

Aquatic Park Alternative vs. Marina Park Alternative

Financial Feasibility Analysis



*Shoreline Citizens Advisory Meeting
June 15, 2011*

Agenda

- Phasing
- Assumptions
- Marina Park Projections
- Aquatic Park Projections
- Q&A - Discussion

➤ PHASE I

➤ PHASE II

➤ PHASE III

OFFICE CAMPUS
TOTAL OFFICE BUILDINGS = 250,000 sf

PARKING STRUCTURE

20' WIDE PUBLIC PROMENADE
ALONG WATERFRONT EDGE

200 ROOM CONFERENCE HOTEL
WITH 15,000 SF CONFERENCE CENTER
+ OUTDOOR POOL + SPA

PEDESTRIAN PIER

RESTAURANT
6,000 sf

27' WIDE PUBLIC
PROMENADE ALONG
WATERFRONT EDGE

PEDESTRIAN
SEATING AREA

RESTAURANT
4,000 sf

COMMUNITY PARK

COMMUNITY PARK
BOCCE BALL COURTS
YACHT CLUB
OFFICE / RETAIL BUILDING
40,000 sf
CAFE / BOAT RENTAL
8,000 sf

DOCKSIDE
PEDESTRIAN
LOCKOUTS
EXISTING RESTAURANT
EXISTING HOTEL

HARBOR
CONFIGURATION / BASIN
TO BE DETERMINED

(46) 2-3 STORY -
LIVE WORK
(16) 2-3 STORY -
TOWNHOMES
2 STORY RETAIL ALONG
STREET EDGE

GOLF COURSE

GOLF COURSE

LIBRARY /
COMMUNITY
BUILDING

GOLF COURSE

GOLF COURSE

(56) 3 STORY - FLATS
OVER PARKING
(42) 2 STORY - SINGLE
FAMILY DETACHED HOMES
(26) 2-3 STORY -
TOWNHOMES

EXISTING
SHORELINE PARK

EXISTING SHORELINE PARK



0 100 200 300 400

Assumptions

Phase I & Revenue Calculation

- A 200-room hotel with conference facilities, pool and spa
 - 100% TOT (Yrs 1-5), 50% TOT (Yrs 6-10), 0% thereafter
- Full Service Restaurants (one 6,000 sf and one 4,000 sf)
 - Base Rent + % of gross receipts
- Multi-family – 36 rental units
 - Net Present Value of Residual Land Value discounted at 8%
- Office (100,000 sf)
 - Net Present Value of Residual Land Value discounted at 8%
- 62 Townhomes on Monarch Bay Drive
 - Net Present Value = \$250.00/sf x 10% of Unimproved Residual Land Value



Assumptions

Phase II & Revenue Calculation

- A Café/boat rental facility (8,000 sf)
 - Base Rent + % of gross receipts
- Office (100,000 sf)
 - Net Present Value of Residual Land Value discounted at 8%
- 70 Homes on Fairway Drive
 - Net Present Value = \$250.00/sf x 10% of Unimproved Residual Land Value
- A library/community building

Phase III & Revenue Calculation

- A mixed-use Office/Retail Building (40,000 sf)
 - Net Present Value of Residual Land Value discounted at 8%
- Office (50,000 sf)
 - Net Present Value of Residual Land Value discounted at 8%

