METRO COUNCIL OFFICE

M E M O R A N D U M

TO: Vice Mayor Neighbors and Members of the Metropolitan Council

FROM: Jon Cooper, Director
Metropolitan Council Office

SUBJECT: **Analysis of Resolution No. RS2010-1088 (Convention Center Financing Plan)**

DATE: January 19, 2010

Introduction

The mayor has proposed the construction of a new convention center to be called the "Music City Center" (MCC) at a cost of $585 million. This amount includes $415 million for construction costs, $21.8 million for off-site utility work (including relocation of an NES substation), $57 million for land acquisition, $53.5 million for design, engineering and financing, and $16 million as a contingency. This total cost is $50 million less than the projected cost in 2008.

The chosen construction manager for the project is Bell/Clark (a joint venture comprised of Clark Construction Group of Bethesda, MD and Bell & Associates Construction of Brentwood, TN) and Harmony Construction Group. Harmony is a partnership of three minority-owned construction management firms. The guaranteed maximum price for the construction of the MCC is $415 million, with substantial completion within 1,095 days after work commences.

The proposed MCC is to have 350,000 square feet of exhibit space, 75,000 square feet of ballroom space, 90,000 square feet of meeting space, 30,000 square feet of retail space, and a 1,800-space parking garage. The existing Nashville convention center, which was built in 1987, has 150,000 square feet of total meeting and exhibit space.

History of Project

February 2006: A task force appointed by Mayor Purcell, known as the Music City Center Committee, presented a report identifying Nashville's need for a new convention center, the facilities it should have, where it should be located, how much it would cost, and how it could be funded. This report estimated that the cost of constructing a facility with 375,000 square feet of exhibit space would be approximately $432 million.

August 2007: The council enacted Ordinance No. BL2007-1557 to authorize the collection of four new tourist accommodation taxes to create a funding mechanism for the construction of a new convention center in downtown Nashville. This ordinance basically incorporated the provisions of the state enabling legislation for these four taxes into the Metro Code. These four tourist accommodation taxes, consisting of a one-percent increase in the hotel/motel tax, an additional $2.00 per room hotel occupancy tax, a $2.00 tax on vehicles-for-hire leaving the airport, and a one percent tax on rental cars, may only be used for the construction of a convention center with a construction cost in excess of $400 million.

September 2007: Soon after taking office, Mayor Dean asked the Metropolitan development and housing agency (MDHA) to develop a plan for moving forward with the proposed new convention center.

February 2008: The council adopted Resolution No. RS2008-143 authorizing MDHA to begin the preliminary activities toward the construction of a new convention center in downtown Nashville. This resolution also formally designated the 5th Avenue South and Demonbreun site as the site selected for the convention center, and required that a conceptual design and budget estimate be presented to the council before any permanent financing is secured for the construction of the convention center.

January 2009: The council adopted Resolution No. RS2008-603 designating property in the downtown and surrounding areas as a tourism development zone (TDZ) for the purpose of financing the Music City Center complex. Tourism development zones are authorized by state law as a mechanism for local legislative bodies to designate an area not to exceed three square miles for the purpose of capturing the increased local and state sales taxes generated within the area to be used for the construction of convention centers and other similar public use facilities that will attract visitors. The state and local governments continue to receive the amount of base sales tax revenues, which base amount is to be adjusted annually after the first year by the percentage change in the collection of local and state sales and use taxes for the entire county. The additional sales and use taxes will be available exclusively to pay the construction costs and debt service on the convention center debt for up to thirty years.

June 2009: The council adopted Resolution No. RS2009-698 approving an Intergovernmental Project Agreement between the Metropolitan Government and MDHA for the convention center pre-development project. This agreement provided the mechanism for MDHA to issue debt to undertake these activities. The term "pre-development project" in the agreement included: (1) the acquisition of property upon which the convention center will be constructed (including the convention center parking garage and hotel); (2) the relocation of the businesses located on the property to be acquired; (3) the demolition of buildings; (4) the relocation of utilities, including the NES substation; and (5) infrastructure projects. The agreement also approved MDHA's issuance of debt in an amount not to exceed $75 million to finance the pre-development project, which will be backed by the tourist accommodation taxes collected. The agreement contemplated that the MDHA debt would be paid off within three years upon the issuance of the convention center bonds by the Metropolitan Government (or a convention center authority). Under the authority granted by this resolution, MDHA obtained a line of credit of $62 million from First Tennessee Bank.

