

2.1 Memorial Auditorium Development Budget - Source & Use Detail

8/14/2019

		<u>% of Total</u>	<u>Cost / SF</u>	<u>Justification / Reference</u>
Sources of Funds				
			67,768	
Equity				
	Federal Historic Tax Credit (RITC)	3,732,656	13%	RITC Eligible
	State Historic Tax Credit	350,000	1%	VT Downtown Credit eligible
	New Markets Tax Credit (NMTC)	-	0%	Eligible but not competitive
	Tenant Fit-Up Capital	1,500,000	5%	Assumption of Selected Propser
Grants & Other Support/Cost Reduction				
		3,163,860	11%	Researching Opportunities
City				
	GO Bond	15,000,000	53%	Requires 2/3 Voter Approval
	TIF Loan 1 - Hotel Y Redevelopment	3,320,000	12%	Requires Voter Approval
			0%	
Debt				
	Senior Loan	1,500,000	5%	Maximum Potential Loan based on Rents and Debt Svc Capacity
Total Sources:		28,566,516	100%	\$421.53
Uses of Funds				
Acquisition				
	Building	-	0.00%	No Acquisition Cost - Lease to BCDC-controlled entity
	Closing Costs	65,000	0.23%	Appraisal, Title, Insurance, Phase 1 & 2, and Recording
Total Acquisition Cost		65,000	0.23%	\$0.96
Hard Costs				
			0.00%	
Total Hard Costs (incl contingency)		22,640,028	79.25%	\$334.08
12/18 Estimate, less \$3.4M cost reductions				
Design				
	Architectural & Engineering	1,358,402	4.76%	6% of total hard costs
	Landscape Architecture	50,000	0.18%	Allowance
	Civil Engineering	150,000	0.53%	Allowance
	Commissioning	35,000	0.12%	Allowance
	Energy Modeling	15,000	0.05%	Allowance
	Environmental	25,000	0.09%	Allowance for asbestos removal oversight & monitoring during const.
	Fit - Up A&E	15,000	0.05%	Allowance
	Historic Preservation	20,000	0.07%	For NPS Part 2 and 3
	IT/Data/Tel/Acoustic	50,000	0.18%	Allowance for additional acoustic & related consulting
	Environmental Certification	50,000	0.18%	Allowance for LEED or other
	Permit Applications & Hearings	30,000	0.11%	Allowance for work on regulatory and approvals
	Contingency	269,760	0.94%	15%
Total Design		2,068,162	7.24%	\$30.52
9.1% of hard costs				
Other Soft Costs				
	Accounting & Audit	40,000	0.14%	For RITC audit and construction period accounting
	Lender Inspector	25,000	0.09%	Reasonable estimate - 1 year construction period
	Legal	135,000	0.47%	Allowance for structuring SPE, negotiation of sub-lease and closing of financing
	Community Engagement	25,000	0.09%	Allowance for input, RFP's, etc
	Market Studies	30,000	0.11%	Allowance for market research, rfp's etc.
	Permit Fees	311,474	1.09%	Assume Impact Fees waived, all Permit Fees waived if City developed
	Development Fee	-	0.00%	Assume no development fee, Development Consultant on following line
	Development Consultant	250,000	0.88%	Allowance for third party consultant to BCDC
	Testing	15,000	0.05%	Allowance for additional brick & steel testing
	Contingency	124,721	0.44%	15%
Total Other Soft Costs		956,195	3.35%	\$14.11
Financing, Reserves & Carrying Charges				
Reserves				
	NMTC Reserves	-	0.00%	N/A
	RITC Reserve	186,633		5% RITC for Master Tenant Flip
	Operating/ Lease-Up Reserves	750,000	2.63%	Per 1.1 Assumptions
Financing				
	Construction Period & Bridge Loan Interest	275,498	0.96%	Per 2.4 Loan Schedule
	Loan Fees & Expenses	125,000	0.44%	Allowance
	NMTC Audit & Fees during Const	-	0.00%	N/A
Carrying				
	Builders Risk & Liability Insurance	-	0.00%	Included in construction cost estimate
	Maintenance & Security	-	0.00%	Included in construction cost estimate
	Utilities	-	0.00%	Included in construction cost estimate
	Taxes	-	0.00%	No taxes paid currently
Total Financing, Reserves & Carrying		1,337,131	4.68%	\$19.73
Project Contingency		1,500,000	5.25%	\$22.13
				Allowance
Total Uses		28,566,516	100.00%	\$421.53
Total Surplus/(Gap)		(0)	0.00%	(0)