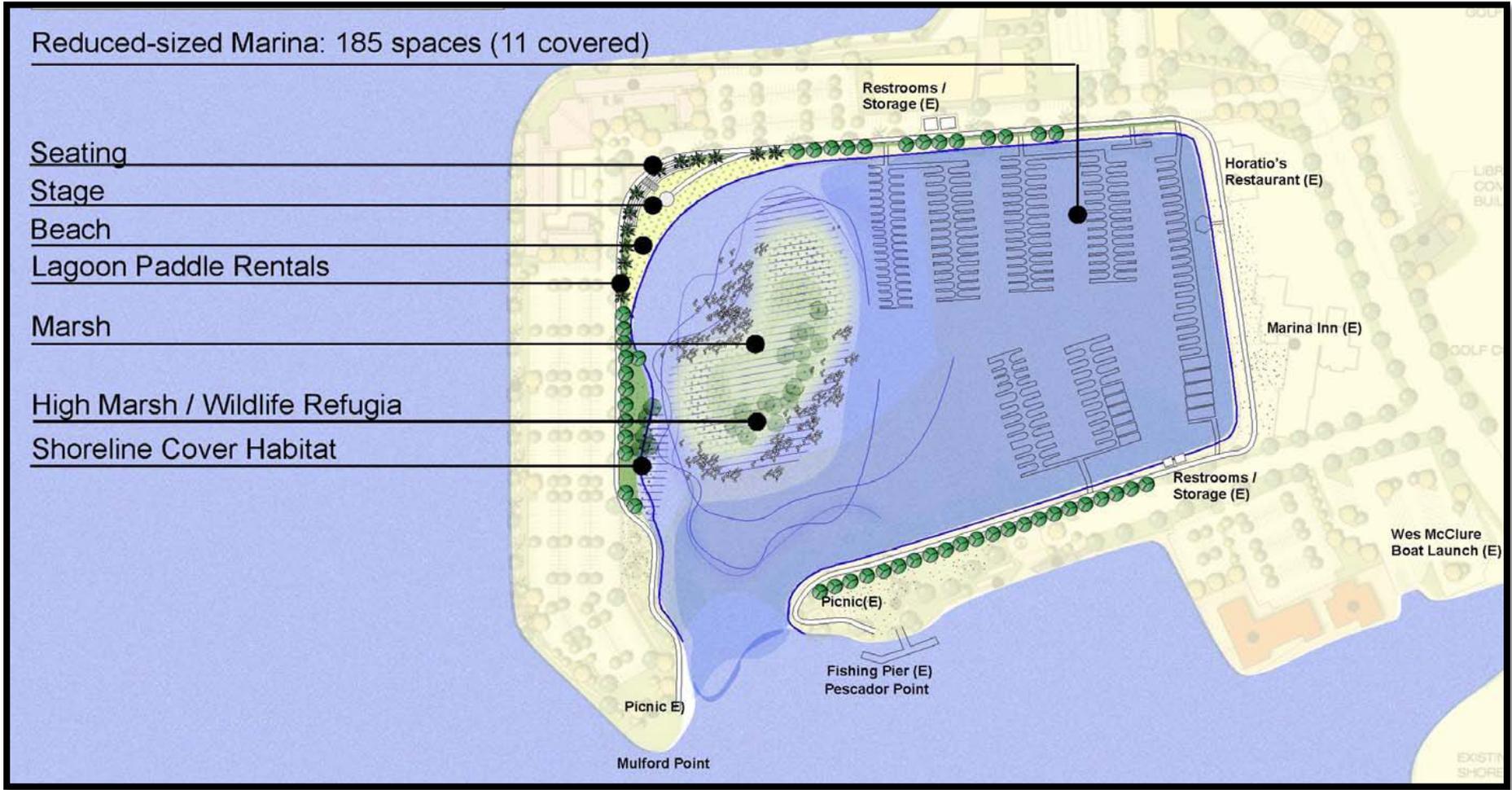


Disclaimer

The following assumptions are based on preliminary construction cost estimates and some of Cal-Coast's revenue projections might be subject to change based upon approvals and final plans



Marina Park Design



Marina Park Alternative

- Total Initial Cost to Dredge, Construct the Marina Park Alternative = \$20MM
- Total On-Going Costs to Dredge Marina Park Alternative Years 6-20 = \$11.5MM
- Annual payments on a \$20MM, 20-year bond at 5% interest rate = \$1.6MM/year



