A DEVELOPMENT STRATEGY FOR

THE

KNOXVILLE SOUTH WATERFRONT

A MIXED-USE REDEVELOPMENT DISTRICT

MARCH 23, 2006

PREPARED FOR

HARGREAVES ASSOCIATES

on behalf of

CITY OF KNOXVILLE, TENNESSEE

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Development Strategies

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EXECUTIVE SUMMARY

SITE OPPORTUNITIES AND EXISTING CONDITIONS

The Knoxville South Waterfront consists primarily of low-lying land between the Tennessee River and the Chapman Ridge. Existing land uses include a substantial amount of underutilized industrial land along the waterfront. If made available for redevelopment, the South Waterfront's proximity to the river, attractive viewsheds, and connections to downtown all make it attractive for mixed-use development that includes residences, offices, and retail/entertainment uses.

If a mixed-use environment is to emerge in response to market demand, most, if not all, existing industrial uses will need to be relocated, significant investment in new public infrastructure must take place, and natural and man-made environmental constraints must be mitigated. The market potentials for the area can only be fully realized if guided by a master development plan encompassing the entire South Waterfront. This will ensure that new developments are part of a cohesive network in which uses relate to one another and key sites are developed to their potential highest and best use. With coordination, strategic public investment, and targeted land acquisition, the economic value for the entire area will be enhanced. This value will come in the form of higher-quality development, faster absorption rates, higher long-term property appreciation and performance, and greater synergy between different land uses.

DEMOGRAPHICS, ECONOMY, AND EMPLOYMENT

Despite the South Waterfront's development potential, it has yet to realize benefit from the growth occurring elsewhere in Greater Knoxville. With a population of 700,000 and a ten-year growth rate of 17 percent (1990-2000), the Knoxville Metro is positioned as a highly desirable location for business and living that is likely to continue to benefit from migration patterns found in southern cities. The region is currently adding an average of 6,600 people and 4,300 housing units on an annual basis. By contrast, the South Waterfront did not grow between 1990 and 2000, and has been characterized by relatively low housing values (half the county median) and densities. More recently, the area has experienced a modicum of new housing investment that must be nurtured by related public improvements.

Knoxville has an economy that can be characterized as supporting steady growth and development. Unemployment has remained below the national average, and the region has added 30,000 jobs since 1995. Employers such as the Oak Ridge energy facility, the University of Tennessee, and Baptist Hospital provide a stabile base of employment that is encouraging for real estate investors in the region.

The number of jobs located on the South Waterfront actually outnumbers the population living there. Most of these jobs are with industrial employers that no longer represent the highest and best uses for waterfront property across the river from downtown. It is likely that some of the current employers will need to be relocated in order to achieve the highest and best use potentials of the South Waterfront. Great care should be taken to ensure that the relocation needs of these businesses are accommodated to minimize loss of vital jobs.

MARKET POTENTIAL AND FEASIBILITY

The highest and best use potential for the South Waterfront is not of a single use. Rather, the most promising opportunity is to create and capitalize on the market synergy from co-location of diverse but complimentary uses. The following is an analysis of the market of the individual land use categories.

Residential

With 4,300 units of new housing being added to the Knoxville region each year, the opportunity exists to capture a share of this growth to the Knoxville South Waterfront. There is currently an undersupply of new housing in dense, walkable neighborhoods. Likewise, waterfront housing adjacent to downtown should command premium values in the residential market. We estimate the South Waterfront can successfully capture between 100 and 150 units of such new housing per year.

Based on current market trends, new market-rate residential properties on the South Waterfront are projected to sell for $250,000 at the base-end to $700,000 at the high-end, with the majority of units selling for just under $400,000. Units not on the water but closer to Sevier Avenue will achieve substantially lower prices, in the $175,000 to $250,000 range. Rental units on the water will have monthly rents ranging from $900 to $1,500 depending on size, amenities, and views. Rents away from the water will start lower, at about $700 per month. Within the market for urban housing, the South Waterfront will stand to capture a disproportionate share of higher income households.

New residential development phasing should initially occur along the waterfront, where the market is strongest. As waterfront amenities such as park space, greenways, restaurant/entertainment, and retail uses are added, demand will increase for housing that is not directly on the waterfront. Therefore, new housing along Sevier Avenue should occur in subsequent phases. Looking forward, with a good framework plan in place, a new market dynamic will exist after ten years of implementation. Development will build on previous successes, with less intervention from the public sector required.

Interviews with local realtors, together with research in downtown markets throughout the South and Midwest, suggest housing demand by market segment for the South Waterfront as shown in the following table. We project a strong mix of residents and over 600 units of new housing within five years.

Projected Demand by Market Segment
Knoxville South Waterfront

Market Segment	*Percent*	*Annual Demand*	*Five-year demand*
College age (18-24 yrs)	10%	12	61
Empty nesters (>50 yrs)	30%	36	182
Recent graduates, singles, couples without children (25-45 yrs)	35%	42	212
Recent relocations	20%	24	121
Families (children)	5%	6	30
Total	**100%**	**121**	**605**

Data provided by Development Strategies

Retail

There is currently insufficient market demand to support a conventional retail anchor such as a grocery store, super store (i.e. Target), or a department store. There is limited demand for specialty retail, apparel, sporting goods, and a drugstore. As new residences are added to the South Waterfront, demand for some types of retail, including restaurants, specialty apparel, and household products will increase slightly.

Considering both regional and local demand factors, we recommend that sites be made available to accommodate a total of some 25,000 square feet of eating and drinking establishments, 16,000 square feet of specialty retail and apparel, and a possible urban grocery store. In addition, 15,000 square feet of space should be set aside for the possibility of attracting a drugstore. Gay Street and Chapman Highway represent the ideal locations for this type of retail development. Based on the lack of regional market demand and difficult vehicular access, the James White interchange is not recommended for retail development.

Entertainment

Knoxville is primed to receive its first urban entertainment-oriented development within the next five years, and a downtown site is most promising. With a critical mass of dining and entertainment uses developing on Gay Street, the Gay and Cumberland or Cumberland and Henley intersections present the best opportunity locations for this type of development. Approximately 20,000 to 30,000 square feet of restaurant and other uses that specifically take advantage of waterfront views should be located in the South Waterfront. The Sevier and Gay location is preferred for the location of restaurants because of its closer proximity to the cinema and other opportunities along Gay Street and in Old City.

An alternative to market-driven entertainment would be the development of a cultural amenity, such as a museum or performing arts center. Such facilities would give the South Waterfront a strong identity, and draw people from throughout the region and beyond. This, in turn, would bolster other types of business development in the district.

Office

With a vacancy rate of 16 percent, the downtown speculative office market is soft. However the suburban market is adding over 700,000 square feet of office space per year. New, waterfront office development in a unique mixed-use environment will capture some regional demand, but excessive office construction will siphon existing leases from downtown. Once sites are secured and restaurant and park uses are established in the South Waterfront, we recommend that 80,000 square feet of speculative office can be phased in over a period of five years without negative impact on the downtown district.

In addition, demand for some service office space (i.e. an insurance office) will be created as housing is added. We recommend 12,000 square feet of service office space be planned for the first 1,000 units of new housing. Such space can be readily incorporated into a mixed-use development, perhaps near Chapman Avenue and/or Gay Street. We recommend the James White interchange as the preferred corporate relocation site, because the site is strategically less important as a catalytic driver for future development. This will provide adequate time for the city's recruitment efforts to take hold.

Hotel

There is clearly not excess demand for downtown hotel space, particularly in the high-end, luxury market segment. However, the development of a mixed-use district in the South Waterfront with retail, office, and entertainment functions could become an attraction that generates its own demand for additional hotel rooms. If the appropriate pieces fall into place, an opportunity may exist on the South Waterfront for a smaller boutique hotel of up to 100 rooms. The intersection of Chapman and Blount is deemed the optimum location for a new hotel facility for a variety of reasons. These include waterfront views and proximity to both the Baptist Hospital and convention center. Tourists and convention-goers would help bolster entertainment-oriented businesses in the South Waterfront.

Marina

Due to sometimes heavy river currents, competition from other marina locations, and with other waterfront activity, the market for downtown rental slips is currently soft and is not likely to improve without substantial additional waterfront redevelopment. However, the for-sale market for boat slips is currently underserved, and is a potential growth area in the market. Assuming housing directly on the water can continue to develop at a pace of 50 to 100 units a year, we anticipate market support for as many as 15 boat slips per year, primarily in the for-sale market.

DEVELOPMENT STRATEGY

We offer the following Development Strategy:

Development Program and Phasing Strategy
Knoxville South Waterfront

	Category	**Phase I (0-5 years)**	**Phase II (5-10 years)**	**Phase III (10-20 years)**	**20-Year Total**
Private Sector	**Residential**	500-600 units	500-600 units	1,000 units	2,000-2,200 units
	Catalyst	Existing Market Regional Growth	Removal of Industry, New Parks	Close to Waterfront Devel	
	Location	Waterfront	Waterfront	Sevier Ave.	
	Retail	15K Drugstore	16K-20K Specialty	20K-30K Retail	50,000-60,000 square feet
	Catalyst	Existing Market	Industrial Reloc.	New Residences	
	Location	Chapman & Blount	Gay & Sevier	Gay or J. White	
	Restaurant/ Entertainment	10K-15K	10K-15K		30,000 square feet
	Catalyst	Existing Market	Industrial Reloc.		
	Location	Near Hosp/Water	Waterfront		
	Office		80K-90K Spec/Serv	Corporate HQ	80-100K Spec 20-30K Serv 270K HQ
	Catalyst		Ind. Reloc/Restaurant/ Hotel	Public Sector	
	Location		Chapman & Blount	James White	
	Hotel		100 Rooms		100 Rooms
	Catalyst		Ind. Reloc/Office/ Restaurant		
	Location		Chapman & Blount		
	Marina	50 Slips	75 Slips	75-100 Slips	225 Slips
	Catalyst	Waterfront Housing	Hsg./Park/Rest'rant/ Special Events	Hsg./Park/Rest'rant/ Special Events	
	Location	Next to Residential	Hsg./Rest/Park	Hsg./Rest/Park	
Public Sector	**Industrial Relocation**				
	Type	Small Scale	Large Scale		
	Location	Throughout	Waterfront		
	Park and Greenspace				
	Type	Park & Greenway	Park & Greenway		
	Location	Waterfront	Throughout		
	Infrastructure				
	Type	Intersection/ Streetscape Imp.	Riverfront Drive/ New Roads	Streetscape Improvements	
	Location	Blount/Chapman; Gay/Sevier; J. White	Near Waterfront	Sevier Avenue	
	Cultural/Civic		135,000 s.f.		135,000 square feet
	Type		Cultural Institution		
	Location		Waterfront		

DEVELOPMENT STRATEGIES, 2006

FISCAL IMPACT

Revenue projections were modeled based on the type, timing, and quantity of development detailed in the Development Strategy offered in this report. Revenues are based on current municipal tax rates and methods of valuation and on assumptions with respect to market conditions, property values, and inflation rates.

The Development Strategy presented will generate $815 million in private investment over 20 years (in constant 2006 dollars). This will result in $190 million in assessed property value. The adjacent table indicates the potential tax capture in constant dollars for the city, county, and school district.

Of these funds, the real and personal property taxes of the city and county could be captured as part of a Tax Increment Financing (TIF) district. When combined, eligible county and city TIF revenues amount to $99.7 million the underlying property revenue is subtracted out and the revenue is discounted.

REVENUES (in constant dollars)
Total revenues generated by year 20 from KSW Development Strategy

Jurisdiction		Value
City		
Real Property Tax		$42,000,000
Personal Property Tax		$1,000,000
Bond Retirement Fund		$15,200,000
Parking Revenues		$7,400,000
Special Assessment		$4,700,000
		$70,200,000
Sales Tax		$2,000,000
Hotel Tax		$1,400,000
	Total:	$3,300,000
County		
Real Property Tax		$55,400,000
Personal Property Tax		$1,300,000
		$56,800,000
Hotel Tax		$1,400,000
School District		
Sales Tax		$5,000,000

A net present value analysis was conducted to estimate the amount of money that might be "borrowed" using future TIF dollars for repayment. Two scenarios were considered – the first assumes a single 20-year TIF, while the second assumes three phases or "staggered" TIF districts – and are indicated in the following table. In the second scenario, each TIF district is assumed to capture incremental taxes for a period of 15 years. In both cases, the annual base property tax revenue of $1.3 million was subtracted to determine the tax increment.

TIF SCENARIOS

REVENUES - One Phase Scenario *(One 20-year TIF)*			REVENUES - Three Phase Scenario *(Three 15-year TIF Phases)*	
City and County (Combined)	Cumulative Revenues	Net Present Value	Cumulative Revenues	Net Present Value
Real Property Tax	$139,200,000	$65,100,000	$176,300,000	$74,700,000
Personal Property Tax	$3,300,000	$1,500,000	$4,200,000	$1,800,000
Special Assessment	$6,700,000	$3,100,000	$8,500,000	$3,600,000
Revenue Subtotal	$149,200,000	$69,700,000	$189,000,000	$80,100,000
+ Public Parking Structures	$10,000,000	$5,600,000	$10,000,000	$5,600,000
Combined Revenues	$159,200,000	$75,300,000	$199,000,000	$85,700,000
Minus Existing Revenue	($26,400,000)	($14,000,000)	($33,000,000)	($17,700,000)
Projected TIF Revenues	$132,800,000	**$61,300,000**	$166,000,000	**$68,000,000**
Potential Cash Proceeds *@ 1.20 Debt Coverage Ratio*		**$49,200,000**		**$54,400,000**

The two scenarios above essentially ask the questions, "What if the city borrowed all the money it can today?", and "What if the city borrowed the money in phases?" Based on the above scenarios, the city could afford to borrow $54 million in three phases or $49 million in one phase. This assumes a 5.5 percent annual interest rate, and a three percent annual inflation rate.

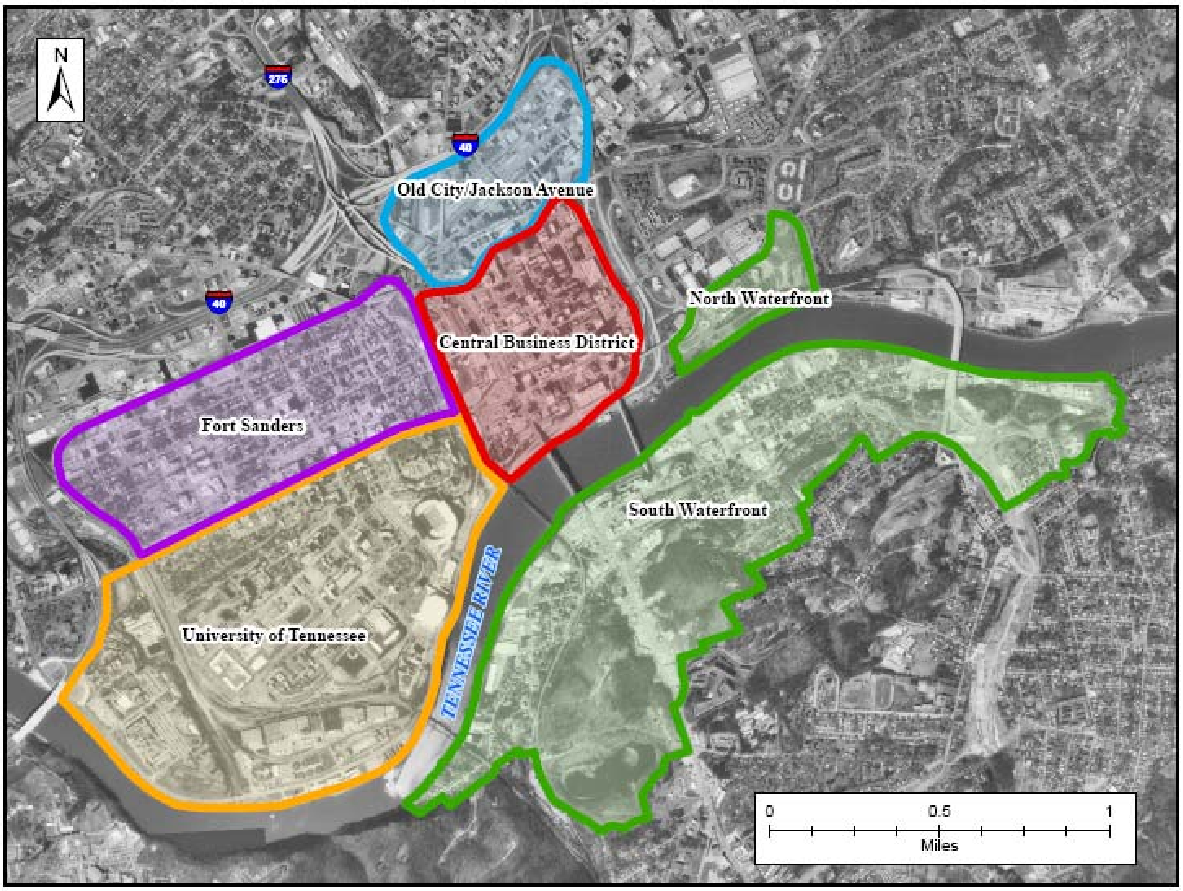
The following table indicates the different borrowing capacities created by varying the interest rate of the loan(s):

Borrowing Capacity		
Interest Rate	One-Phase Scenario	Three-Phase Scenario
4 %	$62 M	$69 M
5.5 %	$49 M	$54 M
7 %	$39 M	$44 M

EXISTING SITE CONDITIONS AND OPPORTUNITIES

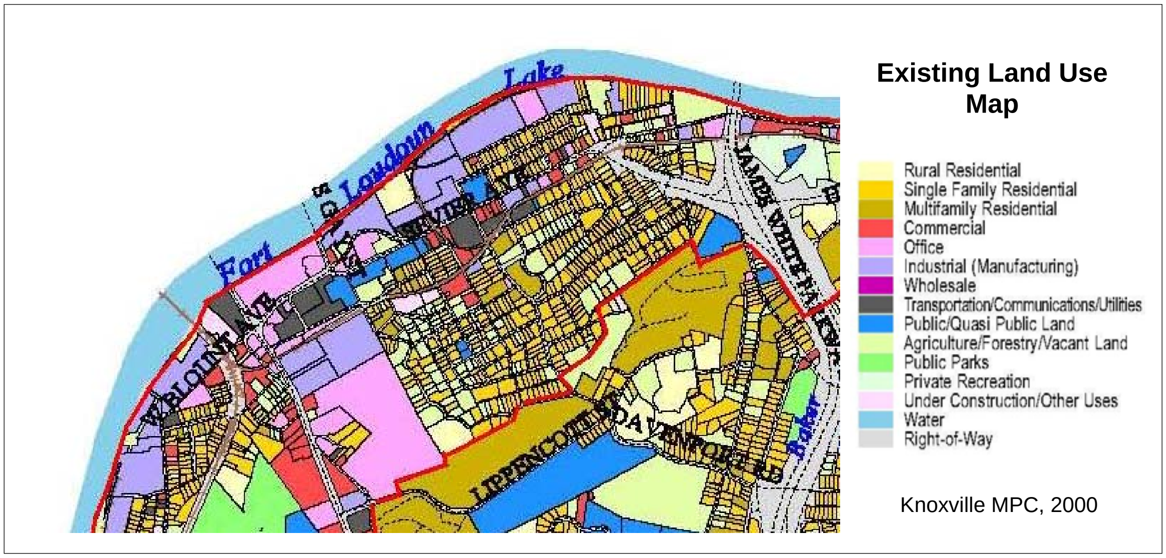
Existing Site Conditions

The Study Area is located in the City of Knoxville along the Tennessee River, immediately across from the Central Business District (CBD) and the University of Tennessee. With a daytime worker population of 20,000 in the CBD and 26,000 students at the university, Knoxville's Greater Downtown is the cultural, commercial, and academic center of the region. The following map shows the boundaries of the Study Area in the context of the Greater Downtown.



The Study Area, also referred to in this document as the Knoxville South Waterfront (KSW), stretches along the river for approximately 2.5 lineal miles, and consists of a total of 750 acres (1.2 square miles). The most intensive development exists in the low-lying areas adjacent to the river, which are relatively flat and, therefore, simultaneously the easiest properties to develop and most vulnerable to flooding. Approximately 400 feet from river's edge, the topography rises dramatically, terminating at the peak of Chapman Ridge, which affords excellent views of the waterfront and downtown.

Land uses are oriented around the river, with heavy industrial uses consuming much of the land at the water's edge. Farther in, the predominant land use is single family residential. Sevier Avenue, which runs east to west in the flat land between the river and the ridge, consists primarily of light industrial and commercial uses. Development on the Chapman Ridge incline is less intensive and consists of single family homes. There are several large multifamily developments at the top of the ridge.



The most prominent site and facility is the Baptist Hospital, which sits directly across the river from the CBD and between the two key bridges that link the South Waterfront to downtown. The Henley Street Bridge is the more heavily-traveled of the two, and links the Convention Center and I-40 interchange on the north side to the Hospital and Chapman Highway commercial district on the south side. The Gay Street Bridge is more pedestrian-friendly, with wider sidewalks and fewer cars. It links the South Waterfront to Gay Street and Old City to the north, two revitalized mixed-use districts in downtown.

The James White Parkway Bridge is part of a limited access highway that links the eastern end of the South Waterfront to the north and I-40. An interchange at Anita Drive links Sevier Street to the Parkway. Two rail bridges cross the Tennessee River in the South Waterfront. One is located just west of the Henley Street Bridge, while the other is located at the western end of the South Waterfront Boundary.

Two historic Civil War sites sit atop the Chapman Ridge – Fort Dickerson and Fort Stanley – providing the area with potential regional attractions, as well as green space. Fort Dickerson is the larger of the two, and features Civil War-era canons and historic markers. The fort is adjacent to a large quarry that is no longer in use and is water-filled today, thereby creating a very attractive lake.

Southside retail is concentrated along Chapman Highway where visibility is greatest, just south of the Study Area boundary. There are three grocery stores within a one-mile area along this commercial strip. Regional shopping is eight miles to the west, at West Town Mall. There are some limited destination entertainment opportunities across the river in Old City and along Gay Street. There are two theaters along Gay Street, and a first-run movie theater is currently under construction. Public transit serves the area, with bus lines running along Chapman Highway, Sevier Avenue, and Blount Avenue.

Site Development Opportunities and Constraints

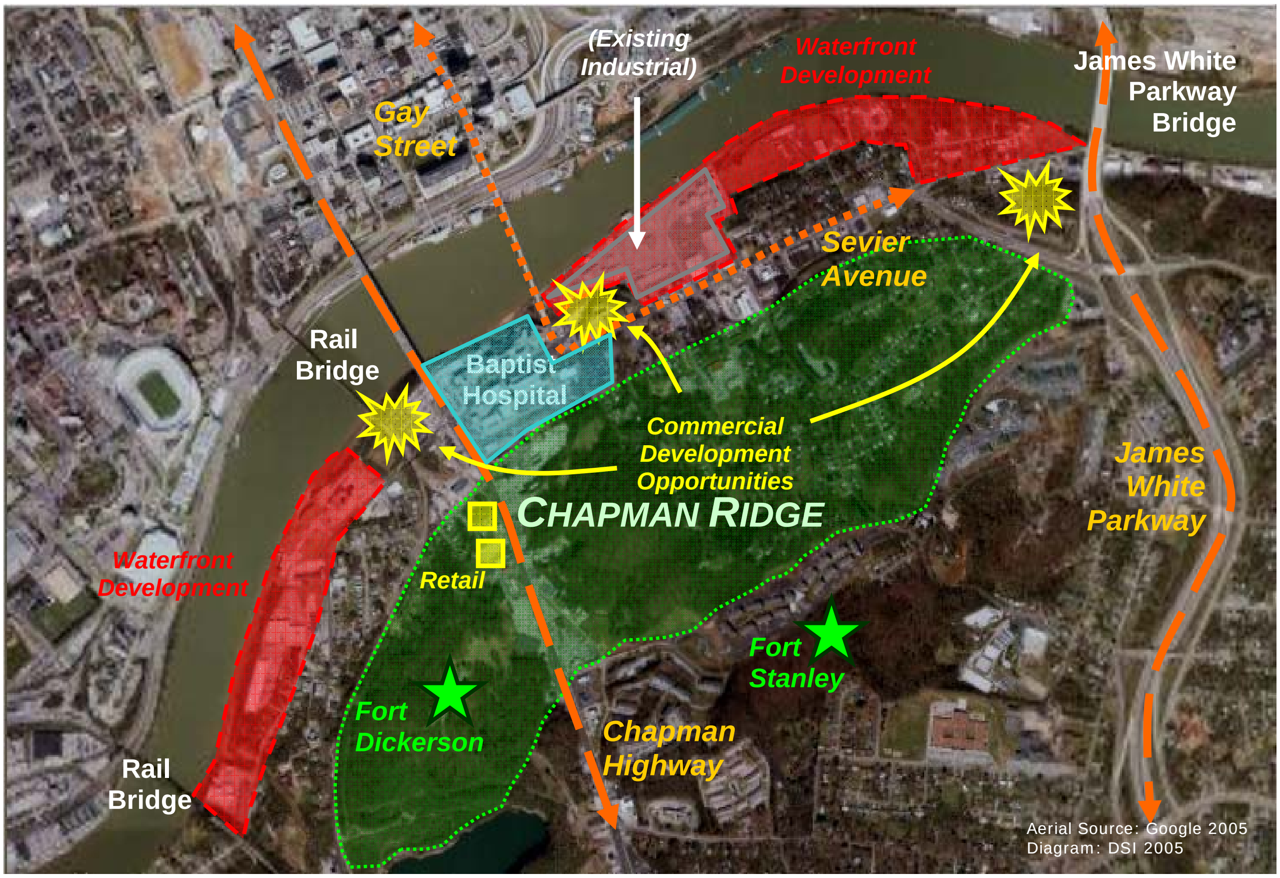
There is a new focus and commitment across the nation to waterfront redevelopment as more cities recognize the value of their lakes and rivers. As demonstrated in Knoxville, urban waterfronts have long been dominated by industrial uses that relied on water-borne transportation. Increasingly, waterfronts are being redeveloped with residential, entertainment, recreation, and office uses as these industries become obsolete or less dependent on water for transportation, processing, and shipping. Cities have recognized these new uses to be higher-value generating enterprises that enhance not only property values and tax revenues, but also their image and visibility both regionally and nationally.

Opportunities for development are strong along the South Waterfront, but the market potentials for the area will only be fully realized if they are guided by a master development plan. Projects such as the Rivertown Condominiums have confirmed the strength of the residential market along the river. The opportunity then is to develop a plan that encompasses the entire South Waterfront area, ensuring new developments are part of a cohesive network in which uses relate to one another and key sites are developed to their highest and best use potential. With coordination, strategic public investment, and land acquisition, greater economic value will be generated for the entire area, not just properties on the waterfront. This value will be in the form of higher-quality development, faster absorption rates, better long-term property appreciation and performance, and more synergistic opportunities between different land uses.

We have identified the following site development opportunities and constraints:

- **Waterfront.** The desirability of waterfront land generates opportunities for residential, entertainment, restaurant, marina, and public space land uses. By devoting land to public park space and/or a linear greenway that create access to water, amenity is created and value is added to properties along the water, and properties *throughout* the South Waterfront district.
- **Views.** Views of Downtown Knoxville and/or the Tennessee river will add substantial value to residential, office, and entertainment development. Where visibility is not possible, accessibility to water will still add value, but at a diminished rate.
- **Connections to Downtown.** Connections to the region's largest employment center and the University of Tennessee add substantial value to the South Waterfront. In order to maximize value, linkages should be reinforced for vehicles, transit, and pedestrians wherever possible, and barriers should be mitigated in order to maximize value for residential, office, hospitality, and entertainment uses.
- **Gay Street.** The reemergence of this historic main street will add significant value to Downtown Knoxville. As Gay Street once again becomes a prominent address, and housing, entertainment, and retail mature along it, the South Waterfront's direct connection via the Gay Street Bridge will increasingly improve the South Waterfront's marketability.
- **Transit.** Alternative modes of transportation that improve connections to downtown will increase the desirability of the South Waterfront for residential and commercial development. Extending Downtown Knoxville's existing system of free trolleys to the South Waterfront provides an excellent opportunity to achieve this end.
- **Baptist Hospital.** The presence of this large employer provides excellent opportunities for development synergies. Residences will appeal to hospital employees who choose to live close to work. The location of new businesses or offices adjacent to the hospital will create a critical mass for a variety of daytime, service-oriented businesses.
- **Industrial Uses.** Industrial uses are a valuable source of employment and tax base for Knoxville. However, the relocation of certain of these uses with their associated noise, odor, and traffic impacts will be necessary to enhance the marketability of residential, retail and entertainment uses in the South Waterfront.
- **Sevier Avenue.** The lack of accessibility and visibility are substantial barriers to the realization of market-driven mixed use development along Sevier Avenue. The improvement of the Sevier Avenue/Gay Street intersection is vital to these efforts because it improves visibility from Gay Street, and accessibility from Chapman Highway and the James White Parkway.
- **Environmental Constraints.** Environmental issues affect much of the highest-valued property in the South Waterfront district. Flooding affects the properties closest to the water, while the steep slopes of the Chapman Ridge constrain development and simultaneously afford some of the best view premiums in Knoxville. Industrial site contamination must be evaluated and mitigated along much of the waterfront.

The following diagram indicates opportunities and constraints:



DEMOGRAPHICS, ECONOMY AND EMPLOYMENT

The condition of the regional economy and current population and employment trends can have a significant impact on development projects that may occur in the South Waterfront. The following analyzes these trends for Knoxville.