The council also enacted Ordinance No. BL2009-437 authorizing MDHA to acquire 15.87 acres of property by negotiation or condemnation for the proposed new convention center project.

August 2009: The council adopted Resolution No. RS2009-881 approving the creation of the convention center authority to oversee the construction and operation of a new convention center.

Summary of Financing Plan and Feasibility Study

In order to finance the new convention center, the administration, working with Goldman Sachs, First Southwest (Metro's financial advisor), and bond counsel, has developed a financing plan contemplating the issuance of two series of bonds not to exceed an aggregate of $650 million in order to provide the highest credit rating possible while limiting the exposure of the Metropolitan Government's general fund. The Series 2010A bonds, to be issued in an estimated principal amount of $201 million, would be backed exclusively by the following tourism tax revenues:

- 3% of 6% hotel/motel tax
- $2.00 room occupancy tax
- $2.00 airport ground transportation tax
- 1% vehicle rental surcharge
- State and local sales taxes from the TDZ

This revenue pledge would provide estimated coverage of 2.0 times the maximum annual debt service for the Series 2010A bonds.

The Series 2010B bonds, to be issued in an estimated principal amount of $426 million, would be backed by the tourism tax revenues (subordinate to the revenue pledge for the 2010A bonds), the operating revenues of the convention center, and a backstop pledge of non-tax revenues of the Metropolitan Government. Assuming no convention center headquarters hotel is built, this would provide estimated debt coverage of 1.07 times the annual debt service in the ramp-up period and then level debt service in the stabilization period. At the time the convention center begins operations, the sales tax revenue generated on site and on the premises of one or two convention center hotels would also be distributed to the CCA to apply toward debt service on the convention center. These are known as the "redirect revenues".

As the council is aware, the portion of the hotel/motel tax revenues that would be pledged for the convention center financing has been used in recent years for a bevy of purposes that are somewhat loosely tied to tourism. These funds became available once the debt on the existing convention center was retired. The fiscal year 2010 budget made the following appropriations out of the convention center and "tourist related activities" portions of the hotel/motel tax:

- Sommet Center Subsidy - $7,351,500[1]
- Adventure Science Center - $200,000
- Arts Commission Contribution - $100,000
- Country Music Hall of Fame - $100,000
- Farmers Market - $119,700
- Historical Commission Conference - $25,000
- MTA Subsidy - $1,650,000
- Municipal Auditorium Subsidy - $668,400
- Nashville CVB Promotion - $225,000
- Nashville Sports Council - $100,000
- Partnership 2010 - $300,000
- Police Overtime for Special Events - $850,000
- RTA Operating Subsidy - $1,164,900
- Sister Cities Contribution - $40,000

If the convention center financing plan is approved, the council will be required to find another source of funding for those obligations we are required to continue to fund in fiscal year 2011, and will need to determine whether discretionary appropriations should be continued through another funding source.

The financing plan also proposes to issue "Build America Bonds" for a portion of the debt. These are taxable bonds that are authorized by the American Recovery and Reinvestment Act (the federal stimulus plan). Under this program, the federal government pays 35% of the interest payments on the bonds. Taxable bonds are issued at a higher interest rate, but the 35% subsidy is expected to save approximately $5 million per year in debt service as opposed to issuing all tax exempt bonds. Although the Build America Bonds program has been authorized by Congress and has been very popular among states and municipalities, it is subject to modification at any time, including a reduction or elimination of federal funding for the program.

[1] The Sommet Center Subsidy is required pursuant to the revised agreement between Metro and the Sports Authority approved by the Council in April 2008.