Marina Park Alternative

	Years 1 - 5 2014 - 2018	Years 6 - 10 2019 - 2023	Years 11 - 15 2024 - 2028	Years 16 - 20 2029 - 2033
REVENUE				
Phase I	\$4,589,470	\$7,652,921	\$6,053,311	\$5,403,650
Phase II	\$693,294	\$3,334,430	\$3,511,497	\$3,594,619
Phase III	\$0	\$1,400,000	\$1,750,000	\$1,820,000
Harbor Revenue	\$2,772,975	\$2,772,975	\$2,772,975	\$2,772,975
TOTAL HARBOR REVENUE	\$8,055,739	\$15,160,326	\$14,087,783	\$13,591,244
On-Going Dredge Costs	\$0	(\$2,249,170)	(\$2,985,675)	(\$6,255,700)
Harbor Operating Costs	(\$2,655,400)	(\$2,655,400)	(\$2,655,400)	(\$2,655,400)
Existing Debt Payments	(\$2,914,840)	(\$2,483,817)	(\$1,549,371)	(\$865,373)
Cash Flow Available to Fund Improvements	\$2,485,500	\$7,771,939	\$6,897,338	\$3,814,771
Bond Payments	(\$8,024,259)	(\$8,024,259)	(\$8,024,259)	(\$8,024,259)
NET GAIN/LOSS TO CITY	(\$5,538,759)	(\$252,319)	(\$1,126,921)	(\$4,209,488)

- Phase I Revenue -100% TOT (Yrs 1-5), 50% TOT (Yrs 6-10), 0% thereafter
- On-Going Dredge Costs in Years 1-5 are funded by the Bond

