Boulder, Colorado

A Great American City with a Burgeoning Creative Class

"Access to talented and creative people is to modern business what access to coal and iron ore was to steel-making. It determines where companies will choose to locate and grow, and this in turn changes the ways that cities must compete."

- Richard Florida, The Rise of the Creative Class

The characteristics of place have become the most important social organizing component of our time, displacing traditional economic structures of resource allocation. Cities are no longer regions for accumulating labor efficiencies, nor are they solely a place for the educated and affluent. The new urban area is a Creative Center that accommodates much more than the traditional economic requirements of resources, labor, and capital. The infrastructure of a Creative Center is an urban metabolism of diversity and cultural energy where innovations take place through a network of highly creative talent. And it is specific characteristics of place that draw talented individuals to a Creative Center.

Boulder, Colorado is one of the premier examples of place in the entire world. Set beneath the majestic Flatirons, Boulder is a Creative Center with few peers; it possesses an enviable cultural ecosystem where all forms of creativity—economic, technological, artistic, and cultural—can germinate and grow. When talented and creative people come together, the multiplying effect is exponential and the end result is much more than the sum of its parts. A Creative Center cultivates diversity, and not just in the demographic sense; diversity also implies excitement and energy inspired by a mix of influences. Creative people want to hear different kinds of music, try different kinds of food, and work for innovative companies.

How do you actually build a Creative Center? How do you build a truly creative community—with an authentic quality of place—that will prosper in the economic order of the twenty-first century? It's not enough to have a deep tax base. It's not enough to provide excellent schools. It's not enough to have trendy restaurants and hip bars. A Creative Center requires creative people even more than it needs a "business-friendly" climate. Simply put, a Creative Center must have a strategy to attract and retain creative talent. And that strategy begins with an authentic quality of space.

"Creativity doesn't automatically sustain itself over long periods, but requires constant attention to and investment in the economic and social forms that feed the creative impulse."

- Richard Florida, The Rise of the Creative Class

Contents

Introduction | 1
Executive Summary | 3
Property Analysis | 8
Market Analysis | 13
Development Vision | 16
Phasing & Implementation | 33
Financial & Ownership Analysis | 35
Economic Impact Analysis | 47
Recognition & Thank Yous | 49
Team Biographies | 50

To generate exuberant diversity in a city's streets and districts four conditions are indispensable:

1. The district, and indeed as many of its internal parts as possible, must serve more than one primary function; preferably more than two...

2. Most blocks must be short; that is, streets and opportunities to turn corners must be frequent.

3. The district must mingle buildings that vary in age and condition, including a good proportion of old ones so that they vary in the economic yield they must produce. This mingling must be fairly close-grained.

4. There must be a sufficiently dense concentration of people, for whatever purposes they may be there...

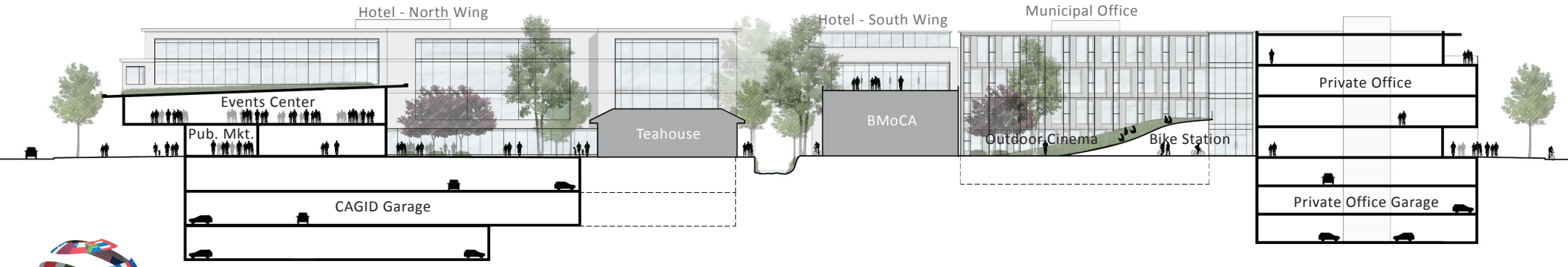
— Jane Jacobs, The Death and Life of Great American Cities

Boulder's Civic Area will be a place for everyone—a lively and distinct destination that reflects our community's values, where people of all ages, abilities and backgrounds feel welcome to recreate, socialize, deliberate, learn and access city services. The green space and beauty along Boulder Creek will be the spine of a unifying design theme that weaves existing and potential new facilities with a rich diversity of civic, recreational, artistic and cultural amenities and programs, creating a true civic heart for the Boulder community.

- The City of Boulder

The Boulder Civic Area - Competition Area

The Boulder Civic Area is the subject of the 2013 NAIOP Rocky Mountain Real Estate Challenge, which stretches from 14th Street west to 9th Street, between Canyon Boulevard and Arapahoe Avenue. The Civic Area contains the Boulder Public Library, the Municipal Building, where the city council meets, and other privately and publicly owned structures. The specific area of focus for Tatonka Development Partners' (TDP) vision is the block between 13th and 14th Streets. The focus block totals 3.86 Acres and includes the beloved Farmers' Market, the Dushanbe Teahouse, and the Boulder Museum of Contemporary Art (BMoCA).


Hotel - North Wing
Hotel - South Wing
Municipal Office
Events Center
Pub. Mkt.
Teahouse
BMoCA
Outdoor Cinema
Bike Station
Private Office
CAGID Garage
Private Office Garage

Boulder International Center™

The Boulder International Center will provide a great public assembly space capable of hosting an array of activities, including performing arts, cultural festivals, and international conferences, where Boulder locals and visitors from around the world can interact and exchange ideas. In addition to a community meeting space, the Boulder International Center will also house a permanent Public Market to expand the existing Farmers' Market and harness the local cultural energy the food market has provided for 25 years.

In order to support Boulder's global relationships, a full-service hotel will accommodate visitors while providing the financial underpinning for the construction and operations of the International Center. Two office buildings will diversify the development program by including both municipal functions and private commerce into the daily activities of the Civic Area.

Tatonka Development Partners has created a Civic Area program that builds upon Boulder's greatest strengths as a Creative Center by leveraging existing cultural assets with disparate civic activities. Anchored by historical connections, our design vision will create a dynamic public space with unlimited creative opportunities.

The Dushanbe Teahouse

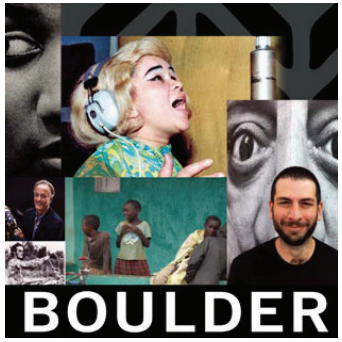
A gift from Boulder's sister city, Dushanbe, and the only Tajik-style teahouse in the Western Hemisphere, the Dushanbe Teahouse has delighted visitors and residents alike since 1987. The Teahouse will be the "jewel" of the BIC.

Andaz Boulder Hotel

The Boulder International Hotel, flying the Hyatt Andaz flag, combines an international feel with elements of Boulder's unique local environment to welcome travelers from around the world.

The Conference on World Affairs

A flagship event in Boulder since 1948, the conference will be one of the signature events of the Community Events Center in partnership with the University of Colorado.



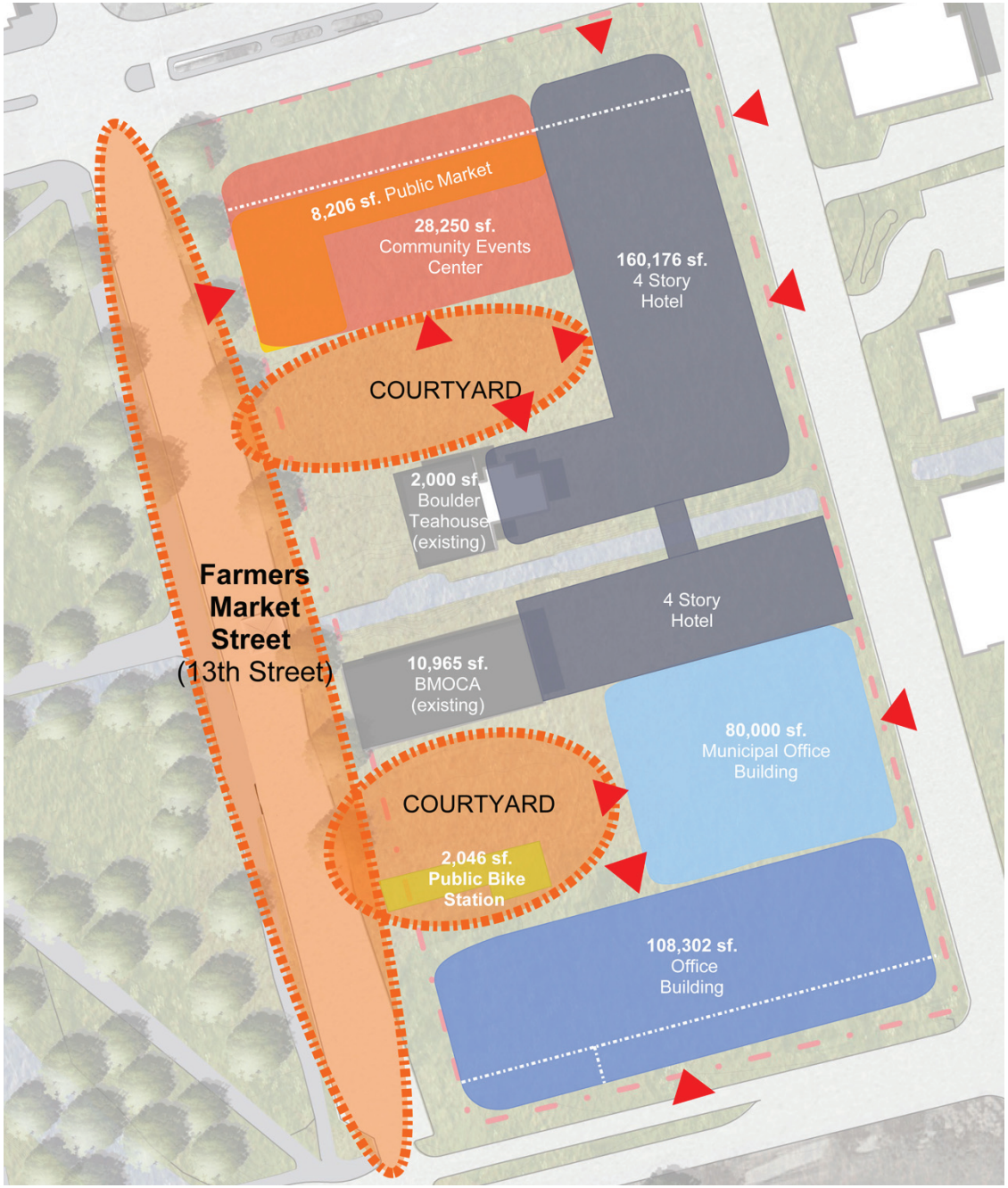
International Film Festival

A treasured Boulder event, the International Film Festival will be a flagship event for the outdoor cinema in the south courtyard of the Boulder International Center.

Boulder Public Market

The Public Market at the Boulder International Center will provide incubator retail space for local vendors serving cuisine from around the world, highlighting Boulder's diversity and cultural heritage.

Development Program



Program Details:

Privately Developed Elements

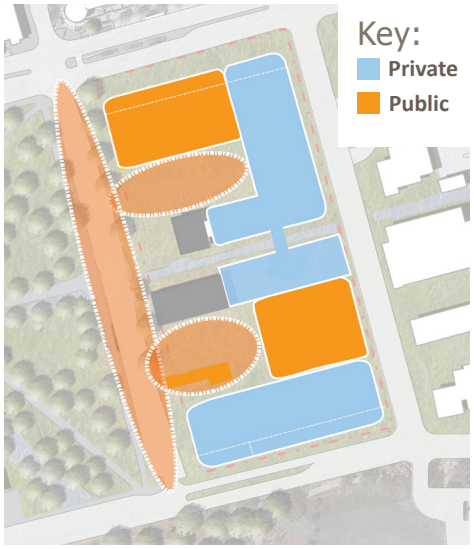
Hotel - Hyatt Andaz
214 Keys, 160,176 SF
Office - Class "A"
108,302 SF
232 Space Underground Parking
(3 Levels)

Fee Developed (Publicly Owned) Elements

Community Events Center -28,250 SF
Public Market - 8,206 SF
Municipal Office - 80,000 SF
CAGID Parking Garage - 525 Underground Spaces
(2.5 Levels)
Public Bike Station - 2,046 SF
Parking for 107 Bikes, Showers
& Repairs

Site Area

Open Space Improved = 102,000 SF (On & Off Site)
On Site Open Space Ratio = 36%
Developed FAR = 2.38



Summary Financial Analysis

Sources & Uses Over Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Sources & Uses
Year Ending	Apr-14	Apr-15	Apr-16	Apr-17	Apr-18	Apr-19	
SOURCES OF CAPITAL							
Sponsor Equity (GP)	-	301,037	4,483,604	3,191,434	-	-	7,976,075
Investor Equity (LP)	-	2,709,337	11,586,464	-	-	-	14,295,800
EB-5 Preferred Equity	-	-	-	21,000,000	-	-	21,000,000
Construction Debt	-	-	19,803,648	21,835,720	20,164,459	1,169,241	62,973,068
CAGID Bond Proceeds	-	-	18,227,731	-	-	-	18,227,731
Capital Investment Strategy Bond Proceeds (Rd. 2)	-	1,429,573	17,339,146	-	-	-	18,768,718
Metro District / PIF Bond Proceeds	-	-	-	2,874,943	1,550,401	1,140,164	5,565,508
Hotel Surface Rights Proceeds	-	-	-	6,345,688	2,115,229	-	8,460,917
PROJECT TOTAL	-	4,439,947	71,440,592	55,247,785	23,830,089	2,309,405	157,267,818
USES OF CAPITAL							
Private Office	-	(3,010,374)	(32,677,497)	(9,269,164)	(426,459)	-	(45,383,493)
Hyatt Andaz Hotel	-	-	(3,196,219)	(36,757,991)	(19,738,000)	(1,169,241)	(60,861,450)
CAGID Parking Garage	-	-	(18,227,731)	-	-	-	(18,227,731)
Municipal Office	-	(1,429,573)	(17,339,146)	-	-	-	(18,768,718)
Public Market	-	-	-	(1,230,711)	(410,237)	-	(1,640,947)
Community Events Center	-	-	-	(6,345,688)	(2,115,229)	-	(8,460,917)
Public Bike Station	-	-	-	(1,074,150)	-	-	(1,074,150)
Site Improvements	-	-	-	(570,082)	(1,140,164)	(1,140,164)	(2,850,411)
PROJECT TOTAL	-	(4,439,947)	(71,440,592)	(55,247,785)	(23,830,089)	(2,309,405)	(157,267,818)

	Hyatt Andaz Hotel	Private Office Building & Parking Garage	Project Total
PROPERTY LEVEL RETURNS			
Equity Return (IRR)	**16.9%**	**22.1%**	**19.2%**
Total Profit	$ 26,721,134	$ 22,461,213	$ 49,182,347
Equity Multiple	1.98x	2.41x	2.14x
Return on Cost	9.6%	8.7%	9.2%
INVESTOR LEVEL RETURNS			
EB-5 PREFERRED EQUITY			
Equity Return (IRR)	**5.0%**	**0.0%**	**5.0%**
Total Equity Invested	$ 21,000,000	$ -	$ 21,000,000
Total Profit	4,931,357	-	4,931,357
Equity Multiple	1.23x	0.00x	1.23x
LIMITED PARTNER EQUITY			
Equity Return (IRR)	**0.0%**	**20.3%**	**20.3%**
Total Equity Invested	$ -	$ 14,295,800	$ 14,295,800
Total Profit	-	17,776,683	17,776,683
Equity Multiple	0.00x	2.24x	2.24x
GENERAL PARTNER EQUITY			
Equity Return (IRR)	**38.5%**	**35.0%**	**37.7%**
Total Equity Invested	$ 6,387,653	$ 1,588,422	$ 7,976,075
Total Profit	21,789,777	4,684,530	26,474,307
Equity Multiple	4.41x	3.95x	4.32x
Development Fees	1,771,999	1,293,005	4,790,415

Total equity required for private development is $43 million, of which $21 million will be in the form of EB-5 preferred equity. The overall return on equity for private development is 19% with a $49 million profit and 2.1 equity multiple. Construction debt amounting to $63 million will make up the remainder of the capital stack. The Limited Partner will receive a 10% preferred return and 80% of the cash flow to a 15% hurdle rate. Thereafter, cash flow and residual value will be split with 70% going to the Limited Partner and 30% going to the Sponsor.

