## CITY OF FORT LAUDERDALE — **CITY HALL** THREE POTENTIAL CONCEPT COST SCENARIOS*

| | PROJECT COST OVERVIEW | Proposal | Concept A | Concept B | Concept C | |
|---|---|---|---|---|---|---|
| 1 | Design Elements: | -- | Full | Full | Reduced | |
| 2 | Space Programming: | -- | Full | Reduced | Reduced | |
| 3 | Employee Head Count: | 700 | 630 | 630 | 630 | Assumes Development Services Department remains at the Greg Brewton Building. |
| 4 | Programming Gross Square Footage: | 302,150 | 235,000 | 200,000 | 200,000 | |
| 5 | Developer Cost per Square Foot: | $1,140 | $1,170 | $1,200 | 1,000 | |
| 6 | **Design & Construction Cost:** | **$344,295,000** | **$275,000,000** | **$240,000,000** | **$200,000,000** | |
| 7 | Developer Fee: | $17,214,750 | $13,750,000 | $12,000,000 | $10,000,000 | Assumes a 5% fee based on the Design & Construction Cost. |
| 8 | Project Administration During Construction Period: | $5,698,000 | $5,698,000 | $5,698,000 | $5,698,000 | |
| 9 | Developer Debt Capitalized Interest/Financing Costs: | $50,183,250 | $0 | $0 | $0 | Proposal included cost for developer debt financing. City intends to finance the project. |
| 10 | **Design, Construction, & Developer Financing Cost:** | **$417,391,000** | **$294,448,000** | **$257,698,000** | **$215,698,000** | |
| 11 | FFE Cost ($50.00/sqft): | | $11,750,000 | $10,000,000 | $10,000,000 | Based on $50.00 per square foot. |
| 12 | **Estimated Total Project Cost:** | **$417,391,000** | **$306,198,000** | **$267,698,000** | **$225,698,000** | |
| 13 | | | | | | |
| 14 | **ANNUAL FINANCIAL PAYMENT OBLIGATION*** | **Proposal** | **Concept A** | **Concept B** | **Concept C** | |
| 15 | Projected Annual Debt Service (90% City Financing): | -- | $17,000,000 | $15,000,000 | $12,500,000 | Assumes 4.5% interest rate. |
| 16 | Projected Annual Availability Payment (10% Developer Equity): | -- | $3,300,000 | $3,000,000 | $2,400,000 | Assumes 11.5% equity return. |
| 17 | **Annual City Capital Obligation:** | | **$20,300,000** | **$18,000,000** | **$14,900,000** | City financial plan identified $12.2M annually ($200M budget). |
| 18 | Annual Operations & Maintenance (O&M): | $7,642,000 | $6,685,000 | $6,160,000 | $6,000,000 | Inititial cost estimate - the O&M scope will be defined in the Interim Agreement period. |
| 19 | **City Annual Obligations:** | | **$26,985,000** | **$24,160,000** | **$20,900,000** | |

20 **The Annual Financial Payment Obligation is provided for illustrative purposes. The final calculation would be based on the actual project cost and the market conditions.*

# City Hall Payment Scenarios*

Total Annual Payments are provided for illustrative purposes. The final calculation would be based on the actual project cost and the market conditions.

| Project Funding Amount** (Funding Source) | Average Annual Debt Service | Annual Availability Payment^ | Total Annual Payments** | Programmed Annual Debt Service | Increase Over the Programmed Debt Service |
|---|---|---|---|---|---|
| **$200 million** ($200M Debt) | $12.2M | N/A | **$12.2M** | $12.2M | **$ -** |
| **$225 million** ($205M Debt; $20M Developer Equity) | $12.5M | $2.4M | **$14.9M** | $12.2M | **$2.7M** |
| **$270 million** ($245M Debt; $25M Developer Equity) | $15.0M | $3.0M | **$18.0M** | $12.2M | **$5.8M** |
| **$305 million** ($277.5M Debt; $27.5M Developer Equity) | $17.0M | $3.3M | **$20.3M** | $12.2M | **$8.1M** |

**Annual debt service is not reflective of anticipated operation and maintenance (O&M) expense*
***Project funding amount is inclusive of design and construction, the 5% developer fee, and other developer costs.*
*^The availability payment represents the repayment of the Developer's equity assuming 10% equity on the design and construction costs and an 11.5% equity return for the project*

# Developer Equity

This represents the annual availability payment that will be made to the Developer over a 30-year period.

| Design and Construction Amount | Developer Equity Amount | Equity Return | Annual Payment | Total Payment | Financial Impact** |
|---|---|---|---|---|---|
| $205M | $20M | **4.50%*** | **$1.2M** | **$36.8M** | **Baseline** |
| | | 10.50% | $2.2M | $66.3M | $29.5M |
| | | 11.00% | $2.3M | $69.0M | $32.2M |
| | | 11.50% | $2.4M | $71.7M | $34.9M |
| $245M | $25M | **4.50%*** | **$1.5M** | **$46.0M** | **Baseline** |
| | | 10.50% | $2.8M | $82.9M | $36.9M |
| | | 11.00% | $2.9M | $86.3M | $40.2M |
| | | 11.50% | $3.0M | $89.7M | $43.7M |
| $277.5M | $27.5M | **4.50%*** | **$1.7M** | **$50.6M** | **Baseline** |
| | | 10.50% | $3.0M | $91.2M | $40.5M |
| | | 11.00% | $3.2M | $94.9M | $44.2M |
| | | 11.50% | $3.3M | $98.6M | $48.0M |

**Baseline represents the cost of the City issuing the debt via a Special Obligation Bond*
***The financial impact represents the incremental increase associated with utilizing developer equity instead of funding the debt via a Special Obligation Bond*