

Portsmouth Square Garage Renovation
Cash Flow Projections and Debt Coverage Ratio
FY 2014-15 Through FY 2030-31
(Figures in Thousands)

Year	Actual 14-15	Budget 15-16	1 16-17	2 17-18	3 18-19	4 19-20	5 20-21	6 21-22	7 22-23	8 23-24	9 24-25	10 25-26	11 26-27	12 27-28	13 28-29	14 29-30	15 30-31
Revenue																	
<i>Transient¹</i>	\$3,528	\$3,638	\$4,187	\$4,187	\$4,187	\$4,656	\$4,656	\$4,656	\$5,115	\$5,115	\$5,115	\$5,614	\$5,614	\$5,614	\$6,073	\$6,073	\$6,073
<i>Monthly²</i>	1,147	1,121	1,122	\$1,122	1,122	1,160	\$1,160	\$1,160	1,199	1,199	1,199	1,237	1,237	1,237	1,276	1,276	1,276
<i>Misc. Parking³</i>	197	212	207	207	207	217	217	217	228	228	228	239	258	258	271	271	271
Sub-Total Gross Parking Revenue	4,872	4,971	5,516	5,516	5,516	6,033	6,033	6,033	6,542	6,542	6,542	7,090	7,109	7,109	7,620	7,620	7,620
<i>Less: Parking Taxes⁴</i>	975	995	1,103	1,103	1,103	1,207	1,207	1,207	1,308	1,308	1,308	1,418	1,422	1,422	1,524	1,524	1,524
Net Parking Revenue	3,897	3,976	4,413	4,413	4,413	4,827	4,827	4,827	5,234	5,234	5,234	5,672	5,687	5,687	6,096	6,096	6,096
<i>Non-Parking</i>	6	3	3	3	3	3	3	3	3	3	3	3	3	3	4	4	4
Net Revenue	3,903	3,979	4,327	4,327	4,416	4,830	4,830	4,830	5,237	5,237	5,237	5,677	5,691	5,691	6,100	6,100	6,100
Expenses																	
<i>Salaries⁵</i>	\$971	\$1,101	\$1,000	\$1,030	\$1,061	\$1,093	\$1,125	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,468	\$1,512
<i>Fringe Benefits⁶</i>	459	522	470	484	499	514	529	545	561	578	595	613	632	651	670	690	711
<i>Contractual Services⁷</i>	318	349	359	370	381	392	404	416	429	442	455	469	483	497	512	527	543
<i>Materials, Supplies & Equipment⁸</i>	35	37	37	38	39	40	41	41	42	43	44	45	46	47	47	48	49
<i>Utilities⁹</i>	129	140	146	152	158	164	171	178	185	192	200	208	216	225	234	243	253
<i>Maintenance¹⁰</i>	78	84	85	85	86	87	88	89	90	91	92	92	93	94	95	96	97
<i>Claims, Fees, Marketing¹¹</i>	18	24	24	24	24	25	25	25	25	26	26	26	26	27	27	27	27
<i>Community Benefit, MTA Admin¹²</i>	251	180	184	188	192	196	201	205	210	215	220	225	230	235	241	247	253
<i>Corporate Expenses¹³</i>	105	117	119	122	124	127	129	132	134	137	140	143	145	148	151	154	157
Sub-Total Expenses	2,364	2,553	2,424	2,493	2,564	2,637	2,712	2,790	2,870	2,952	3,037	3,125	3,215	3,308	3,403	3,502	3,603
Net Income	\$1,539	\$1,426	\$1,903	\$1,834	\$1,852	\$2,192	\$2,117	\$2,039	\$2,367	\$2,284	\$2,200	\$2,552	\$2,476	\$2,383	\$2,696	\$2,598	\$2,496
Less: Debt Service¹⁴	\$0	\$0	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685
Annual Surplus	\$1,539	\$1,426	\$1,218	\$1,149	\$1,167	\$1,507	\$1,432	\$1,354	\$1,682	\$1,599	\$1,515	\$1,867	\$1,791	\$1,698	\$2,011	\$1,913	\$1,811
Capital Reserve Allocation¹⁵	\$231	\$214	\$61	\$57	\$58	\$151	\$143	\$135	\$252	\$240	\$227	\$280	\$269	\$255	\$302	\$287	\$272
Debt Service Reserve Allocation¹⁶			\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50			
Income to Recreation & Parks¹⁷	\$1,308	\$1,212	\$1,107	\$1,042	\$1,058	\$1,307	\$1,239	\$1,169	\$1,379	\$1,310	\$1,237	\$1,537	\$1,472	\$1,443	\$1,710	\$1,626	\$1,540
Debt Coverage Ratio¹⁸			2.78	2.68	2.70	3.20	3.09	2.98	3.46	3.33	3.21	3.73	3.61	3.48	3.94	3.79	3.64