Beyond the CAGID bond issuance devoted to the CAGID Garage and the "Round 2" Capital Investment Strategy Bond Issuance towards the Municipal Office, the city or its affiliated entities will not be required to provide additional capital to the development.

Site History

The NAIOP Civic Area competition site is bounded by Canyon Boulevard to the north, 14th Street to the east, Arapahoe Avenue to the south, and 13th Street to the west. The Boulder & White Rock Ditch was the first significant feature to be built on the Civic Area competition site. Constructed in 1873 as an irrigation channel, the Ditch continues to bisect the site to this day. At the beginning of the twentieth century this area would have been considered to be on the southern periphery of the downtown district. The Boulder Train Depot stood just to the north across Water Street (now Canyon Boulevard) from 1890 until 1973. This city block contained many factory and warehouse buildings in the early part of the century due to its proximity to the railroad station and to Boulder Creek. The 1918 Sanborn Fire Insurance Map shows a gas plant, greenhouses, and a lumber warehouse. Of the significant structures standing at the turn of the twentieth century, only the City Transfer & Storage warehouse remains. It is now a historic landmark and serves as the permanent home for the Boulder Museum of Contemporary Art (BMoCA).

In addition to the Boulder & White Rock Ditch and BMoCA, the Boulder Dushanbe Teahouse and the Boulder County Farmers' Market have significant historical and cultural significance. The Teahouse, a gift to the people of Boulder from its sister city Dushanbe, Tajikistan, has served as an important cultural landmark for Boulder since its construction in 1998 and entertains over 100,000 visitors annually. It is the only example of a traditional Tajik teahouse in the western hemisphere.

Boulder, Colorado c. 1890

Boulder, Colorado c. 1911

Boulder Central Park, 1929. View from Broadway and Canyon looking southeast. The City Storage & Transfer Building and the Boulder Gaslight & Fuel Company artificial gas plant on the Civic Area NAIOP competition site are visible in the background.

View east across Central Park from Broadway, 1925. The Boulder & White Rock Ditch headgate is in the foreground. The Lyon Lumber Company building at the northwest corner of the competition site is visible in the background. Source: Boulder Public Library.

The City Storage & Transfer Building, 1750 13th Street, 1954. Source: Boulder Public Library

The Civic Area Site, Boulder, Colorado c. 2013

The City's Guiding Principles

The Guiding Principles for the development of a comprehensive vision for the Civic Area were endorsed by the City Council on November 1, 2012. Any serious attempt to develop the Civic Area site must contemplate and integrate these principles into both the broad and specific program elements in order to receive stakeholder validation. Tatonka Development Partners has identified three qualities that will be binding imperatives necessary for public and political support:

- Improved government interaction with the community through new municipal facilities;
- Enhancement of long-standing functions such as the Farmers' Market;
- Expansion of community assembly activities to promote civic, cultural, artistic, recreational, and educational participation, and to encourage an inclusive interaction between locals and visitors of all ages and income levels.

"The Boulder Civic Area has symbolic, geographic, and functional importance and should serve as an inclusive place for people to interact with each other and with government."

Tatonka Development Partners has planned for the construction of a new municipal office building to consolidate the city functions currently extended over three aging facilities; this new structure will move many city employees out of the high-hazard flood zone and provide better services to the public. In addition, an opportunity will be created to capture a net gain of open space by remediating the New Britain and Park Central buildings west of Broadway into new park space.

"The Boulder Civic Area has a historical focus and many long-standing functions and facilities highly valued by the community… The community will: continue and expand the Farmers' Market as a vital component of the area, source of community pride and economic benefit, and source for local and healthy food. Partner to expand the Farmers' Market extent and function as an outdoor market, and possibly expand it as a year-round (or extended season) local foods marketplace."

The cultural importance of the Farmers' Market cannot be overstated. Tatonka Development Partners has proposed the construction of a permanent Public Market that will serve to expand and enhance the existing Farmers' Market. Given the popularity of the Farmers' Market, along with the current limits to capacity, our team has identified this need as very high on most wish-lists that have considered the Civic Area site.

"The Boulder Civic Area may offer potential to expand civic services or cultural, arts, science, educational or entertainment amenities that are otherwise lacking in the community. Any new facilities will provide a high level of public benefit and… provide a vibrant mix of uses to encourage activity and inclusiveness throughout daytime and evening hours and around the year; and fit the area's overall public purpose and be harmonious with (but not a replication of) activity on Pearl Street and downtown."

Building upon the existing assets of the Dushanbe Teahouse, BMoCA, and the CU Conference on World Affairs, Tatonka Development Partners will center the Civic Area redevelopment program on the construction of the new Boulder Community Event Center, a community event space capable of hosting an array of activities, from performing arts to cultural festivals to international conferences where Boulder locals and visitors from around the world can interact and exchange ideas.

Boulder Civic Area Guiding Principles

1. The Civic Heart of Boulder
2. Life and Property Safety
3. Outdoor Culture and Nature
4. Celebration of History and Existing Assets
5. Enhanced Access and Connections
6. A Place for New Community Activity and Arts
7. A Viable and Sustainable Future

Through the combination of public and private elements, the Boulder International Center exceeds the criteria put forth by the Boulder City Council in the Civic Area Guiding Principles.

Highest and Best Use

Tatonka Development Partners' vision for the Civic Area was shaped by the criteria of highest and best use. These parameters helped us build a composition of architectural uses that would be:

- Legally Allowable
- Physically Possible
- Financially Feasible
- Politically Supported
- Maximally Productive

Legally allowable: The 55-foot building height limit, enshrined in the City Charter, combined with zoning restrictions that discourage density, confine the permitted volume of structures on the site. The existing landmarked structures (The Dushanbe Teahouse and the Boulder Museum of Contemporary Art) also present limitations on design and use.

Physically Possible: The threat of potentially life-threatening flash flood hazards in the Boulder Creek floodway present design and engineering challenges that must be integrated site-wide to enhance public safety and minimize potential property damage.

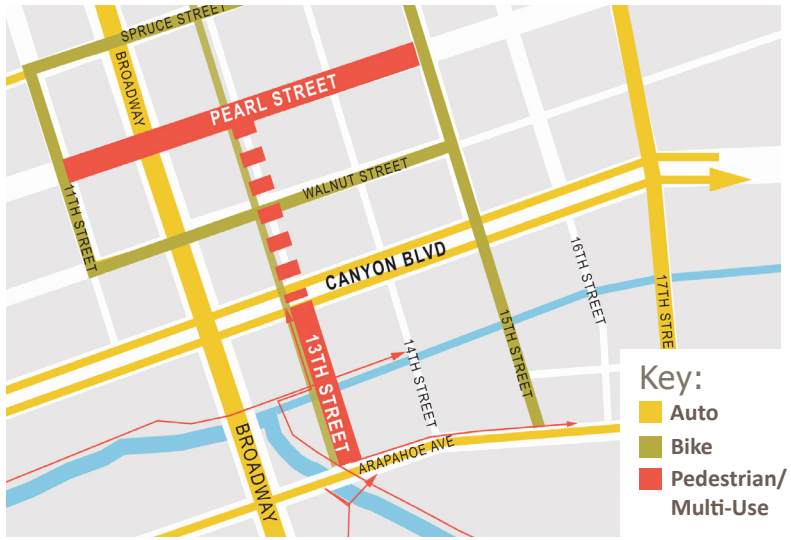
Financially Feasible: Property owners in Downtown Boulder enjoy a restricted supply and high demand for building rentals. Expensive land and restrictive zoning requirements, however, can make favorable market dynamics irrelevant and make many types of development financially impractical.

Politically Supported: The Guiding Principles for the Civic Area, as endorsed by the Boulder City Council, have established a comprehensive program that any development objective must consider. Since most of the site is public property, any Civic Area development plan is likely to generate an exceptional amount of public input from the citizens of Boulder.

Maximally Productive: The program must generate a market rate of return for any capital put at risk by a private developer. Without a market-comparable financial return that would otherwise be available to sources of capital in alternative investments, private capital will not be accessible to the City of Boulder, and the capital requirements for construction and operations would fall entirely to the local taxpayers. The public nature of the Civic Area implies that the City of Boulder will be a development partner, be it formal or informal. A maximally productive return for Boulder will have both direct and indirect economic, social, and cultural benefits. Maximizing these intangible benefits is also likely to benefit the private developer. TDP has created a site program, informed by the Guiding Principles, that embraces the criteria of highest and best use specific to the challenge.

Local Context of the Site

Downtown Boulder Use Map



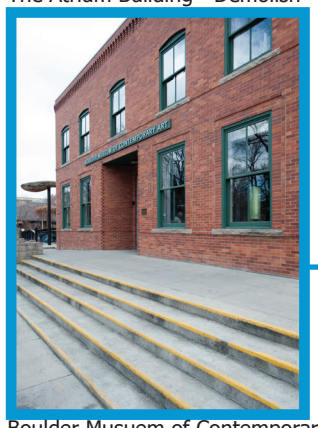
Downtown Transportation & Circulation Map

Existing & Significant Buildings on the Site

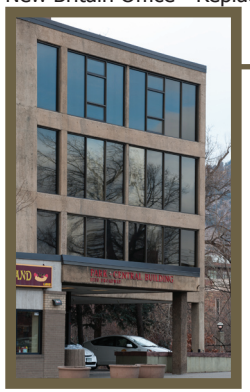
There exist several buildings on the site, as well as off the site, that are important to the development vision. There are two historically and culturally significant buildings that must remain, two city office buildings off the site in the high hazard flood area whose floor area must be replaced on site, and eight other buildings that must be demolished.

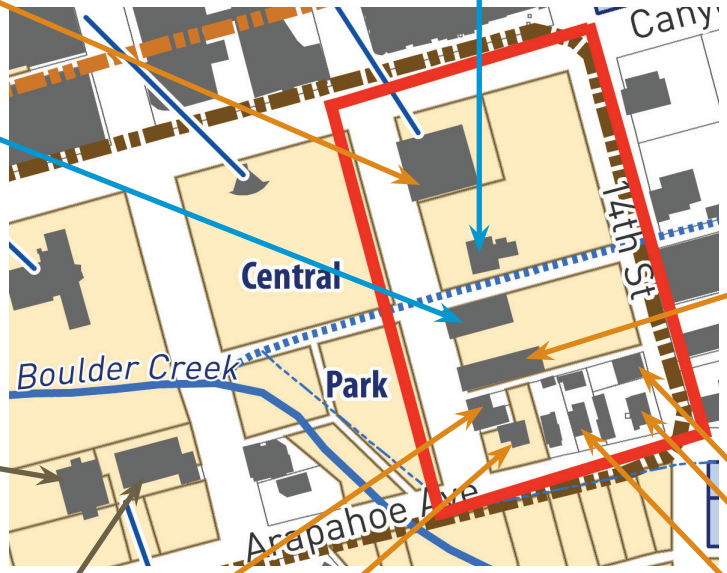
The Atrium Building - Demolish

Dushanbe Teahouse - To Remain on Site


Boulder Musuem of Contemporary Art - To Remain on Site

New Britain Office - Replaced on Site


Park Central Office- Replaced on Site



Buildings to Remain
Buildings to be Demolished
Buildings Off-Site to Replace

Parcel Ownership Analysis:

Total Competition Site Area = 167,984 SF (3.86 Acres)

☐ Publicly Owned Parcels

Total Publicly Owned Area = 139,394 SF (3.20 Acres)

☐ Privately Owned Parcels

Total Privately Owned Area = 28,590 SF (0.66 Acres)

City Maintenance Building - Demolish

Privately Owned Building - Demolish

Privately Owned Buildings - Demolish

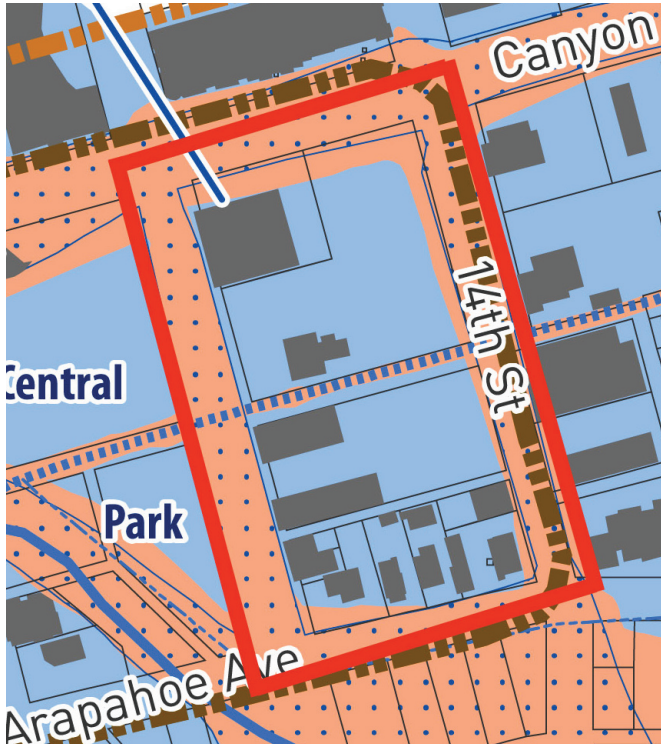
Publicly Owned Building - Demolish

Privately Owned Buildings - Demolish

Privately Owned Building - Demolish

Flood Plain Analysis

The entirety of the Civic Area Site sits within the FEMA 100 year flood plain, with parts on the north and south edges within the high hazard zone where surface parking or habitable space is not permitted. The flood considerations are a very important and dire aspect of Tatonka Development Partners' plans for the site, and we have taken every conceivable step to mitigate any risks due to groundwater and flooding such as: flood gates, landscape features and building floodproofing.



