Public Private Partnership

Case Study
## Project Program

<table>
<thead>
<tr>
<th>Description</th>
<th>SF</th>
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</thead>
<tbody>
<tr>
<td>1,006 Guestrooms</td>
<td>711,030</td>
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<tr>
<td>18, 2 Story Luxury Units</td>
<td>36,177</td>
</tr>
<tr>
<td>Lobby, Public and Operations Areas</td>
<td>29,831</td>
</tr>
<tr>
<td>9 Restaurant and Bar Outlets</td>
<td>81,360</td>
</tr>
<tr>
<td>2 Ballrooms, 27 Meeting Rooms</td>
<td>399,258</td>
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<tr>
<td>9 Retail Storefronts</td>
<td>34,340</td>
</tr>
<tr>
<td>Spa, Pool, Fitness Center, Teens Club, Kids Center</td>
<td>34,344</td>
</tr>
<tr>
<td>Back of House</td>
<td>132,298</td>
</tr>
<tr>
<td><strong>Total Area</strong></td>
<td><strong>1,458,638</strong></td>
</tr>
<tr>
<td>Parking Structure</td>
<td>1,711 Spaces</td>
</tr>
</tbody>
</table>
Capital Program

• Construction Costs
  
  – Hard Construction including FF&E/OS&E, A&E
    $530,000,000
  
  – Soft Costs including development fees, financing fees
    $95,000,000
  
  – Total Costs
    $625,000,000
Structure / Sources & Uses

1. Land Lease from the City
2. Air Rights Lease from the City
3. Convention Center Lease & Management Agreement

– Option 1
  • Municipal Bond $150,000,000
  • Bank/Private Debt $350,000,000
  • Equity $125,000,000

– Option 2
  • Corporate Bond $500,000,000
  • Equity/Bank Debt $125,000,000
Municipal Revenue Sources

- Parking Fees and Taxes
- Hotel Occupancy Tax
- Sales & Use Tax
- Property Tax
- Liquor Sales Tax
- New tax base and increment
Municipal Legislative Revenue Options

• Option 1
  – 30 Year Municipal Bonds: backed by the full faith and credit of the City to pay the Bond Obligation, all excess revenues go to pay down bonds early

• Option 2
  – 30 Year Corporate Bond/Private Placement: Added to NOI and pledged to pay corporate debt obligations, all excess revenues flow to the developer/ownership group
Costs and Revenues

• Option 1
  – Issuance Costs
    • $100,000,000
    • Net Return to Developer after Bonds are re-paid $0

• Option 2
  – Issuance Costs
    • $150,000,000
    • Net return to developer after Bonds are re-paid with a 10 year extension of rebates +$380,000,000