Population

The Knoxville region is characterized by relatively high growth, creating opportunities for new development. The following table presents population trends for the City of Knoxville, the Knoxville Region, and the State of Tennessee:

2005 Demographic Trends

Description	*City of Knoxville*	*Knoxville CBA**	*State of Tennessee*
Population			
2010 Projection	172,584	680,140	6,159,360
2005 Estimate	172,537	647,044	5,915,950
2000 Census	173,890	616,079	5,689,283
1990 Census	173,288	534,919	4,877,185
Growth 2005-2010	0.0%	5.1%	4.1%
Growth 2000-2005	-0.8%	5.0%	4.0%
Growth 1990-2000	**0.3%**	**15.2%**	**16.7%**

*Core Based Statistical Area

The Knoxville Region's growth rate is strong, indicating it has a healthy economy and is considered a desirable place to live. Between 1990 and 2000, the region grew by 15.2 percent, exceeding the national average of 13.2 percent. On the other hand, the City of Knoxville's population was little changed during the decade due to a lack of easy to develop open land. The majority of the region's growth occurred in suburban areas to the west and north. With a projected 6,620 new residents entering the region each year, an opportunity exists for Knoxville to capture some of this growth by creating a new residential development district in the Knoxville South Waterfront.

The following table compares Knoxville's growth rate with those of selected regions:

Comparison Table: Regional Growth

Metropolitan Statistical Area	*Percent Growth (1990 - 2000)*	*Population (2000)*	*Nationial Ranking*
Raleigh--Durham--Chapel Hill, NC	38.9%	1,187,941	41
Charlotte--Gastonia--Rock Hill, NC--SC	29.0%	1,499,293	34
Nashville, TN	25.0%	1,231,311	39
Greensboro--Winston-Salem--High Point, NC	19.2%	1,251,509	37
Lexington, KY	18.0%	479,198	86
Knoxville, TN	**17.3%**	**687,249**	**63**
Greenville--Spartanburg--Anderson, SC	15.9%	962,441	52
Birmingham, AL	9.6%	921,106	55
Chattanooga, TN--GA	9.6%	465,161	90
Louisville, KY--IN	8.1%	1,025,598	50

Source: Census 2000

The above table indicates a growth rate for the Knoxville Metropolitan Statistical Area, or MSA, that exceeds those of Greenville, Chattanooga, and Birmingham regions. While not in the hyper-growth mode of Nashville, Charlotte or Raleigh, Knoxville's 17.3 percent regional growth rate positions it as a desirable city that is likely to continue to benefit from migratory trends to southern cities. This steady stream of new migrants will bolster the housing market in the South Waterfront.

The following table compares selected demographic variables among the Study Area, City of Knoxville, and Knox County:

Demographic Comparison Table

Description	*Study Area*	*City of Knoxville*	*Knox County*
People			
2005 Population	2,115	172,537	398,623
Median Household Inome	$18,781	$27,845	$38,049
Median Age	29.5	33.6	36.1
% Bachelor's Degree or Higher	12.8%	24.6%	29.0%
Households			
Average Persons Per HH	2.20	2.12	2.34
% Children Present (>18 yrs.)	21.1%	25.2%	31.3%
% Owner Occupied	34.3%	51.2%	66.9%
Median House Value (Owner Occ.)	$51,818	$77,769	$96,045

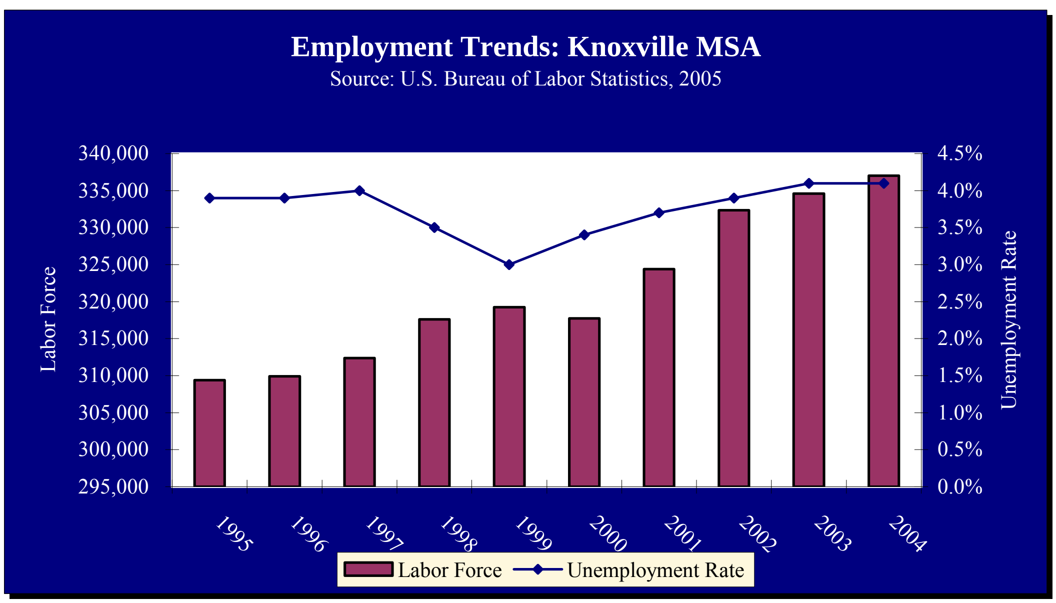
The above table indicates several striking contrasts between existing residents in the Study Area relative to residents in the city and county. With a median household income under $19,000, Study Area residents earn substantially lower incomes than the regional population.

Study Area residents tend to be younger, have lower levels of education, and are less likely to have children. Relative to the county, Study Area residents are 50 percent less likely to own their home. Residential housing values in the Study Area are about half of those in the county.

Educational attainment in the Knoxville region mirrors the national average. Approximately 80 percent of its residents have high school degrees, and 25 percent have college degrees. At 78.4 percent, the percent of high school graduates in the City of Knoxville is just below that of the region. The percentage of college graduates in the city is equal to that of the region.

Economy

With healthy employment growth and low unemployment, the Knoxville economy is strong and appears poised to sustain continued growth. Above average employment in the Professional and Scientific fields and Education and Health fields indicates a concentration of rapidly expanding and/or highly desired knowledge-based professions. The following chart indicates employment trends for the Knoxville Region:



Since 1995, the Knoxville region has added 30,000 jobs. Unemployment has remained below the national average over the last five years, indicating that job growth in the region has kept up with the increase in residents.

The following table indicates major employers in the Knoxville Region:

Major Employers: Knoxville Region		
Company	*Product*	*Number of Employees*
U.S. Dept. of Energy - Oak Ridge	Energy, Research	12,610
Covenant Health	Health Care	9,317
University of Tennessee	Education	8,104
Knox County Schools	Education	8,000
Wal-Mart, Inc.	Retail	3,606
St. Mary's Health System	Health Care	3,225
Baptist Health System	Health Care	2,820
City of Knoxville	Government	2,500
University of Tennessee Med. Ctr.	Health Care	2,500
Knox County	Government	2,401

Source: Knoxville Area Chamber Partnership, 2005

Knoxville has a relatively stable employment base, with concentrations of jobs in key fields. Large governmental or institutional employers such as the Oak Ridge facility and the University of Tennessee ensure a steady stream of well-paying jobs with good benefits. The Baptist Health System, with over 2,800 workers, is the seventh-largest employer in the region. Its flagship facility is located in the Study Area, and employs approximately 1,600.

Overall demographic conditions in Knoxville are positive, reflecting a strong economy that is likely to support growth opportunities in the region.

Employment

With 1,600 workers, the Baptist Hospital is the largest employer in the Study Area. In addition, there are several industrial businesses in the area that contribute to the regional employment base. The following lists industrial employers in the Study Area:

Industrial Employers Study Area, 2005		
Industry	*Total Establishments*	*Total Employees*
Agriculture	1	5
Mining	0	0
Construction	5	42
Manufacturing	26	602
Transportation and Communication	1	2
Wholesale Trade	13	255
Total	**46**	**906**

The above table indicates that a total of 906 industrial jobs are provided in the study area, primarily in manufacturing and wholesale trade. Valley Apparel, with 200 employees, and Rinker Materials, with 150 employees, are among the largest employers in the study area. In addition to the above industries, an analysis of employment data and a field survey reveal 190 jobs in building materials and garden supply and 20 jobs in retail. These jobs, along with hospital employment, amount to an estimated total of 2,700 jobs in the Study Area.

A survey of industrial and heavy commercial facilities conducted by the city in 2003 identified 20 buildings in the Study Area with a total of 715,000 square feet of space, or an average of 37,500 square feet per building. One building was identified as vacant, creating a vacancy rate of 3.7 percent. Based on a windshield survey in December of 2005, it was determined that several other buildings are partially vacant, raising the overall vacancy rate.

MARKET POTENTIAL AND FEASIBILITY

The highest and best use potential for the South Waterfront is not a single use, but rather the co-location of a variety of complimentary uses. For example, hotels and offices are complimentary uses, as are restaurants and offices. Nevertheless, each component or use must be evaluated separately to determine market demand and feasibility, with the understanding that its presence in a mixed-use, waterfront development will add value to the whole.

RESIDENTIAL DEVELOPMENT

Located in what is known as the South City area of Knoxville, the Study Area's opportunities are driven by its proximity to downtown, as well as its location to the waterfront. The site is in fact part of Knoxville's "Greater Downtown" which includes the Central Business District (CBD), the University of Tennessee, surrounding neighborhoods, and Fort Sanders (see map, page 3).

Our conclusions with regard to residential development are:

a.) the region is experiencing substantial growth in housing;

b.) most of this growth is occurring in suburban communities;

c.) demand for dense, walkable neighborhoods is significant and largely unmet;

d.) much of the demand for market-rate urban housing is currently not being met, suggesting an important housing opportunity for the Study Area.

Housing Supply

Housing supply for the Study Area is affected by trends occurring in the region, in the central city, in downtown, and at the national level. Therefore, it is necessary to examine at each level, and the interrelationships between the three, in order to gain insight into the housing opportunities that exist.

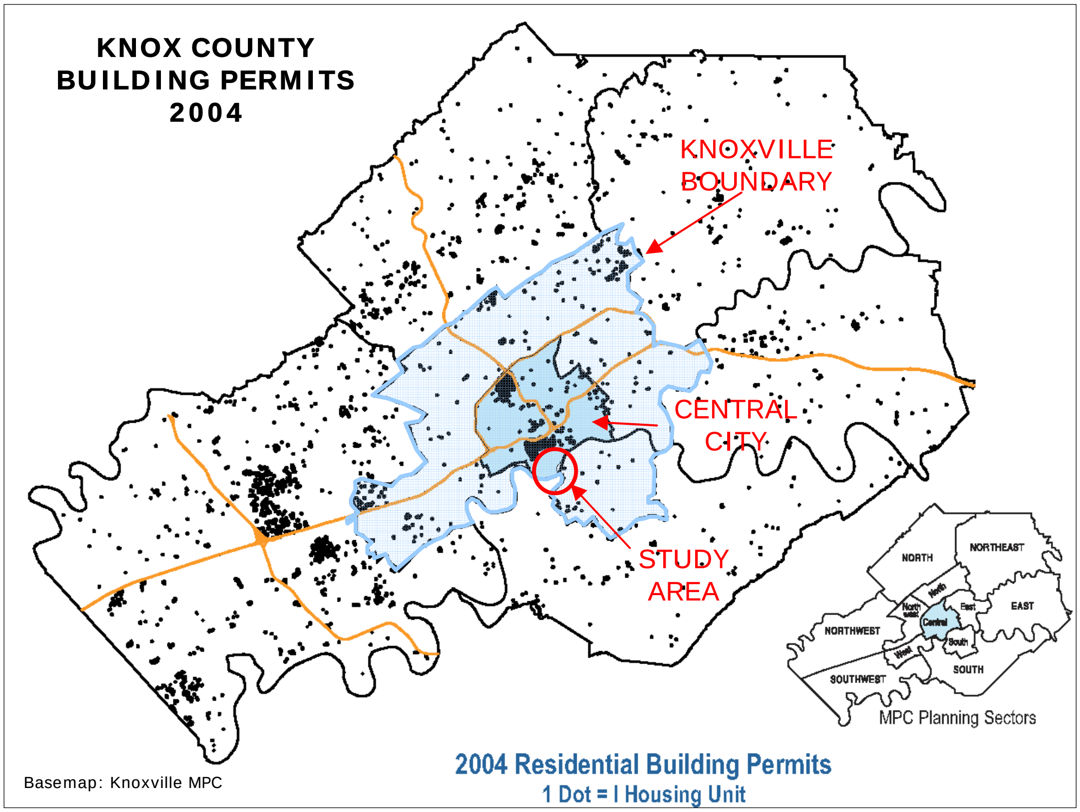
Knoxville Region

Between 1995 and 2004, the Knoxville/Knox County area added 36,000 housing units, or an average of 3,600 units per year (Knoxville MPC). The U.S. Department of Housing and Urban Development (HUD) projects that the region will add an average of 4,300 units per year over the next three years. Between 1995 and 2004, 73 percent of new residential units were constructed outside the city, primarily to the west and north where land is available. The combined housing additions in the Southwest and Northwest Planning Sectors accounted for 41 percent of the region's growth, while the North Planning Sector accounted for an additional 16 percent.

Central City Knoxville

Despite the Study Area's location in South City, its market opportunities are more closely aligned with the Central City, due to its proximity to downtown, the University of Tennessee and the waterfront. This area has a population of 48,000 and includes the CBD and the university, along with surrounding neighborhoods such as Fort Sanders, Mechanicsville, Morningside, and Lincoln Park.

Recent trends indicate a rapid acceleration in demand for central city housing. In 2004, the area added 786 new housing units, representing 17 percent of the regional housing growth for the year – more than double the historical average. Since there were 351 demolitions in the central city, there was a total net gain of 417 housing units in the city.



Downtown Knoxville

Following national trends, Downtown Knoxville has experienced a relative boom in market-rate housing development, adding roughly 150 units between 2000 and 2005, or 30 units per year. This pace has accelerated, with 170 units currently under construction or accepting presales. The Knoxville MPC indicates that an additional 190 units are in the planning stages.

Following are representative downtown housing projects that have been developed within the last five years:

Rivertown

Type: Condominium
Status: Under Construction
Units: 50
Units Sold: 43
Absorption Rate: 5 presales per month

Unit Mix/Pricing:

Unit Type	*Size (s.f.)*	*Sale Price*	*Sale/SF*
2-Bedroom	1,400	$250,000-$300,000	$196.43
3-Bedroom	1,450	$250,000-$300,000	$189.66

Comments: Waterfront development. New construction. 18 boat slips sold out for $25,000 apiece.

Promotory Point

Type: Condominium
Status: Completed 2003
Units: 20
Units Sold: 20
Absorption Rate: 2 units per month

Unit Mix/Pricing:

Unit Type	*Size (s.f.)*	*Sale Price*	*Sale/SF*
2-Bedroom	1,650	$300,000-$350,000	$196.96
3-Bedroom	2,000	$375,000-$450,000	$206.25

Comments: Waterfront development. New construction. Sold out in less than one year.

Fire Street Lofts

Type: Condominium
Status: Under Construction
Units: 28
Units Sold: 26
Absorption Rate: 3 presales per month

Unit Mix/Pricing

Unit Type	*Size (s.f.)*	*Sale Price*	*Sale/SF*
1-Bedroom	1,050	$180,000-$210,000	$185.00
1-Bedroom	1,732	$260,000-$290,000	$159.00
2-Bedroom	1,450	$220,000-$280,000	$172.00
3-Bedroom	1,850	$280,000-$310,000	$160.00

Comments: Located in Old City. Renovation. One reserved parking space per loft.

Sterchi Lofts

Type: Apartment
Status: Completed 2001
Units: 100
Occupancy: 95%

Unit Mix/Current Rents:

Unit Type	*Size (s.f.)*	*Rent*	*Rent/SF*
1-Bedroom	600	$700	$1.17
2-Bedroom	950	$950	$1.00
3-Bedroom	1,280	$1,350	$1.05
4-Bedroom	2,180	$1,700	$0.78

Comments: Located near Old City on Gay Street. Renovation.

There is currently a proposal for a waterfront development located at the glove factory site on Blount Avenue. These plans call for 140 units in the first phase of development that will be marketed at $190,000 to $250,000 per unit, or $200 per square foot. A total of 100 boat slips will be included, with one-third to be sold to homeowners in the facility and two-thirds to be rented to the public.

Housing Demand

The level of housing demand for the Knoxville South Waterfront is impacted by a variety of factors, including regional growth patterns, demographics, incomes, and housing trends. The following table estimates the amount of annual demand for urban housing in the region:

Market Demand for Urban Housing Knoxville Region, 2005		
	Units	*Percent*
Annual Regional Housing Growth[1]	4,300	
Market for Dense, Walkable Communities[2]		30%
Urban and New Urban Housing Demand	1,290	
Percent Urban Housing Demand		55%
Annual Demand for Urban Housing	**710**	

[1] U.S. Department of Housing and Urban Development, April 2005
[2] University of Southern California School of Policy, Planning and Development, 2002
Demographic Data provided by Claritas, Inc. 2005

A recent study (see table above) indicates that 30 percent of a region's annual housing market demand is for dense, walkable communities. This would represent a baseline estimate of regional demand for some 1,290 housing units in the Knoxville Region.

Demand for these units should be seen as divided between urban neighborhoods in and around Downtown Knoxville and new developments that incorporate elements of Traditional Neighborhood Design (TND) or New Urbanist principles. Further, our research has revealed that family households with children, which comprise 30 percent of all households in the region, have not been inclined to relocate to central city communities for a number of reasons, including insufficient space and negative perceptions of school systems. This demographic factor, as well as preferences for TND communities by some of the market, we estimate that 55 percent of the total market for dense, walkable communities could actually be captured by urban neighborhoods, provided the appropriate products and environment are offered. This amounts to a total annual demand for urban housing of 710 units. This number roughly corresponds with the total housing units added to the Central City in 2004.

The 710 units of annual demand for urban housing would be distributed throughout Knoxville's Central City. Based on current real estate trends in Knoxville, as well as research and field work conducted in other cities, we find that the South Waterfront and CBD will capture a disproportionate share of urban housing demand from higher income households. This is due to market potential as well as the complexity of development in these areas that necessitate higher returns on investment to ensure project feasibility.

Based on current market trends, we estimate that new market-rate residential properties on the South Waterfront will sell for $250,000 at the base-end to $700,000 at the high-end, with the majority of units selling for less than $400,000. Prices for units not on the water closer to Sevier Avenue will be substantially lower, in the $175,000 to $250,000 range. Rental units on the water will range from $900 to $1,500 depending on size and amenities. Rents away from the water will start at $700 per month.

Based on affordability standards, we estimate that 58 percent of the market for urban housing will be income-qualified for new housing in the South Waterfront (a minimum income of $35,000 to rent a $700 per month apartment), resulting in a potential market of 412 units. Current downtown housing trends in Knoxville indicate that the CBD and Old City could absorb up to 170 units per year over the next several years, reducing the amount of qualified housing demand for the South Waterfront to 242 units. We estimate that approximately 50 percent of this demand can be captured along the South Waterfront, for a total of 121 units, with the other 50 percent being captured throughout the central city (but outside the CBD).

This market for central city housing will be attracted to units with larger spaces and single family or townhome units, while the South Waterfront market will be attracted to the waterfront, downtown views, denser housing and proximity to nearby amenities. These may include a greenway, park(s), retail, entertainment, and marina(s). Within the income-qualified market for urban housing, the South Waterfront will still capture a disproportionate share of higher income households.

The following table indicates the potential annual market demand for housing along the South Waterfront:

Market Demand for South Waterfront Housing
Knoxville Region, 2005

	Units	*Percent*
Annual Demand for Urban Housing	710	
Percent Income-Qualified ($35,000 and up)		58%
Income-Qualified Urban Housing Market	412	
-170 Units Downtown Housing Demand	242	
Percent Market Share of remaining units		50%
Annual South Waterfront Housing Demand	**121**	

Demographic Data provided by Claritas, Inc. 2005

The above table indicates a market support for approximately 100 to 150 units of housing annually for the South Waterfront site. This assumes that the entire area will be developed as part of a coordinated plan, that incompatible uses such as the asphalt plant will be removed, and that complimentary uses (i.e. park and greenway, retail, marina, entertainment) will be developed.

This also assumes that a wide range of housing types and prices will be offered to appeal to the broadest market possible. If industrial uses remain, housing occurs in a piecemeal, uncoordinated way, or complementary public and private uses are not developed, absorption will slow considerably, perhaps as low as 50 to 75 units per year.

Housing phasing should occur first along the waterfront, where the market is strongest. As waterfront amenities such as parks space, restaurant/entertainment, and retail, demand for housing that is not directly on the waterfront will increase. Therefore, efforts along Sevier Avenue should occur in subsequent phases. With a good framework plan in place, a new market dynamic will exist after ten years of implementation, and development will build on previous successes, with less intervention from the public sector.

Market Segments

Understanding the market segments that will be attracted to housing in the South Waterfront area lends insight into the type of housing best offered in order to optimize housing demand capture. Interviews with local realtors, and research in downtown markets throughout the South and Midwest, reveal the following housing demand by market segment for the South Waterfront:

Projected Demand by Market Segment
Knoxville South Waterfront

Market Segment	*Percent*	*Annual Demand*	*Five-year demand*
College age (18-24 yrs)	10%	12	61
Empty nesters (>50 yrs)	30%	36	182
Recent graduates, singles, couples without children (25-45 yrs)	35%	42	212
Recent relocations	20%	24	121
Families (children)	5%	6	30
Total	**100%**	**121**	**605**

Data provided by Development Strategies

Different demographic groups will have unique housing needs. College age and recent graduates will show a preference to location near employment, school, and/or entertainment and retail space. Empty nesters (parents whose children have left home) will place a high priority on space, as well as covered parking. This group will typically hit the highest price points in the market, will also be attracted to retail and entertainment, but will want to be distant enough that they are not impacted by noise. Couples will be more attracted to three-bedroom units than singles. Families will value space, but are not significant generators of overall demand in this market.

RETAIL

The presence of appropriate retail development in a mixed-use district generates activity, adds value to surrounding development, and provides useful neighborhood services. A substantial amount of retail "strip" commercial development exists along Chapman Highway, just south of the Study Area. Therefore, the following questions must be answered to establish a retail strategy for the South Waterfront:

1. Does excess retail demand currently exist in the market?
2. If yes, what type of retail?
3. If no, can a market be created?
4. Assuming a retail market exists, what types are appropriate and how much?

The South Waterfront has three sites that have the access and visibility needed for retail development. They are: 1) the Chapman and Blount intersection, 2) the Gay and Sevier intersection, and 3) the James White Parkway interchange (see map, page 6 for commercial development opportunities). To determine whether there is sufficient market demand for these sites, the amount of existing regional retail demand must be determined. Additionally, the amount of neighborhood demand that will be generated through new housing development recommended in this plan must be assessed.

Existing Retail Competition

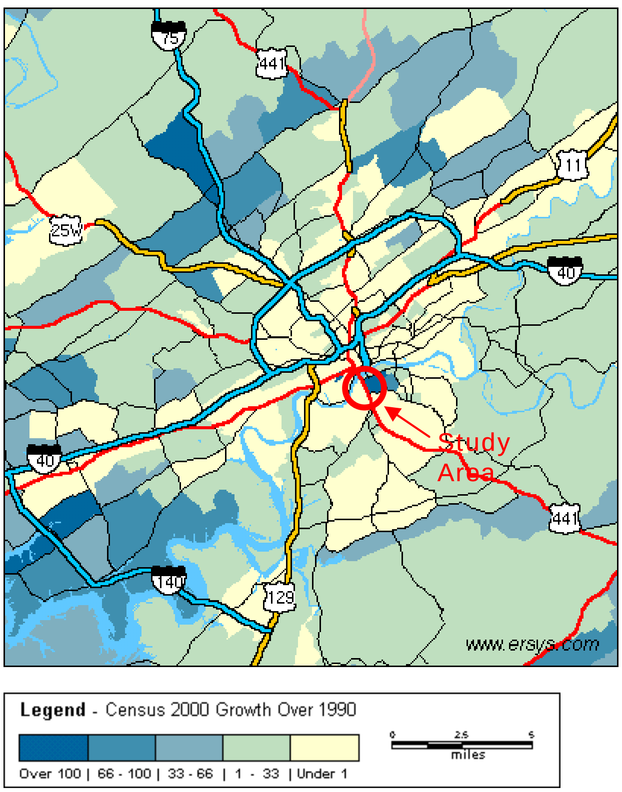
Shopping centers within a five-minute driving range of the Study Area were identified to determine the immediate competitive retail environment (generated by Claritas Inc). The market area has three retail concentrations[1] that are deemed competitive: 1) Magnolia Avenue Shopping Center; 2) Chapman Highway, just south of the river; 3) Chapman Highway between Parkway Shopping Center and Parkway South. The following table lists the shopping centers within these concentrations:

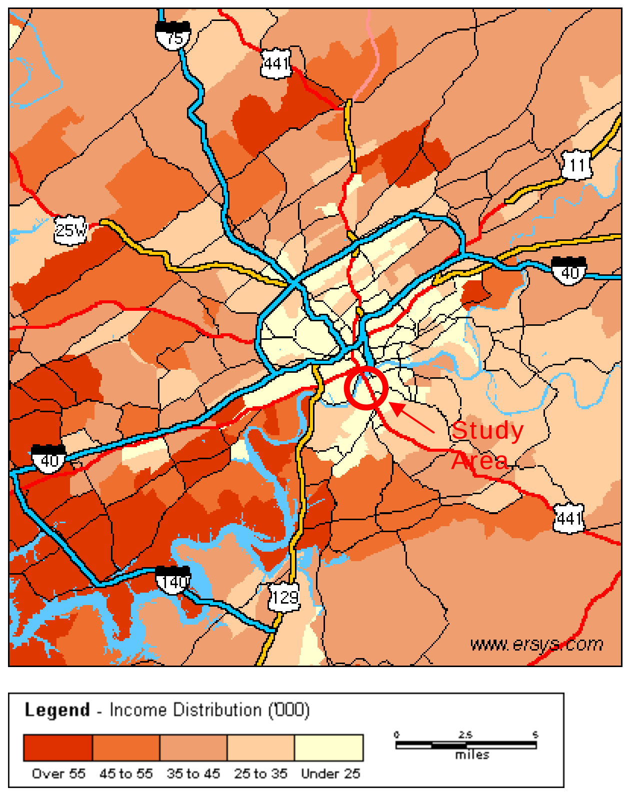
	Name	Total GLA	Vacancy	Year Built
1	Magnolia Shopping Center	32,000	0%	1940
2	2623 Chapman Hwy	33,000	0%	1989
3	Parkway Shopping Center	56,000	0%	1979
3	4006 Chapman Hwy	71,000	67%	1971
3	4011 Chapman Hwy	27,000	59%	1966
3	Food City Center	50,000	65%	1965
3	Chapman Square	107,000	25%	1985
3	Venture South	79,000	0%	1988

[1] *Source: Shopping Center Market Analysis 2004, Knoxville-Knox County Planning Commission*

Of the three retail concentrations, the third is the by far the largest, with 390,000 square feet of gross leaseable area (GLA). The oldest center, the Magnolia Shopping Center, was built in 1940 and is fully leased, perhaps due to a lack of competition in the direct surroundings. The second location (Chapman Highway) is the most recently built center and is also fully leased. Vacancies in the third location, however, are very high, ranging from 25 percent to 67 percent.

Maps based on the US Census of 2000 (ersys.com) show that the population of the market area has both the highest density as well as the lowest median household income level in Knoxville (under $25,000/year). A wealthier population can be found mostly in the low density western suburbs of the city (over $55,000/year). With the exception of these suburbs, the city has experienced no growth in recent years and in some parts, has even experienced a decline in population. The market region has the lowest median age of the city, with an average age of between 25 and 30.





Existing Regional Retail Demand

Comparing supply and demand *(Claritas)* show that there is a general oversupply of retail in the market area. These findings correspond with the high vacancy rates in nearby retail concentrations. Certain categories, however, form an exception:

Net retail sale potential in s.f.	Market within 5-minute range	Market within 10-minute range
Total	-771,516	-3,788,430

Clothing:
Most clothing categories show an opportunity gap in both the five and ten minute range. However, a large difference exists by subcategory, suggesting an undersupply of women's and family clothing apparel.

Clothing	*Market within 5-minute range*	*Market within 10-minute range*
Men	-6,086	7,281
Women	2,590	24,660
Children	987	3,055
Family	5,470	4,992
Accessories	601	1,545
Shoes	851	1,189

General Merchandising
In the five minute range there is a shortage of all general merchandising categories. For example, there are no super stores (such as Walmart or Target) and a shortage of department stores within this area. The ten minute range also shows a shortage of super stores, but an oversupply of department stores.

General Merchandising	*Market within 5-minute range*	*Market within 10-minute range*
Department stores	34,776	-436,284
Super stores	27,174	22,288

Sporting goods, hobby, book/music stores
There is a opportunity gap in the five minute range for most subcategories in the sporting goods, hobby, book/music category. However, almost all show a surplus in the ten minute range indicating these types of retail are located just outside the five minute range.