While the convention market nationwide has been in decline, the feasibility study prepared by HVS Consulting indicates that Nashville has a marketing advantage over peer cities when it comes to luring convention business. The HVS study shows that the revenue streams collected for the construction of a new convention center would be sufficient over the life of the debt to meet the debt service requirements even if no convention center hotel is ever constructed. As with any convention center, HVS is projecting that the MCC will lose money in its operations. Assuming no hotel is built, and after factoring in the estimated parking revenue from a separate parking study, the MCC is estimated to lose $2,600,000 in fiscal year 2016 (the first stabilized year). With a hotel, the MCC is estimated to lose approximately $600,000 in fiscal year 2016. A document showing the operating losses for the MCC, both with a hotel and without, is attached to this analysis as Exhibit A.

Although the HVS feasibility study indicates that the revenues will be sufficient to fund the debt service on the project if no convention center hotel is constructed, the study does show a marked difference in the revenues generated depending on whether a hotel is constructed or not. A document showing the difference in projected tax and operating revenues between the two scenarios is attached to this analysis as Exhibit B.

At the December 9, 2009, joint meeting of the council budget & finance and convention center committees, Jeffrey Scruggs of Goldman Sachs outlined two possible public-private hotel financing options that cities often use. The first involves the use of tax increment financing whereby the increased property tax revenues generated as a result of the hotel would be used to pay the debt service on the hotel's construction. Mr. Scruggs said the second, and most widely used, form would be for the new tax revenues generated from the hotel to be earmarked and dedicated to pay the debt service. However, the state and local sales tax revenues generated from a potential hotel under this financing plan would be captured and redirected to pay the debt service on the convention center project.

<u>Summary of Documents</u>

Council Resolution

The state law authorizing the creation of convention center authorities provides that the local legislative body must approve the issuance of any bonds by the authority. Therefore, the first function of this resolution is to approve the issuance of two series of bonds by the convention center authority. Second, this resolution pledges the tourism tax revenues and non-tax revenues for the bonds. Third, the resolution approves an intergovernmental project agreement between the Metropolitan Government, the CCA and MDHA. Summaries of these documents are included below.

Finally, this resolution ratifies the new TDZ boundaries. When the TDZ was initially approved by the council, the boundaries extended north to encompass the Jefferson Street area. The state, in doing its mandatory review, modified the boundaries to extend the TDZ further west out West End as opposed to including the Jefferson Street area. Although an argument can be made that the state has the sole legal authority to modify the TDZ boundaries, this resolution removes any doubt by having the council expressly ratify the new boundaries.

Convention Center Authority Bond Resolution

This is the resolution to be approved by the CCA that authorizes and approves all the necessary documents pertaining to the issuance of the Series 2010A bonds and the Series 2010B bonds for the construction of the convention center. The terms of the bonds are not to exceed 35 years. The 2010A and 2010B bonds may be issued as traditional tax exempt bonds or taxable "Build America Bonds" under the American Recovery and Reinvestment Act (stimulus plan), or both.

The funding sources for the Series 2010A bonds are the tourism tax revenues described above. The funding sources for the Series 2010B bonds are:

- Pledge of the tourism tax revenues (subordinate to the Series 2010A pledge)
- Operating revenues of the convention center (less operating expenses)
- Non-tax revenue deficiency pledge

The CCA bond resolution essentially accomplishes the following:

- Approves the convention center bond documents (two indentures, the form of the intergovernmental agreement, the form of the bond purchase agreement, and the form of the preliminary official statement).
- Authorizes the issuance of the 2010A bonds for purposes of (1) financing cost of designing, construction, land acquisition, furnishing, equipping, and opening a convention center, including paying off the MDHA debt; (2) paying capitalized interest; (3) funding a debt service reserve; and (4) paying the costs of issuance of the bonds. The costs of issuance include trustee fees, financial advisor fees, bond counsel fees, feasibility consultants, and the cost of obtaining the credit ratings.
- Authorizes the issuance of the 2010B bonds for purposes of (1) paying the balance on the construction of the convention center; (2) capitalized interest; (3) funding a debt service reserve; and (4) paying the costs of issuance.
- Authorizes the CCA to sell the bonds and deliver to Goldman Sachs as the lead underwriter.
- Approves and authorizes the underwriter to distribute a preliminary official statement. This is the document circulated prior to the issuance of the bonds that provides information about the project and the proposed financing.
- Authorizes the CCA to enter a continuing disclosure agreement for the benefit of the bond owners specifying the details of the financial information as required by the federal Securities and Exchange Commission.