1.5 Memorial Development Budget - Construction Cost Estimate Adjustments

8/14/2019

Line	%	Cost	Notes
Direct Cost		\$ 2,733,997	Subtract: \$2.49M entire Theatre Consultants estimate (lighting, sound, curtains), \$243,600 seating. Assume these items are provided as fit-up by operator.
Contingency	10%	\$ 273,400	
Direct Total		\$ 3,007,397	
GC & Reqs	10%	\$ 300,740	10% of Direct Trade Total
Total + GC		\$ 3,308,136	Direct Trade Total + GC & Req's
Ins	1.25%	\$ 41,352	1.25% of Total + GC Req's
Total + Ins		\$ 3,349,488	Direct Trade Total + GC & Reqs + Ins
P&P	0.85%	\$ 28,471	0.85% Direct Trade Total + GC & Reqs + Ins
Total + P&P		\$ 3,377,959	Direct Trade Total + GC & Reqs + Ins + P&P
Permits	0	\$ -	N/A
Total + Permits		\$ 3,377,959	Direct Trade Total + GC & Reqs + Ins + P&P + Permits (N/A)
Fee	3.50%	\$ 105,259	3.5% of Direct Trade Cost Total
Total Reduction		\$ 3,483,218	

3.1 Memorial Auditorium - Operating Budget & Cash Flow Pro Forma

8/14/2019

		Pro Forma										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
		1	2	3	4	5	6	7	8	9	10	
General Assumptions												
	Gross Square Footage	67,768										
	Leased Square Footage	51,150										
	Efficiency	1										
	Income - Rate of Increase	2%										
	Expenses - Rate of Increase	2%										
Occupancy Assumptions												
	Ground Floor - Market/Flex Space	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Ground Floor - Leasable Space	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
	Events Operator Space	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Gross Income (NNN + CAM)												
	Ground Floor - Market/Flex Space	61,809	61,809	63,046	64,307	65,593	66,905	68,243	69,607	71,000	72,420	73,868
	Ground Floor - Leasable Space	33,038	26,431	26,959	27,498	28,048	28,609	29,181	29,765	30,360	30,968	31,587
	Events	353,252	353,252	360,317	367,523	374,874	382,371	390,019	397,819	405,776	413,891	422,169
Total Revenue		448,100	441,492	450,322	459,328	468,515	477,885	487,443	497,192	507,136	517,278	527,624

