832.25	\$724,912.27
2017	\$12,005,600.00	\$115,000.00	\$574,130.02	\$35,946.75	\$725,076.77
2018	\$11,833,555.00	\$172,045.00	\$568,128.89	\$36,986.75	\$777,160.64
2019	\$11,630,000.00	\$203,555.00	\$560,427.76	\$36,966.75	\$800,949.51
2020	\$11,395,000.00	\$235,000.00	\$551,337.50	\$36,906.75	\$823,244.25
2021	\$11,140,000.00	\$255,000.00	\$540,175.00	\$36,806.75	\$831,981.75
2022	\$10,855,000.00	\$285,000.00	\$527,625.00	\$36,666.75	\$849,291.75
2023	\$10,540,000.00	\$315,000.00	\$514,650.00	\$37,447.38	\$867,097.38
2024	\$10,195,000.00	\$345,000.00	\$500,550.00	\$37,147.99	\$882,697.99
2025	\$9,810,000.00	\$385,000.00	\$484,875.00	\$37,774.00	\$907,649.00
2026	\$9,395,000.00	\$415,000.00	\$467,750.00	\$37,316.25	\$920,066.25
2027	\$8,940,000.00	\$455,000.00	\$448,862.50	\$37,786.25	\$941,648.75
2028	\$8,440,000.00	\$500,000.00	\$427,612.50	\$0.00	\$927,612.50
2029	\$7,900,000.00	\$540,000.00	\$404,518.75	\$0.00	\$944,518.75
2030	\$7,310,000.00	\$590,000.00	\$379,581.25	\$0.00	\$969,581.25
2031	\$6,680,000.00	\$630,000.00	\$350,750.00	\$0.00	\$980,750.00
2032	\$6,000,000.00	\$680,000.00	\$318,000.00	\$0.00	\$998,000.00
2033	\$5,270,000.00	\$730,000.00	\$282,875.00	\$0.00	\$1,012,875.00
2034	\$4,490,000.00	\$780,000.00	\$245,125.00	\$0.00	\$1,025,125.00
2035	\$3,650,000.00	\$840,000.00	\$204,750.00	\$0.00	\$1,044,750.00
2036	\$2,750,000.00	\$900,000.00	\$161,250.00	\$0.00	\$1,061,250.00
2037	\$1,790,000.00	\$960,000.00	\$114,875.00	\$0.00	\$1,074,875.00
2038	\$760,000.00	\$1,030,000.00	\$65,125.00	\$0.00	\$1,095,125.00
2039	\$540,000.00	\$220,000.00	\$34,000.00	\$0.00	\$254,000.00
2040	\$310,000.00	\$230,000.00	\$22,750.00	\$0.00	\$252,750.00
2041	\$70,000.00	\$240,000.00	\$11,125.00	\$0.00	\$251,125.00
2042	\$0.00	\$70,000.00	\$3,500.00	\$0.00	\$73,500.00
		<u>\$12,603,600.00</u>	<u>\$11,950,462.60</u>	<u>\$746,385.50</u>	<u>\$25,300,448.10</u>