100 Year Flood Plain

High Hazard Zone

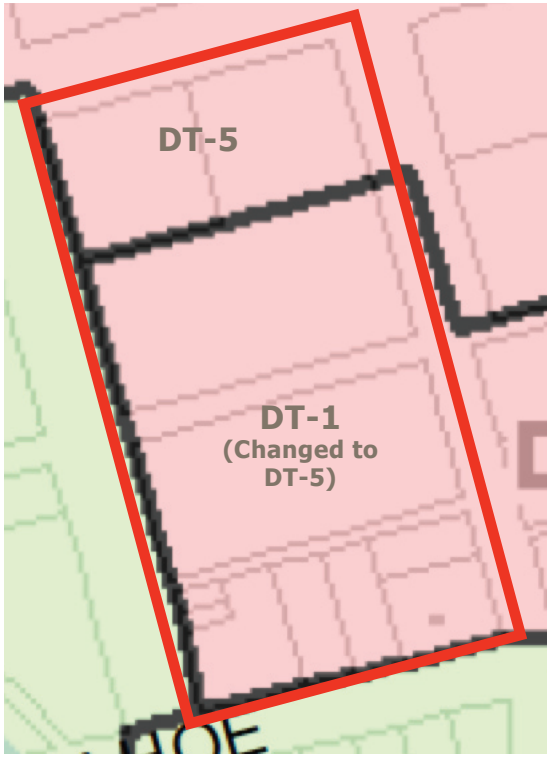
Note: Groundwater is estimated to be eight feet below existing surface grade.

Zoning Analysis

The zoning on the site is controlled by the CIty of Boulder and is guided by the Boulder Revised Code, 1981 (and revised in 2006). The site is currently zoned in two downtown districts, DT-5 and DT-1. The line where the transition between the two zones occurred seemed arbitrary, and Tatonka Development Partners was able to convince the City of Boulder to expand the DT-5 zone over the whole competition site. The uses allowed in these zones are intended to encourage the development of commercial uses, and are not considered to be restrictive in regards to the planned program of Tatonka Development Partners. The form and density in the DT-5 zone is controlled by a maximum 2.7 FAR, which equates to a maximum buildable area on the entire site of 438,697 SF. Additionally, the DT-5 zone requires a minimum of twenty percent of open space on the site if the developer intends to build in excess of forty-five feet in height. There is, however, no zoning required parking, because the site sits entirely within the Central Area General Improvement District (CAGID), where there are no parking requirements. Finally, the greatest and most controlling zoning restriction is the fifty-five foot maximum height limit for all of Boulder set out in the city's charter.

DT-5 Zoning Details:

- 2.7 Maximum FAR
- 20% Open Space required on site for development over 45' in height
- 55' Maximum Height Limit
- No Required Parking in CAGID
- Hotel, Office, Retail, Restaurant and Assembly Space uses supported by the City through site plan review



The Boulder Market

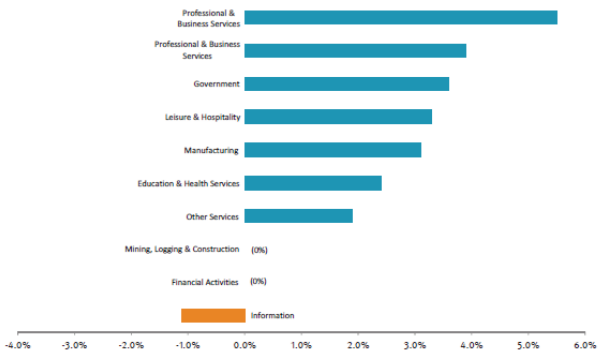
Boulder County, located in the northwest Metro Denver area, includes urban, suburban, and rural settings. The county offers one of the nation's most educated populations and highest concentration of technology workers. Major industries in the area include aerospace, bioscience, information technology, manufacturing, natural and organic products, outdoor recreation, professional services, and renewable energy.

Area businesses benefit from the intellectual energy of the University of Colorado Boulder and several federally-funded labs including the National Oceanic and Atmospheric Administration (NOAA), National Institute of Standards & Technology (NIST), Cooperative Institute for Research in Environmental Sciences (CIRES), Laboratory for Atmospheric and Space Physics (LASP), University Corporation for Atmospheric Research (UCAR), and National Center for Atmospheric Research (NCAR).

Boulder's 5.5% unemployment rate is considerably lower than the nation's and the rest of the State of Colorado's, 7.8% and 7.6% respectively. Boulder posted positive, albeit flat, average annual growth of 2.8% in 2012. The professional and business services and trade, transportation and utilities sectors recorded the strongest job gains, up 3.9% and 5.5%, respectively.

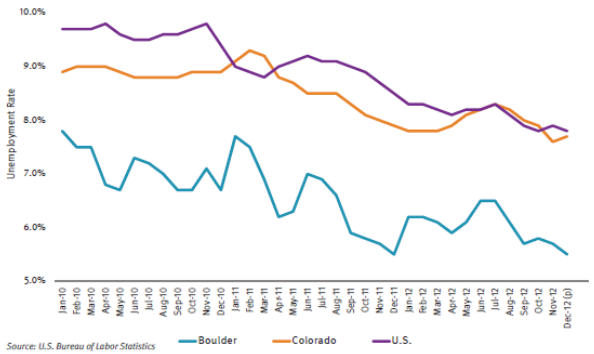
The area continues to receive national recognition for its business climate and lifestyle. In 2012, Richard Florida named Boulder "America's Most Creative City," USA Today ranked Boulder #9 among Top Cities for Technology Start-Ups, and the city has been recognized in several national rankings on health and happiness.

Boulder Employment Growth & Contraction
December 2011 to December 2012 (p)



Source: U.S. Bureau of Labor Statistics
Total Nonfarm Employment

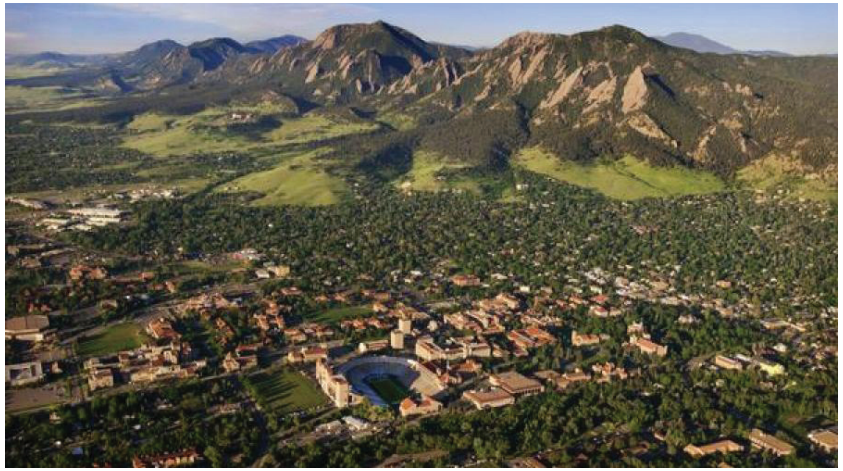
Unemployment Rate Comparison
January 2010 to December 2012 (p)



Source: U.S. Bureau of Labor Statistics

Boulder and U.S. Job Growth Comparison
2001 to December 2012 (p)

Source: U.S. Bureau of Labor Statistics
** 12-month rolling average*



The Boulder Hotel Market

According to Smith Travel Research there are twenty-one (21) hotels in the Boulder MSA, totaling 2121 rooms. The St. Julien Hotel & Spa, which contains 201 rooms, is the only luxury hotel in Boulder. The rest of the market consists of six upscale hotels (975 rooms), seven midscale hotels (518 rooms), and seven economy hotels (527 rooms). The Boulder hotel market has experienced significant growth over the past three years. Since 2009, ADR and RevPar have increased 7.1% and 23.8% respectively. Supply in the market has remained steady at 774,165 total nights. Since 2010, demand has increased 6.6%, 5.7%, and 2.6% year-over-year. Occupancy, ADR, Rev Par, and Revenue have all improved year over year since 2010. The included tables reflect the upward trend in Boulder's hotel market.

There are currently four hotels in the development pipeline. A development project at the corner of 28th Street and Canyon Boulevard will knock down the 112 room Golden Buff Lodge and bring a full-service, 184-room hotel, and a select-service, 177-room hotel to the market. This development will net 249 new hotel rooms. A 150 room limited service Hyatt Hotel is proposed at Depot Square. A 100 room Hampton Inn & Suites is currently under construction 5 miles northeast of Boulder in Gunbarrel, Colorado. We do not view the hotels in the development pipeline as competitors to our proposed hotel.

Boulder Hotel Market						
Year	Supply	Demand	Occupancy (%)	ADR ($)	Rev Par ($)	Revenue ($)
2009	774,165	464,841	60.0	123.31	74.04	57,321,385
2010	774,165	495,305	64.0	124.86	79.88	61,842,676
2011	774,165	523,435	67.6	128.48	86.87	67,252,944
2012	774,165	537,044	69.4	132.09	91.63	70,939,887

Competitive Set						
Year	Supply	Demand	Occupancy (%)	ADR ($)	Rev Par ($)	Revenue ($)
2009	287,255	175,570	61.1	170.60	104.27	29,951,552
2010	287,255	185,930	64.7	174.85	113.17	32,509,569
2011	287,255	192,555	67.0	182.64	122.43	35,167,993
2012	287,255	199,224	69.4	186.92	129.64	37,238,745

Competitive Set				
Name of Establishment	City	Zip	Open Date	Rooms
Marriott Boulder	Boulder, CO	80302	May 1997	157
Preferred St Julien Hotel & Spa	Boulder, CO	80302	Feb 2005	201
Millennium Harvest House Boulder	Boulder, CO	80302	Jun 1959	269
Hotel Boulderado	Boulder, CO	80302	Jan 1909	160

The majority of the hotels in the Boulder market will not serve as competition to our proposed hotel. As a proposed luxury 4 star hotel, The St. Julien would serve as the only luxury competitor in the market. The other three competitors to the proposed hotel are the Hotel Boulderado, Millennium Harvest House, and Marriott – Boulder, all three of which STR classifies as Upper Upscale. These four hotels total 787 rooms and have experienced even greater positive momentum over the past three years than the Boulder market as a whole. Since 2009, ADR and RevPar have increased 9.6% and 24.3% respectively. Year-over-year demand for rooms within the competitive set has increased more than 3.5% each of the past three years.

ADR for the Hotel Boulderado and St. Julien, which will be our hotel's main competitors, is in the mid $200s.

Boulder Hotel Market - Trending				
Year	Change in Occupancy (%)	Change in ADR ($)	Change in Rev Par ($)	Change in Revenue ($)
2010	6.6%	1.3%	7.9%	7.9%
2011	5.7%	2.9%	8.7%	8.7%
2012	2.6%	2.8%	5.5%	5.5%

Competitive Set - Trending				
Year	Change in Occupancy (%)	Change in ADR ($)	Change in Rev Par ($)	Change in Revenue ($)
2010	5.9%	2.5%	8.5%	8.5%
2011	3.6%	4.5%	8.2%	8.2%
2012	3.5%	2.3%	5.9%	5.9%

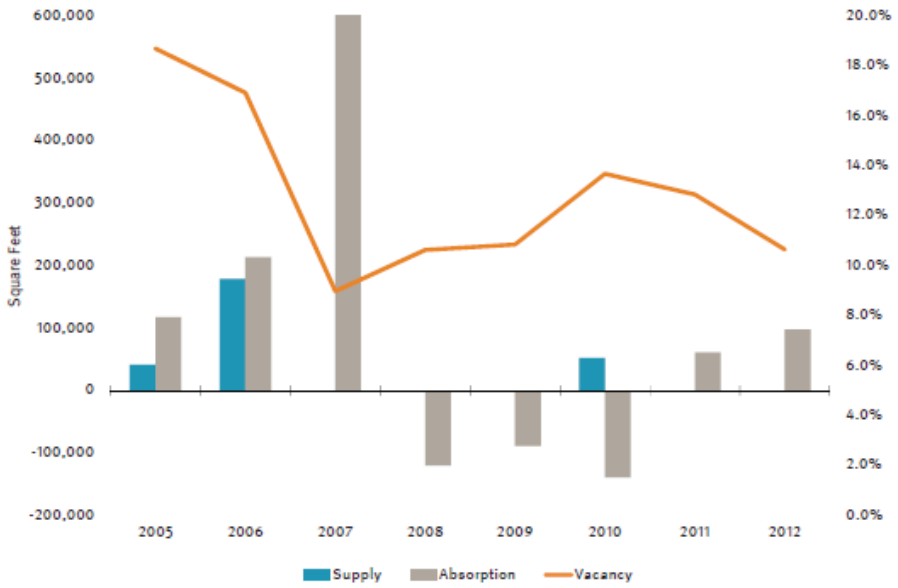
Boulder Office Market

The Boulder office market consists of 6,998,442 square feet of office. Q4 absorption of 65,258 square feet brought annual absorption to 97,674 square feet and decreased office vacancy to 10.7%. This was down from 11.8% the previous year. The 10.7% vacancy is significantly lower than Denver's 17.0% office vacancy. Newmark Grubb Knight Frank (NGKF) expects the Boulder office to see increased leasing activity in 2013, which will drive rental rates upward in the second half of the year. No new supply was added to the Boulder office market in 2012. New building projects, such as the Daily Camera redevelopment, are expected to come online within the next two years, which will increase supply, but is not anticipated to alter demand substantially.

Downtown Boulder Submarket

The proposed office development will compete in the Downtown Boulder submarket. This submarket consists of 1,585,996 square feet of net rentable area and has experienced positive traction since Q3 of 2012. This submarket saw absorption of 93,508 square feet in 2012 and closed the year with a vacancy of 5.9%; down from 10.38% the prior year end. Local brokers have reported decreased vacancy, upward trending rental rates, and disappearing landlord concessions. According to NGKF research, the range of rental rate for downtown office, across all classes, was $16-$28 PSF NNN in Q4. NGKF, however, does not break down the submarket into classes and a very small portion of the downtown office market can be considered Class A. Recent lease transactions confirm that rents in Class B have reached close to $28 psf NNN. According to Kevin Hart of the Hart Team, LLC, a well parked Class A office, with high quality tenant finish, will benefit from the low vacancy rates and increasing demand. It is likely high quality office space in downtown Boulder would garner rents of $30+ psf.

Boulder Office Market Balance



Source: Newmark Grubb Knight Frank Research

Boulder Office Submarket Comparisons 4Q12

Submarket	# of Buildings	Total SF	Vacant SF	4Q12 Vacancy %	4Q11 Vacancy %	4Q12 Absorption	YTD Absorption	Rental Rates Low*	Rental Rates High*	Rental Rates Median*
Central	61	1,659,658	146,146	8.81%	11.49%	-6,406	44,541	$12.00	$20.00	$17.50
Downtown	61	1,585,996	93,508	5.90%	10.38%	35,419	71,154	$16.00	$28.00	$20.50
East	46	1,874,287	343,257	18.31%	15.54%	39,930	-51,911	$8.00	$16.00	$9.75
Gunbarrel	19	826,585	32,562	3.94%	6.30%	0	19,475	$8.00	$11.00	$9.00
North	3	55,645	0	0.00%	0.00%	0	0	N/A	N/A	N/A
South	29	488,910	42,805	8.76%	8.49%	-3,917	-1,273	$10.50	$16.00	$12.00
Longmont	26	497,361	85,702	17.23%	20.39%	232	15,688	$10.00	$12.00	$11.25
Total	245	6,988,442	743,980	10.65%	11.81%	65,258	97,674	$8.00	$28.00	$13.50

* All rental rates are NNN

Property Name	Address	SF Leased	Lease Date	Rent	Lease Type	Comments
Siena Square	2036-2098 Broadway	1,212	10/17/2012	$27.00	NNN	Class B Property
10th & Pearl	2005-2019 10th St	1,596	12/21/2012	$25.00	NNN	Class B Property, 2nd floor office
Water Street Plaza	2595 Canyon Blvd	2,010	2/27/2013	$27.38	NNN	Class A Property
	1941 Pearl	3,091	1/4/2013	$25.00	NNN	Class B Property

The Development Vision

Building upon the Guiding Principles set forth by the City Council, the Tatonka Civic Area vision will inspire a new era in Boulder's great history of creative diversity by cultivating a new, vibrant area where the energies of local commerce, government, and arts can mix together in a great public space, and where the local community can interact not only with each other, but with visitors from around the country and around the world, to recreate, socialize, deliberate, and learn.