Trust Indentures

The financing plan provides for two trust indentures (one for the Series 2010A bonds and one for the Series 2010B bonds) between the CCA and U.S. Bank acting as trustee.

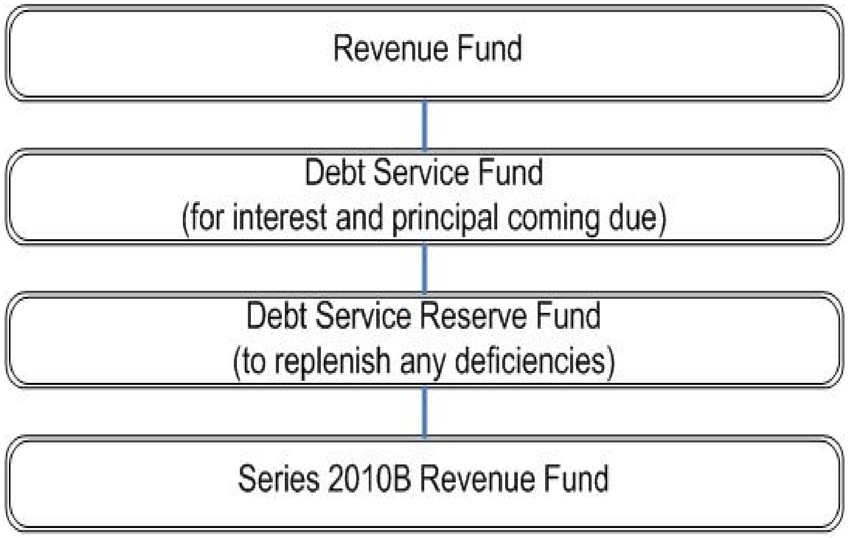
The Series 2010A indenture provides that the tourism tax revenue bond proceeds are to be used for the design and construction costs for the convention center, acquisition of land and payment of MDHA debt, funding a portion of the debt service reserve, and issuance costs. The Series 2010B indenture provides that proceeds will be used to cover operating losses on the convention center, for planning and construction costs, capitalized interest on the 2010B bonds during construction, a debt service reserve for the 2010B bonds, and issuance costs.

As stated above, the 2010B bonds are backed by the tourism tax revenues (subordinate to the Series 2010A pledge), the convention center operating revenues, and non-tax revenues (in the event of a deficiency). The non-tax revenues are primarily those GSD general fund revenues other than property taxes, sales taxes, and state-shared taxes. These revenues include payments in lieu of taxes (other than the Water/Sewer PILOT payments for the stadium); licenses and permits, franchise fees (cable, gas, and telephone); fines, forfeitures and penalties; revenues from the use of money or property (investment interest and lease payments to Metro); commissions and fees (i.e., court clerk fees, register of deeds, etc.); charges for services (i.e., golf course green fees); compensation from the sale of or damage to Metro property; and other miscellaneous revenue (i.e., vending machines). The total amount of these revenues in fiscal year 2009 was approximately $134 million. A breakdown of these revenues for the past five years is attached to this analysis as Exhibit C. The pledge of the non-tax revenues is also subordinate to the prior pledge of these revenues to the sports authority for certain stadium and arena revenue bonds.