		Pro Forma											
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
		1	2	3	4	5	6	7	8	9	10		
Expenses													
Recoverable (CAM)													
		Per SF											
	Elevator Maint & Inspections	8,000	\$0.12	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
	HVAC Maintenance & Repairs	20,330	\$0.30	20,330	20,737	21,152	21,575	22,006	22,446	22,895	23,353	23,820	24,297
	Insurance - Prop & Liability	23,719	\$0.35	23,719	24,193	24,677	25,171	25,674	26,187	26,711	27,245	27,790	28,346
	Janitorial & Cleaning Supplies	21,686	\$0.32	21,686	22,119	22,562	23,013	23,473	23,943	24,422	24,910	25,408	25,916
	Grounds Maintenance	3,388	\$0.05	3,388	3,456	3,525	3,596	3,668	3,741	3,816	3,892	3,970	4,049
	Maintenance & Repairs - General	16,942	\$0.25	16,942	17,281	17,626	17,979	18,339	18,705	19,079	19,461	19,850	20,247
	Recycling & Waste	3,388	\$0.05	3,388	3,456	3,525	3,596	3,668	3,741	3,816	3,892	3,970	4,049
	Snow Removal	6,777	\$0.10	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099
	Sprinkler/Security/Fire Alarm	6,777	\$0.10	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099
	Storm Water Fees	2,033	\$0.03	2,033	2,074	2,115	2,157	2,201	2,245	2,290	2,335	2,382	2,430
	Telephone/Data	1,355	\$0.02	1,355	1,382	1,410	1,438	1,467	1,496	1,526	1,557	1,588	1,620
	Utilities - Electric - Ground & Common Only	27,107	\$0.40	27,107	27,649	28,202	28,766	29,342	29,929	30,527	31,138	31,760	32,396
	Utilities - Heat	71,156	\$1.05	71,156	72,580	74,031	75,512	77,022	78,562	80,134	81,736	83,371	85,038
	Utilities - Water & Sewer	10,843	\$0.16	10,843	11,060	11,281	11,507	11,737	11,971	12,211	12,455	12,704	12,958
	Window Washing	5,083	\$0.08	5,083	5,184	5,288	5,394	5,502	5,612	5,724	5,838	5,955	6,074
	Taxes	81,430	\$1.25	81,430	83,059	84,720	86,415	88,143	89,906	91,704	93,538	95,409	97,317
Subtotal Recoverable Expenses (CAM)		310,015	\$4.62	310,015	316,216	322,540	328,991	335,570	342,282	349,127	356,110	363,232	370,497
Non Recoverable Expenses													
	Subtotal Nonrecoverable Expenses	0	-	-	-	-	-	-	-	-	-	-	
	Total Operating Expenses	310,015	310,015	316,216	322,540	328,991	335,570	342,282	349,127	356,110	363,232	370,497	
	Net Operating Income	138,085	131,477	134,106	136,789	139,524	142,315	145,161	148,064	151,026	154,046	157,127	
Other Expenses/Reserves													
	Reserve for Replacement	33,884	33,884	34,562	35,253	35,958	36,677	37,411	38,159	38,922	39,701	40,495	
Total Expenses & Reserves Funded		343,899	343,899	350,777	357,793	364,949	372,248	379,693	387,286	395,032	402,933	410,991	
	Per Gross SF		5.07	5.18	5.28	5.39	5.49	5.60	5.71	5.83	5.95	6.06	
	Per Leasable SF		6.72	6.86	6.99	7.13	7.28	7.42	7.57	7.72	7.88	8.04	
EBITDA		104,201	97,593	99,545	101,536	103,566	105,638	107,750	109,905	112,104	114,346	116,633	

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	1	2	3	4	5	6	7	8	9	10
Current Pay Debt Service										
Debt Service	56,250	92,544	92,544	92,544	92,544	92,544	92,544	92,544	92,544	92,544
Total Current Pay Debt Service	56,250	92,544	92,544	92,544	92,544	92,544	92,544	92,544	92,544	92,544
<i>Debt Coverage Ratio</i>	<i>1.73x</i>	<i>1.08x</i>	<i>1.10x</i>	<i>1.12x</i>	<i>1.14x</i>	<i>1.16x</i>	<i>1.19x</i>	<i>1.21x</i>	<i>1.24x</i>	<i>1.26x</i>
Cash Flow After Debt Service & Reserves	41,343	7,001	8,992	11,023	13,094	15,207	17,362	19,560	21,802	24,089
Distributions										
Preferred Return to RITC Investor	111,980	111,980	111,980	111,980	111,980	186,633				
Total Distributions	111,980	111,980	111,980	111,980	111,980	186,633	-	-	-	-
Net Cash Flow, After Distributions	(70,637)	(104,979)	(102,988)	(100,957)	(98,886)	(171,426)	17,362	19,560	21,802	24,089
Cumulative Cash Flow	(70,637)	(175,615)	(278,603)	(379,560)	(478,446)	(649,872)	(632,510)	(612,950)	(591,148)	(567,059)
Cash Reserves										
Opening Balance	936,633	899,880	829,463	761,728	696,729	634,521	500,506	556,026	614,508	676,011
Capital Reserve Contribution	33,884	34,562	35,253	35,958	36,677	37,411	38,159	38,922	39,701	40,495
(Use)/Addition	(70,637)	(104,979)	(102,988)	(100,957)	(98,886)	(171,426)	17,362	19,560	21,802	24,089
Aggregate Reserve Balance	899,880	829,463	761,728	696,729	634,521	500,506	556,026	614,508	676,011	740,594