The Civic Area will be a place for everyone, and not just for everyone in the City of Boulder. Our vision is to build an international center that will attract creative diversity from around the world and help preserve Boulder's position as one of the premier locations for intellectual talent.

Inspired by the symbolism of the Dushanbe Teahouse and the international connection Boulder has nurtured with its seven Sister Cities across the globe, the Boulder International Center will serve the array of creative thought that routinely convenes in Boulder from around the world. These events include the Conference on World Affairs, the Boulder International Film Festival, the Village Arts Coalition International Festival, and the Boulder International Fringe Festival. The Boulder International Center will be the community driver of the Civic Area, supporting a creative ecosystem and multiplying the cultural, social, economic, and administrative activity that will come together, interact, and grow.

The interaction of art, ideas, and government will function as a logical compliment to the existing vitality of Pearl Street. Whereas Pearl Street is without question the geographic and metaphorical heart of Boulder, the Boulder International Center will support its intellectual nucleus. The existing assets of the Dushanbe Teahouse, the Boulder Museum of Contemporary Art, and the Farmers' Market will define, anchor, and support an authentic quality of place that is critical to support the exuberant diversity prevalent in great, creative spaces.

Boulder International Center™

The Boulder International Center

Public Market
8,206 SF (P.24)

Boulder Community Events Center
28,250 SF (P.21)

International Courtyard

Dushanbe Teahouse
2,000 SF (Existing) (P.23)

Boulder International Hotel - 214 Rooms
160,176 SF (P.22)

Farmers' Market (P.25)

BMoCA
10,965 SF (Existing)

Municipal Office
80,000 SF (P.27)

Outdoor Cinema (P.28)

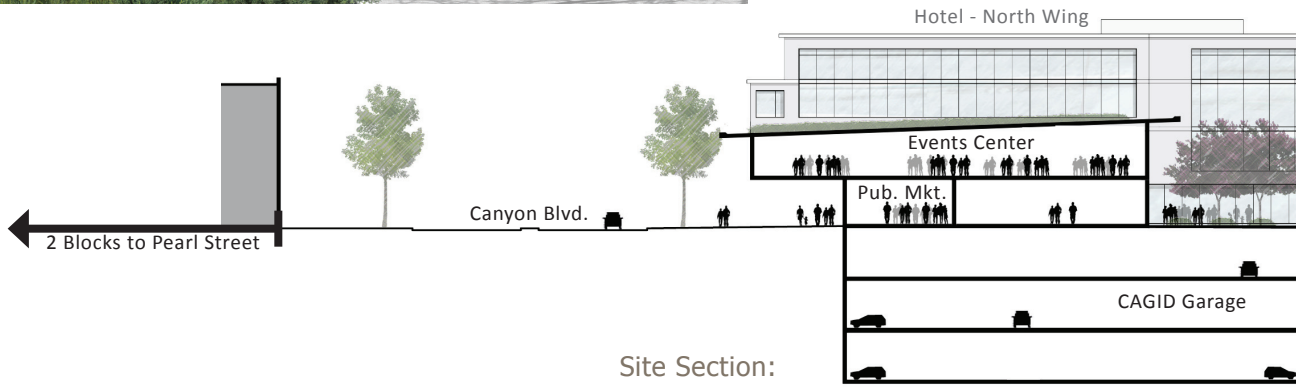
Bike Station
2,046 SF (P.30)

Private Office
108,302 SF (P.26)

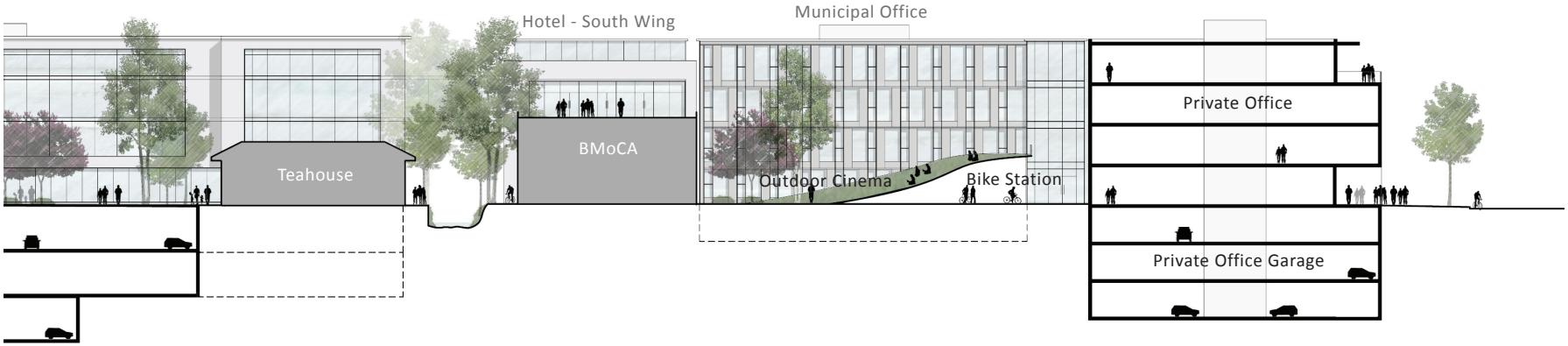
Perspective from Canyon & 14th

Perspective from Bike Path & 13th

Boulder International Center™



Site Section:


Hotel - South Wing
Municipal Office
Teahouse
BMoCA
Outdoor Cinema
Bike Station
Private Office
Private Office Garage

The Boulder International Center

Vision

Boulder's identity lends itself to a truly unique site, and the composition of the Boulder International Center includes a mix of public and private development, co-existing in the heart of the civic area. We envision a creative, multi-use development that provides for a community events center above a year-round public market, an internationally-branded hotel complementing the Dushanbe Teahouse, public and private office buildings, and a bike station, complete with showers. International elements will be woven throughout the site, reflected in architectural styles, building materials, landscaping, and a sustainability-driven multi-modal transit strategy.

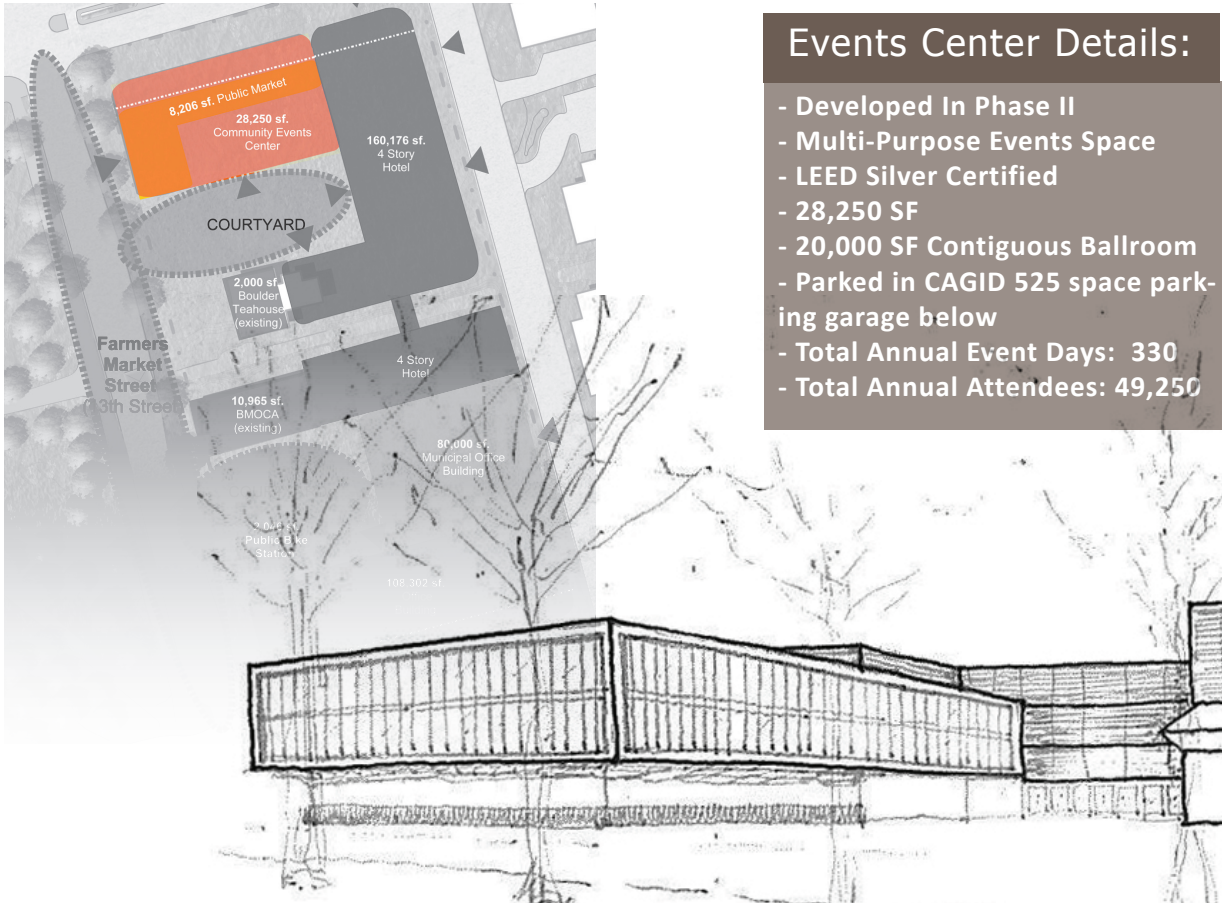
CU Conference on World Affairs

Complementing the international theme of the development, TDP proposes a partnership with the University of Colorado (CU), through which conference space would be expanded to include panel discussions and lectures at the Boulder International Center.

April 8th, 2013 brings the University of Colorado's annual Conference on World Affairs to its 65th year, with over 100 panelists and tens of thousands of audience attendees converging on the university campus. With limited seating on campus, the larger spaces, like Macky Auditorium, are easily filled, providing the opportunity for the Boulder International Center to serve as a partner, while adding significantly to the discussion forums.

Attendees are encouraged to take public transportation, and the connectivity of the Boulder International Center lends itself to this access, as multiple bus lines, bike trails and pedestrian walkways connect directly with the site. The use and support of transit during this time, will foster a connection between Boulder's icons: Pearl Street, the Boulder International Center, and the University of Colorado campus.

Boulder Community Events Center

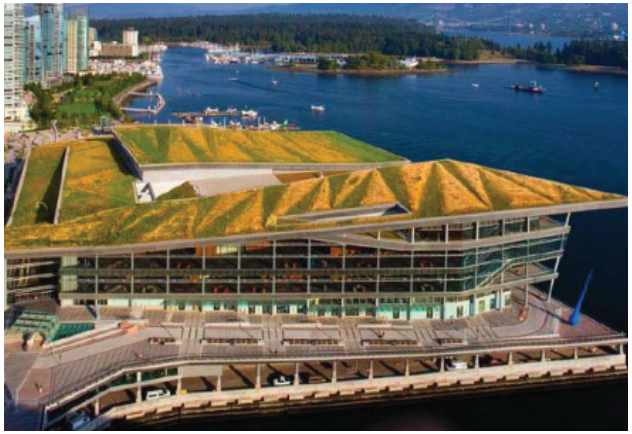


Events Center Details:

- Developed In Phase II
- Multi-Purpose Events Space
- LEED Silver Certified
- 28,250 SF
- 20,000 SF Contiguous Ballroom
- Parked in CAGID 525 space parking garage below
- Total Annual Event Days: 330
- Total Annual Attendees: 49,250

A Multi-Purpose Space

Within the Boulder International Center, the central gathering space will be the Boulder Community Events Center. Designed as a flexible multi-purpose space, it can be configured as either a single contiguous space of 20,000 SF, sizable enough to attract larger programs, or can be broken down into smaller spaces to accommodate education sessions or local group events. Throughout the year, the Boulder Community Events Center will host a variety of programs and private events. In addition to the University's Conference on World Affairs, citizens of Boulder will enjoy full participation in a variety of occasions. With multiple configurations for the space, it could be a venue for performing arts and educational events. As a public amenity for the City of Boulder, the space will be operated by Boulder's Convention and Visitor's Bureau, tying in with their current promotion of a culturally-rich, healthy, and engaged community.



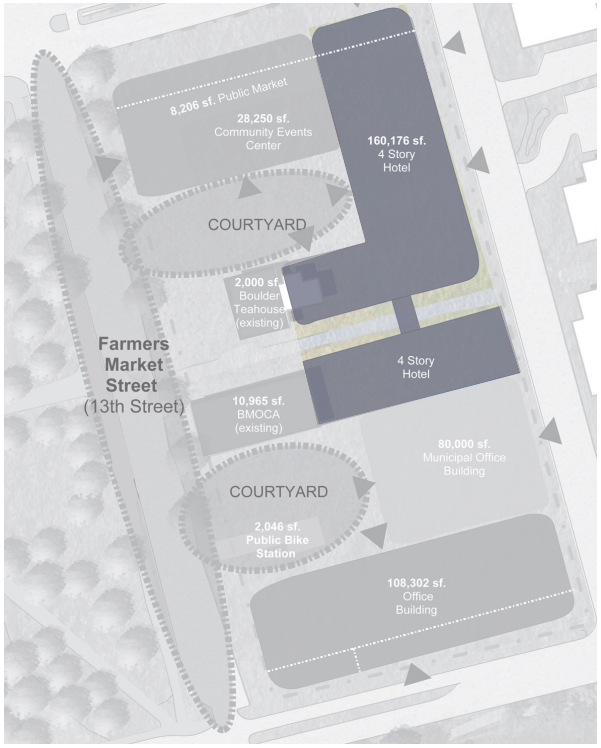
Andaz Boulder: An International Hotel

Tatonka Development Partners envisions a four star hotel experience on the north-east portion of the Boulder International Center for the international traveler visiting Boulder, whether for business or pleasure. Due to the shortage of hotel rooms in Downtown Boulder, the hotel portion of the project can easily stand alone. However, it is intended that the planned adjacent, publicly owned, Boulder Community Events Center would drive both room night occupancy and average nightly rates to local market highs.