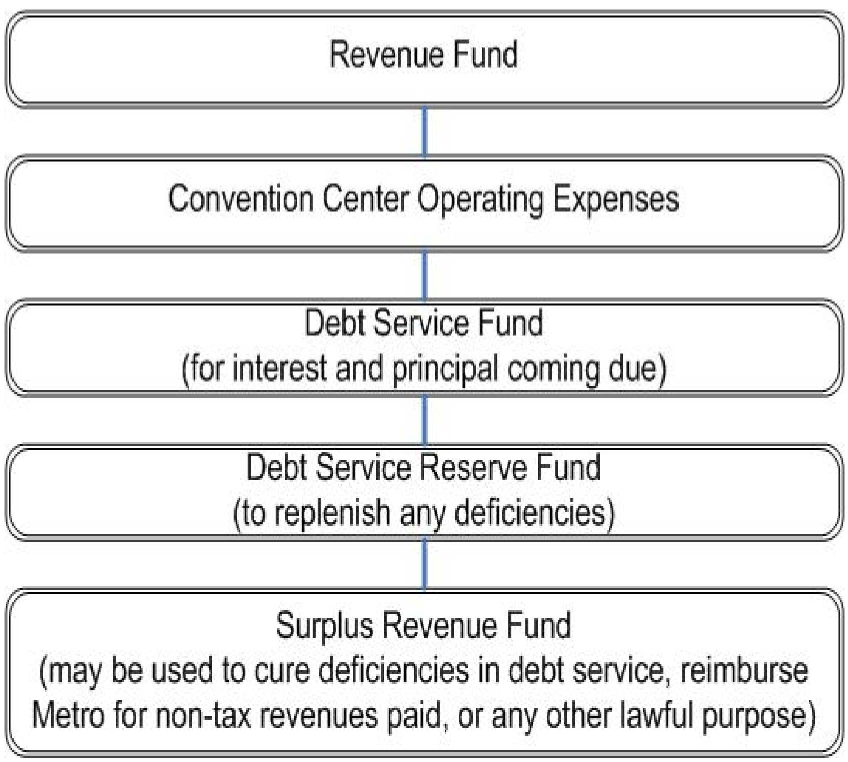
Under the indentures, the CCA pledges:

- The tourism tax revenues for the 2010A and B bonds, and the non-tax revenues for the 2010B bonds, in accordance with the terms of the intergovernmental agreement.
- The CCA's interest in the intergovernmental agreement.
- The direct payments from the federal government on the Build America bonds.
- The revenues from the facility.

The flow of funds for the 2010A bonds is as follows:



The flow of funds for the 2010B bonds is as follows:



The indentures expressly state that the bonds are not an indebtedness or general obligation of the Metropolitan Government, but are “special obligations” that are payable only from the revenues pledged in the indentures. The indentures will provide the maturity schedule, interest rates, and redemption terms once finalized. The indentures also provide for the ability of the CCA to purchase bond insurance in lieu of cash in the debt service reserve fund. Finally, the indentures describe events of default and prescribe remedies in the event of a default. Events of default include the failure to make the required debt service payments to the trustee or the failure of Metro to transfer the tourism tax revenues to the CCA.

Intergovernmental Project Agreement

This is an agreement between Metro, the CCA, and MDHA to facilitate the financing, construction, and operation of the new convention center. The agreement provides that Metro is engaging the CCA to build and operate the center. Metro agrees to: (1) collect the tourism tax revenues and transfer these revenues to the CCA; (2) to transfer the amount of non-tax revenues necessary to cure any deficiency in the amount of the revenues backing the 2010B bonds; and (3) not to repeal or amend the tourism tax ordinances while debt is outstanding, or to pledge the non-tax revenues as security for any other purpose unless the revenues for the two previous years exceed two times the maximum amount of debt service for the 2010B bonds.
The CCA agrees to (1) issue and sell the bonds; (2) transfer to MDHA the amount necessary to pay off the property acquisition loan and to pay all costs and expenses of the property acquisition incurred after the repayment of the loan; (3) complete the convention center in accordance with the guaranteed maximum price contract between the CCA and the construction contractors; (4) adopt an annual budget for the convention center and submit an annual audit to the council; (5) use the funds held in the surplus revenue fund to reimburse Metro for any non-tax revenue payments made for debt service; and (5) if a convention center hotel is constructed, the CCA will file with the state an application seeking certification that the hotel qualifies to receive distribution of the redirected revenues to be used for debt service on the convention center.

MDHA's obligations under the agreement will be to: (1) convey title to the land acquired to the CCA and assign its rights and contracts to the CCA; (2) work with Metro and the CCA to ensure the timely transfer of the convention center construction operations to the CCA; and (3) at the direction of the CCA, continue the land acquisition and tenant relocation process.

The term of this agreement will be until the bonds are paid in full.

Preliminary Official Statement

This is a document given to investors prior to the issuance of the bonds that describes the project and the financing plan. It essentially summarizes the documents described above and provides various financial and statistical information about the Metropolitan Government.