Sporting goods hobby, books	*Market within 5-minute range*	*Market within 10-minute range*
Sporting goods	6,937	-5,311
Hobby/toys	389	8,914
Book stores/news dealers	439	-68,219
Record stores	-1,669	-8,063

Food/drugstores
Both in the five and ten minute ranges there is a surplus of supermarkets but a shortage of convenience stores and specialty stores. Drugstores show a shortage in the five minute range and a surplus in the ten minute range, suggesting there are a large number of drugstores just outside the five minute range.

Food/drug stores	*Market within 5-minute range*	*Market within 10-minute range*
Supermarkets	-15,879	-133,787
Convenience stores	3,644	1,503
Specialty stores	634	7,884
Drugstores	13,578	-70,599

Sources: Claritas net demand for by driving distances2005; ULI's Dollars and Cents of Shopping Centers. 2004.

The above analysis demonstrates that a market exists for some small specialty retail within a five-mile radius, but not for a large supermarket anchor, super store, or department store.

Anticipated Neighborhood Demand

The addition of new residential housing units in the South Waterfront will expand the market for retail development. The following is an analysis of the anticipated net gain in neighborhood retail demand as a result of the new residents:

Average Household Income, Knoxville Metropolitan Area	
Per Capita Income 1999	$20,538
Average Household Size	2.38
Average Household Income	$48,880
Knoxville MSA Per Capita Income Growth 1999-2003	15.8%
Anticipated Average Household Income of New Residences	$70,000
Percent of HH Income Spent on All Retailing*	35.5%
Amount Spent on Retailing ($70,000 x 35.5%)	$24,850
Average Sales per Square Foot (from ULI *$&¢ of Shopping Centers*)	$265
Retail Square Feet Supported per Household ($24,850 ÷ $265)	93.8

*From *Consumer Expenditure Survey, 2003*, by the U.S. Department of Labor.
** Also from CES, 2003, but selected by Development Strategies as representative of the kinds of retailing that would likely be attracted to a downtown-riverfront-entertainment kind of location.

Considering the anticipated incomes of those who will likely occupy new housing in the South Waterfront (the average household income will exceed that of the region), it is estimated that each new household will support about 95 square feet of retail space. However, because overall local submarket demand will be insufficient even after the arrival of the projected new households to support large new retail additions, a substantial amount of locally generated retail expenditures will continue to be made well outside the Study Area (including those bought at supermarkets, super stores, large specialty stores, department stores, auto dealerships, etc.)

The following analysis indicates the scale and type of waterfront-appropriate retail that could be supported by local demand from the new residences built in the Study Area:

Pct of HH Income Spent on Riverfront-Appropriate Retail**	9.0%
Food away from home	
Alcoholic beverages	
Fees and admissions	
Specialty household equipment	
Specialty apparel and services	
Tobacco products	
Amount Spent on Riverfront-Appropriate Retail ($70,000 x 9.0%)	$6,300
Average Sales per Square Foot (from ULI *$&¢ of Shopping Centers*)	$310
Riverfront-Appropriate Sq. Ft. Supported per Household ($6,300 ÷ $310)	20.3

Thus, 500 new units of housing developed in the Knoxville South Waterfront would support 10,150 square feet of new riverfront-appropriate retail space. A total of 750 units would support 15,225 square feet of space, and 1,000 units would support 20,300 square feet of space.

Competitive Market Positioning

In the competitive retail market, a new product in a superior location can perform well even when in an area that is over-supplied with retail space. However, this will often comes at the expense of an existing retail business or shopping center. Retail development along the South Waterfront could also impact downtown. A waterfront location with good accessibility and visibility will be attractive to some types of retail – for instance, a boating merchandise store would be ideally located adjacent to a marina.

Given the general oversupply of retail space in the market, careful consideration must be given to determine appropriate specialty types of retail for the South Waterfront that will not siphon demand from existing businesses. Neither a specialty grocery store that features organic foods nor an urban grocer is likely to negatively impact existing supermarkets. An art theater will not compete directly with a first-run cinema. Therefore, some space within the plan should be flexible enough to capture a retail niche provider if such a tenant can be secured.

Uses such as restaurants and marinas often penetrate a broader market than a ten-minute driving distance typical for most convenience retailers. These uses will not cannibalize on existing businesses in the area, because they draw from a regional market area. Instead they enhance the market by bringing consumers downtown that otherwise would not have reason to be there.

Retail Conclusions

There is currently insufficient market demand to support a conventional retail anchor such as a grocery store, super store (i.e. Target), or a department store. There is limited demand for specialty retail, apparel, sporting goods, and a drugstore. As new residences are added to the South Waterfront, demand for some types of retail, including restaurants, specialty apparel, and household products will increase slightly.

Considering both regional and local demand factors, we recommend that sites be made available to accommodate a total of some 25,000 square feet of eating and drinking establishments, 16,000 square feet of specialty retail and apparel, and a possible urban grocery store. In addition, 15,000 square feet of space should be set aside for the possibility of attracting a drugstore. Gay Street and Chapman Highway represent the ideal locations for this type of retail development. Based on the lack of regional market demand and difficult vehicular access, the James White interchange is not recommended for retail development.

ENTERTAINMENT

The trend in new entertainment districts emphasizes creating a sense of place. Successful entertainment-oriented developments are increasingly in open-air, mixed use environments, and have natural synergies with restaurants and retail uses. As developers have become more comfortable with this trend, they have invested in increasingly smaller markets such as Dayton, Louisville, and Boise.

A growing number of policy makers have seized entertainment-oriented developments as opportunities to rejuvenate their downtowns. An appropriately-located and designed Urban Entertainment Center, coupled with new downtown housing, could provide an anchor that draws people from throughout the region. This simultaneously brings pedestrian life downtown after five o'clock and increases retail sales for the city.

Development Strategies (DSI) has assessed the current market conditions entertainment as it relates to regional demand, regional competition, and site location.

Regional Demand

Entertainment-oriented developments increasingly become more refined and specialized in their programming, and take on many forms. The following synopsizes the two major categories identified:

- Lifestyle Centers and Town Centers These developments exist in suburban locations and have a mix of entertainment options as well as small conventional department store anchors and specialty retail stores. Both attempt to mimic the public spaces and squares of historic Main Streets, and can consist of as much as 500,000 to one million square feet of space. Parking is typically free.

- Urban Entertainment Centers These centers are located downtown and combine shopping, recreation, and entertainment, typically with a reduced emphasis on retail. Entertainment may occupy as much as 40 percent of the total space, and traditional department anchors are not present. Instead, anchors may include a cinema, entertainment-oriented retail (Nike Town), virtual reality/computer gaming (GameWorks), live entertainment, and other attractions such as an aquarium. Urban Entertainment Centers rarely exceed 200,000 square feet in leasable area.

Given current entertainment trends and strong population growth in the Knoxville Region, it is likely that an entertainment-oriented development will be introduced in the region within the next five years. Recently, several leaders in entertainment-oriented development have begun to enter smaller markets. Following successes in markets of over two million people (such as Miami, Pittsburgh, and Cincinnati), renowned developers Steiner + Associates and The Cordish Company have developments underway in Dayton and Louisville respectively – both markets of approximately one million people.

Other entertainment-oriented developments are now occurring in even smaller markets like Toledo, Ohio and Boise, Idaho – each consisting of less than 700,000 people. In both instances, the developments use cinemas as anchors, and retail space is 80 percent occupied in less than one year of lease-up.

Regional Competition

Successful entertainment-oriented developments have occurred in downtowns as Urban Entertainment Districts (often with incentives) and suburban locations in the form of Town Centers and Lifestyle Centers. Following is a selection of representative developments occurring in the last five years:

Project:	Peabody Place
Region/Population:	Memphis (1.1 million)
Location:	Downtown
Project Type:	Urban Entertainment Ctr.
Year Opened:	2001
Anchor(s):	Cinema, Computer Gaming
Retail/Entertain. Square Feet:	532,000 square feet

Project:	4th Street Live!
Region/Population:	Louisville (1.1 million)
Location:	Downtown
Project Type:	Urban Entertainment Ctr.
Year Opened:	2004
Anchor(s):	Live Entertainment, Bookstore
Retail/Entertain. Square Feet:	270,000 square feet

Project:	Newport-on-the-Levee
Region/Population:	Cincinnati (2 million)
Location:	Downtown/Waterfront
Project Type:	Urban Entertainment Ctr.
Year Opened:	2001
Anchor(s):	Cinema, Aquarium
Retail/Entertain. Square Feet:	200,000 square feet

Project:	Levis Commons
Region/Population:	Toledo (670,000)
Location:	Suburban
Project Type:	Lifestyle Center
Year Opened:	2005
Anchor(s):	Cinema, Bookstore
Retail/Entertain. Square Feet:	250,000 square feet

Project:	The Greene Town Center
Region/Population:	Dayton (850,000)
Location:	Suburban
Project Type:	Town Center
Planned Opening:	2006
Anchor(s):	Cinema, Bookstore
Retail/Entertain. Square Feet:	500,000 square feet

Project:	BoDo
Region/Population:	Boise (530,000)
Location:	Downtown
Project Type:	Urban Entertainment Ctr.
Year Opened:	2005
Anchor(s):	Cinema
Retail/Entertain. Square Feet:	93,000 square feet

Market support may exist for an Urban Entertainment Center in Downtown Knoxville, although at a smaller scale than what could occur in suburban Knoxville or in a downtown in a larger-market. Such a development would likely not exceed 90,000 to 100,000 square feet, including a movie theater. Since a movie theater is currently under construction on Gay Street in downtown, the net amount of additional supportable entertainment development would be in the order of 60,000 square feet. The center should be located close enough to the theater to take advantage of synergies created by complimentary uses.

Site Location

Several potential sites have been identified for an Urban Entertainment Center in Downtown Knoxville, each with its own opportunities and constraints. The following five sites, two of which are in the South Waterfront, have been identified and evaluated based on their market strengths, availability of land, and ability to stimulate additional investment:

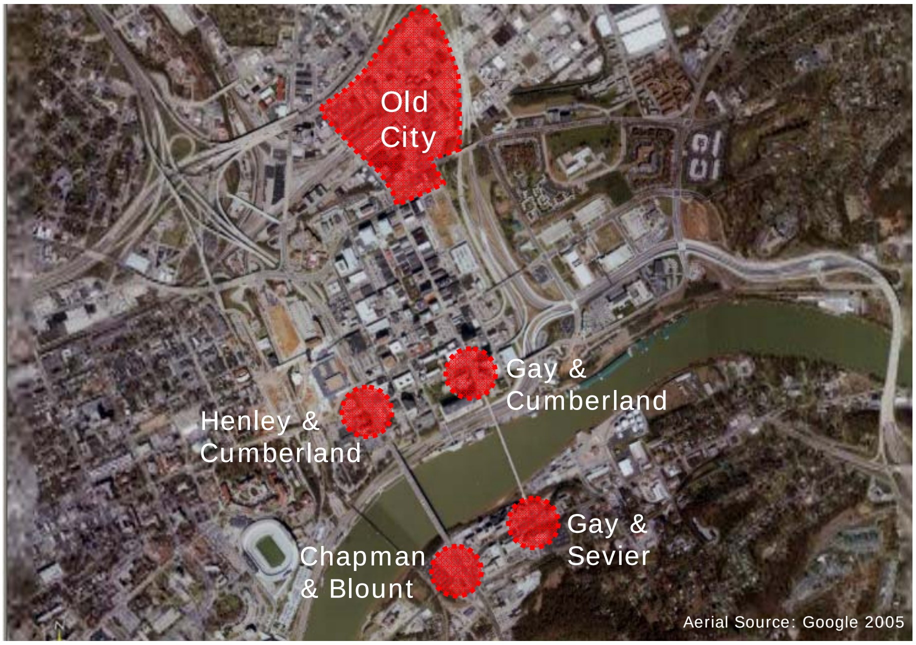
- **Cumberland and Henley.** Located at the intersection of two heavily-traveled roads, this site has maximum visibility and accessibility, and is within view of the Tennessee River. This site is also located at a critical junction between downtown and the University of Tennessee. A well-designed Urban Entertainment Center could provide the vital missing link between the two. The site is near the convention center, creating a marketing opportunity for this particular facility.

- **Old City.** Already a thriving entertainment district, this area still has several vacant sites that could be acquired and assembled. However, new development in this area could inpinge on existing stores and shops, and might disrupt the quaintness and historic feel of the area.

- **Cumberland and Gay.** The only large parcel remaining on historic Gay Street, this site has excellent visibility. It is within a five-minute walk of a new cinema that is currently under construction, and the development of new restaurants and entertainment would create natural synergies between the two. Located one-half mile from Old City, the two could compliment each other by appealing to different market segments, assuming careful consideration is given to the types of tenants attracted.

- **Chapman and West Blount. Located along the Tennessee River at the most heavily-traveled** intersection in the South Waterfront, this site could be attractive to entertainment uses that take advantage of views of the waterfront and downtown skyline. Some businesses would benefit from the lunch crowd generated by the Baptist Hospital. At a distance of nearly one mile, the site is the most remote from the new cinema development on Gay Street.

- **Sevier and Gay.** Located along the river on the South Waterfront, this site presents an exciting opportunity to create a third node of activity along Gay Street. A front-door could be created to Sevier Avenue, improving the marketability of this main street for redevelopment efforts. The site is just over one-half mile from the new cinema.



Entertainment Conclusions

Knoxville is primed to receive its first urban entertainment-oriented development within the next five years, and a downtown site is most promising. With a critical mass of dining and entertainment uses developing on Gay Street, the Gay and Cumberland or Cumberland and Henley intersections present the best opportunity locations for this type of development. Approximately 20,000 to 30,000 square feet of restaurant and other uses that specifically take advantage of waterfront views should be located in the South Waterfront. Entertainment uses that do not relate to the river (i.e. a computer-gaming facility) should be located as close to the new cinema on Gay Street as possible not across the river.

The Sevier and Gay location is preferred for the location of restaurants because of its closer proximity to the cinema and other opportunities along Gay Street and in Old City. A rubber-wheel trolley linking these entertainment uses on Gay Street is recommended. The design should take advantage of riverfront views, and be located near other waterfront amenities, such as a promenade, waterfront park, and/or amphitheater.

An alternative to market-driven entertainment is the development of a cultural amenity, such as a museum or performing arts center. Such facilities would give the South Waterfront a strong identity, and draw people from throughout the region and beyond. This, in turn, will bolster other types of business development in the district.

OFFICE

Office development can be an important component of a mixed-use development, and can have market synergies with restaurant, hotel, and some retail activities. Three types of office development are possible: corporate office, speculative or general office, and business services office. Speculative office is market driven and can occur in either a stand-alone office facility or as part of mixed-use buildings that also contain retail and/or residential development. Business service office, such as an accounting firm, is also market driven as a function of income and population and can be evaluated in a fashion similar to retail. Corporate office relocation occurs as a function of economic development trends and opportunities, and is influenced more by the city's relative success at business recruitment and retention efforts rather than by market forces.

Speculative Office

The Downtown Knoxville office market lends insight into market opportunities for the South Waterfront. Consistent with other downtowns in small and mid-sized markets, downtown office development in Knoxville has been stagnant over the last several years. On the other hand, the suburban office market has seen substantial growth in Knoxville.

The following table highlights recent office trends:

Greater Knoxville Office Market

Market	*2000*	*2005*	*Annual Change*
Downtown			
Buildings	77	71	(1.2)
Gross s.f.	6,137,693	5,962,999	(34,939)
Avg. Building Size (s.f.)	79,710	83,986	855
Vacancy Rate	9.1%	15.9%	1.4%
Suburban			
Buildings	355	451	19.2
Gross s.f.	10,064,296	13,740,062	735,153
Avg. Building Size (s.f.)	28,350	30,466	423
Vacancy Rate	7.0%	10.3%	0.7%

Source: Knoxville-Knox County MPC, 2005

While the downtown office market has been stagnant for some time, recent construction reveals a strong demand for office buildings in the regional marketplace. Since 2000, 96 office buildings have been constructed in suburban locations, for an average of 19 new buildings per year. Over the same period, there has been no new office development downtown. The majority of new office development has occurred in the western suburbs, with several new office buildings constructed in the Pellissippi submarket.

The lack of recent interest in downtown office space may be due to a lack of newer building product. Since 1980, just 10 new office buildings have been constructed, totaling 33.5 percent of downtown office supply. These office buildings cumulatively have a vacancy rate of less than one percent; versus 16.0 percent for office buildings constructed over 25 years ago.

The 2005 downtown vacancy rate of 15.9 is up considerably from 2004, when it was 8.8 percent. This is due to a recently-vacated TVA East Tower, which added 211,863 vacant square feet to the market.

Based on current trends, it is likely that new speculative office space, particularly if it is located along the waterfront adjacent to restaurants and/or services, will be attractive to some tenants. The recent abandonment of the Tennessee Valley Authority (TVA) tower has softened the downtown market, and is cause for caution. Because of the site's unique qualities (the only downtown office space on the waterfront), we believe there is a small but distinct market for speculative office space in the South Riverfront. If waterfront space is acquired with good access and visibility adjacent to the Baptist Hospital or James White Parkway, and industrial uses are relocated, we anticipate a two percent capture of regional growth, for 80,000 square feet of office space over a five year period.

Service Office

There will be market-based opportunities for some limited office services resulting from the addition of housing units to the South Waterfront. Generally, a market of 10,000 people is needed to support a full range of services. Current market demand is met along Chapman Highway, at the Baptist Hospital, and downtown. The following indicates the types and amount of office space demand that will be generated by the addition of 1,000 new units of housing in the South Waterfront:

Household Buying Power Support of Office Space

Knoxville South Waterfront

Average Household Income, Knoxville Metropolitan Area	
Per Capita Income 1999	$20,538
Average Household Size	2.38
Average Household Income	$48,880
Anticipated Average Household Size of New Residences	2.00
Anticipated Average Household Income of New Residences	$70,000
Projected Per Capita Income of New Residents	$35,000
Per Capita Income Spent on Neighborhood-Appropriate Services*	$3,098
Supportable Services (Based on 1,000 housing units) **	Square Feet
Personal Care	1,200
Accountant	2,000
Bank	3,000
Dentist	1,500
Other	4,000
Total	11,700

*From *1997 Economic Census.* Appropriate services include legal, accounting, finance, real estate, dentist, optometrist, chiropractor, video rental, child day care, fitness center, banking. Services were selected by Development Strategies as representative of the kinds of services that would likely be attracted to a mixed-use neighborhood location.
** From ULI's *Dollars and Cents of Shopping Centers, 2004.*

Based on the above data, 1,000 new units of housing (which is not likely to occur before year five) will support roughly 12,000 square feet of office services. The existing Baptist Hospital employer, and an additional 1,000 units of housing (approached around year 10), create added demand for laundry services and other personal services. Other types of services may choose to locate in the South Waterfront, but this will likely involve a relocation of these services from an existing location in the market, as opposed to the addition of new services.

Corporate Offices

Office market forces have little impact in the site selection process for a corporate relocation. Companies are more concerned with factors such as availability of land, incentives, a skilled workforce, and the presence of entertainment and cultural amenities. If the City of Knoxville chooses to recruit a corporate office, the most attractive sites will be those adjacent to the Baptist Hospital along the waterfront, and near the James White Parkway.

The sites adjacent to the Baptist Hospital are better connected to the downtown via transit, but will necessitate sizable parking garages due to a lack of space. Sites adjacent to the James White are attractive due to their easy freeway access.

A strategic asset for the James White location is that, unlike the sites near the hospital, it is not critical that it be developed in the short term. The site could remain vacant for five to ten years as the city works to attract a corporate office. Barring an interested corporate office occupant within the next five years, the sites adjacent to the hospital would be better developed as restaurant, retail, hotel, or mixed-use projects that would stimulate interest and act as catalysts for the entire South Waterfront.

Office Conclusions

While the downtown speculative office market is soft, new, waterfront office facilities in a unique mixed-use environment should be able to capture a share of regional demand. The amount of new housing units proposed cannot support a full range of office services, but demand for some services will be created as the 1,000 unit threshold is approached. Once sites are secured and restaurant and park uses are established, we recommend that 80,000 square feet of speculative office be phased in over a period of five years. We recommend 12,000 square feet of service office space be developed in pace with the first 1,000 units of new housing. We recommend the James White interchange as the preferred location for new corporate offices. It is strategically less important that this site be developed in the next ten years, allowing time for the city's recruitment efforts to bear fruit.

HOTEL

A hotel can be a vital component in mixed-use developments, because they tend to enhance their image and identity. They have synergies with office, entertainment, specialty retail, and restaurant uses. Therefore, the South Waterfront will be attractive for a hotel chain, provided market support exists. In turn, hotel patrons will provide some support for retail and entertainment uses, particularly if the hotel targets conference attendees and tourists.

A hotel located in the South Waterfront will be in the competitive environment of the Greater Downtown. The following table indicates existing supply in the Knoxville Hotel Market:

Downtown Hotel Supply
Knoxville, 2005

Hotel	*Product Type*	*Year Built*	*Days Open*	*Rooms*	*Annual Rooms*
Marriott	Luxury	1972	365	378	137,970
Crowne Plaza	Luxury	1983	365	197	71,905
Holiday Inn Select	Convention	1983	365	293	106,945
Hilton	Luxury	1982	365	317	115,705
Cumberland House	Luxury	2005	365	130	47,450
Hampton Inn	Commercial	2006	365	85	31,025
			Totals:	1,400	511,000
			Downtown Occupancy:		62.5%
			Annual Hotel Demand:		319,375

Knoxville Tourism Alliance, 2005

The above table indicates there are 1,400 hotel rooms in Greater Downtown. Interviews with area stakeholders indicate that the average annual occupancy rate runs between 60 percent and 65 percent. It is noteworthy that four of the six hotels are luxury hotels, comprising 73 percent of the total rooms in the downtown submarket.

Two hotels have been built since 1983. The Cumberland House, completed earlier in 2005, is the only hotel adjacent to the University. The Hampton Inn, scheduled to complete construction in Spring of 2006, gives the downtown its first commercial hotel, and will appeal to a different market segment than the existing downtown hotels.

A number of factors influence hotel demand, including convention business, meeting business, tourism, airport capacity, the presence of major attractions, levels of expendable income, and the current state of the economy. Employment, office space, and market size indicate the scale of the local economy, and the downtown's relative market position, which affect hotel demand.

The following table compares these three downtown hotel market indicators with selected regions in the United States:

Regional Comparison
Downtown Hotel Demand Indicators, 2005

						Demand Indicators		
City/Region	Downtown Hotel Rooms	Annual Rooms	Downtown Worker Population	Downtown Office Square Footage	Regional Popuation	Annual Rooms / Downtown Worker	Annual Rooms / 1,000 s.f. Office Space	Annual Rooms / 1,000 Population
Little Rock	1,750	638,750	42,000	6,000,000	585,000	15	106	1092
Toledo	850	310,250	N/A	6,500,000	620,000	N/A	48	500
Knoxville	**1,400**	**511,000**	**23,000**	**6,000,000**	**690,000**	**22**	**85**	**741**
Omaha	1,700	620,500	34,000	9,000,000	720,000	18	69	862
Greenville, S.C.	700	255,500	17,000	3,000,000	960,000	15	85	266
Jacksonville	2,100	766,500	55,000	11,000,000	1,100,000	14	70	697
Nashville	2,950	1,076,750	46,000	8,500,000	1,200,000	23	127	897
Charlotte	4,110	1,500,150	61,000	17,000,000	1,500,000	25	88	1000

Development Strategies, 2005

The table above indicates that there is likely to be an adequate supply of hotel space in Downtown Knoxville for the near to mid-term. The city has a high number of downtown hotel rooms relative to the amount of employment and office space in the downtown, as well as relative to the size of the regional market. This is probably due to the presence of the University of Tennessee, and Knoxville's proximity to the Smokey Mountains – a major national attraction. The downtowns of Omaha and Little Rock have more hotel units relative to their regional populations, and this is likely due to their greater concentrations of employment and office functions which drive up demand.

Hotel Conclusions

The downtown hotel market does not have excess demand, particularly in the luxury market segment. The development of a mixed-use district with retail, office, and entertainment functions could become an attraction that creates its own demand for additional hotel rooms, in much the same way demand for a hotel adjacent to the University of Tennessee drove the market for the Cumberland House. This underscores the fact that new hotel facilities should not be anticipated until other development has occurred. If the appropriate pieces fall into place, an opportunity may exist for a smaller boutique hotel with up to 100 units.

The intersection of Chapman and Blount is an obviously promising location for any new hotel facility. Its advantages include: 1) adjacency to the Baptist Hospital, 2) panoramic views of the waterfront and downtown, 3) high traffic counts along Chapman, 4) proximity to the convention center, and 5) a grade change to the west that allows for and underground parking garage below adjacent planned park space.

A hotel at this location would also be within a reasonable walking distance to restaurant, retail, and entertainment uses on the waterfront. It would appeal to tourists and convention-goers primarily who will be more likely than business travelers to shop, and therefore add greater benefit to the district.

RECREATIONAL MARINA

Recreational boating generates activity and increases interaction with urban waterfronts. Marinas have proven to be value-adding enterprises, particularly when associated with adjacent residential, entertainment, retail, and open space development. Demand for a downtown marina has been tested by the Volunteer Landing facility on the north side of Fort Louden Lake, which has been moderately successful.

The market potential for additional recreational marinas in Downtown Knoxville is evaluated here for both the for-sale market and the rental market. Sales of boat slips, sometimes referred to as "Dockominiums", typically occur with the sale of waterfront homes or condominium apartment units. Boat slips in marinas are rented on a monthly or annual basis, with the exception of "Transient" slips, which are rented daily.

Rental Market

A survey of large rental marinas throughout Knox County was conducted in December of 2005. Of the six marinas contacted, four responded. The survey requested information from the peak summer season, and the aggregate results are provided in the following table:

Summer Boat Slips Knox County, 2005	
Total Estimated Slips	1,368
Slips Surveyed	946
Percent Occupied	91%
Annual Slip Increase	32
Average Annual Rate/ Linear Boat Foot	$95.35
Average Boat Length (in feet)	34.5
DEVELOPMENT STRATEGIES, 2005	

The above table indicates a mature marina market with a moderate growth rate resulting from population increase and a growing number of households in higher income strata. Because boats are generally considered to be luxury purchases, the market is sensitive to changes in the local economy. Projections indicate an additional 14,000 households will earn more than $100,000 annually in the Knoxville Region by 2010 – a strong positive sign that the demand for new boat slips will continue.

Despite these numbers, the demand for new rental slips downtown is unproven. Volunteer Landing, with 111 boat slips, is currently operating at 75 percent occupancy, and has not expanded in several years, despite capacity to do so. Local marina owners and boating enthusiasts cited strong river currents, the narrowness of the river relative to nearby lakes, and a lack of waterfront activities as reasons for its limited demand.

New development along the South Waterfront with activity generators such as a waterfront park with public festivals will stimulate interest in the Greater Downtown. We estimate that the with more riverfront activity, the rental market could capture 15 percent of annual demand for boat slips, or five slips per year.

For-Sale Market

The emerging market for private boat-slip ownership figures to have a significant impact on the South Waterfront. While it is difficult to estimate the number of boat-slips purchased, the sale of boat slips in at least one new development is encouraging. The new Rivertown Condominiums on the South Waterfront sold out 18 boat slips in under six months. The price of each slip was $25,000 and was added to the final price of the condominium unit. The velocity of these sales suggests an underserved market.

Based on current market data and interviews with real estate brokers and boat manufacturers, we estimate that a market exists in the South Waterfront for approximately 12 to 15 boat slip sales per year. This assumes the South Waterfront can continue to absorb approximately 50 for-sale residential units with waterfront access over the next five to ten years. We anticipate that the sale of slips will be robust in the first several years of waterfront development, perhaps reaching 25 sales per year, before leveling off.

Marina Conclusions

Due to sometimes heavy currents, competition from other marina locations, and a lack of waterfront activity, the market for downtown rental slips is currently soft and is not likely to improve without substantial waterfront development. The for-sale market for boat slips is currently underserved, and is a potential growth area in the market. Assuming waterfront housing can continue to develop at a pace of 50 units a year, we anticipate market support for 15 boat slips per year, primarily in the for-sale market.

DEVELOPMENT STRATEGY

Successful mixed-use developments, often referred to as MXD for short, like any single use, occur because there is ample demand for the product, be it housing, retail, etc., that is offered. Because of the increased complexity associated with multiple uses, they are more dependent on factors such as urban design, which must resolve issues with potentially conflicting uses, and phasing, which is necessary to ensure that market synergies are capitalized on. The following table indicates potential market synergies and land use conflicts:

Primary Use Components	Health Care	Marina	Entertainment: Sports	Entertainment: Theaters	Entertainment: Bars & Restaurants	Retail: Comparison	Retail: Specialty	Retail: Convenience	Hotel	Offices	Residential
Residential	❑	●	×	×	❑	❑	❑	●	×	●	
Offices	❑	–	❑	–	●	❑	❑	❑	●		●
Hotel	❑	❑	●	❑	●	❑	●	❑		●	×
Retail: Convenience	–	●	❑	❑	❑	❑	×		❑	❑	●
Retail: Specialty Stores	–	●	❑	●	●	●		×	●	❑	❑
Retail: Comparison	–	❑	❑	●	●		●	❑	❑	❑	❑
Entertainment: Bars & Restaurants	–	●	●	●		●	●	❑	●	●	❑
Entertainment: Theaters	–	–	❑		●	●	●	❑	❑	–	×
Entertainment: Sports	❑	❑		❑	●	❑	❑	❑	●	❑	×
Marina	–		❑	–	●	❑	●	●	❑	–	●
Health Care		–	❑	–	–	❑	–	–	❑	❑	❑

Level of Market Synergy in MXD

- ● Strong
- ❑ Weak or Uncertain
- – Neutral, Absence of Synergy
- × Potential Market Conflict

Source: Urban Land Institute. *Real Estate Market Analysis: A Case Study Approach*, 2001, and Development Strategies.

