



City of Columbia

Multi-Use Sports Entertainment Facility and Bull Street
Development

Work Plan, Commitments, and Funding Options

January 21, 2014

- 1) Feasibility Study – B&D
 - a. Presentation
 - b. Question follow up
 - c. Written report
 - Post to the website
- 2) City Council directs management to conduct due diligence necessary to make adequate recommendations regarding a public/private partnership for the construction and operation of a Multi-Use Sports Entertainment Venue
 - a. Determine whether or not the ballpark will be part of a larger redevelopment project and the components, such as parking, residential and retail
 - b. Identify all involved parties and implementation schedule
 - c. Ascertain extent/availability of private investment/participation to lessen percentage of public participation
 - d. City Council enacts policy supporting the chosen path forward
 - e. Consideration of a MOU if deemed necessary
- 3) Outside consultant review and negotiations – B&D?
 - a. Management agreement
 - b. License agreement
 - c. other
- 4) Outside legal review – TBD
 - a. Management agreement
 - b. License agreement
 - c. Other items to include recommendations for penalties in case of default
- 5) Legal review – City legal
 - a. Management agreement
 - b. License agreement
 - c. Financing documents
 - d. other
- 6) Bond counsel review
 - a. Management agreement
 - b. License agreement
 - c. Financing documents
 - d. other
- 7) Financial Adviser review
 - a. Management agreement
 - b. License agreement
 - c. Financing documents
 - d. other
- 8) Parking review
 - a. Parking needs and costs
 - b. Management and operations of parking structure
 - c. Review of revenue split
- 9) Economic Development review
 - a. Economic Development
 - b. Community Development
 - c. OBO – Recommend policies for participation of local businesses and minority firms

- 10) Planning and Development review
- 11) Public Works review
- 12) Finance/Accounting/Procurement review
 - a. Contract requirements
 - b. Procurement requirements
- 13) Parks and Rec review
- 14) Risk Management review
 - a. Insurance/liability coverage costs and documentation requirements
- 15) W&S review
 - a. Infrastructure needs and costs
- 16) Management review
 - a. Does it meet Council direction/objectives
 - b. How does Bull Street developer affect project
 - Donation of land
 - c. Other agreements, leases, studies with other communities
 - d. Cost/revenue estimates and recommendations finalized for:
 - i. Design and construction costs, including land and infrastructure improvements for the venue and any attendant components (such as parking, retail or residential development)
 - ii. Annual and ongoing maintenance and operating costs including interior and exterior security and clean-up for events
 - iii. Naming rights and revenue sharing (concessions, sales, parking, etc.) from venue
 - iv. Suite and ticket sales revenue
 - e. Project timeline
 - HBC
 - B&D (representing the City)
- 17) Public Safety
 - a. CPD
 - Event needs; traffic; noise
 - b. CFD
- 18) Finance options – CFO, Finance Director, Budget Director, Financial Advisor, Bond Counsel, Econ Development Counsel, other
 - a. IPRB
 - b. Hospitality Bonds
 - c. State Accommodation Tax
 - d. GO Bond
 - e. Cash – “Pay as you go”
 - f. New Market Tax Credits
 - g. FHLB LOC with bank participation
 - h. Private financing (and ownership)
 - i. Other
- 19) Opportunity Costs/ Considerations
 - a. Ongoing obligations of the City of Columbia
 - i. Public safety needs
 - ii. Implementation of compensation and classification study
 - iii. Capital needs to include the restoration of Finlay Park
 - iv. Water and sewer infrastructure
 - b. Future obligations of the City of Columbia

- i. Facilities and other capital needs
 - ii. Catalyst projects across the city
- 20) Potential Revenues
 - a. Upfront cash payment from facility operator
 - b. Lease payments from facility operator
 - c. Other payments from facility operator – performance, naming
 - d. Hospitality tax
 - e. Business license
 - f. W&S fees
 - g. Storm water fees
 - h. Business personal property tax
 - i. Sales tax
 - j. Parking revenues
 - k. Indirect – accommodations, hospitality
- 21) Capital Maintenance Fund
 - a. Funding
 - b. Permitted uses
- 22) Community/Stakeholder input
 - a. Citizens and neighborhoods
 - b. Bull Street Commission
 - c. Other venue operators such as USC, Township Auditorium, Museums, Riverbanks Zoo, etc.
- 23) Recommend as to whether or not the City should create a Venue Authority or Advisory Board to oversee the City's interests and manage civic events

Financing Discussion – June 2013

List of potential sources of funding:

- 1) General obligation bonds
- 2) Tax increment finance district (bonds and/or incremental tax revenues)
- 3) Municipal improvement district
- 4) Local hospitality tax
- 5) Local accommodations tax (e.g., hotel or bed tax)
- 6) State accommodations tax
- 7) Water and Sewer System (bonds and/or surplus revenues)
- 8) Parking System (bonds and/or surplus revenues)
- 9) Franchise fees (2% available)
- 10) OPEB account
- 11) New Market Tax Credits
- 12) Community Development Block Grant funds
- 13) Sin tax (tobacco, alcohol)
- 14) Capital project sales tax/Local option sales tax
- 15) Liquor rebates
- 16) Fee in lieu of taxes/multi-county business park
- 17) Installment purchase revenue bonds
- 18) Private Public Partnership