Operating Revenues and Expenses
(Hotel v. No Hotel)

Financial Operations With Hotel ($ millions)	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**
Operating Revenue	$6.7	$20.8	$23.1	$25.7	$26.4	$27.0	$27.7	$28.4	$29.1	$29.8
Operating Expense	8.8	24.6	26.3	28.1	28.8	29.5	29.4	31.0	31.8	32.6
Operating Income (Loss)	($2.2)	($3.8)	($3.2)	($2.4)	($2.4)	($2.5)	($1.7)	($2.6)	($2.6)	($2.7)
Capital Maintenance, Insurance, and Operating Contingency	(0.7)	(2.0)	(2.1)	(2.2)	(2.3)	(2.3)	(2.4)	(2.4)	(2.5)	(2.5)
Net Parking Revenue	1.4	3.5	3.8	4.0	4.6	4.7	4.8	4.9	5.1	5.2
Total Net Income (Loss)	($1.5)	($2.3)	($1.5)	($0.6)	($0.1)	($0.1)	$0.8	($0.1)	($0.1)	($0.0)

Financial Operations Without Hotel ($ millions)	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**
Operating Revenue	$5.5	$17.2	$19.1	$21.3	$21.9	$22.4	$23.0	$23.6	$24.1	$24.8
Operating Expense	8.2	22.9	24.3	26.0	26.6	27.3	27.1	28.6	29.4	30.1
Operating Income (Loss)	($2.7)	($5.7)	($5.2)	($4.7)	($4.7)	($4.8)	($4.1)	($5.1)	($5.2)	($5.3)
Capital Maintenance, Insurance, and Operating Contingency	(0.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)	(2.3)
Net Parking Revenue	1.4	3.5	3.8	4.0	4.6	4.7	4.8	4.9	5.1	5.2
Total Net Income (Loss)	($2.0)	($4.0)	($3.4)	($2.6)	($2.2)	($2.2)	($1.4)	($2.3)	($2.4)	($2.4)

Exhibit A

Revenue Comparison (With Hotel v. No Hotel)