Hotel Details:

- Developed in Phase II
- LEED Silver Certified
- 214 Rooms
- 160,176 SF
- Four Floors (Rooms Flrs. 2-4)
- 4 Star Quality & Service
- Integrated with Teahouse
- Valet Parked in CAGID Lot below
- Privately owned but integrated with community events center

ANdAZ | HYATT

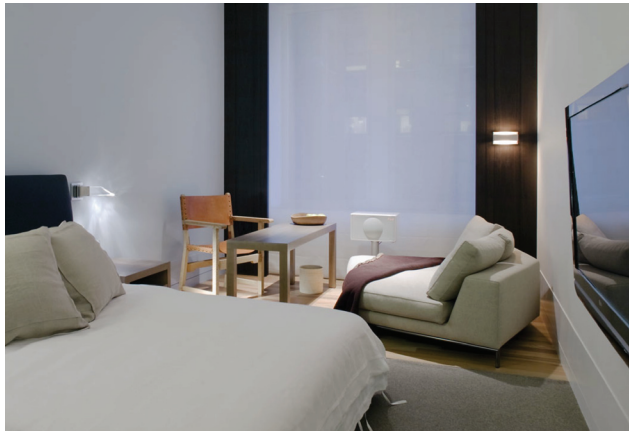


Boulder historically has a less than positive view of international corporate brands, but it was important for both the success of the hotel and events center to find a hotel flag that feels like a local business, but still has international reach and awareness. For these reasons, we have chosen Hyatt Andaz as our hotel flag. Hyatt is well known for its connection with events and conference centers, as well as a robust reservation system and strong loyalty program. Andaz is Hyatt's boutique brand, with a sophisticated feel and a strong connection to the local culture and community.

BOULDER DUSHANBE
TEAHOUSE

Dushanbe Teahouse Restaurant

Complementing the international theme at Andaz Boulder Hotel, the Dushanbe Teahouse, a gift from Boulder's sister city in Tajikistan, will receive a revitalized kitchen space, enabling it to expand its existing line of catering services. Showcased as an integral part of the hotel, the Teahouse will be easily accessed by guests of the hotel with alfresco dining on the International Courtyard.



Public Market

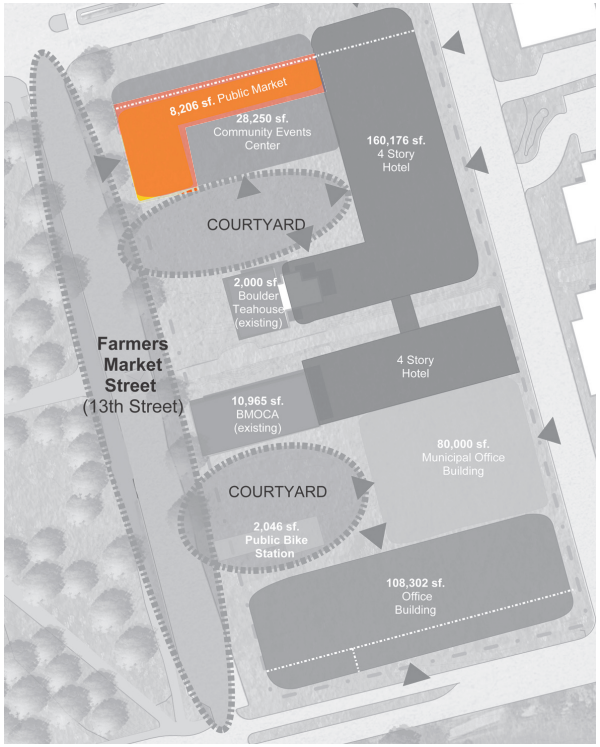
Vision

TDP proposes a sizable expansion of the existing seasonal Farmers' Market, as well as the creation of a new, year-round public market. To facilitate pedestrian access along 13th Street, both during and outside of market hours, the street will be closed to vehicular traffic and improved with a streetscape that promotes walking and biking. A bike station will provide secure storage facilities, and two new below-grade parking garages will provide additional parking during peak market hours.

Public Market Details:

- Developed in Phase II
- 8,206 SF
- 1,300 SF Anchor Tenant Space
- 10 Vendor Stalls (400 SF Each)
- Leased Month to Month

The groundwork of all happiness is health.
- James Leigh Hunt



Year Round Public Market & Incubator Retail

Located on the north side of the site, the newly created Boulder Public Market will occupy a portion of the first floor of the Boulder Community Events Center, providing spaces for incubator retail tenants.

Market vendors will operate as individual businesses, with rent prices at levels that will encourage entrepreneurs, like a local coffee roaster or wine purveyor, who are likely operating at a smaller scale. Beyond food-based goods, other craft and artisan products will add to the market's diversity. Eventually, market tenants will outgrow their stalls and graduate into larger retail spaces, such as the Pearl Street Mall.

Seasonal Farmers' Market Expansion

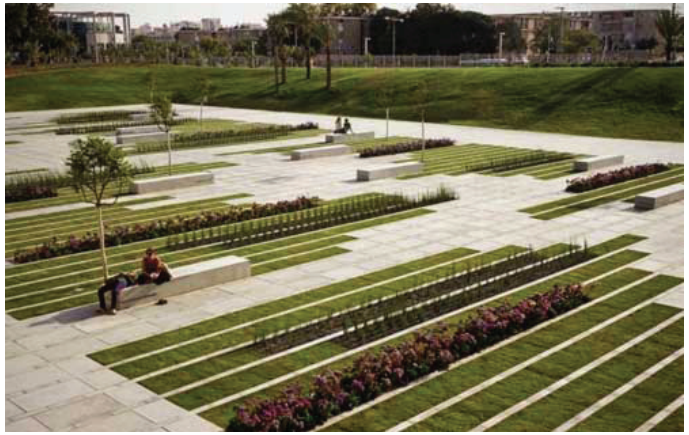
13th St. Details:

- Pedestrianize 13th Street
- Increase Space for Vendors by 150%
- Foster Connection to Pearl Street
- Improve Streetscape

During the summer season, the Boulder Farmers' Market is in full swing. An abundance of fresh produce, local honey, and artisan cheeses are only the beginning of a typical Wednesday night and Saturday morning's offerings.

The widening of 13th Street will create additional spaces for stalls, as will the International Theater Courtyard located in front of the municipal building. With the addition of a second row of stalls, the capacity of the market will increase to 150% of its current size (by number of vendors), encouraging new vendors. As the connections with the library and Pearl Street are fostered, foot-traffic across the Civic area will increase, creating a diverse group of people and purpose.

Intrinsically tied to the local foods and farm-to-table movements, farmers in Boulder County and the surrounding region will be able to access an increasing number of health-conscious shoppers. Combined with the year-round market facilities located on the first floor of the Boulder Community Events Center, both locals and visitors will experience a vibrant market, returning home wondering what next week will bring.



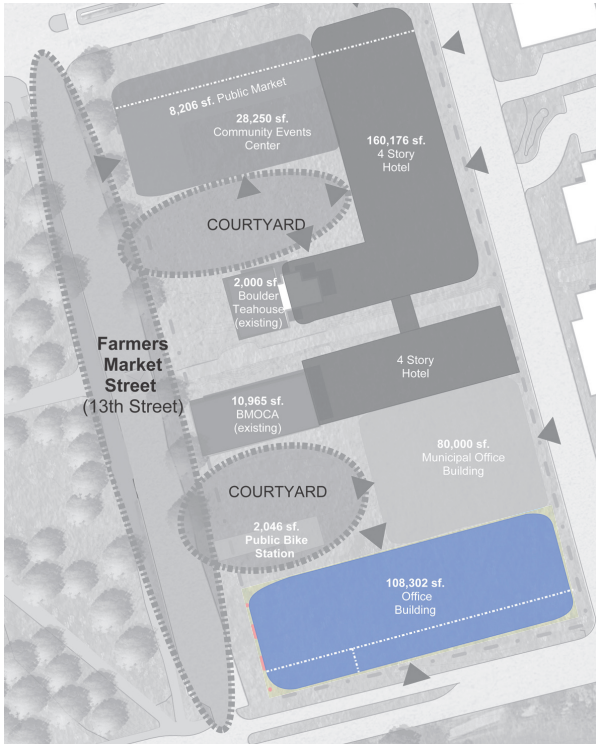
Private Office: Collaborate + Aspire

Vision

Located on the southern portion of the Boulder International Center site, Collaborate + Aspire is a stand-alone private office development. A collection of individually-owned private sites along Arapahoe Avenue, 13th, and 14th Streets will be assembled, and a small land swap will be executed to provide both the City and Tatonka Development Partners with contiguous sites. At completion, the LEED-Silver building will provide 108,302 square feet of office and retail space above a 232 space parking garage.

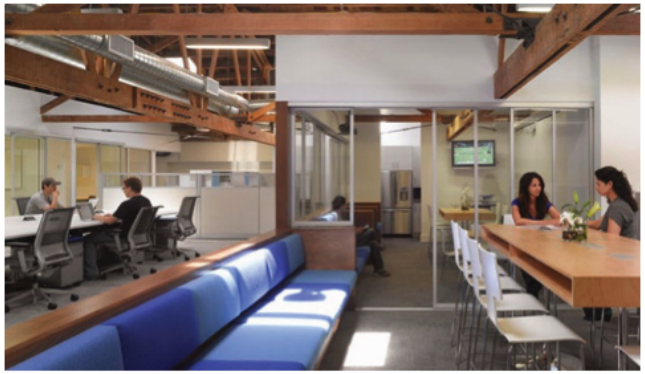
Private Office Details:

- Developed in Phase I
- LEED Silver Certified
- 108,302 SF
- Four Floors
- 2,000 SF Coffee Shop on Ground Level
- 26,590 SF Creative Office Concept on Ground Level
- 3 Level Sub-grade 232 Space Private Parking Garage (2.2:1000 SF)
- 79,712 SF Traditional Office



Features & Amenities

As a Class A LEED-Silver building, elements such as indoor air quality and energy conscious design are built in. Finishes such as beetle-kill pine and local stone reinforce the local connection to sustainability, differentiating Collaborate + Aspire from other large-floorplate Boulder office spaces. The building also provides tenants access to a shared outdoor space on the 4th floor, offering stunning views of the Flatirons.



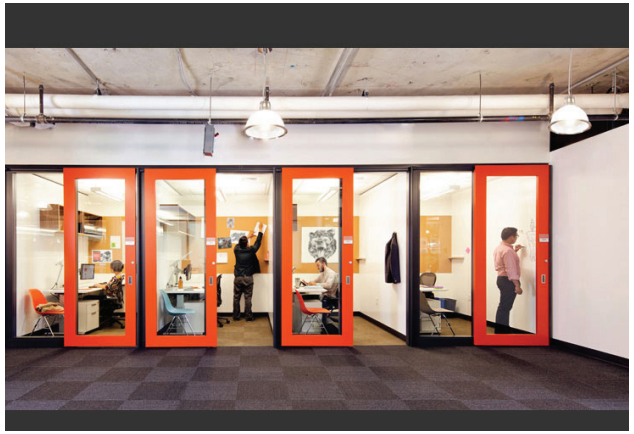
You can't use up creativity. The more you use, the more you have.
-Maya Angelou

Concept: Collaborate

The main floor of the building hosts a co-working office space and coffee shop, branded as Collaborate. As a magnet for creative entrepreneurs, the first floor of the office building would offer smaller spaces, catering to Boulder's start-up community. Through the leasing of smaller spaces and individual desks, there are opportunities to generate rents that exceed rates for traditional office, including the option to oversell some of the spaces since many of the tenants do not occupy their space on a full-time basis. Success for these types of office models can be seen regionally, with projects like Battery 621 and Galvanize in Denver, and nationally, in cities such as Boston, Austin, and San Francisco.

Concept: Aspire

Directly above Collaborate, lies Aspire, three stories of office space. With a bay depth of 30 feet from the windows to the building's core, natural light is abundant. The nearly 80,000 SF of space on the second through fourth floors is configured to be easily divisible, although, given the lack of existing product of this type, there is a possibility that the space may be leased to a single tenant. Recently, tenants such as Zayo Group and Spectranetics have relocated their businesses to Boulder, and following the redevelopment of the Daily Camera site, we anticipate that Trada will seek out new space.



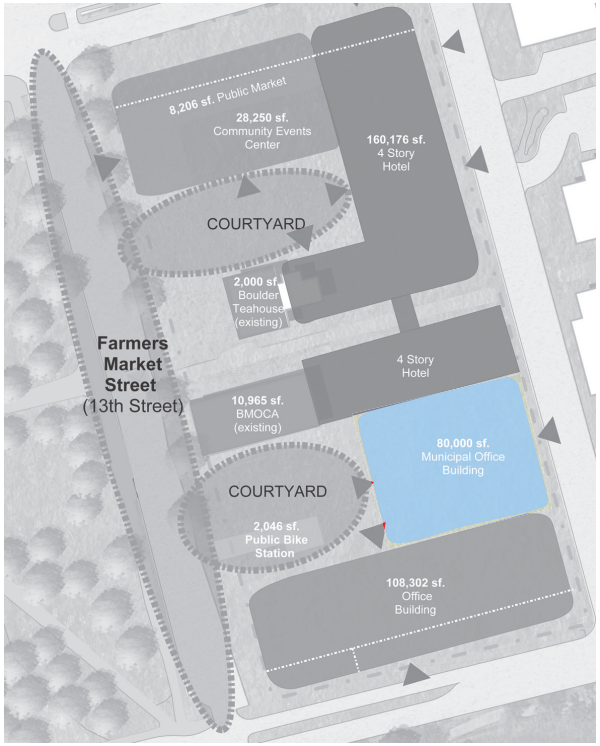
Municipal Office

Vision

Facing west onto the southern courtyard, the municipal office building will provide space to replace the former Atrium building, as well as space to relocate city workers from the New Britain and Park Central buildings. As proposed, the building will include five stories of office space, with a terraced courtyard dropping down to a fully flood-proofed entrance. Creative use of light wells within the building improves daylighting in the lower levels, and allows for an additional floor, while still respecting Boulder's 55-foot height limit. As a whole, the building will serve as a model for downtown Boulder, visibly demonstrating creative solutions to natural and physical constraints.

Muni. Office Details:

- Developed in Phase I
- LEED Silver Certified
- Allowable Floor Area 130,716 SF
- Proposed Floor Area 80,000 SF
- Fully-Parked Development Pad Site (CAGID Garage)
- 5 Floors in 55' Height Limit
- Innovative Design & Daylighting



Round 2 Capital Investment Strategy

On April 5, 2011, the City Council endorsed a program to develop a Capital Investment Strategy to identify funding to support maintenance for public assets. "Round 1", a $49 million bond issuance based on existing revenue streams available to the general fund, was approved by the voters of Boulder in 2011 to fund maintenance and renovation of existing facilities.

"Round 2" is a future ballot initiative that would raise new revenues to invest in capital projects that "make Boulder Boulder". The City of Boulder has identified the Civic Area redevelopment as its top priority for "Round 2." It was originally scheduled for a 2012 vote but was withdrawn due to a perceived lack of a compelling vision to present to the voters.

It is anticipated that the TDP development program for the Boulder International Center can serve as a cogent, attractive focal point to build support for the "Round 2" bond package, and serve as the primary funding mechanism for construction of the municipal office.

Public Site Improvements

Overview

Throughout the site, public art and landscaping will reinforce the theme of the Boulder International Center. As a focal point for the site, the colors and character of the Dushanbe Teahouse will influence the other aspects of the site. Landscaping outside the hotel and events center will incorporate international elements, using water-wise vegetation mixed with artistic touches that echo reminders of Boulder seven sister cities.

