

A photograph of a stone arch bridge over a river. The bridge is made of light-colored stone blocks and has several large arches. In the background, a city skyline is visible under a blue sky with some clouds. The city includes several tall buildings, some with unique architectural features. The water in the foreground is dark and reflects the sky and the bridge. The overall scene is bright and clear.

# **DOWNTOWN EAST RYAN DEVELOPMENT PROPOSAL**

**Key City Financial Considerations**

# City Bonding\*

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- 1) Finance, via general obligation bonds, approximately \$42M\* in project costs (excluding financing costs) for construction of ramp on block #1 (the “McClellan” block).
  - Includes construction and demolition costs, environmental remediation costs, temporary walkways, etc.
  - Ramp to be owned by MSFA, initially operated by Ryan (or contractor they select)
  - Bonds repaid from following revenue sources:
    - ❖ Payments from Ryan per scheduled, annual, corporately guaranteed commitment
    - ❖ Upon termination of Ryan guarantee, annual net operating income from ramp, plus net operating income of ramps on block 6 & 7
    - ❖ If necessary, payments from MSFA per guarantee
  - Likely City net cash flow exposure over entire term bonds are outstanding = \$0\*

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\* Preliminary and estimated, subject to change





## City Bonding\*

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- 2) Finance, via general obligation bonds, approximately \$23M\* in project costs (excluding financing costs) for “The Yard”
- Covers land acquisition and initial, “basic” investment into the Yard
  - Bonds repaid from following revenue sources:
    - ❖ Residual Ryan guarantee payments (after payment on parking bond issue)
    - ❖ Upon termination of Ryan guarantee, residual net operating income from three ramps on blocks 1, 6, 7, (after payment of debt service on parking bond issue, and subject to income sharing with MSFA)
    - ❖ Other City general fund resources
  - Likely City net exposure on debt service:
    - a) Limited during Ryan guarantee period
    - b) After Ryan guarantee, varies based on actual borrowing costs and actual net operating income from three ramps

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\* Preliminary and estimated, subject to change



## Other Financial Considerations\*

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- Overall development adds to taxable market value in City; once built, projected year #1 property taxes = \$3.5 M\* in total, \$1M\* City
- Additional capital investment to enhance the Yard to be determined(\$10 - 15M\*); sources to include:
  - ❖ 3 opportunities for monetizing future development
    - air rights over parking ramp on block #1
    - housing/residential development rights around block 1 ramp
    - development rights to westerly 1/3 of western most block in Yard
  - ❖ Sponsorships and naming opportunities within Yard
  - ❖ Philanthropy
- Ongoing operations and maintenance costs for Yard, and how to fund, not yet determined (will be considered in conjunction with capital investments into Yard)

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\*Preliminary and estimated, subject to change