	Hotel/Motel Tax			Hotel Surcharge ($2 / room)			MCC Campus Sales Tax			TDZ Sales Tax Increment			Total		
Year	**With Hotel**	**w/o Hotel**	**Difference**	**With Hotel**	**w/o Hotel**	**Difference**	**With Hotel**	**w/o Hotel**	**Difference**	**With Hotel**	**w/o Hotel**	**Difference**	**With Hotel**	**w/o Hotel**	**Difference**
2008	16,016,404	16,016,404	0	8,278,187	8,278,187	0	0	0	0	0	0	0	24,294,591	24,294,591	0
2009	14,043,523	14,043,523	0	9,058,576	9,058,576	0	0	0	0	0	0	0	23,102,099	23,102,099	0
2010	13,212,000	13,212,000	0	8,939,000	8,939,000	0	0	0	0	0	0	0	22,151,000	22,151,000	0
2011	13,411,000	13,411,000	0	9,073,000	9,073,000	0	0	0	0	0	0	0	22,484,000	22,484,000	0
2012	14,311,000	14,049,000	262,000	9,492,000	9,254,000	238,000	0	0	0	0	0	0	23,803,000	23,303,000	500,000
2013	15,743,000	15,312,000	431,000	10,041,000	9,698,000	343,000	3,552,000	496,000	3,056,000	1,081,000	1,133,000	(52,000)	30,417,000	26,639,000	3,778,000
2014	17,255,000	16,767,000	488,000	10,382,000	10,019,000	363,000	10,488,000	1,801,000	8,687,000	6,421,000	4,748,000	1,673,000	44,546,000	33,335,000	11,211,000
2015	18,546,000	18,009,000	537,000	10,678,000	10,298,000	380,000	11,279,000	1,933,000	9,346,000	7,940,000	6,018,000	1,922,000	48,443,000	36,258,000	12,185,000
2016	19,484,000	18,920,000	564,000	10,892,000	10,504,000	388,000	11,765,000	2,128,000	9,637,000	9,867,000	7,443,000	2,424,000	52,008,000	38,995,000	13,013,000
2017	20,231,000	19,645,000	586,000	11,034,000	10,640,000	394,000	12,138,000	2,213,000	9,925,000	10,820,000	8,265,000	2,555,000	54,223,000	40,763,000	13,460,000
2018	20,944,000	20,338,000	606,000	11,144,000	10,747,000	397,000	12,490,000	2,268,000	10,222,000	11,622,000	8,990,000	2,632,000	56,200,000	42,343,000	13,857,000
2019	21,682,000	21,055,000	627,000	11,255,000	10,854,000	401,000	12,851,000	2,325,000	10,526,000	12,459,000	9,748,000	2,711,000	58,247,000	43,982,000	14,265,000
2020	22,447,000	21,797,000	650,000	11,368,000	10,963,000	405,000	13,223,000	2,383,000	10,840,000	13,333,000	10,541,000	2,792,000	60,371,000	45,684,000	14,687,000
2021	23,238,000	22,565,000	673,000	11,482,000	11,072,000	410,000	13,606,000	2,443,000	11,163,000	14,247,000	11,371,000	2,876,000	62,573,000	47,451,000	15,122,000
2022	24,057,000	23,361,000	696,000	11,596,000	11,183,000	413,000	13,999,000	2,504,000	11,495,000	15,201,000	12,238,000	2,963,000	64,853,000	49,286,000	15,567,000
2023	24,905,000	24,184,000	721,000	11,712,000	11,295,000	417,000	14,349,000	2,567,000	11,782,000	16,196,000	13,144,000	3,052,000	67,162,000	51,190,000	15,972,000
2024	25,783,000	25,037,000	746,000	11,829,000	11,408,000	421,000	14,708,000	2,631,000	12,077,000	17,234,000	14,091,000	3,143,000	69,554,000	53,167,000	16,387,000
2025	26,692,000	25,919,000	773,000	11,948,000	11,522,000	426,000	15,076,000	2,697,000	12,379,000	18,317,000	15,080,000	3,237,000	72,033,000	55,218,000	16,815,000
2026	27,633,000	26,833,000	800,000	12,067,000	11,637,000	430,000	15,453,000	2,764,000	12,689,000	19,447,000	16,113,000	3,334,000	74,600,000	57,347,000	17,253,000
2027	28,607,000	27,779,000	828,000	12,188,000	11,754,000	434,000	15,839,000	2,833,000	13,006,000	20,626,000	17,192,000	3,434,000	77,260,000	59,558,000	17,702,000
2028	29,615,000	28,758,000	857,000	12,310,000	11,871,000	439,000	16,235,000	2,904,000	13,331,000	21,855,000	18,319,000	3,536,000	80,015,000	61,852,000	18,163,000
2029	30,659,000	29,772,000	887,000	12,433,000	11,990,000	443,000	16,641,000	2,977,000	13,664,000	23,136,000	19,494,000	3,642,000	82,869,000	64,233,000	18,636,000

Exhibit B

GSD NON-TAX REVENUES

Revenue	2005	2006	2007	2008	2009
Other payments in lieu of taxes	14,394,760	16,001,804	18,151,386	18,747,718	20,070,740
Licenses	14,428,485	22,769,969	22,978,828	23,661,587	22,666,427
Permits	13,348,107	14,895,898	15,086,649	15,112,631	11,157,194
Franchise fees	16,787,931	18,610,833	17,484,931	19,517,881	18,771,172
Fines, forfeitures, and penalties	12,029,361	13,841,149	14,100,396	13,323,712	13,325,113
Revenue from the use of money or property	953,890	1,185,472	2,168,780	1,869,085	908,832
Commissions and fees	14,000,818	13,101,204	17,593,755	20,783,724	16,599,245
Charges for current services	24,092,957	22,908,249	26,363,024	28,727,071	28,273,342
Compensation from property	550,470	634,143	611,348	377,878	314,660
Contributions and gifts	667,940	543,390	669,329	690,744	604,355
Miscellaneous revenue	996,206	1,186,236	1,414,910	1,520,969	1,615,211
TOTAL NON-TAX REVENUES	**112,250,925**	**125,678,347**	**136,623,336**	**144,333,000**	**134,306,291**

Note: These non-tax revenues do not include Water & Sewer PILOT payments nor any ticket surcharge revenues.

Exhibit C