Notes:

Assumes current lease terms, construction starts in May 2016

1) Assumes transient rates are increased by \$1 in all categories as of July 1, 2016 with \$1 increases every three years thereafter. Revenue reduced by 2% during construction in FY 16-17 and FY 17-18.

2) Assumes monthly rates are increased by \$20 as of May 1, 2014 with \$10 increases every three years thereafter

3) Assumes Misc Parking increases 5% every three years with rate increases

4) Parking tax is 25%

5) Salaries escalated at 2% through FY 14-15 and 3% thereafter

6) Fringe benefits constant at 47% of salaries

7) Contractual services escalated at 3% per year

8) M&S and equipment escalated at 2% per year

9) Utilities escalated at 4% per year

10) Maintenance escalated at 1% per year

11) Claims, fees, marketing escalated at 1% per year

12) Community benefit held constant at \$50,000 per year. MTA administrative fee escalated at 3% per year.

13) Corporate expenses assumed to increase 2% per year

14) Debt service assumes \$7 million loan, 25 year amortization and repayment to begin upon completion of project in FY 17-18. *Interest only payment in FY 16-17.*

15) Capital reserve allocation per lease: 15% of annual surplus to capital reserve until completion of renovation project. Then allocation becomes 5% for three fiscal years (FY17-19), then 10% for three fiscal years (FY20-22), then returns to 15%.

16) Debt service reserve fund allocation per loan agreement with First Republic. Funded at \$50,000 for ten years.

17) RPD receives remainder of annual surplus after the allocation to capital reserve

18) Ratio of annual debt service to annual operating surplus

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16	17	18	19	20	21	22	23	24	25
<u>31-32</u>	<u>32-33</u>	<u>33-34</u>	<u>34-35</u>	<u>35-36</u>	<u>36-37</u>	<u>37-38</u>	<u>38-39</u>	<u>39-40</u>	<u>40-41</u>
\$6,532	\$6,532	\$6,532	6671	6671	6671	7175	7175	7175	7547
1,314	1,314	1,314	1352	1352	1352	1391	1391	1391	1429
284	284	284	299	299	299	314	314	314	330
8,130	8,130	8,130	8,322	8,322	8,322	8,880	8,880	8,880	9,306
1,626	1,626	1,626	1,664	1,664	1,664	1,776	1,776	1,776	1,861
6,504	6,504	6,504	6,657	6,658	6,658	7,104	7,104	7,104	7,445
4	4	4	4	4	4	4	4	4	4
6,508	6,508	6,508	6,661	6,662	6,662	7,108	7,108	7,108	7,449
\$1,558	\$1,605	\$1,653	\$1,702	\$1,753	\$1,806	\$1,860	\$1,916	\$1,973	\$2,033
732	754	777	800	824	849	874	901	928	955
560	576	594	611	630	649	668	688	709	730
50	51	52	53	55	56	57	58	59	60
263	273	284	296	307	320	332	346	360	374
98	99	100	101	102	103	104	105	106	107
28	28	28	29	29	29	29	30	30	30
259	265	271	278	285	292	299	307	314	322
161	164	167	170	174	177	181	184	188	192
3,708	3,816	3,927	4,041	4,159	4,280	4,405	4,534	4,667	4,804
\$2,800	\$2,693	\$2,582	\$2,620	\$2,503	\$2,381	\$2,703	\$2,574	\$2,441	\$2,645
\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685	\$685
\$2,115	\$2,008	\$1,897	\$1,935	\$1,818	\$1,696	\$2,018	\$1,889	\$1,756	\$1,960
\$317	\$301	\$284	\$290	\$273	\$254	\$303	\$283	\$263	\$294
\$1,798	\$1,706	\$1,612	\$1,645	\$1,545	\$1,442	\$1,715	\$1,606	\$1,493	\$1,666
4.09	3.93	3.77	3.83	3.65	3.48	3.95	3.76	3.56	3.86