The table above outlines the synergies between residential and marina uses, specialty retail and entertainment uses, and hotel and office uses. It also notes potential conflicts that entertainment and hotel uses bring with them. Based on market support, land-use synergies, site development opportunities, and the removal of certain uses detailed in this report, the following table offers a phasing strategy that will maximize development opportunities in the South Waterfront area.

Development Program and Phasing Strategy
Knoxville South Waterfront

	Category	**Phase I (0-5 years)**	**Phase II (5-10 years)**	**Phase III (10-20 years)**	**20-Year Total**
Private Sector	**Residential**	500-600 units	500-600 units	1,000 units	
	Catalyst	Existing Market Regional Growth	Removal of Industry, New Parks	Close to Waterfront Devel	2,000-2,200 units
	Location	Waterfront	Waterfront	Sevier Ave.	
	Retail	15K Drugstore	16K-20K Specialty	20K-30K Retail	
	Catalyst	Existing Market	Industrial Reloc.	New Residences	50,000-60,000 square feet
	Location	Chapman & Blount	Gay & Sevier	Gay or J. White	
	Restaurant/ Entertainment	10K-15K	10K-15K		30,000
	Catalyst	Existing Market	Industrial Reloc.		square feet
	Location	Near Hosp/Water	Waterfront		
	Office		80K-90K Spec/Serv	Corporate HQ	
	Catalyst		Ind. Reloc/Restaurant/ Hotel	Public Sector	80-100K Spec 20-30K Serv 270K HQ
	Location		Chapman & Blount	James White	
	Hotel		100 Rooms		
	Catalyst		Ind. Reloc/Office/ Restaurant		100 Rooms
	Location		Chapman & Blount		
	Marina	50 Slips	75 Slips	75-100 Slips	
	Catalyst	Waterfront Housing	Hsg./Park/Rest'rant/ Special Events	Hsg./Park/Rest'rant/ Special Events	225 Slips
	Location	Next to Residential	Hsg./Rest/Park	Hsg./Rest/Park	
Public Sector	**Industrial Relocation**				
	Type	Small Scale	Large Scale		
	Location	Throughout	Waterfront		
	Park and Greenspace				
	Type	Park & Greenway	Park & Greenway		
	Location	Waterfront	Throughout		
	Infrastructure				
	Type	Intersection/ Streetscape Imp.	Riverfront Drive/ New Roads	Streetscape Improvements	
	Location	Blount/Chapman; Gay/Sevier; J. White	Near Waterfront	Sevier Avenue	
	Cultural/Civic		135,000 s.f.		
	Type		Cultural Institution		135,000 square feet
	Location		Waterfront		

DEVELOPMENT STRATEGIES, 2006

The preceding strategy outline was guided by the following framework:

- **Phase I.** The first phase should allow for development where the market is currently strongest. During this period, strategic public investments and land acquisition should occur in a manner that sets up the next phase of development. For example, the Gay Street/Sevier Avenue intersection should be improved to increase access and visibility for later development opportunities at this key location.

- **Phase II.** Development in the second phase should build upon the momentum of existing development and capitalize on synergistic opportunities. As obtrusive land uses are removed, new development should occur in its place, and complimentary uses, such as office and hotel space, should develop concurrently. Public investments in the framework of the development should be completed to set the stage for the third phase of development.

- **Phase III.** After ten years of public and private investment, the development should build on itself. Public investment will be greatly reduced, giving way to private, market-driven improvements. This frees the public sector to focus on other initiatives, such as attracting a corporate headquarters.

The following table illustrates the extent and timing of involvement that the public and private sectors will have.

Development Phasing Diagram
Knoxville South Waterfront

	Category	Phase I (0-5 years)	Phase II (5-10 years)	Phase III (10-20 years)
Private Sector	Residential	●	●	●
	Retail	○	○	○
	Restaurant/ Entertainment	●	●	○
	Office		●	●
	Hotel		●	
	Marina	○	○	○
Public Sector	Industrial Relocation	●	●	
	Park and Greenspace	●	●	
	Infrastructure	●	●	
	Cultural/Civic		●	

● Major Role
○ Minor Role

DEVELOPMENT STRATEGIES, 2006

FISCAL IMPACT

Revenue projections were modeled based on the type, timing, and quantity of development detailed in the Development Strategy in the previous chapter. Revenues are based on current municipal tax rates and methods of valuation, and assumptions with respect to market conditions, property values, and inflation rates have been made to be as accurate as possible. The following indicates projected public revenues generated by the proposed development:

BUILDOUT (20-year scenario)

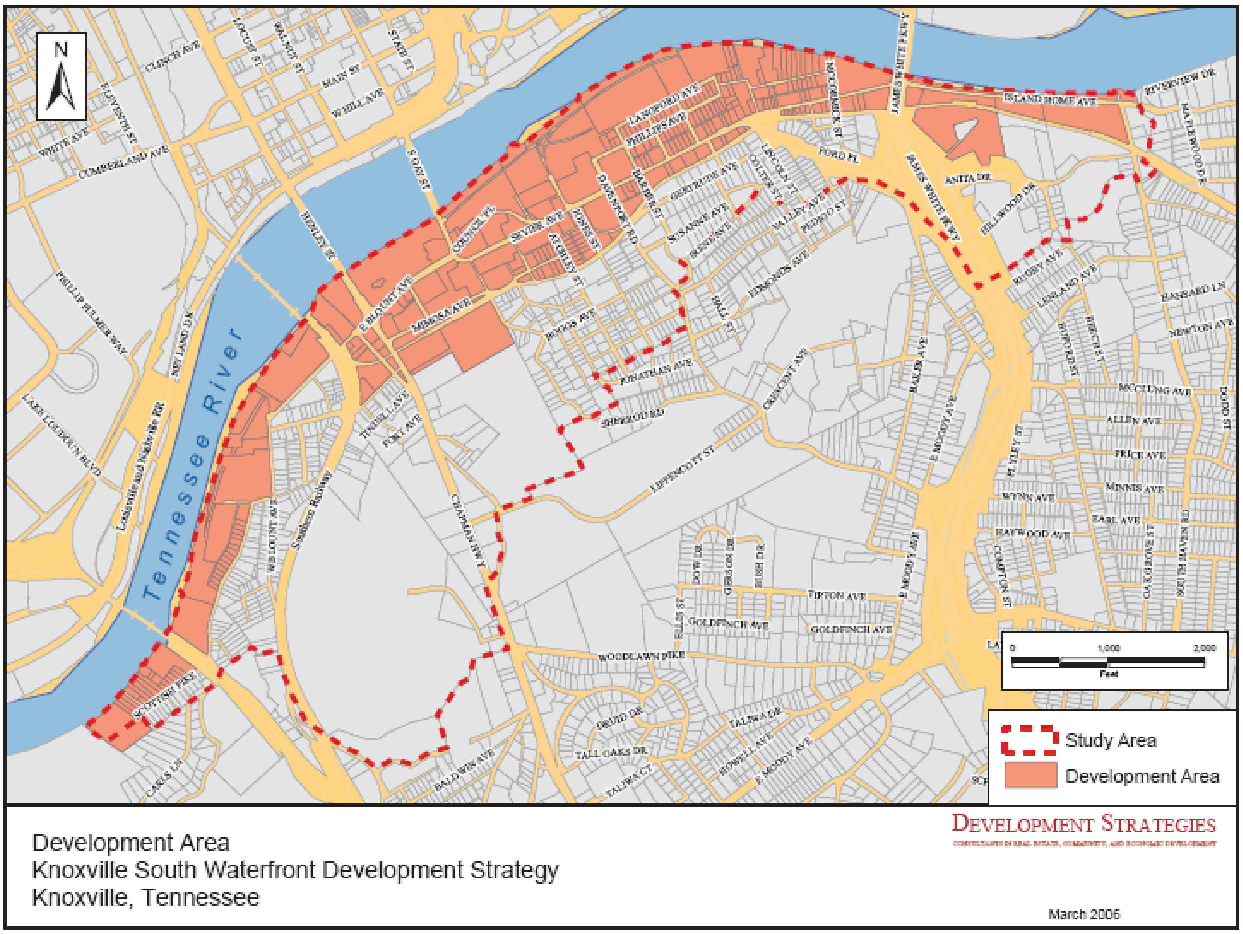
			Constant Dollars	
	Quantity	Units	Property Value	Assessed Value
Residential				
Single Family	174	Units	$69,600,000	$14,800,000
Condominium	1520	Units	$501,400,000	$106,600,000
Rental	507	Units	$102,700,000	$21,800,000
Retail	65,000	s.f.	$8,500,000	$2,900,000
Restaurant/Ent.	30,000	s.f.	$6,100,000	$2,100,000
Office	400,000	s.f.	$109,500,000	$37,200,000
Hotel	100	Rooms	$10,100,000	$3,400,000
Marina	225	Units	$6,100,000	$2,100,000
Total:			$814,000,000	$190,800,000

REVENUES (in constant dollars)
Total revenues generated by year 20
from KSW Development Strategy

Jurisdiction	Value
City	
Real Property Tax	$42,000,000
Personal Property Tax	$1,000,000
Bond Retirement Fund	$15,200,000
Parking Revenues	$7,400,000
Special Assessment	$4,700,000
	$70,200,000
Sales Tax	$2,000,000
Hotel Tax	$1,400,000
Total:	$3,300,000
County	
Real Property Tax	$55,400,000
Personal Property Tax	$1,300,000
	$56,800,000
Hotel Tax	$1,400,000
School District	
Sales Tax	$5,000,000
State	
Sales Tax	$21,800,000

DEVELOPMENT AREA

Under Tennessee Tax Increment Financing (TIF) law, a development area must be established, and TIF capture can only include the incremental increase of property revenues (or those revenues that exceed current tax capture). The following map indicates the development boundary that was established for the purpose of determining existing tax capture:



ASSUMPTIONS

A number of assumptions were made in order to determine revenues and potential Tax Increment Financing (TIF) capture. Current city, county, school district, and state tax rates were utilized, and current market conditions and city valuation methods were included in determining values. Detailed assumptions can be found in the Revenue Projections section of the Appendix. The following lists key assumptions that have been made:

- Existing assessed value was determined to be $1.3 million for the development area. Property was reassessed every four years, and assumed a three percent annual increase, consistent with county valuation policy.
- A 5.5 percent interest rate was assumed
- According to Knoxville's annual report, personal property revenue amounted to 11.9 percent of real property revenue. Since the proposed plan is primarily residential and includes no industrial development, we estimated the percentage of personal property to be 20 percent of the average, or 2.38 percent of real property revenue.
- A total of 770 structured public parking spaces were assumed to service non-residential development. Office and residential parking are included in their valuations costs, are assumed to be taxable, and are assumed to be private.
- Non-residential development was phased in a manner consistent with the Development Strategy presented in this report. Residential development was assumed to occur at a constant rate over 20 years.
- Residential property values were determined as a function of market values. Non-residential property values were determined using a cost approach, consistent with county policy.
- TIF capture does not include money that existing property generates for the city, nor does it include the portion of the city's taxes that are put toward retiring bond payments, consistent with city policy.
- Revenue projections are derived directly from the projected market support determined in earlier chapters of this report. A physical capacity analysis has determined that considerable land remains to develop additional property. The fiscal impact of this additional development has not been calculated.

TIF CAPTURE

A net present value analysis to determine the amount of funds that could be borrowed against the revenues generated from developing the South Waterfront. The following presents two Tax Increment Financing scenarios. The first assumes a single TIF that begins in year one and captures the incremental tax increase over twenty years. The second assumes three separate TIF phases, each lasting fifteen years, and is intended to be more closely aligned with Tennessee TIF law. The first phase begins in year one, the second in year six, and the third in year 11 of the development scenario. The following are the results of this analysis:

TIF SCENARIOS

REVENUES - One Phase Scenario *(One 20-year TIF)*			REVENUES - Three Phase Scenario *(Three 15-year TIF Phases)*	
City and County (Combined)	Cumulative Revenues	Net Present Value	Cumulative Revenues	Net Present Value
Real Property Tax	$139,200,000	$65,100,000	$176,300,000	$74,700,000
Personal Property Tax	$3,300,000	$1,500,000	$4,200,000	$1,800,000
Special Assessment	$6,700,000	$3,100,000	$8,500,000	$3,600,000
Revenue Subtotal	$149,200,000	$69,700,000	$189,000,000	$80,100,000
+ Public Parking Structures	$10,000,000	$5,600,000	$10,000,000	$5,600,000
Combined Revenues	$159,200,000	$75,300,000	$199,000,000	$85,700,000
Minus Existing Revenue	($26,400,000)	($14,000,000)	($33,000,000)	($17,700,000)
Projected TIF Revenues	$132,800,000	**$61,300,000**	$166,000,000	**$68,000,000**
Potential Cash Proceeds *@ 1.20 Debt Coverage Ratio*		**$49,200,000**		**$54,400,000**

Phase I (Developed Years 1-5, Captured Years 1-15)

	Quantity	Units
Residential		
Single Family	0	Units
Condominium	380	Units
Rental	127	Units
Retail	15,000	Square Feet
Restaurant/Ent.	15,000	Square Feet
Office	0	Square Feet
Hotel	0	Rooms
Marina	50	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$28,200,000	$17,400,000
Personal Property Tax	$700,000	$400,000
Special Assessment	$1,400,000	$800,000
	$30,200,000	$18,700,000

Phase II (Developed Years 6-10, Captured Years 6-20)

	Quantity	Units
Residential		
Single Family	87	Units
Condominium	380	Units
Rental	127	Units
Retail	20,000	Square Feet
Restaurant/Ent.	15,000	Square Feet
Office	0	Square Feet
Hotel	0	Rooms
Marina	75	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$47,600,000	$22,400,000
Personal Property Tax	$1,100,000	$500,000
Special Assessment	$2,300,000	$1,100,000
	$51,000,000	$24,100,000

Phase III (Developed Years 11-20, Captured Years 11-25)

	Quantity	Units
Residential		
Single Family	87	Units
Condominium	760	Units
Rental	253	Units
Retail	30,000	Square Feet
Restaurant/Ent.	0	Square Feet
Office	310,000	Square Feet
Hotel	100	Rooms
Marina	100	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$100,600,000	$34,800,000
Personal Property Tax	$2,400,000	$800,000
Special Assessment	$4,800,000	$1,700,000
	$107,800,000	$37,300,000

Mixed-Use Public Finance: A Case Study Analysis

Sources of funding for public projects vary greatly depending on a variety of factors including the scope of the project, state and local laws, available federal programs, and private donations. For instance, a parking garage will generate revenue that can be used toward financing its construction, whereas a public park will often require private donations and public grants and loans. Infrastructure such as streets and sewers do not generate direct revenue, but indirectly increases the value of adjacent real estate, thereby creating opportunities for cities to capture increased property taxes.

While the case study analysis in the appendix of this report explores each project in detail, the following summarizes some unique financing characteristics that enhanced the feasibility of each project:

- **SouthSide Works, Pittsburgh.** The anticipated returns from new development for this project helped justify the use of TIF money and the development of parking garages. Since parking is valued at a premium in this location, individual parking spaces will generate an anticipated $80 per month, and the Urban Redevelopment Authority of Pittsburgh (URA) could recapture $18.7 million of the $39 million in construction costs over the first ten years. With over one million square feet of new construction, the URA anticipates generating $25 million in TIF capture. Phased over 13 years, the city and URA have been able to finance $22 million of the project with general fund revenue.

- **Newport-on-the-Levee, Cincinnati.** In 1996, the State of Kentucky passed the Tourism Development Act. This act allows the developer (Steiner + Associates) to receive a sales tax rebate over ten years equal to 25 percent of facility construction costs. Because Newport-on-the-Levee is located across the river from Cincinnati, it is able to generate the necessary out-of-state traffic to be classified as a tourism destination under state law. It is anticipated that the tax rebate will equal $53 million of the $210 million in private investment in the facility.

- **Waterfront Park, Louisville.** This project was developed over three phases spanning eight years. This allowed the city to spread payments of $15 million from its general fund over several years, and avoid a bond issue. Significantly, the project received a total of $36 million in private donations, following four years of fundraising from the Louisville Waterfront Development Corporation. The project also received $4.5 million in federal appropriations for the third phase of the park alone. Reports indicate several million in federal appropriations were secured for earlier phases as well.

- **21st Century Waterfront, Chattanooga.** This project received an impressive $54 million in private donations. Equally significant, former Chattanooga mayor Bob Corker successfully lobbied the Tennessee legislature to raise the city's hotel tax to 16.25 percent – among the highest in the nation. The resulting increased tax revenue is credited with producing the majority of the financing of the remaining $66 million in this $120 million project.

- **Peabody Place, Memphis.** Approximately 23 percent of this project was financed with public funds. The project was one of the last recipients of Urban Development Action Grant (UDAG) money, totaling $15 million. Though the project was completed in 2001, it was conceived prior to 1988, when the UDAG program was terminated. Another $25 million in public funding came from the issuance of bonds to construct two parking garages. Similar to urban entertainment centers in Newport and Louisville, public financing represented less than 25 percent of total project investment.

The following provides information on the financing of five public projects, each with a different mix of funding sources. Detailed case studies of these projects are provided in the appendix of this report.

Category	**SouthSide Works** (Pittsburgh)	**Newport on the Levee** (Cincinnati)	**Waterfront Park** (Louisville)	**21st Century Waterfront** (Chattanooga)	**Peabody Place** (Memphis)
Total Investment	$323 M	$268 M	$98 M	$120 M	$285 M
Private Investment	$220 M	$158 M	$0 M	$0 M	$220 M
Private Donations	$0 M	$0 M	$36 M	$54 M	$0 M
Public Investment	$103 M	$110 M	$62 M	$66 M	$65 M
Public Sources					
City	○	○	○		
City/County Bonds		○			
TIF	●				
State Sources	○				
HUD Grant	○				●
HUD/CDBG Loan					○
Other Federal Sources			●	○	○
Utility Company	○		○		
Garage Revenue	●			○	●
Sales/Hotel Tax				●	
Tourism Tax Rebate		●			
Other	○	○			○
Public Uses					
Parking Garage	○			○	○
Park	○		○	○	
Infrastructure	○	○	○		○
Bridge	○		○		
Stadium					
Civic/Cultural Center		○		○	
Amphitheater			○		
Site Acq/Clearance		○	○	○	○

● Primary Funding Source
○ Other Funding Sources

DEVELOPMENT STRATEGIES, 2006

As cities continue their efforts to reinvent themselves, unique strategies to capitalize projects are being devised. RiverPark Place in Louisville is noteworthy for its public financing structure. After investing $8.5 million in infrastructure and land assemblage, the city struck a deal with a developer to receive four percent of condo sales, boat slip sales, and rental income for this estimated $130 million project.

APPENDIX

CASE STUDIES

Case Study: Pittsburgh
SouthSide Works

Site: 123 acres

Population: 2.4 million, (334,000 city)

Project Type: Mixed-Use, Waterfront

Begin/End Dates: 1993-Ongoing

Project Team:
Urban Redevelopment Authority of Pittsburgh (URA)
The Soffer Organization
Continental Real Estate Companies

SouthSide Works Master Plan – Soffer Organization

Project Summary

This project began when URA purchased the 123-acre site from LTV Steel in 1993, and began a five-year process of public participation, master planning, demolition, and environmental remediation. In 1998, the Soffer Organization was named the master developer and broke ground on the first project. Since that time, over 1.4 million square feet of new development has occurred, including the 27-acre centerpiece of the redevelopment, SouthSide Works. The project includes luxury residential units, a mixed-use entertainment and office district featuring a cinema, and riverfront park.

The Place

Located two miles east of Pittsburgh's CBD, SouthSide Works is nevertheless linked to the city's core by the Monongahela River and is re-emerging as a vital part of the greater downtown. The project is noteworthy for the manner in which it is integrated into the existing urban fabric of the South Side neighborhood. Unlike many recent retail/entertainment projects that draw life off the main street, focusing activities inward, the SouthSide Works design makes a conscious effort to address the surrounding environment. Ground floor retail is present on Carson Street, enhancing its 'Main Street' character, and street connections are extended into the development at 26th Street and 27th Street.

Project Details

Prior to breaking ground on the first building, the URA oversaw significant public infrastructure improvements and environmental remediation that was approved by the city, county, and school board. Total public improvements are estimated at over $100 million, including $44 million on roads, $20 million to repair two bridges that improve site access, $40 million on parking garages, and one million dollars in park improvements. Funding sources include $22 million in City/URA funding, $17 million in state funding, and $25 million in URA TIF dollars that were approved by the city, county, and school district in 1999. The URA anticipates a return of $19 million in parking garage revenue.

The URA estimates that the project has generated $220 million of private investment thus far. This includes a $30 million athletic training facility that is used by the Pittsburgh Steelers, a $20 million FBI regional field office, a $27 million luxury apartment building, and two speculative office buildings totaling 350,000 square feet and $40 million in construction costs. The URA indicates that the buildings are completely leased.

Project Data: SouthSide Financing

Public Financial Costs	Project Type	Units/Size	Investment
Infrastructure/Remediation	Infrastructure/ Site Improvements		$44,000,000
Bridge Renovation	Infrastructure		$19,000,000
Park Improvements	Park/Recreation		$1,000,000
Parking Garage #1	Parking	679 spaces	$10,000,000
Parking Garage #2	Parking	377 spaces	$7,000,000
Parking Garage #3	Parking	868 spaces	$22,000,000
Parking Garage #4	Parking	400 spaces	N/A
Total			$103,000,000

Public Financial Sources	Investment
City/URA	$21,600,000
State of Pennsylvania	$17,000,000
Parking Garage Revenue	$18,700,000
Pittsburgh Water & Sewer	$12,500,000
TIF	$25,000,000
HUD Grants	$2,500,000
Other	$5,700,000
Total	$103,000,000

Private Investment	Project Type	Units/Size	Investment
UPMC Distribution Facility	Distribution	83,000 s.f.	$4,900,000
Life Sciences Center	BioMed	45,000 s.f.	$10,700,000
UPMC Sports Performance Center	Athletic Training	260,000 s.f.	$30,000,000
IBEW	Electrical Workers Union	125,000 s.f.	$18,000,000
FBI Regional Office	Government	83,000 s.f.	$20,100,000
Quantum One Office Building	Speculative Office	160,000 s.f.	$18,000,000
Quantum Two Office Building	Speculative Office	187,000 s.f.	$22,000,000
Soffer Mixed Use Developments	Mixed Use	105,000 s.f. retail 123,000 s.f. office 84 residences	$33,400,000
Soffer Cinema	Cinema	10 screens	$10,700,000
Soffer Cheesecake Factory	Restaurant	360 seats	$2,500,000
Rivertech Center	Speculative Office	47,000 s.f.	$5,000,000
Continental Multifamily Housing	Luxury Apartments	270 units	$27,000,000
Matcon Diamond	Manufacturing	14,000 s.f.	$1,250,000
Immigration and Naturalization	Government	32,500 s.f.	$4,700,000
Rodriquez Housing	Multifamily Housing	N/A	$11,500,000
Total			$219,750,000

Data Provided by the Urban Redevelopment Authority of Pittsburgh

Case Study: Newport, KY
Newport-on-the-Levee

Site: 10 acres

Population: 2.0 million, (17,000 city)

Project Type: Retail/Entertainment

Begin Date: Opened 2001

Project Team:
City of Newport
Steiner + Associates

Newport on the Levee and Haufbrauhaus – Northern Kentucky CVB

Project Summary

Located immediately across the Ohio River from Downtown Cincinnati, Newport-on-the-Levee is a waterfront project that occurred through an economic development process rather than a planning process. In 1995, Newport's city manager and a group of business leaders began actively courting retail/lifestyle center developer Steiner + Associates after years of failed attempts to attract private development to the city's waterfront, which was dominated by surface parking lots. The city acquired 10 acres of riverfront property adjacent to the Taylor-Southgate Bridge, attracted a regional aquarium to the adjacent site, and received heavy incentives from the State of Kentucky. The result is an open-air regional retail/entertainment destination that features a 20 screen theater, an IMAX theater, a Barnes and Noble bookstore, and a number of restaurants and shops.

The Place

With eight million visitors per year, Newport-on-the-Levee demonstrates the market appeal of a regional entertainment development with waterfront and skyline views, complimentary tenants, and pedestrian and transit linkages to downtown. A new $4 million pedestrian bridge links the site to Downtown Cincinnati's Park Lytle District – now just a quarter-mile walk away. The Transit Authority of Northern Kentucky (TANK) provides shuttle service across the river seven days a week.

Because the project evolved without a large-scale master plan, and because most of the retail and entertainment activities are focused inward, the city has had difficulty coordinating development on the surrounding parcels. Third Street continues to operate as "half a Main Street", with three-story development on one side, and surface parking lots and smaller-scale development on the other. Even the world-renowned Hofbrauhaus, a natural complement to the other uses, is physically separated from Newport-on-the-Levee by a parking lot. Without large-scale property acquisition, the city has been unsuccessful in attracting the new residential development its downtown needs to give it a more authentic feel.

Project Details

Between 1994 and 1996, the City of Newport spent $12 million acquiring and clearing 10 acres of riverfront property. The project was financed with bonds, which the city stated have since been retired. In 1996, the state approved the Kentucky Tourism Development Act, which provides developers with tax credits of up to 25 percent of development costs for tourism-related industries. The tax credits are awarded over a period of 10 years.

In 1997, construction began on the $40 million, 120,000 square-foot Newport Aquarium, which officially opened in 1999. Construction immediately began on Newport-on-the-Levee, a $210 million entertainment/retail center. Tenants include a 20-screen AMC theater, an IMAX theater, Gameworks, and Shadowbox Cabaret. A parking garage was constructed with 1,000 spaces. The city spent approximately $5 million on improvements to Third Street. The improvements were primarily streetscape enhancements to enhance the pedestrian realm. The project generates an estimated eight million visitors per year.

In 2001, Newport attracted the first-ever North American Hofbrauhaus – a German-style beer garden from Munich. The project was originally intended to anchor The Banks project, capitalizing on Cincinnati's sister-city relationship with Munich. However, delays in The Banks led Hofbrauhaus to look elsewhere in the region for a site location, and Newport was able to sell the company on synergistic opportunities with Newport-on-the-Levee.

Case Study: Louisville, KY
Waterfront Park

Site: 85 Acres

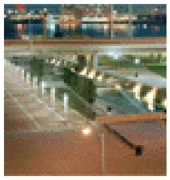
Population: 1.1 million, (693,000 city)

Project Type: Park/Greenspace

Project Completion: Phase I: 1998, Phase II: 2003, Phase III: U/C

Project Team:

Louisville Waterfront Development Corp.
Hargreaves Associates


Waterfront Park – Hargreaves Associates

Project Summary

Waterfront Park is the result of more than a decade of planning and continual commitment to revamping Louisville's waterfront along the Ohio River. In 1986, the City of Louisville, Jefferson County, and the State of Kentucky created the Louisville Waterfront Development Corporation (LWDC). The LWDC immediately underwent an intense fundraising period, after which it began assembling and clearing property. Hargreaves Associates was hired to create the landscape design and shepherd the project through public participation. The result is an 85-acre linear park that opened over three phases, beginning in 1998. Waterfront Park features plazas, an esplanade, amphitheater, rowing center, passive open spaces, and the 12-acre "Great Lawn" that can be used for active recreation.

The Place

The project design is perhaps most noteworthy for the way it mitigated the formidable physical barrier that Interstate 64 presents, severing downtown from the Ohio River. To overcome this barrier, a large entry plaza was designed at the freeway overpass offering fountains, pools, and walkways, and creating an inviting pedestrian realm that serves as a portal into the waterfront. The plaza and park add substantial value to surrounding properties, evidenced by the development of Waterfront Park Place - a luxury condominium development at the park's point of entry.

Project Details

The 85-acre park has been developed in three phases over a period of eight years for a total cost of $98 million. The first phase consisted of 55 acres, included the Great Lawn and entry plaza, and cost $58 million. The 17-acre second phase included an amphitheater and rowing center for $15 million, and the third phase, totaling 13 acres, is currently under construction. It will include a pedestrian bridge across the Ohio River, and the total project will cost $22 million.

The project was financed without the use of bonds or TIF dollars. After its founding in 1986, the LWDC underwent a four-year period of fundraising. Following are the funding sources for the project:

-Private Donations:	$36 million
-State/Federal Sources:	$25 million
-Federal Infrastructure:	$17 million
-City of Louisville:	$15 million
-Utility Companies:	$5 million

Much of the property needed for the site was already owned by the city, and were under lease agreements with tenants. The city simply let the lease agreements expire. The remaining properties were acquired by the LWDC.

The project has stimulated a number of other downtown and waterfront developments. Waterfront Park Place, a 23-story, 76-unit condominium development at the entrance to the park, opened in 2004 at a cost of $42 million. The project has sold 54 units over 17 months, for an absorption rate of 3.2 units-per-month. Units were priced from $350,000 to $2 million for the penthouse units, with the majority priced between $400,000 to $700,000. Phase II of the project is under construction, and includes 35 rental units.

A larger-scale project known as RiverPark Place is planned to begin construction in 2006 on the waterfront immediately east of Waterfront Park. The 25-acre site will feature a riverfront promenade that connects to Waterfront Park. Phase One will consist of 350 housing units, many of which will be built on platforms to elevate them above the floodplain. The total project is estimated to cost $130 million, with a final build-out of 1,400 housing units. The city invested $5.5 million in relocating a railroad line, and $3 million to extend road improvements before sending out an RFP for a master developer. Under the current contract, the city will receive four percent of all condo sales, annual rent revenues, and the sale of boat slips.