International Cinema Courtyard

The southern courtyard is bounded by BMoCA on the north, the Municipal Office to the east, and the Bike Station and Private Office to the south. A unique design attribute of the cinema courtyard is the sloped, terraced space between BMoCA and the private office building. These terraces are multi-purposed. As the terraces slope upwards, they will provide the cover for the bike station, effectively providing it with a green roof. During the summer, residents can spread out blankets, watching movies projected on the wall of the BMoCA building, and on Wednesdays and Saturdays, these spaces will transform to serve as additional aisles for the farmers' market.

Transit & Parking

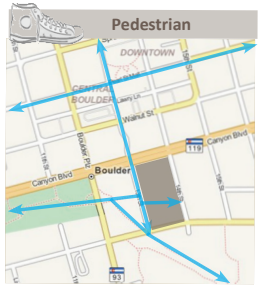
Vision

The Boulder International Center sits near the heart of Boulder's downtown, providing excellent access to many local amenities. Multi-modal transportation options gives office workers and event attendees multiple transit avenues to and from the site. The BIC is served by a combination of enhanced pedestrian corridors, increased parking to accommodate demand from new development, and non-profit programs focusing on car and bicycle sharing.

Transit Options

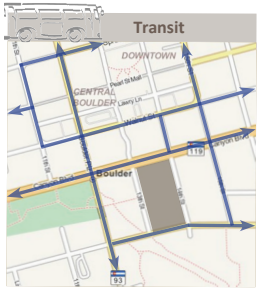
With access to the Bike Station and B-Cycle station in the courtyard adjacent to the building, office workers will be able to easily commute to work by bike, and the pedestrianizing of 13th Street will help create a linkage to the Pearl Street mall. A non-profit eGo CarShare station will be located in the private garage, providing reservation-driven access to an energy-efficient vehicle. Members also have the opportunity to use these services internationally, as a function of reciprocity agreements among multiple non-profits.

Less than a five minute walk from the site is one of Boulder's primary public transit hubs, the Boulder Transit Center. Buses for the Regional Transportation District (RTD) provide direct routes along Canyon to 28th Street, Broadway, and CU's Campus, while also providing regional access to Longmont and the Denver International Airport.



Major Pedestrian Corridors

Bicycle Corridors



Bus Routes

Bike Station

Within the courtyard, underneath the slope of the grassy terrace, the bike station is a modern commuter's haven. Complete with showers and changing facilities, the station provides an opportunity for cyclists to freshen up before starting their day. Secure bike parking allows users to leave their bikes indoors, while on-site eGo CarShare stations provides them with access to a vehicle in the event they need one unexpectedly. A combination of bicycle racks and a B-cycle station will provide two-wheeled transportation for people of all backgrounds.

Bike Station Details:

- Developed in Phase II
- 2,046 SF
- Indoor Storage for 107 Bicycles
- B-Cycle Rental Station
- Self-Repair Bench
- Shower Facilities & Lockers
- Parts Vending Machines

Site Parking Details:

- 757 Total Parking Spaces
- Garages Developed in Phase I
- 370 SF per Space Efficiency
- $35,000 Per Space

CAGID Parking Garage

Due to the demand for parking, a 525 space parking garage will be located underneath the hotel and public market on the northern edge of the site. Funds for construction will come from bond proceeds issued on in-place revenue for Boulder's Central Area General Improvement District (CAGID). The garage will be owned by the City, and operated along with the other buildings that support Boulder's downtown.

Private Parking Garage

Below the private office, a three-story parking garage will provide 232 spaces, with access entering from 14th Street. This private parking garage will serve the tenants of the private office building above, with the potential for remaining unrented spaces to be leased on a monthly basis to employees housed in the adjacent municipal office building. At a ratio of 2.2:1000, there are plenty of spaces to alleviate any lender concerns, but the site's Walk Score of 94, with a plethora of shopping and dining options within a 10-minute walk make this a "Walker's Paradise."

CAGID and Private Garages

			Parking Spaces
Hotel	214 Rooms	1 per Room	214
Community Event Center	28,250 SF	3.3:1,000 SF	93
Permit/Public	N/A	N/A	218
Private Office	108,302 SF	2.2:1,000 SF	232
Total			**757**

Sustainability and LEED:

Background:

The City of Boulder has historically been at the forefront of sustainable design and currently requires a minimum of LEED Silver for the construction of any new city-owned buildings. TDP expects to at least meet, if not exceed, that requirement with all the development at the Boulder International Center. Additionally, it is important to the fundamental nature of the Boulder International Center to be a good steward of the environment and be a positive example of real estate development internationally. TDP foresees achieving 55 LEED Points Resulting in at least LEED Silver Certification across the site.

LEED 2009 for New Construction and Major Renovations
Project Checklist

Boulder International Center Example
4/4/13

Y	?	N			
15			**Sustainable Sites**	Possible Points:	26
Y			Prereq 1	Construction Activity Pollution Prevention	
1			Credit 1	Site Selection	1
3			Credit 2	Development Density and Community Connectivity	5
			Credit 3	Brownfield Redevelopment	1
3			Credit 4.1	Alternative Transportation—Public Transportation Access	6
1			Credit 4.2	Alternative Transportation—Bicycle Storage and Changing Rooms	1
1			Credit 4.3	Alternative Transportation—Low-Emitting and Fuel-Efficient Vehicles	3
			Credit 4.4	Alternative Transportation—Parking Capacity	2
			Credit 5.1	Site Development—Protect or Restore Habitat	1
1			Credit 5.2	Site Development—Maximize Open Space	1
1			Credit 6.1	Stormwater Design—Quantity Control	1
1			Credit 6.2	Stormwater Design—Quality Control	1
1			Credit 7.1	Heat Island Effect—Non-roof	1
1			Credit 7.2	Heat Island Effect—Roof	1
1			Credit 8	Light Pollution Reduction	1
3			**Water Efficiency**	Possible Points:	10
Y			Prereq 1	Water Use Reduction—20% Reduction	
2			Credit 1	Water Efficient Landscaping	2 to 4
			Credit 2	Innovative Wastewater Technologies	2
1			Credit 3	Water Use Reduction	2 to 4
19			**Energy and Atmosphere**	Possible Points:	35
Y			Prereq 1	Fundamental Commissioning of Building Energy Systems	
Y			Prereq 2	Minimum Energy Performance	
Y			Prereq 3	Fundamental Refrigerant Management	
10			Credit 1	Optimize Energy Performance	1 to 19
4			Credit 2	On-Site Renewable Energy	1 to 7
2			Credit 3	Enhanced Commissioning	2
1			Credit 4	Enhanced Refrigerant Management	2
			Credit 5	Measurement and Verification	3
2			Credit 6	Green Power	2
6			**Materials and Resources**	Possible Points:	14
Y			Prereq 1	Storage and Collection of Recyclables	
			Credit 1.1	Building Reuse—Maintain Existing Walls, Floors, and Roof	1 to 3
			Credit 1.2	Building Reuse—Maintain 50% of Interior Non-Structural Elements	1
2			Credit 2	Construction Waste Management	1 to 2
1			Credit 3	Materials Reuse	1 to 2
			Materials and Resources, Continued		
1			Credit 4	Recycled Content	1 to 2
1			Credit 5	Regional Materials	1 to 2
			Credit 6	Rapidly Renewable Materials	1
1			Credit 7	Certified Wood	1
12			**Indoor Environmental Quality**	Possible Points:	15
Y			Prereq 1	Minimum Indoor Air Quality Performance	
Y			Prereq 2	Environmental Tobacco Smoke (ETS) Control	
1			Credit 1	Outdoor Air Delivery Monitoring	1
1			Credit 2	Increased Ventilation	1
1			Credit 3.1	Construction IAQ Management Plan—During Construction	1
1			Credit 3.2	Construction IAQ Management Plan—Before Occupancy	1
1			Credit 4.1	Low-Emitting Materials—Adhesives and Sealants	1
1			Credit 4.2	Low-Emitting Materials—Paints and Coatings	1
1			Credit 4.3	Low-Emitting Materials—Flooring Systems	1
1			Credit 4.4	Low-Emitting Materials—Composite Wood and Agrifiber Products	1
1			Credit 5	Indoor Chemical and Pollutant Source Control	1
			Credit 6.1	Controllability of Systems—Lighting	1
			Credit 6.2	Controllability of Systems—Thermal Comfort	1
1			Credit 7.1	Thermal Comfort—Design	1
			Credit 7.2	Thermal Comfort—Verification	1
1			Credit 8.1	Daylight and Views—Daylight	1
1			Credit 8.2	Daylight and Views—Views	1
			Innovation and Design Process	Possible Points:	6
			Credit 1.1	Innovation in Design: Specific Title	1
			Credit 1.2	Innovation in Design: Specific Title	1
			Credit 1.3	Innovation in Design: Specific Title	1
			Credit 1.4	Innovation in Design: Specific Title	1
			Credit 1.5	Innovation in Design: Specific Title	1
			Credit 2	LEED Accredited Professional	1
			Regional Priority Credits	Possible Points:	4
			Credit 1.1	Regional Priority: Specific Credit	1
			Credit 1.2	Regional Priority: Specific Credit	1
			Credit 1.3	Regional Priority: Specific Credit	1
			Credit 1.4	Regional Priority: Specific Credit	1
55			**Total**	Possible Points:	110

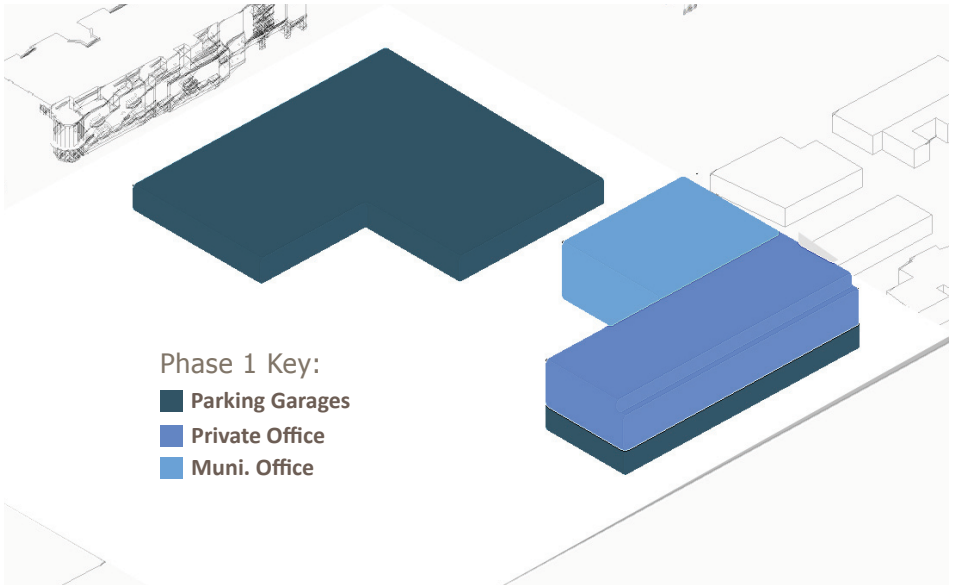
Certified 40 to 49 points Silver 50 to 59 points Gold 60 to 79 points Platinum 80 to 110

Sustainable Features:

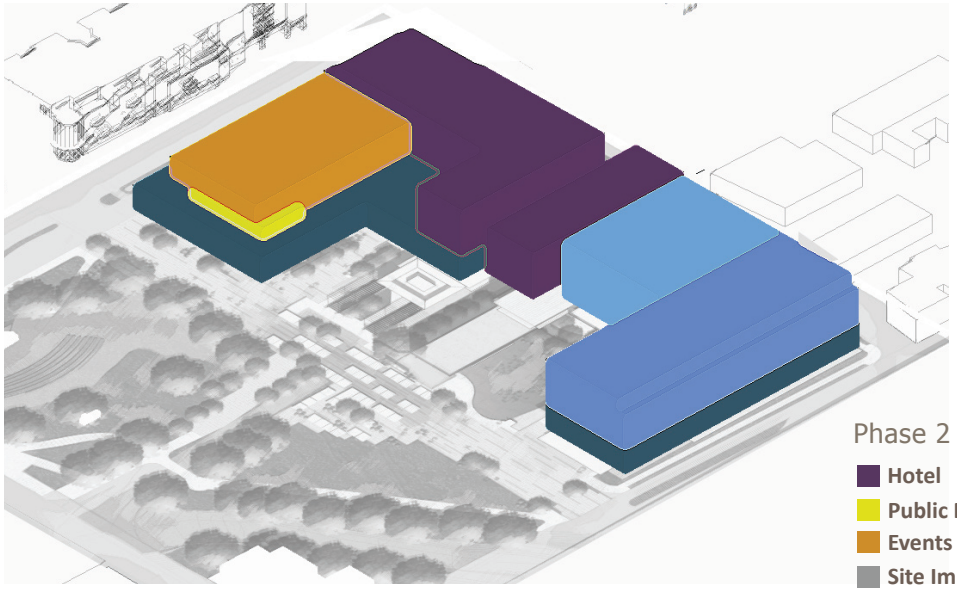
- Green Roofs
- Permeable Paving Surfaces
- Native Xeriscape Landscaping
- On-Site Renewable Energy
- Sub-Grade Parking
- Bike Commuter Station
- Parking for Car Share Vehicle
- Low Emitting Materials
- Locally Sourced Materials
- Construction Waste Recycling
- Access to Public Transportation
- Enhanced Building Commissioning
- FSC Certified Wood

Development Phasing Plan

Phase 1:



Phase 2:



Excavation and site work for phase 1 will commence upon final entitlement, technical document review, and building permit issuance in May of 2015. This two year window allows for final design, construction document creation, CAGID bond issuance, and the Capital Investment Strategy bond issuance.