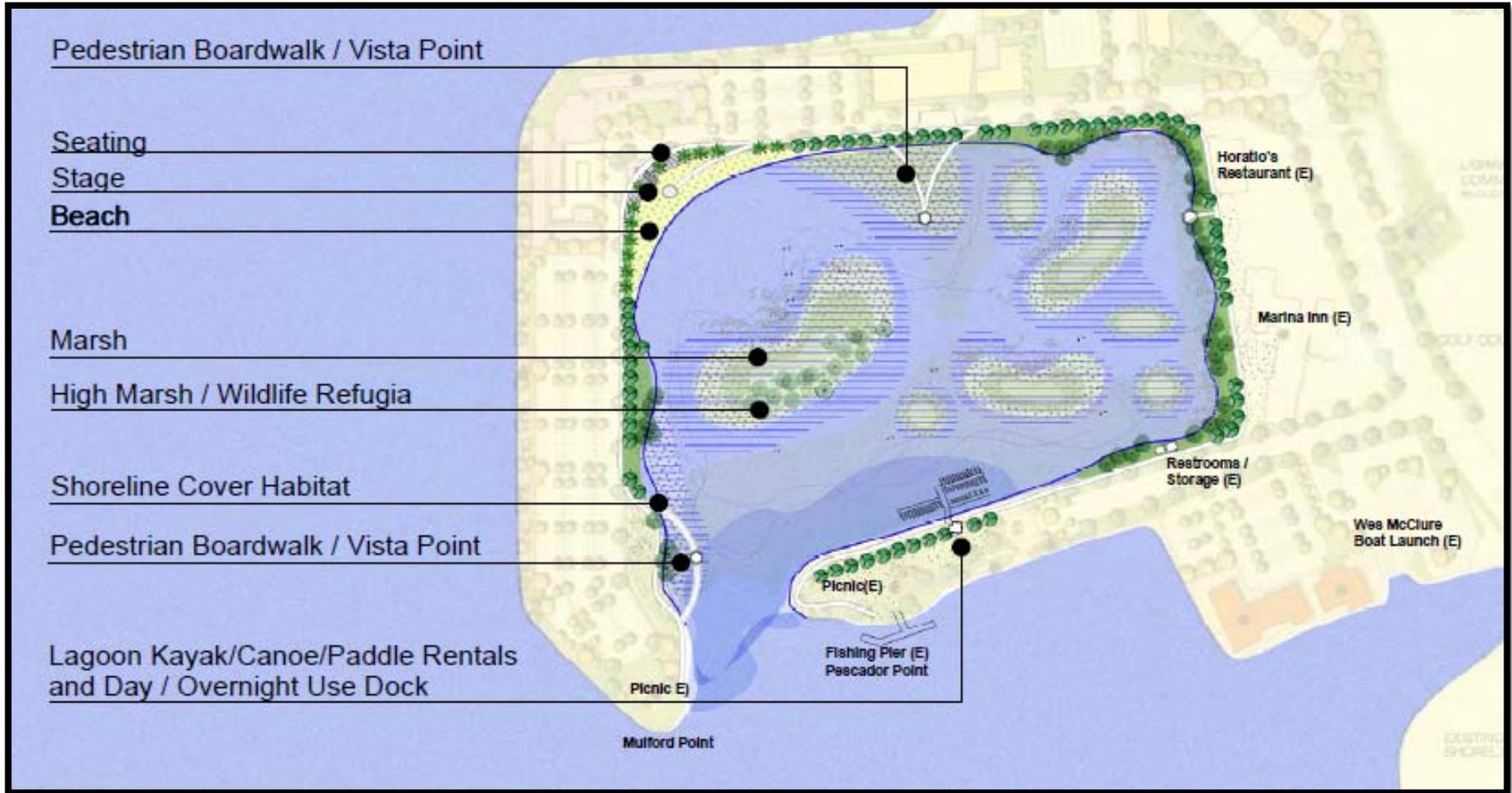


Marina Park Summary

- Procurement of a \$20MM bond requires debt payments over 20 years = **(\$32.1)MM**
- Total Cash Flow available to Fund Improvements over 20 years = \$20.97MM
- Net **COST** to City over 20 years = **(\$11.13)MM**



Aquatic Park Design



Aquatic Park Alternative

- Total Cost to Dredge, Construct the Aquatic Park Alternative = \$13MM
- Annual payments on a \$13MM, 20-year bond at 5% interest rate = \$1MM/year



Aquatic Park Alternative

	Years 1 - 5 2014 - 2018	Years 6 - 10 2019 - 2023	Years 11 - 15 2024 - 2028	Years 16 - 20 2029 - 2033
REVENUE				
Phase I	\$4,589,470	\$7,652,921	\$6,053,311	\$5,403,650
Phase II	\$693,294	\$3,334,430	\$3,511,497	\$3,594,619
Phase III	\$0	\$1,400,000	\$1,750,000	\$1,820,000
Harbor Revenue	\$119,999	\$150,000	\$150,000	\$150,000
TOTAL HARBOR REVENUE	\$5,402,763	\$12,537,351	\$11,464,808	\$10,968,269
Harbor Operating Costs	(\$1,071,000)	(\$1,338,750)	(\$1,338,750)	(\$1,338,750)
Existing Debt Payments	(\$2,914,840)	(\$2,483,817)	(\$1,549,371)	(\$865,373)
Cash Flow Available to Fund Improvements	\$1,416,924	\$8,714,784	\$8,576,688	\$8,764,146
Bond Payments	(\$5,215,768)	(\$5,215,768)	(\$5,215,768)	(\$5,215,768)
NET GAIN/LOSS TO CITY	(\$3,798,845)	\$3,499,016	\$3,360,920	\$3,548,378

* Phase I Revenue -100% TOT (Yrs 1-5), 50% TOT (Yrs 6-10), 0% thereafter



Aquatic Park Summary

- Procurement of a \$12MM bond requires debt payments over 20 years = **(\$20.86)MM**
- Total Cash Flow available to Fund Improvements over 20 years = \$27.71MM
- Net **GAIN** to City over 20 years = \$6.85MM



Aquatic Park Alternative vs. Marina Park Alternative

Q & A *Discussion*