In 2004, the Cordish Company opened Fourth Street Live!, a mixed-use retail/entertainment district in the heart of Downtown Louisville. The project is not located on the waterfront, but demonstrated that a previously unmet demand existed for a regional entertainment destination. The development has 270,000 square-feet of retail space that is near full-occupancy, and it drew 4.2 million visitors last year. A Cordish representative estimated that half of those visitors came from outside a 45-minute driving radius. Of the $72 million in project costs, $9 million was provided by the city, and $63 million was financed by the Cordish Company.

Case Study: Chattanooga
21st Century Waterfront

Population: 465,000, (155,000 city)

Project Type: Civic/Greenspace

Project Completion: 2005

Project Team:

RiverCity Company
Hargreaves Associates


River Terrace (Aquarium in background) – David Andrews

Project Summary

In 2000, Downtown Chattanooga had made considerable strides in developing civic amenities over a ten-year period – notably the Tennessee Aquarium – that vastly improved the city's national identity. The work in the downtown was far from complete, with major accessibility issues to the waterfront and other civic amenities standing as barriers to further progress in achieving its full potential. Recognizing this, the mayor set forth a strategy in 2001 to remove these barriers by investing in the waterfront its existing civic institutions to stimulate further growth, and raised $120 million in public and private investment to achieve this end.

The Place

Access to Chattanooga's waterfront was significantly constrained by the presence of Riverside Drive, a four-lane divided highway. The lack of accessibility was underscored by the Hunter Museum, which is located on the waterfront but only received 45,000 annual visitors because it was so difficult to reach. To address this issue, the city innovatively persuaded the state to deed the highway to the city. It then proceeded to narrow the highway, and added pedestrian crossings at key intersections. A pedestrian underpass was built adjacent to the Tennessee Aquarium, allowing easy access to the River Terrace, and thus the waterfront. A pedestrian bridge was added to the Hunter Museum, putting it within a quarter-mile walk of the aquarium.

Project Details

During a planning process in 2001, the city recognized its current assets and identified steps to build upon them. In the 1990's, Chattanooga's downtown waterfront accomplishments included the development of the Tennessee Aquarium (which receives one million visitors annually), the Creative Discovery Museum, and the Walnut Street Pedestrian Bridge. The existing Hunter Museum of American Art provided a third cultural amenity along its waterfront. Downtown investment for the decade totaled $590 million. The strategy was to build on the assets of the waterfront and its civic/cultural institutions by improving public space along the river, increasing the capacity of their regional attractions, and addressing accessibility issues.

Two obstacles to implementing the city's strategy were Riverside Drive, a four-lane divided highway separating downtown from the waterfront, and the need for addition funding. To address these issues, the mayor persuaded the state legislature to deed the highway over to the city, and allow an increase in the city's hotel/motel tax to finance improvements. The mayor then created the 21st Century Waterfront Trust, which called for $120 million in public and private investment. Approximately $66 million came from the public sector (primarily from the increased hotel tax), with the remaining $54 million coming from private donations. The following are the uses of these funds:

-Hunter Museum	$19.5 Million
27,000 square foot addition	
250 foot pedestrian bridge	
-Tennessee Aquarium	$30 Million
60,000 square foot expansion	
-Creative Discovery Museum	$3.1 Million
-Public Space Improvements	$67.4 Million
Coolidge Park	
-Wetland Park	
-Adventure Playground	
Ross's Landing	
-Pedestrian Passage	
-Public Art Installation	
-160-foot Pier	
-River Terrace	
372 Space Parking Garage	
Highway Pedestrian Crossings	

The new pedestrian bridge brought the previously inaccessible Hunter Museum within walking distance of the aquarium. The aquarium expansion created space for a saltwater exhibit. The new river terrace along the waterfront is linked to the aquarium via the new pedestrian passage under Riverside Drive that features public art commemorating the Cherokee Indians and the Trail of Tears. At-grade pedestrian crossings have been added at several intersections along Riverside Drive, which has been narrowed.

The RiverCity Company, a non-profit development corporation established in 1986, facilitated much of the public redevelopment activity in the downtown. The Chattanooga Downtown Partnership was also in place, and continues to focus on improving downtown cleanliness and crime prevention.

During the same period of the 21st Century Waterfront Trust improvements, the RiverCity Company estimates that an additional $180 million in public and private investment occurred in the downtown. This includes the addition of 185 residential units, 50,000 square feet of office space, and 100,000 square feet of retail/restaurant space (half of which occurred as first-floor retail in mixed use buildings), and a $56 million expansion of the convention center. An additional $171 million is planned or currently underway. These investments include 290 residential units, 75,000 square feet of retail, 35,000 square feet of office space, a new 135,000 square foot building for the Electric Power Board. In 2005, Blue Cross announced that it would invest in a new, $200 million, 800,000 square foot headquarters.

Case Study: Memphis, TN
Peabody Place

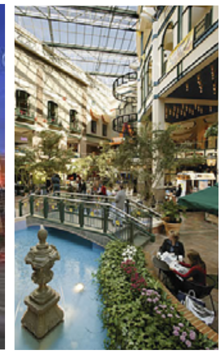
Site: 9.35 Acres

Population: 1.1 million, (650,000 city)

Project Type: Mixed-Use Urban Entertainment Center

Project Completion: Historic Block: 1997, Tower: 1997, Peabody Place: 2001

Project Team: Belz Enterprises, Center City Commission, RTKL Associates



Peabody Place – Belz Enterprises

Project Summary

Located in the center of Downtown Memphis, Peabody Place is a mixed-use, urban entertainment center with over 2 million square feet of space on over five city blocks. Developed by the local development firm Belz Enterprises, Peabody Place is adjacent to the company's historic, 468-room Peabody Hotel. The project consists of a 15-story office tower, 200 residences, two cultural institutions, and a mixed-use urban entertainment center with a 22-screen cinema. Two parking garages were constructed totaling 2,300 spaces. In addition, two hotels have been constructed totaling nearly 300 rooms, and adjacent sites contain 1,000 parking spaces. Peabody Place generates 3.7 million visitors per year.

The Place

Peabody place is ideally located in the center of downtown amidst a number of recent developments that amount to over $2 billion in recent investments. The Peabody Hotel and a new $72 million minor league baseball stadium are attractions immediately to the north of the site. Beale Street, a historic center of blues music and African-American culture draws 4.5 million visitors per year, and is located immediately south of the site. Other nearby investments include the $250 million FedEx Forum, which is home to the NBA's Memphis Grizzlies, the $92 million expansion of the convention center, the $10 million National Civil Rights Museum, and the Smithsonian's Rock N' Soul Museum. In addition, AutoZone's $30 million corporate headquarters is just west of the site, and a new $14 million elementary school recently opened for children whose parents live or work downtown. Downtown Memphis attractions cumulatively result in $1.7 billion in annual visitor retail expenditures.

Project Details

The project can be separated into three components. The Historic Block consists of several rehabilitated buildings that now contain office, residential, civic/cultural and retail uses. The Tower block has a 15-story office building, a 700 space parking garage, and a new Embassy Suites hotel. Peabody Place is a mixed-use urban entertainment center with over 500,000 square feet of retail and entertainment space that consumes an entire city block. An adjoining parking garage consists of 1,600 parking spaces, and also comprises a city block.

The following table provides project details for the primary components of the Peabody Place development:

Project Details	Historic Block	Tower Block	Peabody Place	Total
Total Building Area	522,848 s.f.	457,509 s.f.	1,116,450 s.f.	2,096,807 s.f.
Office	192,755 s.f.	152,000 s.f.	0 s.f.	344,755 s.f.
Retail/Entertainment	62,360 s.f.	18,409 s.f.	531,950 s.f.	612,719 s.f.
Residential	196,841 s.f.	0 s.f.	0 s.f.	196,841 s.f.
Misc.	58,892 s.f.	16,600 s.f.	0 s.f.	75,492 s.f.
Parking	12,000 s.f.	270,500 s.f.	584,500 s.f.	867,000 s.f.
Residential Units	201	0	0	201
Retail Stores	19	4	35	58
Parking Spaces	45	700	1,600	2,345
Land Area (acres)	2.14	0.71	6.50	9.35
Year Completed	1997	1997	2001	-

Source: Urban Land Institute, 2003

The following table provides funding sources for the project:

Project Financing	Amount
Total Private Investment	$220,000,000
Total Public Investment	$65,200,000
HUD Grant	$15,000,000
CDBG Loan*	$6,500,000
Section 108 Loan	$12,000,000
HUD CD Float Loan	$4,000,000
US Econ. Dev. Administration	$2,700,000
City Bond - Garage 1	$10,000,000
City/County Bond - Garage 2	$15,000,000
Total Public/Private Investment	$285,200,000

*0%, 30 Loan to be paid by City

Source: Urban Land Institute, 2003

In addition to public funding, other incentives included tax freezes for 10 to 25 years under the city's PILOT program. Historic Tax Credits and Low Income Housing Tax Credits (LIHTC) were used in the rehabilitation of the Historic Block, which includes a mix of affordable and market rate housing.

The Center City Commission is the primary public implementation body, with powers for land acquisition, financing, PILOT tax freezes, design review, and bonding for parking garages. It is governed by a 20-member board consisting of 10 private-sector members, city and county mayor representatives, two city council members, two county commissioners, and four state legislators. The private-sector members are appointed by the city and county mayors, and approved by the city council and county commissioners.

In addition to 19 retail stores and 201 housing units, the historic block houses the Center for Southern Folklore and the Peabody Place Museum and Gallery. Peabody Place has a 100,000 square-foot cinema, a 55,000 square-foot Jillian's (a food and entertainment retailer), and a variety of specialty clothing stores and food and beverage establishments.

Case Study: Cincinnati
The Banks

Site: 40 acres

Population: 2.0 million, (331,000 city)

Project Type: Mixed-Use, Waterfront

Begin/End Dates: 1999/Ongoing

Project Team:
Port of Greater Cincinnati Development Authority
The Banks Development Co. LLC
Urban Design Associates
Hargreaves Associates
Chan Krieger & Associates

Central Riverfront Urban Design Master Plan – Urban Design Associates

Project Summary

A formal planning process began in 1999 to reconnect the Cincinnati waterfront and its downtown. The resulting vision called for the development of The Banks, a mixed-use district, and reconnecting the city to the Ohio River in the process. The plan called for a narrowed freeway, two new sports stadiums, a mixed-use urban neighborhood, and a waterfront park. Because the waterfront is in the floodplain, the mixed use district would have to be constructed atop a large parking deck that spans the length of the development. By 2004, the stadiums were constructed, the freeway was narrowed, and a grand opening was held for the new $110 million National Underground Railroad Museum Freedom Center. However, the mixed-use development has been delayed, in part due to the construction cost overruns of the stadiums that left little money for the construction of the critical parking deck, and a lengthy delay in naming a master developer after a formal RFP process was discarded.

The Place

Development constraints are significant, since the Banks site is separated from the downtown by a freeway, and located in a floodplain. If the freeway can be traversed and developable property is brought out of the floodplain, barriers to site development can be mitigated. Developing the project at a dense, mid-rise scale will assist marketing and branding efforts that emphasize urban living, and will generate a higher rate of return.

The presence of the underground museum greatly enhances the area's image and marketability. Creating a public, waterfront park that is open and accessible to all will add value to the development project by adding amenity and generating traffic, and will help justify the expenditure of public funds. Adding a mix of retail and office uses will create pedestrian life and activity. Extending the downtown street pattern into the development reinforces connections and sense of place, avoiding the "malling of downtown".

Project Details

Following the 1999 plan that was prepared by Urban Design Associates, the Port of Greater Cincinnati Development Authority was established by the City of Cincinnati and Hamilton County to oversee the development of The Banks. The Port Authority has the power to issue bonds, but is unable to use eminent domain or tax increment financing. In 2000, the 65,000 seat Paul Brown Stadium was constructed at a cost of $455 million, and The Great American Ballpark was constructed in 2003 for $280 million. Both projects were financed through a county sales tax that was approved by voters. In addition, the Port Authority raised $50 million in revenue bonds for the Freedom Center, which is estimated to generate an average annual economic impact of $40 million to the area.

Since the football stadium ran $51 million over budget, there were few remaining resources to construct the estimated $68 million parking and transport hub. Plans for the 50-acre Riverfront Park, which went through a public participation process led by Hargreaves Associates, are anticipated to cost $78 million. The Port Authority is currently considering alternatives to fund the deck, including a sales tax measure, additional revenue bonds, federal funding and/or fundraising. Other complications have surfaced in selecting a master developer. Following an RFP process in 2001, the Port Authority selected three finalists, Lincoln Properties, Staubach/Towne Partners, and Madison Marquette. However, in 2005, the Hamilton County Commissioners selected two local developers, citing their offer to provide $10 million in private equity to the project.

The Port Authority estimates that the plan will yield $178 million in private investment, including 500 units of housing, 90,000 square feet of retail, 200,000 square feet of office space, and a hotel. Other recent waterfront improvements include a $4 million pedestrian bridge that links to an entertainment district in Newport, Kentucky, and a 20-acre riverfront park immediately east, known as the Theodore M. Berry International Friendship Park.

Case Study: Pittsburgh
North Shore

Site: 18 acres

Population: 2.4 million, (334,000 city)

Project Type: Mixed-Use, Waterfront

Begin/End Dates: 2000 - Ongoing

Project Team:
Urban Redevelopment Authority of Pittsburgh (URA)
Continental Real Estate Companies
Chan Krieger
MSI Design

North Shore Site Plan – MSI Design

Project Summary

In the late 1990's, Pittsburgh's Riverlife Task Force commissioned a plan led by Chan Krieger & Associates that recommended converting the city's numerous riverfront brownfields into a series of mixed-use developments linked by a network of parks and greenways. The North Shore project is a key piece of this strategy, and involves redevelopment of an 18-acre brownfield/parking lot on the north bank of the Allegheny River, immediately across from Pittsburgh's central business district. Public entities approved the clearance of the site and financed new infrastructure to get the project started. Anchored by the newly constructed Heinz Field and PNC Ballpark, the site plan includes 800 housing units, 200,000 square feet of retail, 300,000 square feet of office space, a hotel, and an amphitheater in a mixed-use setting that features a promenade, greenspace, and boat docks along the riverfront.

The Place

With Highway 65 behind it, the opportunity for this site was not to connect it to the adjacent neighborhood to the north, but to Pittsburgh's downtown, which is immediately south across the Allegheny River. The plan was to create a public greenspace along the waterfront to make a visual connection with downtown, and develop the site at a scale that is dense and walkable enough to resonate as a downtown location. A significant challenge in completing the vision is overcoming the I-279 bridge – a strong physical and visual barrier that cuts through the middle of the site, dividing the development and the two stadiums.

Project Details

The North Shore Project is a component of a publicly-approved plan that calls for the redevelopment of Pittsburgh's historically industrial, urban waterfronts into a series of mixed-use developments that are linked by parks and greenways. The URA was granted authority by the city, county, and school board to acquire the property, and use Tax Increment Financing (TIF) for infrastructure and other site improvements, as well as the development of a parking garage. Continental Real Estate Companies was selected to be the master developer, and oversees all aspects of site development and leasing.

Several projects have been completed or are underway. In 2004, ground was broken for a new 270,000 square foot headquarters for Del Monte. The facility will house 600 administrative employees, and will have ground-floor retail. The H.J. Heinz Lofts were completed in May, consisting of 265 luxury housing units. The project involved the renovation of five historic industrial buildings, and cost $70 million. A new 10-story, 198-unit Marriott hotel was completed in March, 2005 for $21 million. A 5,600-seat amphitheater is currently under construction, at a cost of $10 million. Perhaps the most ambitious component to the redevelopment efforts is the proposed extension of Pittsburgh's 25-mile light rail network to the north side of the Allegheny. The Port Authority estimates that the "North Shore Connector" would cost $381 million and take approximately four years to complete.

REVENUE PROJECTIONS

Revenue Summary

BUILDOUT (20-year scenario)

	Quantity	Units	Constant Dollars Property Value	Constant Dollars Assessed Value
Residential				
Single Family	174	Units	$69,600,000	$14,800,000
Condominium	1520	Units	$501,400,000	$106,600,000
Rental	507	Units	$102,700,000	$21,800,000
Retail	65,000	s.f.	$8,500,000	$2,900,000
Restaurant/Ent.	30,000	s.f.	$6,100,000	$2,100,000
Office	400,000	s.f.	$109,500,000	$37,200,000
Hotel	100	Rooms	$10,100,000	$3,400,000
Marina	225	Units	$6,100,000	$2,100,000
Total:			$814,000,000	$190,800,000

REVENUES (in constant dollars)

Total revenues generated by year 20 from KSW Development Strategy

Jurisdiction	Value
City	
Real Property Tax	$42,000,000
Personal Property Tax	$1,000,000
Bond Retirement Fund	$15,200,000
Parking Revenues	$7,400,000
Special Assessment	$4,700,000
	$70,200,000
Sales Tax	$2,000,000
Hotel Tax	$1,400,000
Total:	$3,300,000
County	
Real Property Tax	$55,400,000
Personal Property Tax	$1,300,000
	$56,800,000
Hotel Tax	$1,400,000
School District	
Sales Tax	$5,000,000
State	
Sales Tax	$21,800,000

Discount Analysis& TIF Summary

TIF SCENARIOS

REVENUES - One Phase Scenario *(One 20-year TIF)*			REVENUES - Three Phase Scenario *(Three 15-year TIF Phases)*	
City and County (Combined)	Cumulative Revenues	Net Present Value	Cumulative Revenues	Net Present Value
Real Property Tax	$139,200,000	$65,100,000	$176,300,000	$74,700,000
Personal Property Tax	$3,300,000	$1,500,000	$4,200,000	$1,800,000
Special Assessment	$6,700,000	$3,100,000	$8,500,000	$3,600,000
Revenue Subtotal	$149,200,000	$69,700,000	$189,000,000	$80,100,000
+ Public Parking Structures	$10,000,000	$5,600,000	$10,000,000	$5,600,000
Combined Revenues	$159,200,000	$75,300,000	$199,000,000	$85,700,000
Minus Existing Revenue	($26,400,000)	($14,000,000)	($33,000,000)	($17,700,000)
Projected TIF Revenues	$132,800,000	**$61,300,000**	$166,000,000	**$68,000,000**
Potential Cash Proceeds *@ 1.20 Debt Coverage Ratio*		**$49,200,000**		**$54,400,000**

Phase I (Developed Years 1-5, Captured Years 1-15)

	Quantity	Units
Residential		
Single Family	0	Units
Condominium	380	Units
Rental	127	Units
Retail	15,000	Square Feet
Restaurant/Ent.	15,000	Square Feet
Office	0	Square Feet
Hotel	0	Rooms
Marina	50	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$28,200,000	$17,400,000
Personal Property Tax	$700,000	$400,000
Special Assessment	$1,400,000	$800,000
	$30,200,000	$18,700,000

Phase II (Developed Years 6-10, Captured Years 6-20)

	Quantity	Units
Residential		
Single Family	87	Units
Condominium	380	Units
Rental	127	Units
Retail	20,000	Square Feet
Restaurant/Ent.	15,000	Square Feet
Office	0	Square Feet
Hotel	0	Rooms
Marina	75	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$47,600,000	$22,400,000
Personal Property Tax	$1,100,000	$500,000
Special Assessment	$2,300,000	$1,100,000
	$51,000,000	$24,100,000

Phase III (Developed Years 11-20, Captured Years 11-25)

	Quantity	Units
Residential		
Single Family	87	Units
Condominium	760	Units
Rental	253	Units
Retail	30,000	Square Feet
Restaurant/Ent.	0	Square Feet
Office	310,000	Square Feet
Hotel	100	Rooms
Marina	100	Units

City and County (Combined)	Revenues	Net Present Value
Real Property Tax	$100,600,000	$34,800,000
Personal Property Tax	$2,400,000	$800,000
Special Assessment	$4,800,000	$1,700,000
	$107,800,000	$37,300,000

Tax & Finance Inputs

Valuation

APPRAISED VALUE	
% of Market Value:	85%
ASSESSED VALUE	
(% of appraised value)	
Residential	25%
Commercial/Industrial	40%
Personal Property	30%

Financial Inputs

Inflation Rate	3%
Interest Rate	5.5%
Loan to Value Ratio	1.20

Tax Rates

Real Property Tax	Rate			
City General Fund	$2.24	per	$100	of assessed value
City Debt Service Fund	$0.81		$100	
City (Total)	$3.05		$100	
County	$2.96	per	$100	of assessed value
Personal Property	$11.90	per	$100	of real property tax
Personal Property Multiplier	20%	=	$2.38	
Special District				
City	$0.25	per	$100	of assessed value
Sales Tax				
State	7.00%			
Local	2.25%			
School Capture (@ 72%)	1.62%			
City Capture (@ 28%)	0.63%			
Hotel Tax				
City	5.00%			
County	5.00%			

Current KSW Tax Revenue:	$1,320,000
% of Projected Assessed Value	0%

Building Inputs

		BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	TOTAL YEARS	20																					
	PER UNIT Calculations																						
	Residential Units	2,200		101	101	101	101	101	119	119	119	119	119	119	119	119	119	119	101	101	101	101	101
	Single Family	174							17	17	17	17	17	17	17	17	17	17					
75%	Condominiums	1520		76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
25%	Rental Units	507		25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Hotel	100													100								
	Marina	225		10	10	10	10	10	15	15	15	15	15	10	10	10	10	10	10	10	10	10	10
	SQUARE FOOTAGE by Land Use																						
Annual Addition	Residential																						
	Single Family	348,000		0	0	0	0	0	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	0	0	0	0	0
	Condominium	2,279,250		113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963
	Rental	557,150		27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858
	Retail	65,000					15000					10000	10000					15000					15000
	Restaurant/Entertainment	30,000						15000				15000											
	Office	400,000										90000		30000		10000			270000				
	Hotel	50,000													50000								
	Marina	7,875		350	350	350	350	350	525	525	525	525	525	350	350	350	350	350	350	350	350	350	350
		3,737,275		**142,170**	**142,170**	**142,170**	**157,170**	**157,170**	**177,145**	**177,145**	**177,145**	**292,145**	**187,145**	**206,970**	**226,970**	**186,970**	**176,970**	**191,970**	**412,170**	**142,170**	**142,170**	**142,170**	**157,170**
	SQUARE FOOTAGE by Land Use																						
Cumulative	Residential																						
	Single Family			0	0	0	0	0	34,800	69,600	104,400	139,200	174,000	208,800	243,600	278,400	313,200	348,000	348,000	348,000	348,000	348,000	348,000
	Condominium			113,963	227,925	341,888	455,850	569,813	683,775	797,738	911,700	1,025,663	1,139,625	1,253,588	1,367,550	1,481,513	1,595,475	1,709,438	1,823,400	1,937,363	2,051,325	2,165,288	2,279,250
	Rental			27,858	55,715	83,573	111,430	139,288	167,145	195,003	222,860	250,718	278,575	306,433	334,290	362,148	390,005	417,863	445,720	473,578	501,435	529,293	557,150
	Retail			0	0	0	15,000	15,000	15,000	15,000	15,000	25,000	35,000	35,000	35,000	35,000	35,000	50,000	50,000	50,000	50,000	50,000	65,000
	Restaurant/Entertainment			0	0	0	0	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
	Office			0	0	0	0	0	0	0	0	90,000	90,000	120,000	120,000	130,000	130,000	130,000	400,000	400,000	400,000	400,000	400,000
	Hotel			0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Marina			350	700	1,050	1,400	1,750	2,275	2,800	3,325	3,850	4,375	4,725	5,075	5,425	5,775	6,125	6,475	6,825	7,175	7,525	7,875
				142,170	**284,340**	**426,510**	**583,680**	**740,850**	**917,995**	**1,095,140**	**1,272,285**	**1,564,430**	**1,751,575**	**1,958,545**	**2,185,515**	**2,372,485**	**2,549,455**	**2,741,425**	**3,153,595**	**3,295,765**	**3,437,935**	**3,580,105**	**3,737,275**

Value Inputs

Per Unit Values	Sale/S.F.	Rent/Unit	Value/s.f.	Average s.f./l.f.	Value (Market Approach)	Value (Income Approach)	Value (Cost Approach)
Condominiums	$220			1,500	$ 330,000		
Single Family	$200			2,000	$ 400,000		
Apartments		$1,045	$0.95	1,100		$ 97,185	$233,222
Marina				35	$ 27,061		
Hotel		$130		500		$ 205,617	$100,979

Per Square Foot Values	Cap Rate	rent/s.f. (annual)	rent/ linear foot	Loss to Vacancies	Avg. Operating Income/s.f.	Operating Expenses	Net Operating Income	Value (Income Approach)	Value (Cost Approach)
Apartments	9.0%	$11.40		93%	$10.60	25%	$7.95	$88	$184
Retail	9.0%				$17.21	28%	$12.39	$138	$131
Restaurant/Entertainment	11.0%	$16.61		85%	$14.12	25%	$10.59	$96	$202
Office	9.5%	$18.00		85%	$15.30	25%	$11.48	$121	$274
Hotel	10.5%	$94.90		65%	$61.69	30%	$43.18	$411	$202
Marina	11.0%		$95	90%	$85.05			$773	

Sales Per Square Foot	
Retail Sales/s.f.	$300
Entertainment Sales/s.f.	$320

*Cap Rates provided by RealtorRates.com (2005)

Sources:

ULI Dollars and Cents of Shopping Centers, 2004

Marshall Swift Valuation Service, 2005

Knoxville MPC

Colliers International

Development Costs

Project Details - Mid-Density Model Residential			**Office**		
# Units		1	# Units		
Average Unit Size (s.f.)		1100	Average Unit Size (s.f.)		
Building Area		1,265	Building Area		1.15
% Common Area		15%	% Common Area		15%
Total Saleable Space		1,100	Total Saleable Space		1
Construction Costs (includes A & E)			**Construction Costs** (including A & E)		
Construction per s.f.	$	140	Construction per s.f.	$	135
(Mid-Luxury, elevator inc.)			Good Class A Office		
Construction Cost	$	177,100	Prelim Construction Cost	$	155
Local Multiplier (Knoxville)		0.95	Local Multiplier (Knoxville)		0.95
Adjusted Construction Cost	$	168,245	Adjusted Construction Cost	$	147
Underground Parking Spaces		0	Above-Ground Parking Structure/1000 sf		4
Cost Per Space	$	25,000	Cost Per Space	$	15,000
Above-Ground Parking Structure	$	-	Area per space (s.f.)		350
Cost Per Space	$	15,000	Const/Per Square Foot	$	43
Cost Per Square Foot	$	-	Parking to GLA Ratio		1.40
Parking Cost	$	-	Parking Cost	$	60
Site Improvements		3.0%	Site Improvements		3.0%
(Irrigation, Landscaping)	$	5,047	(Irrigation, Landscaping)	$	5
			Total Construction Costs	$	212
Appliances	$	7,500	**La nd**	$	32
Cost Per Unit	$	7,500	Percent of Construction Costs		15%
Construction Costs	$	180,792	Land + Construction	$	244
Fees			**Fees**		
Developer Fee		15%	Developer Fee		15%
	$	27,119		$	37
Professional Services		6%	Professional Services		6%
	$	10,848	(non-architectural)	$	15
Marketing, Taxes, Financing		8%	Marketing, Taxes, Financing		8%
	$	14,463		$	20
Total Fees	$	52,430	Total Fees	$	71
Remaining Value:	$	124,278	**Total Cost:**	$	315
Per Unit Construction Cost:	$	233,222	**Cost Per Square Foot:**	$	274
Per Square Foot Construction Cost:	$	184			

Development Costs

Retail		
# Units		
Average Unit Size (s.f.)		
Building Area		1.10
% Common Area		10%
Total Saleable Space		1
Construction Costs (including A & E)		
Construction per s.f.	$	90
Good Class A Retail		
Prelim Construction Cost	$	99
Local Multiplier (Knoxville)		0.95
Adjusted Construction Cost	$	94
Underground Parking Spaces		0
Cost Per Space	$	25,000
Above-Ground Parking Structure	$	-
Cost Per Space	$	15,000
Cost Per Square Foot	$	-
Parking Cost	$	-
Site Improvements		3.0%
(Irrigation, Landscaping)	$	3
Total Construction Costs	$	97
La nd	$	15
Cost Per Unit		15%
Land + Construction	$	112
Fees		
Developer Fee		15%
	$	17
Professional Services		6%
(non-architectural)	$	7
Marketing, Taxes, Financing		8%
	$	9
Total Fees	$	32
Total Cost:	$	144
Cost Per Square Foot:	$	131

Restaurant		
# Units		
Average Unit Size (s.f.)		
Building Area		1.10
% Common Area		10%
Total Saleable Space		1
Construction Costs (including A & E)		
Construction per s.f.	$	140
Good Class A Restaurant		
Prelim Construction Cost	$	154
Local Multiplier (Knoxville)		0.95
Adjusted Construction Cost	$	146
Underground Parking Spaces		0
Cost Per Space	$	25,000
Above-Ground Parking Structure	$	-
Cost Per Space	$	15,000
Cost Per Square Foot	$	-
Parking Cost	$	-
Site Improvements		3.0%
(Irrigation, Landscaping)	$	5
Total Construction Costs	$	151
La nd	$	23
Cost Per Unit		15%
Land + Construction	$	174
Fees		
Developer Fee		15%
	$	26
Professional Services		6%
(non-architectural)	$	10
Marketing, Taxes, Financing		7%
	$	12
Total Fees	$	49
Total Cost:	$	222
Cost Per Square Foot:	$	202