Phase I development will include:

- A 525 Space CAGID Parking Garage
- A 108,302 SF Private Office Building with 232 Space Parking Garage
- An 80,000 SF Municipal Office Building

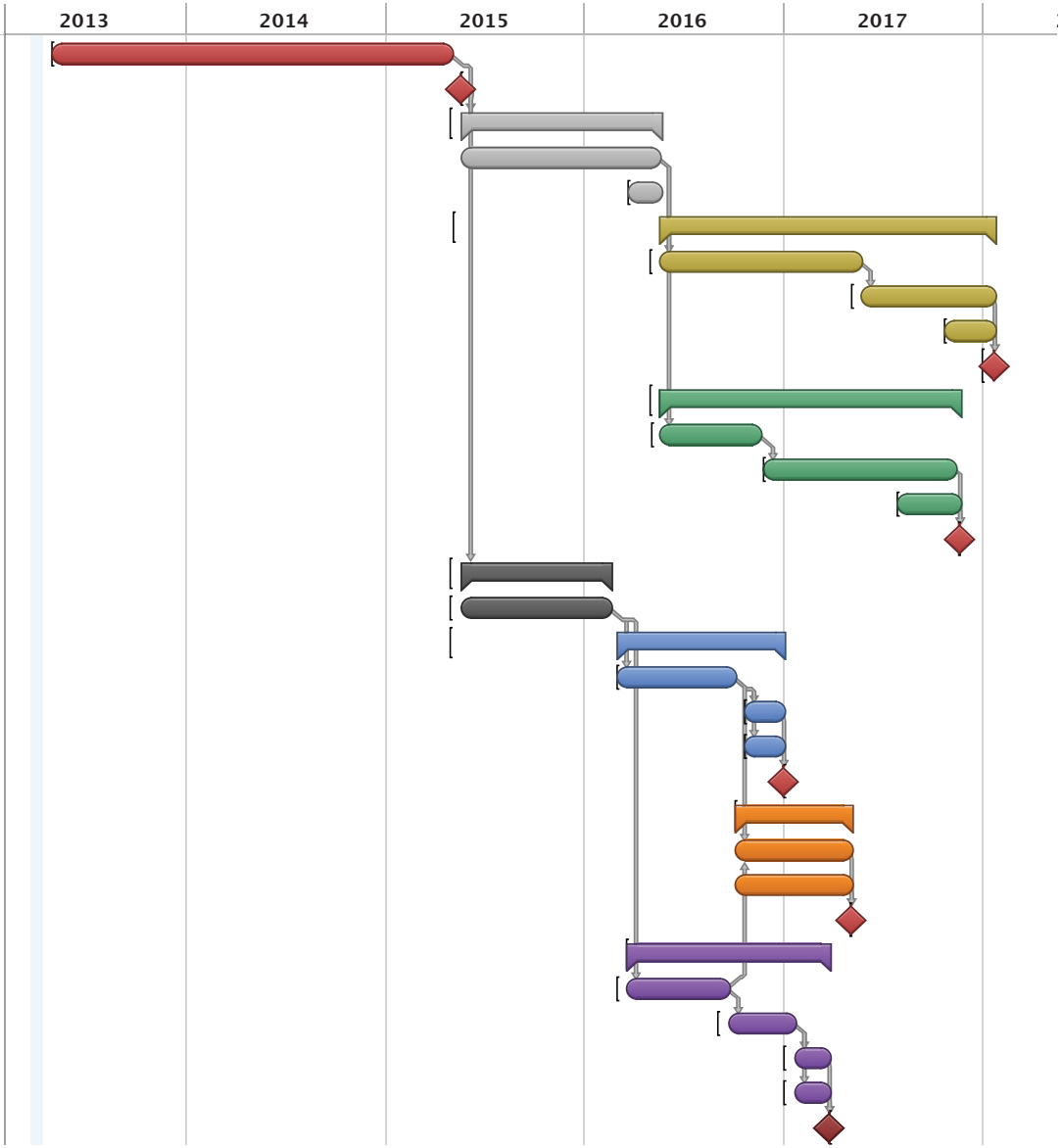
The construction of the underground CAGID parking garage prepares the north side of the site for both public and private vertical development by TDP.

Phase II development will commence upon the completion of the garage podium and will include:

- A 214 Key Hyatt Andaz Hotel
- An 8,206 SF Indoor/Outdoor Public Market
- A 28,250 SF Communty Events Center
- A 2,046 SF Bike Station
- Site Improvements Including: Public Art, 13th Street Enhancement & Landscaping Enrichment

Development Schedule

Title	Effort
1) Entitlement Process	104w 3d
2) Building Permit	
3) North Parking Garage	**61w 1d**
3.1) Excavation & Concrete	52w 1d
3.2) Site Improvements	9w
4) Hotel	**100w 2d**
4.1) Core & Shell	52w 2d
4.2) Interior Finish	35w
4.3) Site Improvements	13w
4.4) Opening	
5) International Center	**93w**
5.1) Market Level	26w 1d
5.2) Event Center	50w 2d
5.3) Site Improvements	16w 2d
5.4) Opening	
6) South Parking Garage	**39w 2d**
6.1) Excavation & Concrete	39w 2d
7) Private Office	**51w 1d**
7.1) Core & Shell	30w 4d
7.2) Tenant Improvements	10w 1d
7.3) Site Improvements	10w 1d
7.4) Opening	
8) General Site Improvements: 13th Street	**61w 1d**
8.1) Curb & Gutter, Paving	30w 3d
8.2) Thematic Improvements	30w 3d
8.3) Opening	
9) Municipal Office	**62w**
9.1) Excavation & Foundation	26w 3d
9.2) Core & Shell	17w 3d
9.3) Tenant Imrovements	8w 4d
9.4) Site Improvements	9w
9.5) Opening	



Development Ownership & Financing Summary

The City of Boulder's Role:

The City of Boulder (the "City") and CAGID will retain ownership of the entire 3.2 acre site they currently own with the exception of surface and air rights under the hotel. The newly constructed hotel will be privately developed and owned by way of a condominium association. CAGID will own and manage the 525 space underground parking garage covering virtually the entire north half of the site. The City will own and manage the public market, community events center, and bike station.

The Developer's Role:

Tatonka Development Partners will assemble six privately owned parcels on the south end of the site totaling .66 acres, paying a 10% premium to current market value and utilizing an option strategy to ensure all parcels will close. Based on comparable sales that include The Map Gallery site (2013) and Daily Camera site (2012), TDP has assigned a current market valuation of $225 per square foot of site area. TDP has arranged a minor, zero net profit land-swap with the City of Boulder to create a contiguous site conducive to development of a privately owned office building and parking garage. TDP will privately develop and own the private office and Andaz Boulder Hotel and will act as a fee developer for the remaining publicly owned components.

	Public Development						Private Development		
SQUARE FEET BY USE	Site Improvements & Infrastructure	Community Center	Public Market	CAGID Parking Garage	Public Bike Station	Municipal Office Building	Hyatt Andaz Hotel	Private Office Building & Parking Garage	Project Total
Performance / Gathering / Multi-Purpose		28,250							28,250
Incubator Retail			8,206						8,206
Creative Office								26,590	26,590
Traditional Office						80,000		79,712	159,712
Coffee Shop Retail								2,000	2,000
Boutique Hotel Rooms							80,088		80,088
Hotel Amenity / Circulation Space							80,088		80,088
Underground Parking				525 spaces				232 spaces	757 spaces
Public Site Improvements & Infrastructure	102,000								102,000
Bicycle Parking / Locker Rooms					2,046				2,046
Total Square Feet	**102,000**	**28,250**	**8,206**	**-**	**2,046**	**80,000**	**160,176**	**108,302**	**386,980**
SOURCES									
Public									
Metro District / Public Improvement Fee	2,850,411	-	1,640,947		1,074,150				5,565,508
CAGID Bonds				18,227,731	-				18,227,731
Hotel Surface Rights Proceeds		8,460,917							8,460,917
Capital Investment Strategy Bond Proceeds (Rd. 2)		-	-			18,768,718			18,768,718
Total	**2,850,411**	**8,460,917**	**1,640,947**	**18,227,731**	**1,074,150**	**18,768,718**	-	-	**51,022,874**
Private Equity									-
Limited Partner Equity						-		14,295,800	14,295,800
Sponsor Equity						-	6,387,653	1,588,422	7,976,075
EB-5 Preferred Equity							21,000,000		21,000,000
Total	-	-	-	-	-	-	**27,387,653**	**15,884,223**	**43,271,875**
Private Debt						-	**33,473,798**	**29,499,271**	**62,973,068**
Total Sources	**2,850,411**	**8,460,917**	**1,640,947**	**18,227,731**	**1,074,150**	**18,768,718**	**60,861,450**	**45,383,493**	**157,267,818**
USES									
Land Basis	-	-	-	-	-	-	8,460,917	7,147,500	15,608,417
Hard Costs	2,300,000	5,254,500	1,157,046	13,840,228	866,733	14,480,000	33,636,960	27,303,416	98,838,883
Soft Costs	550,411	3,206,417	483,901	4,387,503	207,417	4,288,718	15,981,094	9,031,122	38,136,584
Financing Costs	-	-	-	-	-	-	2,782,480	1,901,455	4,683,935
Total Sources	**2,850,411**	**8,460,917**	**1,640,947**	**18,227,731**	**1,074,150**	**18,768,718**	**60,861,450**	**45,383,493**	**157,267,818**
COST/SF									
Land Cost		-	-	0 /space	0 /space	-	53	66	40
Hard Costs		186	141	26,362 /space	8,069 /space	181	210	252	255
Soft Costs (incl. Financing)		114	59	8,357 /space	1,931 /space	54	117	101	111
Total Cost/SF	-	**300**	**200**	**34,719 /space**	**10,000 /space**	**235**	**380**	**419**	**406**
PROPERTY LEVEL RETURNS									
Equity Return (IRR)							**16.9%**	**22.1%**	**19.2%**
Total Profit							26,721,134	22,461,213	$ 49,182,347
Equity Multiple							1.98x	2.41x	2.14x
Return on Cost							9.6%	8.7%	9.2%

Note: In the event that TDP is unable to assemble the private parcels to construct the private office and parking garage, the rest of the project is not materially affected. The balance of the project is not financially dependent on the private office being completed.

EB-5 Financing

Summary

Employment Based Immigration: Fifth Preference (EB-5) financing allows a foreign investor to obtain a green card if they contribute $1 million ($500,000 if the project is in a targeted employment area) towards a U.S. commercial enterprise which creates or preserves 10 American jobs. Tatonka Development Partners plans to solicit $21 million of EB-5 financing to be used on the Andaz Boulder Hotel.

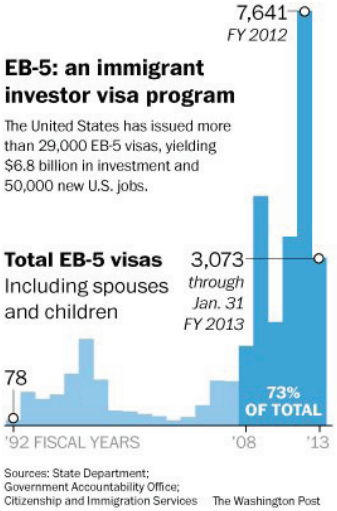
Returns

- EB-5 investors' primary motivation for using the program is to obtain their green card.
- Second to obtaining permanent residency, EB-5 investors want their principal returned, generally in a five year period.
- Far behind those two priorities, investors want to make a small financial return on investment, generally 1-2%.
- Combining the financial return desired by EB-5 investors, the financial return to the participating regional center, and the administrative costs to participate in the program, the overall costs amount to 5% on capital.

Strategy

The Boulder International Center takes advantage of several strategic aspects of the EB-5 program, making it especially compelling for EB-5 financing.

- The project has a construction period longer than two years, meaning the investors can count construction jobs towards job creation totals.
- TDP can start construction on Phase 1 before soliciting EB-5 investment, allowing TDP to present a far more compelling case that we have a credible project.
- A partnership with a governmental entity (the City of Boulder) will give investors confidence in the credibility of the Boulder International Center.



Key Concepts:

Targeted Employment Area

An area with 150% of the Federal unemployment rate. Projects located within TEAs allow investors to contribute $500,000 for a green card. In practice, an investor will only invest at the $500,000 level. TDP has certified that the Boulder International Center falls within a TEA with Alexandra Hall of the Colorado Department of Labor and Employment.

Regional Center

Regional centers (business entities that coordinate EB-5 investment in a certain geographic area) allow for investors to count jobs created in the community towards job creation totals, and allow investors take a passive role in a project. Currently, 90% of EB-5 capital is raised through a regional center.

Notable EB-5 Funded Projects

Solaris - Vail, Colorado

$80 Million in EB-5 Funding

Atlantic Yards- Brooklyn, New York

$228 Million in EB-5 Funding

Marriott - Los Angeles, California

$168 Million in EB-5 Funding

EB-5 In the News

The Washington Post

(...)"The U.S. hotel industry has been especially enthusiastic: Marriott International has raised $500 million in EB-5 capital; Hilton Worldwide has raised $100 million. D.C. Mayor Vincent C. Gray and his predecessor, Adrian Fenty, have eagerly courted EB-5 investors. When Gray traveled to China last summer seeking financing for projects in the District, he received a symbolic check in Shanghai for $40 million, the amount that 80 Chinese EB-5 investors had invested in City Market at O, a huge hotel, grocery, retail and restaurant development near the Washington Convention Center. Richard Lake, a partner in Roadside Development, which is developing the project, said the $330 million complex eventually will raise about $95 million from EB-5 investors and create 2,400 jobs.

That firm gave them a list of development projects that were seeking EB-5 investors, including a Florida shopping mall. The Dekkers (a Dutch couple featured in the article) have never been to Washington, but they chose the Marriott Marquis because they said they felt safe investing in a big-name hotel chain in the nation's capital."(...)

Excerpt from "Foreign citizens making big investments in U.S. in exchange for green cards," Washington Post article by Kevin Sullivan, Published: March 21, 2013

JOHN HICKENLOOPER
Governor

ELLEN GOLOMBEK
Executive Director

ALEXANDRA E. HALL
Director

DEPARTMENT OF LABOR AND EMPLOYMENT
LABOR MARKET INFORMATION

633 17th Street, Suite 600
Denver, Colorado 80202-2107

March 5, 2013

Mr. Nathan Stern
1915 S. Pearl St.
Denver, CO 80210

Dear Mr. Stern,

Pursuant to the provision of the Immigration and Nationality Act, 203(b)(5)(B)(ii), (iii) and the Code of Federal Regulations, Title 8, Part 204.6, the Colorado Department of Labor and Employment, Office of Labor Market Information, is delegated the authority to certify areas within Colorado which qualify as Targeted Employment Areas.

The role of the Office of Labor Market Information in this process is limited to the identification and certification of qualified Targeted Employment Areas or certification of areas identified by interested parties which meet the definition of a Targeted Employment Area.

To qualify as a Targeted Employment Area, a geographic area must either be a Rural Area or an area experiencing high unemployment. A Rural Area is defined as any area other than an area within a metropolitan statistical area or within the outer boundary of any city or town having a population of 20,000 or more based on the most recent decennial census of the United States. To be considered an area of high unemployment, the area must be a contiguous geographic or political subdivision with an unemployment rate of at least 150 percent of the national average. In calendar year 2011 the qualifying unemployment rate was 13.4 percent, which is 150 percent of the national average unemployment rate of 8.9 percent.

The block bounded by 13th Street, 14th Street, Canyon Boulevard and Arapahoe Avenue in Boulder, CO, lies within census tract 08013012205. The area defined by combining census tracts 08013012205 and 08013012401 has an unemployment rate of 14.2 percent, above the 13.4 percent required to qualify as a Targeted Employment Area. We are therefore able to certify the area as a Targeted Employment Area.

Sincerely,

Alexandra E. Hall
Director, Labor Market Information

Cc: Ellen Golombek, Executive Director
Cher Haavind, Director, Office of Government, Policy and Public Relations

Letter Confirming Site is a Targeted Employment Area

COLORADO REGIONAL CENTER

280 Detroit Street, Suite 200
Denver, CO 80206
303 515-7653

To whom it may concern,

My name is Chet Schwartz and I ar
("CRC"). CRC is a state-wide US
Center Immigration Investor Progr
Immigration: Fifth Preference (EB-
include the Solaris development in
financing.

The EB-5 Immigrant Investor Prog
immediate families to make an inve
able to live, work, attend school, or
economy by providing capital for i
jobs. It benefits foreign investors ar
States and obtain permanent U.S. re
real estate developers by providing
returns demanded by conventional

While the EB-5 program has many
American jobs per each EB-5 inves
challenges. First, while it is not rec
Employment Area, as a practical m
competitive for EB-5 financing. Se
investors that the project is "shovel
time. Additionally, as a general rul
when a developer can demonstrate
county, or state). This involvement

I have met with Tatonka Developm
believe the Boulder International C
financing. First and foremost their
and indirect jobs per investor. Add
that their site falls within a Targete
when presenting to EB-5 investors,
credibility with foreign investors .
to be discussed with respect to the
International Center is a development that could be a very viable EB-5 project.