City of Columbia
 Bull Street Development
 City Commitments
 1/21/2014

PRELIMINARY - SUBJECT TO CHANGE
BASED ON BEST AVAILABLE INFORMATION AS OF JANUARY 21, 2014

Bull Street Commitments

	Phases	1	2	3	4	Total
Tree Allee		-	-	-	-	-
Harden St. Pump		-	-	-	-	-
Site Improvements, Etc.		1,200,000	3,400,000	1,250,000	8,000,000	13,850,000
Storm Water		300,000	1,925,000	300,000	750,000	3,275,000
W&S		625,000	1,400,000	600,000	3,500,000	6,125,000
Public Roads		1,150,000	1,650,000	950,000	5,000,000	8,750,000
Other Utilities		375,000	375,000	75,000	500,000	1,325,000
Other Improvements		275,000	275,000	138,000	500,000	1,188,000
Total		3,925,000	9,025,000	3,313,000	18,250,000	34,513,000
						(Mid-Point Pricing)
						vs.
						31,236,000
						(City Development Agreement Obligation)
Parking		12,000,000	12,000,000			24,000,000
Multi-use sports ent facility		35,000,000				35,000,000
Total Commitments						90,236,000

City of Columbia
Bull Street Development
City Funding Options
1/21/2014

PRELIMINARY - SUBJECT TO CHANGE
BASED ON BEST AVAILABLE INFORMATION AS OF JANUARY 21, 2014

Funding Options

Option	Option	Notes
Cash (Pay As You Go)	9,400,000	<ul style="list-style-type: none"> - Amounts financed in each phase can be funded from cash balance over the four phases. - Infrastructure projects: <ul style="list-style-type: none"> - Water and Sewer Fund 6,125,000 - Storm Water Fund 3,275,000 - Other potential projects: <ul style="list-style-type: none"> - Parking Fund - General Fund Fund - Borrowing of funds not necessary.
Total	9,400,000	

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Bull Street Development
City Funding Options
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Funding Options

Option	Amount	Notes
Hospitality Bond	24,000,000	<ul style="list-style-type: none"> - Can be used for "tourism" related projects including the following projects: <ul style="list-style-type: none"> - Multi-use sports entertainment facility - Related parking facilities - Potentially other items under the Bull Street Development Agreement - Existing average annual debt service (2012 bonds) <ul style="list-style-type: none"> - \$1,347,325 - Most recent total collections <ul style="list-style-type: none"> - \$9,464,325 - Existing coverage <ul style="list-style-type: none"> - 7.02x - Amount of an increase over our existing bond payment obligation (i.e., \$1,347,325) for a new bond issue <ul style="list-style-type: none"> - \$1.1 million (current market conditions) - Coverage post issuance of new hospitality bond <ul style="list-style-type: none"> - 3.87x
Total	24,000,000	

PRELIMINARY - SUBJECT TO CHANGE
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Funding Options

Option	Notes
Installment Purchase 57,000,000 Revenue Bond (IPRB)	<ul style="list-style-type: none"> - Can be used to finance any publicly owned asset in Bull Street. This can allow City to work with funding sources that have more restricted uses (e.g., hospitality fee, accommodation tax, W&S, parking, etc.). - Credit structure is widely used by SC issuers and generally accepted throughout the public finance industry. - Structure is extremely flexible and allows City to use multiple sources to make IPRB payments each year without having to directly pledge such sources. - Anticipated rating of AA by S&P (i.e., one-notch below GO rating of City). High rating results in lowest cost of funds possible. - Reason for high rating is that City pledges that it may choose to utilize available 8% debt capacity to make IPRB payments each year. -but note that- IPRB as structured assumes: <ul style="list-style-type: none"> - No growth in AVs for 30 years including no future private sector investment and no reassessment of existing property inside City - Current value of mill held constant for entire IPRB - Current 8% debt capacity held constant for entire IPRB - Current collection rate on property taxes which is less than actual historical results - Cost of funds on future GO bonds which is extremely conservative Which means that: <ul style="list-style-type: none"> - IPRB plan is based on what the City has, not what it hopes to have - City could experience no growth for the next 30 years and still make IPRB payments. - Current conservative estimates <ul style="list-style-type: none"> No future private investment in City No reassessment No growth in development area High cost of funds on IPRB supporting GO bonds No other revenue sources available to IPRB payments
Total	57,000,000

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 City Commitments and Funding Options
 1/21/2014

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Bull Street Commitments

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Harden St. Pump		-	-	-	-	-
Site Improvements, Etc.		1,200,000	3,400,000	1,250,000	8,000,000	13,850,000
Storm Water		300,000	1,925,000	300,000	750,000	3,275,000
W&S		625,000	1,400,000	600,000	3,500,000	6,125,000
Public Roads		1,150,000	1,650,000	950,000	5,000,000	8,750,000
Other Utilities		375,000	375,000	75,000	500,000	1,325,000
Other Improvements		275,000	275,000	138,000	500,000	1,188,000
Total		3,925,000	9,025,000	3,313,000	18,250,000	34,513,000
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						31,236,000
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Parking		12,000,000	12,000,000			24,000,000
Multi-use sports ent facility		35,000,000				35,000,000
Total Commitments						90,236,000

Funding Options

Option	Est. Available Funding
Cash	9,400,000
Hospitality Bond	24,000,000
Installment Purchase Revenue Bond (IPRB)	57,000,000
Total	90,400,000