Development Costs

Entertainment			Hotel		
# Units			# Units		
Average Unit Size (s.f.)			Average Unit Size (s.f.)		
Building Area		1.15	Building Area		1.15
% Common Area		15%	% Common Area		15%
Total Saleable Space		1	Total Saleable Space		1
Construction Costs (including A & E)			**Construction Costs** (including A & E)		
Construction per s.f.	$	145	Construction per s.f.	$	140
Good Class A Entertainment			Good Class A Full Service Hotel		
Prelim Construction Cost	$	167	Prelim Construction Cost	$	161
Local Multiplier (Knoxville)		0.95	Local Multiplier (Knoxville)		0.95
Adjusted Construction Cost	$	158	Adjusted Construction Cost	$	153
Underground Parking Spaces		0	Underground Parking Spaces		0
Cost Per Space	$	25,000	Cost Per Space	$	25,000
Above-Ground Parking Structure	$	-	Above-Ground Parking Structure	$	-
Cost Per Space	$	15,000	Cost Per Space	$	15,000
Cost Per Square Foot	$	-	Cost Per Square Foot	$	-
Parking Cost	$	-	Parking Cost	$	-
Site Improvements		3.0%	Site Improvements		3.0%
(Irrigation, Landscaping)	$	5	(Irrigation, Landscaping)	$	5
Total Construction Costs	$	163	Total Construction Costs	$	158
La nd	$	25	**La nd**	$	24
Cost Per Unit		15%	Cost Per Unit		15%
Land + Construction	$	188	Land + Construction	$	181
Fees			**Fees**		
Developer Fee		15%	Developer Fee		15%
	$	28		$	27
Professional Services		6%	Professional Services		6%
(non-architectural)	$	11	(non-architectural)	$	11
Marketing, Taxes, Financing		8%	Marketing, Taxes, Financing		7%
	$	15		$	13
Total Fees	$	54	Total Fees	$	51
Total Cost:	$	242	**Total Cost:**	$	232
Cost Per Square Foot:	$	211	**Cost Per Square Foot:**	$	202

Property Value (inflation)

		BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	TOTAL YEARS	20																					
	PER UNIT Calculations																						
	Residential Units	2200	0	101	101	101	101	101	119	119	119	119	119	119	119	119	119	119	101	101	101	101	101
	Single Family	174	0	0	0	0	0	0	17	17	17	17	17	17	17	17	17	17	0	0	0	0	0
0.75	Condominiums	1520	0	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
0.25	Rental Units	507	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Hotel	100	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0
	Marina	225	0	10	10	10	10	10	15	15	15	15	15	10	10	10	10	10	10	10	10	10	10
	SQUARE FOOTAGE by Land Use																						
Annual Addition	Residential																						
	Single Family	348,000		0	0	0	0	0	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	0	0	0	0	0
	Condominium	2,279,250		113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963
	Rental	557,150		27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858
	Retail	65,000		0	0	0	15000	0	0	0	0	10000	10000	0	0	0	0	15000	0	0	0	0	15000
	Restaurant/Entertainment	30,000		0	0	0	0	15000	0	0	0	15000	0	0	0	0	0	0	0	0	0	0	0
	Office	400,000		0	0	0	0	0	0	0	0	90000	0	30000	0	10000	0	0	270000	0	0	0	0
	Hotel	50,000													50000								
	Marina	7,875		350	350	350	350	350	525	525	525	525	525	350	350	350	350	350	350	350	350	350	350
		3,737,275		**142,170**	**142,170**	**142,170**	**157,170**	**157,170**	**177,145**	**177,145**	**177,145**	**292,145**	**187,145**	**206,970**	**226,970**	**186,970**	**176,970**	**191,970**	**412,170**	**142,170**	**142,170**	**142,170**	**157,170**
	SQUARE FOOTAGE by Land Use																						
Cumulative	Residential																						
	Single Family			0	0	0	0	0	34,800	69,600	104,400	139,200	174,000	208,800	243,600	278,400	313,200	348,000	348,000	348,000	348,000	348,000	348,000
	Condominium			113,963	227,925	341,888	455,850	569,813	683,775	797,738	911,700	1,025,663	1,139,625	1,253,588	1,367,550	1,481,513	1,595,475	1,709,438	1,823,400	1,937,363	2,051,325	2,165,288	2,279,250
	Rental			27,858	55,715	83,573	111,430	139,288	167,145	195,003	222,860	250,718	278,575	306,433	334,290	362,148	390,005	417,863	445,720	473,578	501,435	529,293	557,150
	Retail			0	0	0	15,000	15,000	15,000	15,000	15,000	25,000	35,000	35,000	35,000	35,000	35,000	50,000	50,000	50,000	50,000	50,000	65,000
	Restaurant/Entertainment			0	0	0	0	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
	Office			0	0	0	0	0	0	0	0	90,000	90,000	120,000	120,000	130,000	130,000	130,000	400,000	400,000	400,000	400,000	400,000
	Hotel			0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Marina			350	700	1,050	1,400	1,750	2,275	2,800	3,325	3,850	4,375	4,725	5,075	5,425	5,775	6,125	6,475	6,825	7,175	7,525	7,875
				142,170	**284,340**	**426,510**	**583,680**	**740,850**	**917,995**	**1,095,140**	**1,272,285**	**1,564,430**	**1,751,575**	**1,958,545**	**2,185,515**	**2,372,485**	**2,549,455**	**2,741,425**	**3,153,595**	**3,295,765**	**3,437,935**	**3,580,105**	**3,737,275**
	Property Value by Land Use																						
Annual Addition	Residential																						
	Single Family	$92,496,855		$0	$0	$0	$0	$0	$8,068,548	$8,310,604	$8,559,922	$8,816,720	$9,081,221	$9,353,658	$9,634,268	$9,923,296	$10,220,995	$10,527,624	$0	$0	$0	$0	$0
	Condominium	$673,687,312		$25,071,750	$25,823,903	$26,598,620	$27,396,578	$28,218,476	$29,065,030	$29,936,981	$30,835,090	$31,760,143	$32,712,947	$33,694,335	$34,705,166	$35,746,321	$36,818,710	$37,923,271	$39,060,970	$40,232,799	$41,439,783	$42,682,976	$43,963,465
	Rental	$138,005,086		$5,135,957	$5,290,036	$5,448,737	$5,612,199	$5,780,565	$5,953,982	$6,132,601	$6,316,579	$6,506,077	$6,701,259	$6,902,297	$7,109,366	$7,322,647	$7,542,326	$7,768,596	$8,001,654	$8,241,703	$8,488,954	$8,743,623	$9,005,932
	Retail	$11,919,661		$0	$0	$0	$2,144,663	$0	$0	$0	$0	$1,657,502	$1,707,227	$0	$0	$0	$0	$2,968,715	$0	$0	$0	$0	$3,441,555
	Restaurant/Entertainment	$7,247,112		$0	$0	$0	$0	$3,409,589	$0	$0	$0	$3,837,523	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Office	$161,254,371		$0	$0	$0	$0	$0	$0	$0	$0	$31,200,591	$0	$11,033,569	$0	$3,901,838	$0	$0	$115,118,374	$0	$0	$0	$0
	Hotel	$13,977,883		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13,977,883	$0	$0	$0	$0	$0	$0	$0	$0
	Marina	$8,104,269		$270,614	$278,732	$287,094	$295,707	$304,578	$470,573	$484,690	$499,231	$514,208	$529,634	$363,682	$374,593	$385,830	$397,405	$409,327	$421,607	$434,255	$447,283	$460,702	$474,523
		$1,106,692,549		**$30,478,321**	**$31,392,670**	**$32,334,450**	**$35,449,147**	**$37,713,208**	**$43,558,132**	**$44,864,876**	**$46,210,822**	**$84,292,762**	**$50,732,288**	**$61,347,541**	**$65,801,274**	**$57,279,931**	**$54,979,436**	**$59,597,534**	**$162,602,604**	**$48,908,757**	**$50,376,020**	**$51,887,301**	**$56,885,474**
				1.00	**1.03**	**1.06**	**1.09**	**1.13**	**1.16**	**1.19**	**1.23**	**1.27**	**1.30**	**1.34**	**1.38**	**1.43**	**1.47**	**1.51**	**1.56**	**1.60**	**1.65**	**1.70**	**1.75**
	Property Value by Land Use																						
Cumulative	Residential																						
	Single Family			$0	$0	$0	$0	$0	$8,068,548	$16,379,152	$24,939,074	$33,755,793	$42,837,015	$52,190,673	$61,824,941	$71,748,236	$81,969,231	$92,496,855	$92,496,855	$92,496,855	$92,496,855	$92,496,855	$92,496,855
	Condominium			$25,071,750	$50,895,653	$77,494,272	$104,890,850	$133,109,326	$162,174,356	$192,111,336	$222,946,426	$254,706,569	$287,419,516	$321,113,852	$355,819,017	$391,565,338	$428,384,048	$466,307,319	$505,368,289	$545,601,087	$587,040,870	$629,723,846	$673,687,312
	Rental			$5,135,957	$10,425,993	$15,874,729	$21,486,928	$27,267,493	$33,221,475	$39,354,076	$45,670,655	$52,176,732	$58,877,991	$65,780,287	$72,889,653	$80,212,299	$87,754,625	$95,523,221	$103,524,874	$111,766,578	$120,255,532	$128,999,155	$138,005,086
	Retail			$0	$0	$0	$2,144,663	$2,144,663	$2,144,663	$2,144,663	$2,144,663	$3,802,165	$5,509,391	$5,509,391	$5,509,391	$5,509,391	$5,509,391	$8,478,106	$8,478,106	$8,478,106	$8,478,106	$8,478,106	$11,919,661
	Restaurant/Entertainment			$0	$0	$0	$0	$3,409,589	$3,409,589	$3,409,589	$3,409,589	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112	$7,247,112
	Office			$0	$0	$0	$0	$0	$0	$0	$0	$31,200,591	$31,200,591	$42,234,160	$42,234,160	$46,135,997	$46,135,997	$46,135,997	$161,254,371	$161,254,371	$161,254,371	$161,254,371	$161,254,371
	Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13,977,883	$13,977,883	$13,977,883	$13,977,883	$13,977,883	$13,977,883	$13,977,883	$13,977,883	$13,977,883
	Marina			$270,614	$549,346	$836,440	$1,132,147	$1,436,725	$1,907,298	$2,391,988	$2,891,219	$3,405,427	$3,935,061	$4,298,743	$4,673,335	$5,059,166	$5,456,571	$5,865,898	$6,287,506	$6,721,761	$7,169,044	$7,629,746	$8,104,269
				$30,478,321	**$61,870,991**	**$94,205,441**	**$129,654,588**	**$167,367,796**	**$210,925,928**	**$255,790,804**	**$302,001,626**	**$386,294,388**	**$437,026,676**	**$498,374,218**	**$564,175,492**	**$621,455,423**	**$676,434,859**	**$736,032,393**	**$898,634,997**	**$947,543,754**	**$997,919,774**	**$1,049,807,075**	**$1,106,692,549**
	5.50%	$612,489,466.79																					

	BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Annual Addition																						
APPRAISED VALUE																						
Residential																						
Single Family	$78,622,327		$0	$0	$0	$0	$0	$6,858,265	$7,064,013	$7,275,934	$7,494,212	$7,719,038	$7,950,609	$8,189,128	$8,434,801	$8,687,845	$8,948,481	$0	$0	$0	$0	$0
Condominium	$572,634,215		$21,310,988	$21,950,317	$22,608,827	$23,287,091	$23,985,704	$24,705,275	$25,446,434	$26,209,827	$26,996,121	$27,806,005	$28,640,185	$29,499,391	$30,384,372	$31,295,904	$32,234,781	$33,201,824	$34,197,879	$35,223,815	$36,280,530	$37,368,946
Rental	$117,304,323		$4,365,563	$4,496,530	$4,631,426	$4,770,369	$4,913,480	$5,060,884	$5,212,711	$5,369,092	$5,530,165	$5,696,070	$5,866,952	$6,042,961	$6,224,250	$6,410,977	$6,603,306	$6,801,406	$7,005,448	$7,215,611	$7,432,079	$7,655,042
Retail	$10,131,712		$0	$0	$0	$1,822,964	$0	$0	$0	$0	$1,408,876	$1,451,143	$0	$0	$0	$0	$2,523,408	$0	$0	$0	$0	$2,925,321
Restaurant/Entertainment	$6,160,045		$0	$0	$0	$0	$2,898,151	$0	$0	$0	$3,261,894	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$137,066,215		$0	$0	$0	$0	$0	$0	$0	$0	$26,520,502	$0	$9,378,534	$0	$3,316,562	$0	$0	$97,850,618	$0	$0	$0	$0
Hotel	$11,881,200		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,881,200	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$6,888,628		$230,022	$236,922	$244,030	$251,351	$258,891	$399,987	$411,987	$424,346	$437,077	$450,189	$309,130	$318,404	$327,956	$337,794	$347,928	$358,366	$369,117	$380,191	$391,596	$403,344
	$940,688,667		**$25,906,572**	**$26,683,770**	**$27,484,283**	**$30,131,775**	**$32,056,227**	**$37,024,412**	**$38,135,145**	**$39,279,199**	**$71,648,848**	**$43,122,445**	**$52,145,410**	**$55,931,083**	**$48,687,941**	**$46,732,521**	**$50,657,904**	**$138,212,213**	**$41,572,444**	**$42,819,617**	**$44,104,206**	**$48,352,653**
Cumulative																						
APPRAISED VALUE																						
Residential																						
Single Family			$0	$0	$0	$0	$0	$6,858,265	$13,922,279	$21,198,213	$28,692,424	$36,411,463	$44,362,072	$52,551,199	$60,986,001	$69,673,846	$78,622,327	$78,622,327	$78,622,327	$78,622,327	$78,622,327	$78,622,327
Condominium			$21,310,988	$43,261,305	$65,870,131	$89,157,223	$113,142,927	$137,848,202	$163,294,636	$189,504,462	$216,500,584	$244,306,589	$272,946,774	$302,446,165	$332,830,537	$364,126,441	$396,361,221	$429,563,045	$463,760,924	$498,984,740	$535,265,269	$572,634,215
Rental			$4,365,563	$8,862,094	$13,493,520	$18,263,889	$23,177,369	$28,238,253	$33,450,964	$38,820,057	$44,350,222	$50,046,292	$55,913,244	$61,956,205	$68,180,454	$74,591,431	$81,194,738	$87,996,143	$95,001,591	$102,217,202	$109,649,282	$117,304,323
Retail			$0	$0	$0	$1,822,964	$1,822,964	$1,822,964	$1,822,964	$1,822,964	$3,231,840	$4,682,982	$4,682,982	$4,682,982	$4,682,982	$4,682,982	$7,206,390	$7,206,390	$7,206,390	$7,206,390	$7,206,390	$10,131,712
Restaurant/Entertainment			$0	$0	$0	$0	$2,898,151	$2,898,151	$2,898,151	$2,898,151	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045	$6,160,045
Office			$0	$0	$0	$0	$0	$0	$0	$0	$26,520,502	$26,520,502	$35,899,036	$35,899,036	$39,215,598	$39,215,598	$39,215,598	$137,066,215	$137,066,215	$137,066,215	$137,066,215	$137,066,215
Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200
Marina			$230,022	$466,944	$710,974	$962,325	$1,221,216	$1,621,203	$2,033,190	$2,457,536	$2,894,613	$3,344,802	$3,653,931	$3,972,335	$4,300,291	$4,638,085	$4,986,014	$5,344,380	$5,713,497	$6,093,688	$6,485,284	$6,888,628
			$25,906,572	**$52,590,342**	**$80,074,625**	**$110,206,400**	**$142,262,626**	**$179,287,039**	**$217,422,183**	**$256,701,382**	**$328,350,230**	**$371,472,675**	**$423,618,085**	**$479,549,168**	**$528,237,109**	**$574,969,630**	**$625,627,534**	**$763,839,747**	**$805,412,191**	**$848,231,808**	**$892,336,014**	**$940,688,667**
Annual Addition																						
ASSESSED VALUE																						
Residential																						
Single Family	$19,655,582		$0	$0	$0	$0	$0	$1,714,566	$1,766,003	$1,818,983	$1,873,553	$1,929,760	$1,987,652	$2,047,282	$2,108,700	$2,171,961	$2,237,120	$0	$0	$0	$0	$0
Condominium	$143,158,554		$5,327,747	$5,487,579	$5,652,207	$5,821,773	$5,996,426	$6,176,319	$6,361,608	$6,552,457	$6,749,030	$6,951,501	$7,160,046	$7,374,848	$7,596,093	$7,823,976	$8,058,695	$8,300,456	$8,549,470	$8,805,954	$9,070,132	$9,342,236
Rental	$29,326,081		$1,091,391	$1,124,133	$1,157,857	$1,192,592	$1,228,370	$1,265,221	$1,303,178	$1,342,273	$1,382,541	$1,424,018	$1,466,738	$1,510,740	$1,556,062	$1,602,744	$1,650,827	$1,700,351	$1,751,362	$1,803,903	$1,858,020	$1,913,760
Retail	$4,052,685		$0	$0	$0	$729,185	$0	$0	$0	$0	$563,551	$580,457	$0	$0	$0	$0	$1,009,363	$0	$0	$0	$0	$1,170,129
Restaurant/Entertainment	$2,464,018		$0	$0	$0	$0	$1,159,260	$0	$0	$0	$1,304,758	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$54,826,486		$0	$0	$0	$0	$0	$0	$0	$0	$10,608,201	$0	$3,751,413	$0	$1,326,625	$0	$0	$39,140,247	$0	$0	$0	$0
Hotel	$4,752,480		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,752,480	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$2,755,451		$92,009	$94,769	$97,612	$100,540	$103,557	$159,995	$164,795	$169,739	$174,831	$180,076	$123,652	$127,361	$131,182	$135,118	$139,171	$143,346	$147,647	$152,076	$156,639	$161,338
Annual Addition			**$6,511,146**	**$6,706,481**	**$6,907,675**	**$7,844,091**	**$8,487,613**	**$9,316,101**	**$9,595,584**	**$9,883,452**	**$22,656,464**	**$11,065,811**	**$14,489,502**	**$15,812,711**	**$12,718,663**	**$11,733,799**	**$13,095,176**	**$49,284,401**	**$10,448,478**	**$10,761,933**	**$11,084,791**	**$12,587,463**
4th Year Assessment Rate			1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03
Cumulative Addition	**$308,270,692**		**$6,511,146**	**$13,217,627**	**$20,125,302**	**$27,969,393**	**$38,552,084**	**$47,868,185**	**$57,463,770**	**$67,347,221**	**$96,587,041**	**$107,652,852**	**$122,142,354**	**$137,955,065**	**$165,179,144**	**$176,912,943**	**$190,008,120**	**$239,292,521**	**$273,836,505**	**$284,598,438**	**$295,683,229**	**$308,270,692**
4th Year Assessment Rate						$30,064,471				$73,930,576				$152,460,481				$263,388,027				$344,690,196
Real Property Tax																						
City (Addition to Annual Revenue)			$145,850	$150,225	$154,732	$175,708	$190,123	$208,681	$214,941	$221,389	$507,505	$247,874	$324,565	$354,205	$284,898	$262,837	$293,332	$1,103,971	$234,046	$241,067	$248,299	$281,959
City (Total Annual Revenue)			$145,850	$296,075	$450,807	$626,514	$863,567	$1,072,247	$1,287,188	$1,508,578	$2,163,550	$2,411,424	$2,735,989	$3,090,193	$3,700,013	$3,962,850	$4,256,182	$5,360,152	$6,133,938	$6,375,005	$6,623,304	$6,905,264
City (Cumulative Revenue)	$59,968,689		**$145,850**	**$441,925**	**$892,731**	**$1,519,246**	**$2,382,812**	**$3,455,060**	**$4,742,248**	**$6,250,826**	**$8,414,376**	**$10,825,800**	**$13,561,788**	**$16,651,982**	**$20,351,995**	**$24,314,844**	**$28,571,026**	**$33,931,179**	**$40,065,117**	**$46,440,122**	**$53,063,426**	**$59,968,689**
County (Addition to Annual Revenue)			$192,730	$198,512	$204,467	$232,185	$251,233	$275,757	$284,029	$292,550	$670,631	$327,548	$428,889	$468,056	$376,472	$347,320	$387,617	$1,458,818	$309,275	$318,553	$328,110	$372,589
County (Total Annual Revenue)			$192,730	$391,242	$595,709	$827,894	$1,141,142	$1,416,898	$1,700,928	$1,993,478	$2,858,976	$3,186,524	$3,615,414	$4,083,470	$4,889,303	$5,236,623	$5,624,240	$7,083,059	$8,105,561	$8,424,114	$8,752,224	$9,124,812
County (Cumulative Revenue)	$79,244,340		**$192,730**	**$583,972**	**$1,179,681**	**$2,007,575**	**$3,148,716**	**$4,565,615**	**$6,266,542**	**$8,260,020**	**$11,118,996**	**$14,305,521**	**$17,920,934**	**$22,004,404**	**$26,893,707**	**$32,130,330**	**$37,754,571**	**$44,837,629**	**$52,943,190**	**$61,367,303**	**$70,119,527**	**$79,244,340**
TOTAL COUNTY AND CITY Annual Revenue			**$338,580**	**$687,317**	**$1,046,516**	**$1,454,408**	**$2,004,708**	**$2,489,146**	**$2,988,116**	**$3,502,056**	**$5,022,526**	**$5,597,948**	**$6,351,402**	**$7,173,663**	**$8,589,315**	**$9,199,473**	**$9,880,422**	**$12,443,211**	**$14,239,498**	**$14,799,119**	**$15,375,528**	**$16,030,076**
TOTAL COUNTY AND CITY Cumulative Revenue	$139,213,029		**$338,580**	**$1,025,896**	**$2,072,412**	**$3,526,820**	**$5,531,529**	**$8,020,674**	**$11,008,790**	**$14,510,846**	**$19,533,372**	**$25,131,320**	**$31,482,723**	**$38,656,386**	**$47,245,702**	**$56,445,175**	**$66,325,597**	**$78,768,808**	**$93,008,306**	**$107,807,425**	**$123,182,953**	**$139,213,029**
Current KSW Tax Revenue			$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000
Cumulative Existing KSW Revenue	$26,400,000		**$1,320,000**	**$2,640,000**	**$3,960,000**	**$5,280,000**	**$6,600,000**	**$7,920,000**	**$9,240,000**	**$10,560,000**	**$11,880,000**	**$13,200,000**	**$14,520,000**	**$15,840,000**	**$17,160,000**	**$18,480,000**	**$19,800,000**	**$21,120,000**	**$22,440,000**	**$23,760,000**	**$25,080,000**	**$26,400,000**
Annual Incremental Dollars			-$981,420	-$632,683	-$273,484	$134,408	$684,708	$1,169,146	$1,668,116	$2,182,056	$3,702,526	$4,277,948	$5,031,402	$5,853,663	$7,269,315	$7,879,473	$8,560,422	$11,123,211	$12,919,498	$13,479,119	$14,055,528	$14,710,076
Cumulative Incremental Dollars	$112,813,029		**-$981,420**	**-$1,614,104**	**-$1,887,588**	**-$1,753,180**	**-$1,068,471**	**$100,674**	**$1,768,790**	**$3,950,846**	**$7,653,372**	**$11,931,320**	**$16,962,723**	**$22,816,386**	**$30,085,702**	**$37,965,175**	**$46,525,597**	**$57,648,808**	**$70,568,306**	**$84,047,425**	**$98,102,953**	**$112,813,029**
Total 20 Years	**$139,213,029**		**$112,813,029**																			
Net Present Value	**$65,123,873**	6%	**$49,349,368**																			
Loan to Value	$52,099,099	1.20	$39,479,495																			
Special District																						
City (Addition to Annual Revenue)			$16,278	$16,766	$17,269	$19,610	$21,219	$23,290	$23,989	$24,709	$56,641	$27,665	$36,224	$39,532	$31,797	$29,334	$32,738	$123,211	$26,121	$26,905	$27,712	$31,469
City (Total Annual Revenue)			$16,278	$33,044	$50,313	$69,923	$96,380	$119,670	$143,659	$168,368	$241,468	$269,132	$305,356	$344,888	$412,948	$442,282	$475,020	$598,231	$684,591	$711,496	$739,208	$770,677
City (Cumulative Revenue)	$6,692,934		**$16,278**	**$49,322**	**$99,635**	**$169,559**	**$265,939**	**$385,609**	**$529,269**	**$697,637**	**$939,104**	**$1,208,237**	**$1,513,592**	**$1,858,480**	**$2,271,428**	**$2,713,710**	**$3,188,731**	**$3,786,962**	**$4,471,553**	**$5,183,049**	**$5,922,257**	**$6,692,934**
Total 20 Years			$6,692,934																			
Net Present Value		6%	$3,130,955																			
Loan to Value		1.20	$2,504,764																			
Bond Retirement Fund																						
City (Addition to Annual Revenue)			$52,740	$54,322	$55,952	$63,537	$68,750	$75,460	$77,724	$80,056	$183,517	$89,633	$117,365	$128,083	$103,021	$95,044	$106,071	$399,204	$84,633	$87,172	$89,787	$101,958
City (Total Annual Revenue)			$52,740	$107,063	$163,015	$226,552	$312,272	$387,732	$465,457	$545,512	$782,355	$871,988	$989,353	$1,117,436	$1,337,951	$1,432,995	$1,539,066	$1,938,269	$2,218,076	$2,305,247	$2,395,034	$2,496,993
City (Cumulative Revenue)	$21,685,106		**$52,740**	**$159,803**	**$322,818**	**$549,370**	**$861,642**	**$1,249,374**	**$1,714,831**	**$2,260,343**	**$3,042,698**	**$3,914,686**	**$4,904,040**	**$6,021,476**	**$7,359,427**	**$8,792,421**	**$10,331,487**	**$12,269,757**	**$14,487,832**	**$16,793,080**	**$19,188,114**	**$21,685,106**
Total 20 Years			$21,685,106																			
Net Present Value		6%	$10,144,296																			
Loan to Value		1.20	$8,115,437																			
Current KSW Revenue																						
Total 20 Years			**$26,400,000**																			
Net Present Value		7%	**$13,984,099**																			
Loan to Value		1.20	$11,187,279																			

		BUILDOUT	YEAR 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	TOTAL YEARS	20																				
	SQUARE FOOTAGE by Land Use																					
Annual Addition	Hotel	50,000	0	0	0	0	0	0	0	0	0	0	0	50000	0	0	0	0	0	0	0	0
	SQUARE FOOTAGE by Land Use																					
Cumulative	Hotel		0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Sales by Land Use																					
Annual Addition	Hotel	$3,084,250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,084,250	$0	$0	$0	$0	$0	$0	$0	$0
Cumulative	Sales by Land Use																					
	Hotel		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,084,250	$3,084,250	$3,084,250	$3,084,250	$3,084,250	$3,084,250	$3,084,250	$3,084,250	$3,084,250
	Hotel Tax																					
	City (Addition to Annual Revenue)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$154,213	$0	$0	$0	$0	$0	$0	$0	$0
	City (Total Annual Revenue)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213
	City (Cumulative Revenue)		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$154,213**	**$308,425**	**$462,638**	**$616,850**	**$771,063**	**$925,275**	**$1,079,488**	**$1,233,700**	**$1,387,913**
	County (Addition to Annual Revenue)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$154,213	$0	$0	$0	$0	$0	$0	$0	$0
	County (Total Annual Revenue)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213	$154,213
	County (Cumulative Revenue)		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$154,213**	**$308,425**	**$462,638**	**$616,850**	**$771,063**	**$925,275**	**$1,079,488**	**$1,233,700**	**$1,387,913**

		BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	TOTAL YEARS	20																					
	Marina			10	10	10	10	10	15	15	15	15	15	10	10	10	10	10	10	10	10	10	10
Annual Additi	SQUARE FOOTAGE by Land Use																						
Annual Additi	Retail	65,000		0	0	0	15000	0	0	0	0	10000	10000	0	0	0	0	15000	0	0	0	0	15000
Annual Additi	Restaurant/Entertainment	30,000		0	0	0	0	15000	0	0	0	15000	0	0	0	0	0	0	0	0	0	0	0
Annual Additi	Hotel	50,000		0	0	0	0	0	0	0	0	0	0	0	50000	0	0	0	0	0	0	0	0
Annual Additi	Marina	7,875		350	350	350	350	350	525	525	525	525	525	350	350	350	350	350	350	350	350	350	350
		152,875		**350**	**350**	**350**	**15,350**	**15,350**	**525**	**525**	**525**	**25,525**	**10,525**	**350**	**50,350**	**350**	**350**	**15,350**	**350**	**350**	**350**	**350**	**15,350**
Cumulative	SQUARE FOOTAGE by Land Use																						
Cumulative	Retail			0	0	0	15,000	15,000	15,000	15,000	15,000	25,000	35,000	35,000	35,000	35,000	35,000	50,000	50,000	50,000	50,000	50,000	65,000
Cumulative	Restaurant/Entertainment			0	0	0	0	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Cumulative	Hotel			0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Cumulative	Marina			350	700	1,050	1,400	1,750	2,275	2,800	3,325	3,850	4,375	4,725	5,075	5,425	5,775	6,125	6,475	6,825	7,175	7,525	7,875
				350	**700**	**1,050**	**16,400**	**31,750**	**32,275**	**32,800**	**33,325**	**58,850**	**69,375**	**69,725**	**120,075**	**120,425**	**120,775**	**136,125**	**136,475**	**136,825**	**137,175**	**137,525**	**152,875**
Annual Additi	Sales by Land Use																						
Annual Additi	Retail	$19,500,000		$0	$0	$0	$4,500,000	$0	$0	$0	$0	$3,000,000	$3,000,000	$0	$0	$0	$0	$4,500,000	$0	$0	$0	$0	$4,500,000
Annual Additi	Restaurant/Entertainment	$9,600,000		$0	$0	$0	$0	$4,800,000	$0	$0	$0	$4,800,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual Additi	Hotel	$0																					
Annual Additi	Marina	$0																					
		$29,100,000		**$0**	**$0**	**$0**	**$4,500,000**	**$4,800,000**	**$0**	**$0**	**$0**	**$7,800,000**	**$3,000,000**	**$0**	**$0**	**$0**	**$0**	**$4,500,000**	**$0**	**$0**	**$0**	**$0**	**$4,500,000**
Cumulative	Sales by Land Use																						
Cumulative	Retail			$0	$0	$0	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$7,500,000	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$10,500,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$19,500,000
Cumulative	Restaurant/Entertainment			$0	$0	$0	$0	$4,800,000	$4,800,000	$4,800,000	$4,800,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000	$9,600,000
Cumulative	Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cumulative	Marina			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$0	**$0**	**$0**	**$4,500,000**	**$9,300,000**	**$9,300,000**	**$9,300,000**	**$9,300,000**	**$17,100,000**	**$20,100,000**	**$20,100,000**	**$20,100,000**	**$20,100,000**	**$20,100,000**	**$24,600,000**	**$24,600,000**	**$24,600,000**	**$24,600,000**	**$24,600,000**	**$29,100,000**
	Sales Tax																						
	City (Addition to Annual Revenue)			$0	$0	$0	$28,350	$30,240	$0	$0	$0	$49,140	$18,900	$0	$0	$0	$0	$28,350	$0	$0	$0	$0	$28,350
	City (Total Annual Revenue)			$0	$0	$0	$28,350	$58,590	$58,590	$58,590	$58,590	$107,730	$126,630	$126,630	$126,630	$126,630	$126,630	$154,980	$154,980	$154,980	$154,980	$154,980	$183,330
	City (Cumulative Revenue)			**$0**	**$0**	**$0**	**$28,350**	**$86,940**	**$145,530**	**$204,120**	**$262,710**	**$370,440**	**$497,070**	**$623,700**	**$750,330**	**$876,960**	**$1,003,590**	**$1,158,570**	**$1,313,550**	**$1,468,530**	**$1,623,510**	**$1,778,490**	**$1,961,820**
	School Dist. (Addition to Annual Revenue)			$0	$0	$0	$72,900	$77,760	$0	$0	$0	$126,360	$48,600	$0	$0	$0	$0	$72,900	$0	$0	$0	$0	$72,900
	School Dist. (Total Annual Revenue)			$0	$0	$0	$72,900	$150,660	$150,660	$150,660	$150,660	$277,020	$325,620	$325,620	$325,620	$325,620	$325,620	$398,520	$398,520	$398,520	$398,520	$398,520	$471,420
	School Dist. (Cumulative Revenue)			**$0**	**$0**	**$0**	**$72,900**	**$223,560**	**$374,220**	**$524,880**	**$675,540**	**$952,560**	**$1,278,180**	**$1,603,800**	**$1,929,420**	**$2,255,040**	**$2,580,660**	**$2,979,180**	**$3,377,700**	**$3,776,220**	**$4,174,740**	**$4,573,260**	**$5,044,680**
	State (Addition to Annual Revenue)			$0	$0	$0	$315,000	$336,000	$0	$0	$0	$546,000	$210,000	$0	$0	$0	$0	$315,000	$0	$0	$0	$0	$315,000
	State (Total Annual Revenue)			$0	$0	$0	$315,000	$651,000	$651,000	$651,000	$651,000	$1,197,000	$1,407,000	$1,407,000	$1,407,000	$1,407,000	$1,407,000	$1,722,000	$1,722,000	$1,722,000	$1,722,000	$1,722,000	$2,037,000
	State (Cumulative Revenue)			**$0**	**$0**	**$0**	**$315,000**	**$966,000**	**$1,617,000**	**$2,268,000**	**$2,919,000**	**$4,116,000**	**$5,523,000**	**$6,930,000**	**$8,337,000**	**$9,744,000**	**$11,151,000**	**$12,873,000**	**$14,595,000**	**$16,317,000**	**$18,039,000**	**$19,761,000**	**$21,798,000**

Property Value ($Constant)

		BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	TOTAL YEARS	20																					
	PER UNIT Calculations																						
	Residential Units	2200	0	101	101	101	101	101	119	119	119	119	119	119	119	119	119	119	101	101	101	101	101
	Single Family	174	0	0	0	0	0	0	17	17	17	17	17	17	17	17	17	17	0	0	0	0	0
0.75	Condominiums	1520	0	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76
0.25	Rental Units	507	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Hotel	100	0	0	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0
	Marina	225	0	10	10	10	10	10	15	15	15	15	15	10	10	10	10	10	10	10	10	10	10
	SQUARE FOOTAGE by Land Use																						
Annual Addition	Residential																						
	Single Family	348,000		0	0	0	0	0	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	34,800	0	0	0	0	0
	Condominium	2,279,250		113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963
	Rental	557,150		27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858	27,858
	Retail	65,000		0	0	0	15000	0	0	0	0	10000	10000	0	0	0	0	15000	0	0	0	0	15000
	Restaurant/Entertainment	30,000		0	0	0	0	15000	0	0	0	15000	0	0	0	0	0	0	0	0	0	0	0
	Office	400,000		0	0	0	0	0	0	0	0	90000	0	30000	0	10000	0	0	270000	0	0	0	0
	Hotel	50,000													50000								
	Marina	7,875		350	350	350	350	350	525	525	525	525	525	350	350	350	350	350	350	350	350	350	350
		3,737,275		**142,170**	**142,170**	**142,170**	**157,170**	**157,170**	**177,145**	**177,145**	**177,145**	**292,145**	**187,145**	**206,970**	**226,970**	**186,970**	**176,970**	**191,970**	**412,170**	**142,170**	**142,170**	**142,170**	**157,170**
	SQUARE FOOTAGE by Land Use																						
Cumulative	Residential																						
	Single Family			0	0	0	0	0	34,800	69,600	104,400	139,200	174,000	208,800	243,600	278,400	313,200	348,000	348,000	348,000	348,000	348,000	348,000
	Condominium			113,963	227,925	341,888	455,850	569,813	683,775	797,738	911,700	1,025,663	1,139,625	1,253,588	1,367,550	1,481,513	1,595,475	1,709,438	1,823,400	1,937,363	2,051,325	2,165,288	2,279,250
	Rental			27,858	55,715	83,573	111,430	139,288	167,145	195,003	222,860	250,718	278,575	306,433	334,290	362,148	390,005	417,863	445,720	473,578	501,435	529,293	557,150
	Retail			0	0	0	15,000	15,000	15,000	15,000	15,000	25,000	35,000	35,000	35,000	35,000	35,000	50,000	50,000	50,000	50,000	50,000	65,000
	Restaurant/Entertainment			0	0	0	0	15,000	15,000	15,000	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
	Office			0	0	0	0	0	0	0	0	90,000	90,000	120,000	120,000	130,000	130,000	130,000	400,000	400,000	400,000	400,000	400,000
	Hotel			0	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Marina			350	700	1,050	1,400	1,750	2,275	2,800	3,325	3,850	4,375	4,725	5,075	5,425	5,775	6,125	6,475	6,825	7,175	7,525	7,875
				142,170	**284,340**	**426,510**	**583,680**	**740,850**	**917,995**	**1,095,140**	**1,272,285**	**1,564,430**	**1,751,575**	**1,958,545**	**2,185,515**	**2,372,485**	**2,549,455**	**2,741,425**	**3,153,595**	**3,295,765**	**3,437,935**	**3,580,105**	**3,737,275**
	Property Value by Land Use																						
Annual Addition	Residential																						
	Single Family	$69,600,000		$0	$0	$0	$0	$0	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$6,960,000	$0	$0	$0	$0	$0
	Condominium	$501,435,000		$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750	$25,071,750
	Rental	$102,719,139		$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957	$5,135,957
	Retail	$8,504,906		$0	$0	$0	$1,962,671	$0	$0	$0	$0	$1,308,447	$1,308,447	$0	$0	$0	$0	$1,962,671	$0	$0	$0	$0	$1,962,671
	Restaurant/Entertainment	$6,058,752		$0	$0	$0	$0	$3,029,376	$0	$0	$0	$3,029,376	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Office	$109,466,820		$0	$0	$0	$0	$0	$0	$0	$0	$24,630,035	$0	$8,210,012	$0	$2,736,671	$0	$0	$73,890,104	$0	$0	$0	$0
	Hotel	$10,097,920		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10,097,920	$0	$0	$0	$0	$0	$0	$0	$0
	Marina	$6,088,807		$270,614	$270,614	$270,614	$270,614	$270,614	$405,920	$405,920	$405,920	$405,920	$405,920	$270,614	$270,614	$270,614	$270,614	$270,614	$270,614	$270,614	$270,614	$270,614	$270,614
		$813,971,343		**$30,478,321**	**$30,478,321**	**$30,478,321**	**$32,440,991**	**$33,507,697**	**$37,573,627**	**$37,573,627**	**$37,573,627**	**$66,541,485**	**$38,882,074**	**$45,648,332**	**$47,536,241**	**$40,174,991**	**$37,438,321**	**$39,400,991**	**$104,368,424**	**$30,478,321**	**$30,478,321**	**$30,478,321**	**$32,440,991**
	Property Value by Land Use																						
Cumulative	Residential																						
	Single Family			$0	$0	$0	$0	$0	$6,960,000	$13,920,000	$20,880,000	$27,840,000	$34,800,000	$41,760,000	$48,720,000	$55,680,000	$62,640,000	$69,600,000	$69,600,000	$69,600,000	$69,600,000	$69,600,000	$69,600,000
	Condominium			$25,071,750	$50,143,500	$75,215,250	$100,287,000	$125,358,750	$150,430,500	$175,502,250	$200,574,000	$225,645,750	$250,717,500	$275,789,250	$300,861,000	$325,932,750	$351,004,500	$376,076,250	$401,148,000	$426,219,750	$451,291,500	$476,363,250	$501,435,000
	Rental			$5,135,957	$10,271,914	$15,407,871	$20,543,828	$25,679,785	$30,815,742	$35,951,699	$41,087,656	$46,223,612	$51,359,569	$56,495,526	$61,631,483	$66,767,440	$71,903,397	$77,039,354	$82,175,311	$87,311,268	$92,447,225	$97,583,182	$102,719,139
	Retail			$0	$0	$0	$1,962,671	$1,962,671	$1,962,671	$1,962,671	$1,962,671	$3,271,118	$4,579,565	$4,579,565	$4,579,565	$4,579,565	$4,579,565	$6,542,235	$6,542,235	$6,542,235	$6,542,235	$6,542,235	$8,504,906
	Restaurant/Entertainment			$0	$0	$0	$0	$3,029,376	$3,029,376	$3,029,376	$3,029,376	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752	$6,058,752
	Office			$0	$0	$0	$0	$0	$0	$0	$0	$24,630,035	$24,630,035	$32,840,046	$32,840,046	$35,576,717	$35,576,717	$35,576,717	$109,466,820	$109,466,820	$109,466,820	$109,466,820	$109,466,820
	Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10,097,920	$10,097,920	$10,097,920	$10,097,920	$10,097,920	$10,097,920	$10,097,920	$10,097,920	$10,097,920
	Marina			$270,614	$541,227	$811,841	$1,082,455	$1,353,068	$1,758,989	$2,164,909	$2,570,830	$2,976,750	$3,382,670	$3,653,284	$3,923,898	$4,194,511	$4,465,125	$4,735,739	$5,006,352	$5,276,966	$5,547,580	$5,818,193	$6,088,807
				$30,478,321	**$60,956,641**	**$91,434,962**	**$123,875,953**	**$157,383,649**	**$194,957,277**	**$232,530,904**	**$270,104,532**	**$336,646,016**	**$375,528,091**	**$421,176,423**	**$468,712,663**	**$508,887,655**	**$546,325,975**	**$585,726,966**	**$690,095,390**	**$720,573,711**	**$751,052,031**	**$781,530,352**	**$813,971,343**

Property Tax (Constant Dollars)

	BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
APPRAISED VALUE																						
Annual Addition																						
Residential																						
Single Family	$59,160,000		$0	$0	$0	$0	$0	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$5,916,000	$0	$0	$0	$0	$0
Condominium	$426,219,750		$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988	$21,310,988
Rental	$87,311,268		$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563	$4,365,563
Retail	$7,229,170		$0	$0	$0	$1,668,270	$0	$0	$0	$0	$1,112,180	$1,112,180	$0	$0	$0	$0	$1,668,270	$0	$0	$0	$0	$1,668,270
Restaurant/Entertainment	$5,149,939		$0	$0	$0	$0	$2,574,970	$0	$0	$0	$2,574,970	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$93,046,797		$0	$0	$0	$0	$0	$0	$0	$0	$20,935,529	$0	$6,978,510	$0	$2,326,170	$0	$0	$62,806,588	$0	$0	$0	$0
Hotel	$8,583,232		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,583,232	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$5,175,486		$230,022	$230,022	$230,022	$230,022	$230,022	$345,032	$345,032	$345,032	$345,032	$345,032	$230,022	$230,022	$230,022	$230,022	$230,022	$230,022	$230,022	$230,022	$230,022	$230,022
	$691,875,642		**$25,906,572**	**$25,906,572**	**$25,906,572**	**$27,574,842**	**$28,481,542**	**$31,937,583**	**$31,937,583**	**$31,937,583**	**$56,560,262**	**$33,049,763**	**$38,801,082**	**$40,405,804**	**$34,148,742**	**$31,822,572**	**$33,490,842**	**$88,713,160**	**$25,906,572**	**$25,906,572**	**$25,906,572**	**$27,574,842**
APPRAISED VALUE																						
Cumulative																						
Residential																						
Single Family			$0	$0	$0	$0	$0	$5,916,000	$11,832,000	$17,748,000	$23,664,000	$29,580,000	$35,496,000	$41,412,000	$47,328,000	$53,244,000	$59,160,000	$59,160,000	$59,160,000	$59,160,000	$59,160,000	$59,160,000
Condominium			$21,310,988	$42,621,975	$63,932,963	$85,243,950	$106,554,938	$127,865,925	$149,176,913	$170,487,900	$191,798,888	$213,109,875	$234,420,863	$255,731,850	$277,042,838	$298,353,825	$319,664,813	$340,975,800	$362,286,788	$383,597,775	$404,908,763	$426,219,750
Rental			$4,365,563	$8,731,127	$13,096,690	$17,462,254	$21,827,817	$26,193,380	$30,558,944	$34,924,507	$39,290,071	$43,655,634	$48,021,197	$52,386,761	$56,752,324	$61,117,888	$65,483,451	$69,849,014	$74,214,578	$78,580,141	$82,945,705	$87,311,268
Retail			$0	$0	$0	$1,668,270	$1,668,270	$1,668,270	$1,668,270	$1,668,270	$2,780,450	$3,892,630	$3,892,630	$3,892,630	$3,892,630	$3,892,630	$5,560,900	$5,560,900	$5,560,900	$5,560,900	$5,560,900	$7,229,170
Restaurant/Entertainment			$0	$0	$0	$0	$2,574,970	$2,574,970	$2,574,970	$2,574,970	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939	$5,149,939
Office			$0	$0	$0	$0	$0	$0	$0	$0	$20,935,529	$20,935,529	$27,914,039	$27,914,039	$30,240,209	$30,240,209	$30,240,209	$93,046,797	$93,046,797	$93,046,797	$93,046,797	$93,046,797
Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,583,232	$8,583,232	$8,583,232	$8,583,232	$8,583,232	$8,583,232	$8,583,232	$8,583,232	$8,583,232
Marina			$230,022	$460,043	$690,065	$920,086	$1,150,108	$1,495,140	$1,840,173	$2,185,205	$2,530,238	$2,875,270	$3,105,291	$3,335,313	$3,565,335	$3,795,356	$4,025,378	$4,255,399	$4,485,421	$4,715,443	$4,945,464	$5,175,486
			$25,906,572	**$51,813,145**	**$77,719,717**	**$105,294,560**	**$133,776,102**	**$165,713,685**	**$197,651,269**	**$229,588,852**	**$286,149,114**	**$319,198,877**	**$357,999,959**	**$398,405,764**	**$432,554,506**	**$464,377,079**	**$497,867,921**	**$586,581,082**	**$612,487,654**	**$638,394,227**	**$664,300,799**	**$691,875,642**
ASSESSED VALUE																						
Annual Addition																						
Residential																						
Single Family	$14,790,000		$0	$0	$0	$0	$0	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000	$0	$0	$0	$0	$0
Condominium	$106,554,938		$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747	$5,327,747
Rental	$21,827,817		$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391	$1,091,391
Retail	$2,891,668		$0	$0	$0	$667,308	$0	$0	$0	$0	$444,872	$444,872	$0	$0	$0	$0	$667,308	$0	$0	$0	$0	$667,308
Restaurant/Entertainment	$2,059,976		$0	$0	$0	$0	$1,029,988	$0	$0	$0	$1,029,988	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$37,218,719		$0	$0	$0	$0	$0	$0	$0	$0	$8,374,212	$0	$2,791,404	$0	$930,468	$0	$0	$25,122,635	$0	$0	$0	$0
Hotel	$3,433,293		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,433,293	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$2,070,194		$92,009	$92,009	$92,009	$92,009	$92,009	$138,013	$138,013	$138,013	$138,013	$138,013	$92,009	$92,009	$92,009	$92,009	$92,009	$92,009	$92,009	$92,009	$92,009	$92,009
	$190,846,604		**$6,511,146**	**$6,511,146**	**$6,511,146**	**$7,178,454**	**$7,541,134**	**$8,036,151**	**$8,036,151**	**$8,036,151**	**$17,885,222**	**$8,481,023**	**$10,781,550**	**$11,423,439**	**$8,920,614**	**$7,990,146**	**$8,657,454**	**$31,633,782**	**$6,511,146**	**$6,511,146**	**$6,511,146**	**$7,178,454**
Total Residential:			**$6,419,138**	**$6,419,138**	**$6,419,138**	**$6,419,138**	**$6,419,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$7,898,138**	**$6,419,138**	**$6,419,138**	**$6,419,138**	**$6,419,138**	**$6,419,138**
Total Commercial:			**$92,009**	**$92,009**	**$92,009**	**$759,317**	**$1,121,996**	**$138,013**	**$138,013**	**$138,013**	**$9,987,085**	**$582,885**	**$2,883,413**	**$3,525,301**	**$1,022,477**	**$92,009**	**$759,317**	**$25,214,644**	**$92,009**	**$92,009**	**$92,009**	**$759,317**
ASSESSED VALUE																						
Cumulative																						
Residential																						
Single Family			$0	$0	$0	$0	$0	$1,479,000	$2,958,000	$4,437,000	$5,916,000	$7,395,000	$8,874,000	$10,353,000	$11,832,000	$13,311,000	$14,790,000	$14,790,000	$14,790,000	$14,790,000	$14,790,000	$14,790,000
Condominium			$5,327,747	$10,655,494	$15,983,241	$21,310,988	$26,638,734	$31,966,481	$37,294,228	$42,621,975	$47,949,722	$53,277,469	$58,605,216	$63,932,963	$69,260,709	$74,588,456	$79,916,203	$85,243,950	$90,571,697	$95,899,444	$101,227,191	$106,554,938
Rental			$1,091,391	$2,182,782	$3,274,173	$4,365,563	$5,456,954	$6,548,345	$7,639,736	$8,731,127	$9,822,518	$10,913,908	$12,005,299	$13,096,690	$14,188,081	$15,279,472	$16,370,863	$17,462,254	$18,553,644	$19,645,035	$20,736,426	$21,827,817
Retail			$0	$0	$0	$667,308	$667,308	$667,308	$667,308	$667,308	$1,112,180	$1,557,052	$1,557,052	$1,557,052	$1,557,052	$1,557,052	$2,224,360	$2,224,360	$2,224,360	$2,224,360	$2,224,360	$2,891,668
Restaurant/Entertainment			$0	$0	$0	$0	$1,029,988	$1,029,988	$1,029,988	$1,029,988	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976	$2,059,976
Office			$0	$0	$0	$0	$0	$0	$0	$0	$8,374,212	$8,374,212	$11,165,616	$11,165,616	$12,096,084	$12,096,084	$12,096,084	$37,218,719	$37,218,719	$37,218,719	$37,218,719	$37,218,719
Hotel			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,433,293	$3,433,293	$3,433,293	$3,433,293	$3,433,293	$3,433,293	$3,433,293	$3,433,293	$3,433,293
Marina			$92,009	$184,017	$276,026	$368,035	$460,043	$598,056	$736,069	$874,082	$1,012,095	$1,150,108	$1,242,117	$1,334,125	$1,426,134	$1,518,143	$1,610,151	$1,702,160	$1,794,168	$1,886,177	$1,978,186	$2,070,194
			$6,511,146	**$13,022,293**	**$19,533,439**	**$26,711,893**	**$34,253,028**	**$42,289,178**	**$50,325,329**	**$58,361,480**	**$76,246,702**	**$84,727,725**	**$95,509,275**	**$106,932,714**	**$115,853,328**	**$123,843,475**	**$132,500,929**	**$164,134,711**	**$170,645,857**	**$177,157,003**	**$183,668,150**	**$190,846,604**
Total Residential:			**$6,419,138**	**$12,838,275**	**$19,257,413**	**$25,676,551**	**$32,095,689**	**$39,993,826**	**$47,891,964**	**$55,790,102**	**$63,688,240**	**$71,586,377**	**$79,484,515**	**$87,382,653**	**$95,280,790**	**$103,178,928**	**$111,077,066**	**$117,496,204**	**$123,915,341**	**$130,334,479**	**$136,753,617**	**$143,172,754**
Total Commercial:			**$92,009**	**$184,017**	**$276,026**	**$1,035,343**	**$2,157,339**	**$2,295,352**	**$2,433,365**	**$2,571,378**	**$12,558,462**	**$13,141,347**	**$16,024,760**	**$19,550,061**	**$20,572,538**	**$20,664,547**	**$21,423,863**	**$46,638,507**	**$46,730,516**	**$46,822,524**	**$46,914,533**	**$47,673,849**
Real Property Tax																						
City (Addition to Annual Revenue)			$145,850	$145,850	$145,850	$160,797	$168,921	$180,010	$180,010	$180,010	$400,629	$189,975	$241,507	$255,885	$199,822	$178,979	$193,927	$708,597	$145,850	$145,850	$145,850	$160,797
City (Total Annual Revenue)			$145,850	$291,699	$437,549	$598,346	$767,268	$947,278	$1,127,287	$1,307,297	$1,707,926	$1,897,901	$2,139,408	$2,395,293	$2,595,115	$2,774,094	$2,968,021	$3,676,618	$3,822,467	$3,968,317	$4,114,167	$4,274,964
City (Cumulative Revenue)	$41,956,863		**$145,850**	**$437,549**	**$875,098**	**$1,473,444**	**$2,240,712**	**$3,187,990**	**$4,315,277**	**$5,622,574**	**$7,330,501**	**$9,228,402**	**$11,367,809**	**$13,763,102**	**$16,358,217**	**$19,132,310**	**$22,100,331**	**$25,776,949**	**$29,599,416**	**$33,567,733**	**$37,681,899**	**$41,956,863**
County (Addition to Annual Revenue)			$192,730	$192,730	$192,730	$212,482	$223,218	$237,870	$237,870	$237,870	$529,403	$251,038	$319,134	$338,134	$264,050	$236,508	$256,261	$936,360	$192,730	$192,730	$192,730	$212,482
County (Total Annual Revenue)			$192,730	$385,460	$578,190	$790,672	$1,013,890	$1,251,760	$1,489,630	$1,727,500	$2,256,902	$2,507,941	$2,827,075	$3,165,208	$3,429,259	$3,665,767	$3,922,027	$4,858,387	$5,051,117	$5,243,847	$5,436,577	$5,649,059
County (Cumulative Revenue)	$55,442,998		**$192,730**	**$578,190**	**$1,156,380**	**$1,947,052**	**$2,960,941**	**$4,212,701**	**$5,702,331**	**$7,429,830**	**$9,686,733**	**$12,194,673**	**$15,021,748**	**$18,186,956**	**$21,616,215**	**$25,281,982**	**$29,204,009**	**$34,062,397**	**$39,113,514**	**$44,357,361**	**$49,793,939**	**$55,442,998**
TOTAL CITY AND COUNTY Annual Revenue			$338,580	$677,159	$1,015,739	$1,389,018	$1,781,157	$2,199,037	$2,616,917	$3,034,797	$3,964,828	$4,405,842	$4,966,482	$5,560,501	$6,024,373	$6,439,861	$6,890,048	$8,535,005	$8,873,585	$9,212,164	$9,550,744	$9,924,023
TOTAL CITY AND COUNTY Cumulative Revenue	$97,399,861		**$338,580**	**$1,015,739**	**$2,031,478**	**$3,420,496**	**$5,201,654**	**$7,400,691**	**$10,017,608**	**$13,052,405**	**$17,017,233**	**$21,423,075**	**$26,389,557**	**$31,950,058**	**$37,974,432**	**$44,414,292**	**$51,304,341**	**$59,839,345**	**$68,712,930**	**$77,925,094**	**$87,475,838**	**$97,399,861**
Special District																						
City (Addition to Annual Revenue)			$16,278	$16,278	$16,278	$17,946	$18,853	$20,090	$20,090	$20,090	$44,713	$21,203	$26,954	$28,559	$22,302	$19,975	$21,644	$79,084	$16,278	$16,278	$16,278	$17,946
City (Total Annual Revenue)			$16,278	$32,556	$48,834	$66,780	$85,633	$105,723	$125,813	$145,904	$190,617	$211,819	$238,773	$267,332	$289,633	$309,609	$331,252	$410,337	$426,615	$442,893	$459,170	$477,117
City (Cumulative Revenue)	$4,682,686		**$16,278**	**$48,834**	**$97,667**	**$164,447**	**$250,079**	**$355,802**	**$481,616**	**$627,519**	**$818,136**	**$1,029,956**	**$1,268,729**	**$1,536,061**	**$1,825,694**	**$2,135,303**	**$2,466,555**	**$2,876,892**	**$3,303,506**	**$3,746,399**	**$4,205,569**	**$4,682,686**
Bond Retirement Fund																						
City (Addition to Annual Revenue)			$52,740	$52,740	$52,740	$58,145	$61,083	$65,093	$65,093	$65,093	$144,870	$68,696	$87,331	$92,530	$72,257	$64,720	$70,125	$256,234	$52,740	$52,740	$52,740	$58,145
City (Total Annual Revenue)			$52,740	$105,481	$158,221	$216,366	$277,450	$342,542	$407,635	$472,728	$617,598	$686,295	$773,625	$866,155	$938,412	$1,003,132	$1,073,258	$1,329,491	$1,382,231	$1,434,972	$1,487,712	$1,545,857
City (Cumulative Revenue)	$15,171,901		**$52,740**	**$158,221**	**$316,442**	**$532,808**	**$810,258**	**$1,152,800**	**$1,560,435**	**$2,033,163**	**$2,650,761**	**$3,337,056**	**$4,110,681**	**$4,976,836**	**$5,915,248**	**$6,918,380**	**$7,991,638**	**$9,321,129**	**$10,703,360**	**$12,138,332**	**$13,626,044**	**$15,171,901**

Stuctured Parking

Land Use	Units	Spaces				Total Spaces	Square Feet
Retail	65,000	4.0	per	1,000	s.f.	260	91,000
Restaurant/Ent.	30,000	5.0	per	1,000	s.f.	150	52,500
Office	400,000		per	1,000	s.f.	0	0
Hotel	100	1.0	per	1	room	100	35,000
Cultural	131000	2.0	per	1,000	s.f.	262	91,700
						772	270,200

Square feet per space:	350
cost per space:	$15,000
cost per square foot:	$43
Total Parking Structure Cost:	$11,580,000

Parking Income

Monthly Rent	$40
Annual Rent	$480

Parking Revenue

Year		1	2	3	4	5	6	7	8	9	10
Constant Dollars Scenario											
Annual Income		$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560
Cumulative Income	$7,411,200	$370,560	$741,120	$1,111,680	$1,482,240	$1,852,800	$2,223,360	$2,593,920	$2,964,480	$3,335,040	$3,705,600
Discounted Scenario											
Inflation Rate		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30
Annual Income		$370,560	$381,677	$393,127	$404,921	$417,069	$429,581	$442,468	$455,742	$469,414	$483,497
Cumulative Income	$9,957,086	$370,560	$752,237	$1,145,364	$1,550,285	$1,967,353	$2,396,934	$2,839,402	$3,295,144	$3,764,558	$4,248,055
Net Present Value	$5,647,236										

Year	11	12	13	14	15	16	17	18	19	20
Constant Dollars Scenario										
Annual Income	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560	$370,560
Cumulative Income	$4,076,160	$4,446,720	$4,817,280	$5,187,840	$5,558,400	$5,928,960	$6,299,520	$6,670,080	$7,040,640	$7,411,200
Discounted Scenario										
Inflation Rate	1.34	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75
Annual Income	$498,002	$512,942	$528,330	$544,180	$560,505	$577,320	$594,640	$612,479	$630,854	$649,779
Cumulative Income	$4,746,057	$5,258,998	$5,787,328	$6,331,508	$6,892,014	$7,469,334	$8,063,974	$8,676,453	$9,307,307	$9,957,086

	BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Annual Addition																						
APPRAISED VALUE																						
Residential																						
Single Family	$0		$0	$0	$0	$0	$0															
Condominium	$113,142,927		$21,310,988	$21,950,317	$22,608,827	$23,287,091	$23,985,704															
Rental	$23,177,369		$4,365,563	$4,496,530	$4,631,426	$4,770,369	$4,913,480															
Retail	$1,822,964		$0	$0	$0	$1,822,964	$0															
Restaurant/Entertainment	$2,898,151		$0	$0	$0	$0	$2,898,151															
Office	$0		$0	$0	$0	$0	$0															
Hotel	$0		$0	$0	$0	$0	$0															
Marina	$1,221,216		$230,022	$236,922	$244,030	$251,351	$258,891															
	$142,262,626		**$25,906,572**	**$26,683,770**	**$27,484,283**	**$30,131,775**	**$32,056,227**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**					
Cumulative																						
APPRAISED VALUE																						
Residential																						
Single Family			$0	$0	$0	$0	$0															
Condominium			$21,310,988	$43,261,305	$65,870,131	$89,157,223	$113,142,927															
Rental			$4,365,563	$8,862,094	$13,493,520	$18,263,889	$23,177,369															
Retail			$0	$0	$0	$1,822,964	$1,822,964															
Restaurant/Entertainment			$0	$0	$0	$0	$2,898,151															
Office			$0	$0	$0	$0	$0															
Hotel			$0	$0	$0	$0	$0															
Marina			$230,022	$466,944	$710,974	$962,325	$1,221,216															
			$25,906,572	**$52,590,342**	**$80,074,625**	**$110,206,400**	**$142,262,626**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**					
Annual Addition																						
ASSESSED VALUE																						
Residential																						
Single Family	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Condominium	$28,285,732		$5,327,747	$5,487,579	$5,652,207	$5,821,773	$5,996,426	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Rental	$5,794,342		$1,091,391	$1,124,133	$1,157,857	$1,192,592	$1,228,370	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Retail	$729,185		$0	$0	$0	$729,185	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Restaurant/Entertainment	$1,159,260		$0	$0	$0	$0	$1,159,260	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Office	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Hotel	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Marina	$488,486		$92,009	$94,769	$97,612	$100,540	$103,557	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
Annual Addition			**$6,511,146**	**$6,706,481**	**$6,907,675**	**$7,844,091**	**$8,487,613**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**					
4th Year Assessment Rate			1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	0.00	0.00	0.00					
Cumulative Addition	**$48,836,627**		**$6,511,146**	**$13,217,627**	**$20,125,302**	**$27,969,393**	**$38,552,084**	**$38,552,084**	**$38,552,084**	**$38,552,084**	**$43,390,711**	**$43,390,711**	**$43,390,711**	**$43,390,711**	**$48,836,627**	**$48,836,627**	**$48,836,627**					
4th Year Assessment Rate						$30,064,471				$43,390,711				$48,836,627								
Real Property Tax																						
City (Addition to Annual Revenue)			$145,850	$150,225	$154,732	$175,708	$190,123	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
City (Total Annual Revenue)			$145,850	$296,075	$450,807	$626,514	$863,567	$863,567	$863,567	$863,567	$971,952	$971,952	$971,952	$971,952	$1,093,940	$1,093,940	$1,093,940					
City (Cumulative Revenue)	$12,143,141		**$145,850**	**$441,925**	**$892,731**	**$1,519,246**	**$2,382,812**	**$3,246,379**	**$4,109,946**	**$4,973,512**	**$5,945,464**	**$6,917,416**	**$7,889,368**	**$8,861,320**	**$9,955,261**	**$11,049,201**	**$12,143,141**					
County (Addition to Annual Revenue)			$192,730	$198,512	$204,467	$232,185	$251,233	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
County (Total Annual Revenue)			$192,730	$391,242	$595,709	$827,894	$1,141,142	$1,141,142	$1,141,142	$1,141,142	$1,284,365	$1,284,365	$1,284,365	$1,284,365	$1,445,564	$1,445,564	$1,445,564					
County (Cumulative Revenue)	$16,046,294		**$192,730**	**$583,972**	**$1,179,681**	**$2,007,575**	**$3,148,716**	**$4,289,858**	**$5,431,000**	**$6,572,141**	**$7,856,507**	**$9,140,872**	**$10,425,237**	**$11,709,602**	**$13,155,166**	**$14,600,730**	**$16,046,294**					
TOTAL COUNTY AND CITY Annual Revenue			**$338,580**	**$687,317**	**$1,046,516**	**$1,454,408**	**$2,004,708**	**$2,004,708**	**$2,004,708**	**$2,004,708**	**$2,256,317**	**$2,256,317**	**$2,256,317**	**$2,256,317**	**$2,539,505**	**$2,539,505**	**$2,539,505**					
TOTAL COUNTY AND CITY Cumulative Revenue	$28,189,436		**$338,580**	**$1,025,896**	**$2,072,412**	**$3,526,820**	**$5,531,529**	**$7,536,237**	**$9,540,946**	**$11,545,654**	**$13,801,971**	**$16,058,288**	**$18,314,605**	**$20,570,922**	**$23,110,426**	**$25,649,931**	**$28,189,436**					
Current KSW Tax Revenue			$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000					
Cumulative Existing KSW Revenue			**$1,320,000**	**$2,640,000**	**$3,960,000**	**$5,280,000**	**$6,600,000**	**$7,920,000**	**$9,240,000**	**$10,560,000**	**$11,880,000**	**$13,200,000**	**$14,520,000**	**$15,840,000**	**$17,160,000**	**$18,480,000**	**$19,800,000**					
Annual Incremental Dollars			-$981,420	-$632,683	-$273,484	$134,408	$684,708	$684,708	$684,708	$684,708	$936,317	$936,317	$936,317	$936,317	$1,219,505	$1,219,505	$1,219,505					
Cumulative Incremental Dollars	$8,389,436		**-$981,420**	**-$1,614,104**	**-$1,887,588**	**-$1,753,180**	**-$1,068,471**	**-$383,763**	**$300,946**	**$985,654**	**$1,921,971**	**$2,858,288**	**$3,794,605**	**$4,730,922**	**$5,950,426**	**$7,169,931**	**$8,389,436**					
Total 15 Years			**$28,189,436**																			
Net Present Value		6%	**$17,432,890**																			
Loan to Value		1.20	$13,946,312																			
Special District																						
City (Addition to Annual Revenue)			$16,278	$16,766	$17,269	$19,610	$21,219	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
City (Total Annual Revenue)			$16,278	$33,044	$50,313	$69,923	$96,380	$96,380	$96,380	$96,380	$108,477	$108,477	$108,477	$108,477	$122,092	$122,092	$122,092					
City (Cumulative Revenue)	$1,355,261		**$16,278**	**$49,322**	**$99,635**	**$169,559**	**$265,939**	**$362,319**	**$458,699**	**$555,080**	**$663,556**	**$772,033**	**$880,510**	**$988,987**	**$1,111,078**	**$1,233,170**	**$1,355,261**					
Total 15 Years			$1,355,261																			
Net Present Value		6%	$838,120																			
Loan to Value		1.20	$670,496																			
Bond Retirement Fund																						
City (Addition to Annual Revenue)			$52,740	$54,322	$55,952	$63,537	$68,750	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
City (Total Annual Revenue)			$52,740	$107,063	$163,015	$226,552	$312,272	$312,272	$312,272	$312,272	$351,465	$351,465	$351,465	$351,465	$395,577	$395,577	$395,577					
City (Cumulative Revenue)	$4,391,047		**$52,740**	**$159,803**	**$322,818**	**$549,370**	**$861,642**	**$1,173,914**	**$1,486,186**	**$1,798,458**	**$2,149,922**	**$2,501,387**	**$2,852,852**	**$3,204,317**	**$3,599,893**	**$3,995,470**	**$4,391,047**					
Total 15 Years			$4,391,047																			
Net Present Value		6%	$2,715,508																			
Loan to Value		1.20	$2,172,406																			

	BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Annual Addition																						
APPRAISED VALUE																						
Residential																						
Single Family	$36,411,463							$6,858,265	$7,064,013	$7,275,934	$7,494,212	$7,719,038										
Condominium	$131,163,662							$24,705,275	$25,446,434	$26,209,827	$26,996,121	$27,806,005										
Rental	$26,868,923							$5,060,884	$5,212,711	$5,369,092	$5,530,165	$5,696,070										
Retail	$2,860,019							$0	$0	$0	$1,408,876	$1,451,143										
Restaurant/Entertainment	$3,261,894							$0	$0	$0	$3,261,894	$0										
Office	$26,520,502							$0	$0	$0	$26,520,502	$0										
Hotel	$0							$0	$0	$0	$0	$0										
Marina	$2,123,586							$399,987	$411,987	$424,346	$437,077	$450,189										
	$229,210,049							**$37,024,412**	**$38,135,145**	**$39,279,199**	**$71,648,848**	**$43,122,445**										
Cumulative																						
APPRAISED VALUE																						
Residential																						
Single Family								$6,858,265	$13,922,279	$21,198,213	$28,692,424	$36,411,463										
Condominium								$24,705,275	$50,151,709	$76,361,535	$103,357,657	$131,163,662										
Rental								$5,060,884	$10,273,595	$15,642,688	$21,172,853	$26,868,923										
Retail								$0	$0	$0	$1,408,876	$2,860,019										
Restaurant/Entertainment								$0	$0	$0	$3,261,894	$3,261,894										
Office								$0	$0	$0	$26,520,502	$26,520,502										
Hotel								$0	$0	$0	$0	$0										
Marina								$399,987	$811,974	$1,236,320	$1,673,397	$2,123,586										
			$0	**$0**	**$0**	**$0**	**$0**	**$37,024,412**	**$75,159,557**	**$114,438,756**	**$186,087,604**	**$229,210,049**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Annual Addition																						
ASSESSED VALUE																						
Residential																						
Single Family	$9,102,866		$0	$0	$0	$0	$0	$1,714,566	$1,766,003	$1,818,983	$1,873,553	$1,929,760	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Condominium	$32,790,915		$0	$0	$0	$0	$0	$6,176,319	$6,361,608	$6,552,457	$6,749,030	$6,951,501	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rental	$6,717,231		$0	$0	$0	$0	$0	$1,265,221	$1,303,178	$1,342,273	$1,382,541	$1,424,018	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Retail	$1,144,008		$0	$0	$0	$0	$0	$0	$0	$0	$563,551	$580,457	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Restaurant/Entertainment	$1,304,758		$0	$0	$0	$0	$0	$0	$0	$0	$1,304,758	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$10,608,201		$0	$0	$0	$0	$0	$0	$0	$0	$10,608,201	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hotel	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$849,434		$0	$0	$0	$0	$0	$159,995	$164,795	$169,739	$174,831	$180,076	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual Addition			**$0**	**$0**	**$0**	**$0**	**$0**	**$9,316,101**	**$9,595,584**	**$9,883,452**	**$22,656,464**	**$11,065,811**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
4th Year Assessment Rate			1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03
Cumulative Addition	**$80,997,071**		**$0**	**$0**	**$0**	**$0**	**$0**	**$9,316,101**	**$18,911,685**	**$28,795,137**	**$53,196,330**	**$64,262,141**	**$64,262,141**	**$64,262,141**	**$71,964,849**	**$71,964,849**	**$71,964,849**	**$71,964,849**	**$80,997,071**	**$80,997,071**	**$80,997,071**	**$80,997,071**
4th Year Assessment Rate						$0				$30,539,866				$71,964,849				$80,997,071				$91,162,917
Real Property Tax																						
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$208,681	$214,941	$221,389	$507,505	$247,874	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$208,681	$423,622	$645,011	$1,191,598	$1,439,472	$1,439,472	$1,439,472	$1,612,013	$1,612,013	$1,612,013	$1,612,013	$1,814,334	$1,814,334	$1,814,334	$1,814,334
City (Cumulative Revenue)	$20,492,715		**$0**	**$0**	**$0**	**$0**	**$0**	**$208,681**	**$632,302**	**$1,277,313**	**$2,468,911**	**$3,908,383**	**$5,347,855**	**$6,787,327**	**$8,399,340**	**$10,011,352**	**$11,623,365**	**$13,235,378**	**$15,049,712**	**$16,864,046**	**$18,678,381**	**$20,492,715**
County (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$275,757	$284,029	$292,550	$670,631	$327,548	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County (Total Annual Revenue)			$0	$0	$0	$0	$0	$275,757	$559,786	$852,336	$1,574,611	$1,902,159	$1,902,159	$1,902,159	$2,130,160	$2,130,160	$2,130,160	$2,130,160	$2,397,513	$2,397,513	$2,397,513	$2,397,513
County (Cumulative Revenue)	$27,079,659		**$0**	**$0**	**$0**	**$0**	**$0**	**$275,757**	**$835,542**	**$1,687,879**	**$3,262,490**	**$5,164,649**	**$7,066,809**	**$8,968,968**	**$11,099,128**	**$13,229,287**	**$15,359,447**	**$17,489,606**	**$19,887,119**	**$22,284,633**	**$24,682,146**	**$27,079,659**
TOTAL COUNTY AND CITY Annual Revenue			**$0**	**$0**	**$0**	**$0**	**$0**	**$484,437**	**$983,408**	**$1,497,347**	**$2,766,209**	**$3,341,631**	**$3,341,631**	**$3,341,631**	**$3,742,172**	**$3,742,172**	**$3,742,172**	**$3,742,172**	**$4,211,848**	**$4,211,848**	**$4,211,848**	**$4,211,848**
TOTAL COUNTY AND CITY Cumulative Revenue	$47,572,375		**$0**	**$0**	**$0**	**$0**	**$0**	**$484,437**	**$1,467,845**	**$2,965,192**	**$5,731,401**	**$9,073,033**	**$12,414,664**	**$15,756,295**	**$19,498,467**	**$23,240,639**	**$26,982,812**	**$30,724,984**	**$34,936,831**	**$39,148,679**	**$43,360,527**	**$47,572,375**
Current KSW Tax Revenue			$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000
Cumulative Existing KSW Revenue	$0		**$1,320,000**	**$2,640,000**	**$3,960,000**	**$5,280,000**	**$6,600,000**	**$7,920,000**	**$9,240,000**	**$10,560,000**	**$11,880,000**	**$13,200,000**	**$14,520,000**	**$15,840,000**	**$17,160,000**	**$18,480,000**	**$19,800,000**	**$21,120,000**	**$22,440,000**	**$23,760,000**	**$25,080,000**	**$26,400,000**
Annual Incremental Dollars			-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$835,563	-$336,592	$177,347	$1,446,209	$2,021,631	$2,021,631	$2,021,631	$2,422,172	$2,422,172	$2,422,172	$2,422,172	$2,891,848	$2,891,848	$2,891,848	$2,891,848
Cumulative Incremental Dollars	$21,172,375		**-$1,320,000**	**-$2,640,000**	**-$3,960,000**	**-$5,280,000**	**-$6,600,000**	**-$7,435,563**	**-$7,772,155**	**-$7,594,808**	**-$6,148,599**	**-$4,126,967**	**-$2,105,336**	**-$83,705**	**$2,338,467**	**$4,760,639**	**$7,182,812**	**$9,604,984**	**$12,496,831**	**$15,388,679**	**$18,280,527**	**$21,172,375**
Total 20 Years			**$47,572,375**																			
Net Present Value		5.5%	**$22,447,156**																			
Loan to Value		1.20	$17,957,725																			
Special District																						
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$23,290	$23,989	$24,709	$56,641	$27,665	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$23,290	$47,279	$71,988	$132,991	$160,655	$160,655	$160,655	$179,912	$179,912	$179,912	$179,912	$202,493	$202,493	$202,493	$202,493
City (Cumulative Revenue)	$2,287,133		**$0**	**$0**	**$0**	**$0**	**$0**	**$23,290**	**$70,569**	**$142,557**	**$275,548**	**$436,203**	**$596,859**	**$757,514**	**$937,426**	**$1,117,338**	**$1,297,251**	**$1,477,163**	**$1,679,655**	**$1,882,148**	**$2,084,641**	**$2,287,133**
Total 15 Years			$2,287,133																			
Net Present Value		6%	$1,079,190																			
Loan to Value		1.20	$863,352																			
Bond Retirement Fund																						
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$75,460	$77,724	$80,056	$183,517	$89,633	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$75,460	$153,185	$233,241	$430,890	$520,523	$520,523	$520,523	$582,915	$582,915	$582,915	$582,915	$656,076	$656,076	$656,076	$656,076
City (Cumulative Revenue)	$7,410,312		**$0**	**$0**	**$0**	**$0**	**$0**	**$75,460**	**$228,645**	**$461,886**	**$892,776**	**$1,413,299**	**$1,933,823**	**$2,454,346**	**$3,037,261**	**$3,620,177**	**$4,203,092**	**$4,786,007**	**$5,442,083**	**$6,098,160**	**$6,754,236**	**$7,410,312**
Total 15 Years			$7,410,312																			
Net Present Value		6%	$3,496,576																			
Loan to Value		1.20	$2,797,261																			

	BUILDOUT	YEAR	1	2	3	4	5	6	7	8	9	10
Annual Addition												
APPRAISED VALUE												
Residential												
Single Family	$42,210,865											
Condominium	$328,327,626											
Rental	$67,258,031											
Retail	$5,448,729											
Restaurant/Entertainment	$0											
Office	$110,545,713											
Hotel	$11,881,200											
Marina	$3,543,827											
	$569,215,992											
Cumulative												
APPRAISED VALUE												
Residential												
Single Family												
Condominium												
Rental												
Retail												
Restaurant/Entertainment												
Office												
Hotel												
Marina												
			$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Annual Addition												
ASSESSED VALUE												
Residential												
Single Family	$10,552,716		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Condominium	$82,081,907		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rental	$16,814,508		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Retail	$2,179,492		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Restaurant/Entertainment	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Office	$44,218,285		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hotel	$4,752,480		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Marina	$1,417,531		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual Addition			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
4th Year Assessment Rate			1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09
Cumulative Addition	$215,717,833		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
4th Year Assessment Rate						$0				$0		
Real Property Tax												
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Cumulative Revenue)	$43,318,973		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
County (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County (Total Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
County (Cumulative Revenue)	$57,242,929		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL COUNTY AND CITY Annual Revenue			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL COUNTY AND CITY Cumulative Revenue	$100,561,902		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Current KSW Tax Revenue			$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000
Cumulative Existing KSW Revenue	$33,000,000		**$1,320,000**	**$2,640,000**	**$3,960,000**	**$5,280,000**	**$6,600,000**	**$7,920,000**	**$9,240,000**	**$10,560,000**	**$11,880,000**	**$13,200,000**
Annual Incremental Dollars			-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000	-$1,320,000
Cumulative Incremental Dollars	$67,561,902		**-$1,320,000**	**-$2,640,000**	**-$3,960,000**	**-$5,280,000**	**-$6,600,000**	**-$7,920,000**	**-$9,240,000**	**-$10,560,000**	**-$11,880,000**	**-$13,200,000**
Total 15 Years			**$100,561,902**									
Net Present Value		5.5%	**$34,826,340**									
Loan to Value		1.20	$27,861,072									
Special District												
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Cumulative Revenue)	$4,834,707		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total 15 Years			$4,834,707									
Net Present Value		5.5%	$1,674,343									
Loan to Value		1.20	$1,339,475									
Bond Retirement Fund												
City (Addition to Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Total Annual Revenue)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
City (Cumulative Revenue)	$15,664,450		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total 15 Years			$15,664,450									
Net Present Value		5.5%	$5,424,872									
Loan to Value		1.20	$4,339,898									
Current KSW Revenue												
Total 25 Years			**$33,000,000**									
Net Present Value		5.5%	**$17,706,391**									
Loan to Value		1.20	$14,165,113									

	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25			
Annual Addition — APPRAISED VALUE																		
Single Family	$7,950,609	$8,189,128	$8,434,801	$8,687,845	$8,948,481	$0	$0	$0	$0	$0								
Condominium	$28,640,185	$29,499,391	$30,384,372	$31,295,904	$32,234,781	$33,201,824	$34,197,879	$35,223,815	$36,280,530	$37,368,946								
Rental	$5,866,952	$6,042,961	$6,224,250	$6,410,977	$6,603,306	$6,801,406	$7,005,448	$7,215,611	$7,432,079	$7,655,042								
Retail	$0	$0	$0	$0	$2,523,408	$0	$0	$0	$0	$2,925,321								
Restaurant/Entertainment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0								
Office	$9,378,534	$0	$3,316,562	$0	$0	$97,850,618	$0	$0	$0	$0								
Hotel	$0	$11,881,200	$0	$0	$0	$0	$0	$0	$0	$0								
Marina	$309,130	$318,404	$327,956	$337,794	$347,928	$358,366	$369,117	$380,191	$391,596	$403,344								
	$52,145,410	**$55,931,083**	**$48,687,941**	**$46,732,521**	**$50,657,904**	**$138,212,213**	**$41,572,444**	**$42,819,617**	**$44,104,206**	**$48,352,653**								
Cumulative — APPRAISED VALUE																		
Single Family	$7,950,609	$16,139,737	$24,574,538	$33,262,384	$42,210,865	$42,210,865	$42,210,865	$42,210,865	$42,210,865	$42,210,865								
Condominium	$28,640,185	$58,139,576	$88,523,948	$119,819,852	$152,054,633	$185,256,457	$219,454,336	$254,678,151	$290,958,681	$328,327,626								
Rental	$5,866,952	$11,909,913	$18,134,162	$24,545,139	$31,148,446	$37,949,851	$44,955,299	$52,170,910	$59,602,990	$67,258,031								
Retail	$0	$0	$0	$0	$2,523,408	$2,523,408	$2,523,408	$2,523,408	$2,523,408	$5,448,729								
Restaurant/Entertainment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0								
Office	$9,378,534	$9,378,534	$12,695,096	$12,695,096	$12,695,096	$110,545,713	$110,545,713	$110,545,713	$110,545,713	$110,545,713								
Hotel	$0	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200	$11,881,200								
Marina	$309,130	$627,533	$955,489	$1,293,284	$1,641,212	$1,999,578	$2,368,695	$2,748,886	$3,140,482	$3,543,827								
	$52,145,410	**$108,076,493**	**$156,764,434**	**$203,496,955**	**$254,154,859**	**$392,367,072**	**$433,939,516**	**$476,759,133**	**$520,863,339**	**$569,215,992**								
Annual Addition — ASSESSED VALUE																		
Single Family	$1,987,652	$2,047,282	$2,108,700	$2,171,961	$2,237,120	$0	$0	$0	$0	$0								
Condominium	$7,160,046	$7,374,848	$7,596,093	$7,823,976	$8,058,695	$8,300,456	$8,549,470	$8,805,954	$9,070,132	$9,342,236								
Rental	$1,466,738	$1,510,740	$1,556,062	$1,602,744	$1,650,827	$1,700,351	$1,751,362	$1,803,903	$1,858,020	$1,913,760								
Retail	$0	$0	$0	$0	$1,009,363	$0	$0	$0	$0	$1,170,129								
Restaurant/Entertainment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0								
Office	$3,751,413	$0	$1,326,625	$0	$0	$39,140,247	$0	$0	$0	$0								
Hotel	$0	$4,752,480	$0	$0	$0	$0	$0	$0	$0	$0								
Marina	$123,652	$127,361	$131,182	$135,118	$139,171	$143,346	$147,647	$152,076	$156,639	$161,338								
Annual Addition	**$14,489,502**	**$15,812,711**	**$12,718,663**	**$11,733,799**	**$13,095,176**	**$49,284,401**	**$10,448,478**	**$10,761,933**	**$11,084,791**	**$12,587,463**								
4th Year Assessment Rate	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03	1.13	1.09	1.06	1.03
Cumulative Addition	**$14,489,502**	**$30,302,213**	**$44,377,668**	**$56,111,468**	**$69,206,644**	**$118,491,045**	**$137,873,380**	**$148,635,313**	**$159,720,104**	**$172,307,567**	**$191,662,500**	**$191,662,500**	**$191,662,500**	**$191,662,500**	**$215,717,833**			
4th Year Assessment Rate		$31,659,005				$127,424,902				$191,662,500				$215,717,833				
Real Property Tax																		
City (Addition to Annual Revenue)	$324,565	$354,205	$284,898	$262,837	$293,332	$1,103,971	$234,046	$241,067	$248,299	$281,959	$0	$0	$0	$0	$0			
City (Total Annual Revenue)	$324,565	$678,770	$994,060	$1,256,897	$1,550,229	$2,654,199	$3,088,364	$3,329,431	$3,577,730	$3,859,690	$4,293,240	$4,293,240	$4,293,240	$4,293,240	$4,832,079			
City (Cumulative Revenue)	**$324,565**	**$1,003,334**	**$1,997,394**	**$3,254,291**	**$4,804,520**	**$7,458,719**	**$10,547,083**	**$13,876,514**	**$17,454,244**	**$21,313,934**	**$25,607,174**	**$29,900,414**	**$34,193,654**	**$38,486,894**	**$43,318,973**			
County (Addition to Annual Revenue)	$428,889	$468,056	$376,472	$347,320	$387,617	$1,458,818	$309,275	$318,553	$328,110	$372,589	$0	$0	$0	$0	$0			
County (Total Annual Revenue)	$428,889	$896,946	$1,313,579	$1,660,899	$2,048,517	$3,507,335	$4,081,052	$4,399,605	$4,727,715	$5,100,304	$5,673,210	$5,673,210	$5,673,210	$5,673,210	$6,385,248			
County (Cumulative Revenue)	**$428,889**	**$1,325,835**	**$2,639,414**	**$4,300,313**	**$6,348,830**	**$9,856,165**	**$13,937,217**	**$18,336,822**	**$23,064,537**	**$28,164,841**	**$33,838,051**	**$39,511,261**	**$45,184,471**	**$50,857,681**	**$57,242,929**			
TOTAL COUNTY AND CITY Annual Revenue	**$753,454**	**$1,575,715**	**$2,307,639**	**$2,917,796**	**$3,598,745**	**$6,161,534**	**$7,169,416**	**$7,729,036**	**$8,305,445**	**$8,959,993**	**$9,966,450**	**$9,966,450**	**$9,966,450**	**$9,966,450**	**$11,217,327**			
TOTAL COUNTY AND CITY Cumulative Revenue	**$753,454**	**$2,329,169**	**$4,636,808**	**$7,554,604**	**$11,153,350**	**$17,314,884**	**$24,484,300**	**$32,213,336**	**$40,518,782**	**$49,478,775**	**$59,445,225**	**$69,411,675**	**$79,378,125**	**$89,344,575**	**$100,561,902**			
Current KSW Tax Revenue	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000	$1,320,000			
Cumulative Existing KSW Revenue	**$14,520,000**	**$15,840,000**	**$17,160,000**	**$18,480,000**	**$19,800,000**	**$21,120,000**	**$22,440,000**	**$23,760,000**	**$25,080,000**	**$26,400,000**	**$27,720,000**	**$29,040,000**	**$30,360,000**	**$31,680,000**	**$33,000,000**			
Annual Incremental Dollars	-$566,546	$255,715	$987,639	$1,597,796	$2,278,745	$4,841,534	$5,849,416	$6,409,036	$6,985,445	$7,639,993	$8,646,450	$8,646,450	$8,646,450	$8,646,450	$9,897,327			
Cumulative Incremental Dollars	**-$13,766,546**	**-$13,510,831**	**-$12,523,192**	**-$10,925,396**	**-$8,646,650**	**-$3,805,116**	**$2,044,300**	**$8,453,336**	**$15,438,782**	**$23,078,775**	**$31,725,225**	**$40,371,675**	**$49,018,125**	**$57,664,575**	**$67,561,902**			
Special District																		
City (Addition to Annual Revenue)	$36,224	$39,532	$31,797	$29,334	$32,738	$123,211	$26,121	$26,905	$27,712	$31,469	$0	$0	$0	$0	$0			
City (Total Annual Revenue)	$36,224	$75,756	$110,944	$140,279	$173,017	$296,228	$344,683	$371,588	$399,300	$430,769	$479,156	$479,156	$479,156	$479,156	$539,295			
City (Cumulative Revenue)	**$36,224**	**$111,979**	**$222,923**	**$363,202**	**$536,219**	**$832,446**	**$1,177,130**	**$1,548,718**	**$1,948,018**	**$2,378,787**	**$2,857,944**	**$3,337,100**	**$3,816,256**	**$4,295,412**	**$4,834,707**			
Bond Retirement Fund																		
City (Addition to Annual Revenue)	$117,365	$128,083	$103,021	$95,044	$106,071	$399,204	$84,633	$87,172	$89,787	$101,958	$0	$0	$0	$0	$0			
City (Total Annual Revenue)	$117,365	$245,448	$359,459	$454,503	$560,574	$959,777	$1,116,774	$1,203,946	$1,293,733	$1,395,691	$1,552,466	$1,552,466	$1,552,466	$1,552,466	$1,747,314			
City (Cumulative Revenue)	**$117,365**	**$362,813**	**$722,272**	**$1,176,775**	**$1,737,349**	**$2,697,126**	**$3,813,901**	**$5,017,847**	**$6,311,579**	**$7,707,271**	**$9,259,737**	**$10,812,203**	**$12,364,669**	**$13,917,136**	**$15,664,450**			