I am happy to answer questions relating to my rationale for coming to these conclusions. I wish Tatonka Development Partners luck, and look forward to seeing how their project progresses.

Sincerely,
Colorado Regional Center, LLC

By: _____
Chet Schwartz, Manager

Letter Confirming Support from the Colorado Regional Center

Sources and Uses of Funds

Financing for the development is obtained from both public and private sources. The proposed mix of uses on the site allows for and supports multiple public financing mechanisms:

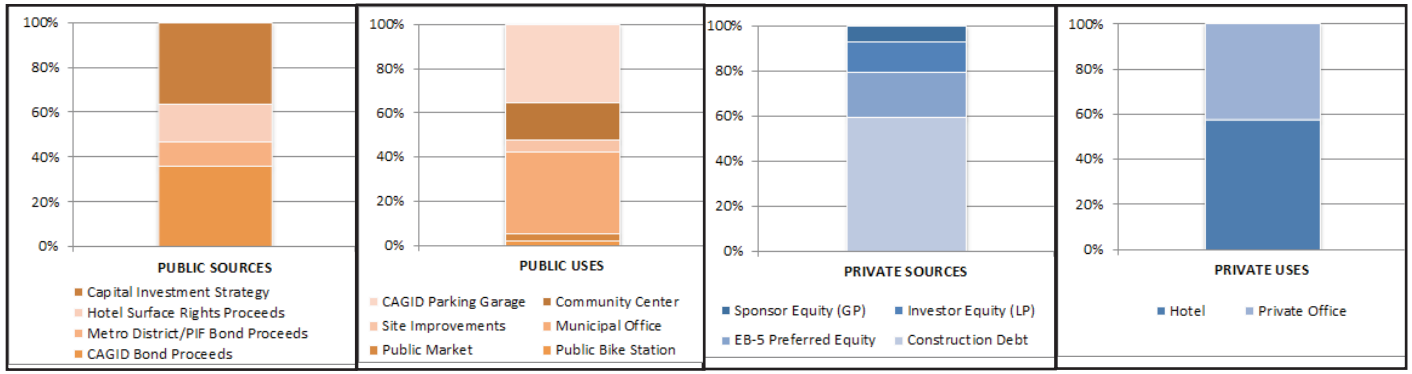
- CAGID Bond Proceeds
- Metro District / PIF Revenue Bond Proceeds
- Hotel Surface Rights Proceeds
- Capital Investment Strategy Bond Proceeds

Privately sourced debt and equity contributions that will be utilized include:

- Conventional bank debt for construction loans
- Private equity (Sponsor & Investor)
- EB-5 foreign investor preferred equity

DETAILED SOURCES AND USES					
PUBLIC SOURCES		% of Cost	PUBLIC USES		% of Cost
CAGID Bond Proceeds	18,227,731	11.6%	CAGID Parking Garage	18,227,731	11.6%
Capital Investment Strategy Bond Proceeds (Rd. 2)	18,768,718	11.9%	Municipal Office	18,768,718	11.9%
Metro District/PIF Bond Proceeds	5,565,508	3.5%	Public Market	1,640,947	1.0%
			Public Bike Station	1,074,150	0.7%
			Infrastructure & Site Improvements	2,850,411	1.8%
Hotel Surface Rights Proceeds	8,460,917	5.4%	Community Center	8,460,917	5.4%
Total Public Sources	**51,022,874**	**32.4%**	**Total Public Uses**	**51,022,874**	**32.4%**
PRIVATE SOURCES		% of Cost	PRIVATE USES		% of Cost
Sponsor Equity (GP)	7,976,075	5.1%	Hotel	6,387,653	4.1%
			Private Office	1,588,422	1.0%
Investor Equity (LP)	14,295,800	9.1%	Private Office	14,295,800	9.1%
EB-5 Preferred Equity	21,000,000	13.4%	Hotel	21,000,000	13.4%
Construction Debt	62,973,068	40.0%	Hotel	33,473,798	21.3%
			Private Office	29,499,271	18.8%
Total Private Sources	**106,244,944**	**67.6%**	**Total Private Uses**	**106,244,944**	**67.6%**
TOTAL SOURCES	**$ 157,267,818**	**100%**	**TOTAL USES**	**$ 157,267,818**	**100%**

Sources and Uses as Percentage of Development



Returns Summary for Private Development

	Hyatt Andaz Hotel	Private Office Building & Parking Garage	Project Total
PROPERTY LEVEL RETURNS			
Equity Return (IRR)	**16.9%**	**22.1%**	**19.2%**
Total Profit	$ 26,721,134	$ 22,461,213	$ 49,182,347
Equity Multiple	1.98x	2.41x	2.14x
Return on Cost	9.6%	8.7%	9.2%
INVESTOR LEVEL RETURNS			
EB-5 PREFERRED EQUITY			
Equity Return (IRR)	**5.0%**	**0.0%**	**5.0%**
Total Equity Invested	$ 21,000,000	$ -	$ 21,000,000
Total Profit	4,931,357	-	4,931,357
Equity Multiple	1.23x	0.00x	1.23x
LIMITED PARTNER EQUITY			
Equity Return (IRR)	**0.0%**	**20.3%**	**20.3%**
Total Equity Invested	$ -	$ 14,295,800	$ 14,295,800
Total Profit	-	17,776,683	17,776,683
Equity Multiple	0.00x	2.24x	2.24x
GENERAL PARTNER EQUITY			
Equity Return (IRR)	**38.5%**	**35.0%**	**37.7%**
Total Equity Invested	$ 6,387,653	$ 1,588,422	$ 7,976,075
Total Profit	21,789,777	4,684,530	26,474,307
Equity Multiple	4.41x	3.95x	4.32x
Development Fees	1,771,999	1,293,005	4,790,415

Total equity required for private development is $43 million, of which $21 million will be in the form of EB-5 preferred equity. The overall return on equity for private development is 19% with a $49 million profit and 2.1 equity multiple. Construction debt amounting to $63 million will make up the remainder of the capital stack. The Limited Partner will receive a 10% preferred return and 80% of the cash flow to a 15% hurdle rate. Thereafter, cash flow and residual value will be split with 70% going to the Limited Partner and 30% going to the Sponsor.

Beyond the CAGID bond issuance devoted to the CAGID Garage and the "Round 2" Capital Investment Strategy Bond Issuance towards the Municipal Office, the city or its affiliated entities will not be required to provide additional capital to the development.

Private Development Sensitivity Analysis

Hyatt Andaz Hotel Sensitivity Analysis

Average Daily Rate @ Opening		Average Daily Rate Growth Rate 1.0%	3.0%	5.0%
$ 205	Property IRR	10.1%	12.0%	13.8%
	EB-5 IRR	5.0%	5.0%	5.0%
	Sponsor (GP) IRR	22.1%	27.1%	31.5%
$ 215	Property IRR	12.7%	14.5%	16.3%
	EB-5 IRR	5.0%	5.0%	5.0%
	Sponsor (GP) IRR	28.9%	33.2%	37.2%
$ 225	Property IRR	15.1%	**16.9%**	18.6%
	EB-5 IRR	5.0%	**5.0%**	5.0%
	Sponsor (GP) IRR	34.6%	**38.5%**	42.1%
$ 235	Property IRR	17.3%	19.1%	20.8%
	EB-5 IRR	5.0%	5.0%	5.0%
	Sponsor (GP) IRR	39.6%	43.2%	46.5%
$ 245	Property IRR	19.4%	21.1%	22.8%
	EB-5 IRR	5.0%	5.0%	5.0%
	Sponsor (GP) IRR	44.0%	47.4%	50.5%

Private Office Sensitivity Analysis

Current Market Rate $/SF/YR (NNN)		Rental Growth Rate 1.0%	3.0%	5.0%
$ 25.00	Property IRR	12.5%	16.4%	20.2%
	Investor (LP) IRR	12.2%	15.6%	18.7%
	Sponsor (GP) IRR	14.8%	22.8%	31.3%
$ 27.50	Property IRR	15.5%	19.4%	23.2%
	Investor (LP) IRR	14.8%	18.0%	21.2%
	Sponsor (GP) IRR	20.5%	29.5%	37.1%
$ 30.00	Property IRR	18.2%	**22.1%**	26.0%
	Investor (LP) IRR	17.0%	**20.3%**	23.5%
	Sponsor (GP) IRR	26.9%	**35.0%**	42.2%
$ 32.50	Property IRR	20.7%	24.7%	28.5%
	Investor (LP) IRR	19.1%	22.4%	25.7%
	Sponsor (GP) IRR	32.2%	39.8%	46.6%
$ 35.00	Property IRR	23.1%	27.0%	30.9%
	Investor (LP) IRR	21.0%	24.4%	27.8%
	Sponsor (GP) IRR	36.8%	44.0%	50.5%

Metro District Bonding Details

Underwriting Details

The bond issuance includes 5 mills dedicated to the operations of the metro district and maintenance of the property. The issuance was underwritten to include a 30-year term with a 1.4 debt service coverage ratio, a rate based on a 100 basis point spread over similar duration treasuries, 3 years capitalized interest, a 1-year debt service reserve fund, and a 4% issuance cost.

Sources of Funds

A metropolitan district mill levy of 13 mills will be assessed to privately owned parcels to fund the public bike station, site improvements, and the public market. A 2% Public Improvement Fee (PIF) will also be assessed by the metropolitan district on food, beverage, and room revenue in the hotel.

METRO DISTRICT BOND ISSUANCE

		30 years	Year 1 2016	Year 2 2017	Year 3 2018	Year 4 2019	Year 5 2020
Biennial Growth Rate	Yrs. 1-10: 3%			0%	3%	0%	3%
Hotel Market Value	Yrs. 11-30: 1%			$36,180,169	$37,265,574	$37,265,574	$38,383,541
Private Office Market Value			$26,079,181	$26,079,181	$26,861,557	$26,861,557	$27,667,403
Total Metro District Privately Owned Property Value			$26,079,181	$62,259,350	$64,127,130	$64,127,130	$66,050,944
Assessed Value		29.0%	$7,562,963	$18,055,211	$18,596,868	$18,596,868	$19,154,774
Property Tax Revenue		13 mills		$99,075	$236,523	$243,619	$243,619
Less: Annual Metro District O&M		5 mills		($37,815)	($90,276)	($92,984)	($92,984)
Required DSCR		1.40		$43,757	$104,462	$107,596	$107,596
Discount Factor (T + 100bps)		3.9%	1.00	0.96	0.93	0.89	0.86
Present Value			$1,960,155				

Public Improvement Fee							
Growth Rate	Yrs. 11-30: 2%						
Hotel Revenue (Rooms & F&B)					$16,103,158	$17,551,566	$19,072,387
Public Improvement Fee		2.0%			$322,063	$351,031	$381,448
Required DSCR		1.40			$230,045	$250,737	$272,463
Discount Factor (T + 100bps)		3.9%	1.00	0.96	0.93	0.89	0.86
Present Value			$5,605,011				

Par Value of Metro District Bond Issuance		$7,565,165
Less: Capitalized Interest	3 years	($1,293,427)
Less: Debt Service Reserve Fund	1 year	($431,142)
Less: Cost of Issuance	4%	($264,781)
Net Bond Proceeds		**$5,575,815**

CAGID BOND ISSUANCE

Existing Annual CAGID Revenue Available		$1,000,000
Required DSCR		1.05
Available CF to Bond		$952,381
Interest Rate	T + 10bps	3.0%
Amortization		30 years
Periods Per Year		2
Present Value (Par Value)		$18,800,807
Less: Capitalized Interest		$0
Less: Debt Service Reserve Fund	0%	$0
Less: Cost of Issuance	3%	($564,024)
Net Bond Proceeds Available		**$18,236,783**

CAGID Bonding Details

The Central Area General Improvement District (CAGID) has pledged $1 million in existing annual revenue to issue general obligation bonds backed by the full faith and credit of the district that will provide $18.2 million to fund the construction of the entire 525 space underground parking garage. Bonding capacity was underwritten to a 1.05 debt service coverage ratio, a 30 year amortization schedule, a rate based on a 10 basis point spread over similar duration treasuries, and a 3% cost of issuance with its Aaa credit rating.

Hotel Financial Details

TDP ("the Sponsor") anticipates a 55% loan-to-cost construction loan in the amount of $33.4 million, EB-5 foreign investment preferred equity proceeds amounting to $21.0 million, and contributing the remainder of the required equity amounting to $6.4 million. The EB-5 preferred equity is subordinate to the senior construction and permanent loans and will receive a 5% cumulative return. The $21.0 million EB-5 capital contribution will be repaid upon sale which is expected in year 5. The land basis for the hotel development was determined to be $8.5 million, or the cost to complete the construction of the City-owned community events center. The Sponsor has arranged for the construction loan to be taken out by a mini-perm loan upon stabilization.

HYATT ANDAZ HOTEL

Building Overview		
Building Footprint		40,044
Building Stories		4
Total Square Feet		160,176
Number of Hotel Rooms		214
Parking		CAGID / Valet
Construction Start	Phase II	May-16
Construction Duration		20 months
Construction Costs	**Per Key**	**Total**
Land Basis:	39,537	8,460,917
Sitework / Excavation / Demolition	4,491	961,056
Direct Building Construction	152,691	32,675,904
Total Hard Costs	157,182	33,636,960
Architectural & Engineering @ 5.5% of hard costs	8,645	1,850,033
Architectural Reimbursables @ 8% of A&E	692	148,003
Space Plan & Design @ $2 psf	1,497	320,352
City Fees, Permits, Utility Fees, Taxes	6,710	1,435,931
Pre-opening expenses	1,500	321,000
Legal, Closing, Appraisal & Title Costs	1,200	256,800
Affordable Housing Linkage Fee	2,143	458,628
Developer Overhead & Fee @ 3.5% of Cost	8,280	1,771,999
Insurance, Testing, Inspection, Misc.	1,497	320,352
FF&E / OS&E	29,939	6,407,040
Contingency @ 8% of Hard Cost	12,575	2,690,957
Total Soft Costs	74,678	15,981,094
Loan, Appraisal, Bank & Other Fees	1,564	334,738
Construction Period Interest	11,438	2,447,742
Total Financing Costs	13,002	2,782,480
Total Development Budget	**284,399**	**60,861,450**
Debt Financing	**Construction**	**Mini-Perm**
LTC/LTV	55%	44%
Interest Rate	4.75%	5.0%
Loan Fee / Closing Costs	1.0%	0.0%
Stabilized DSCR	I/O	2.7
Exit Cap Rate Sensitivity	**Net Sales Proceeds**	**IRR**
@ 6.5% Exit Cap	53,775,571	21.8%
@ 7.0% Exit Cap	47,625,393	19.3%
@ 7.5% Exit Cap	42,295,238	16.9%
@ 8.0% Exit Cap	37,631,353	14.6%
@ 8.5% Exit Cap	33,516,159	12.4%

Uses	RSF
Hotel Rooms	80,088
Restaurant	6,000
Spa / Pool	4,000
Lobby / BOH / Board Rm / Circulation	70,088

Financial Projections		Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
For the Year Ending		Apr-16	Apr-17	Apr-18	Apr-19	Apr-20	Apr-21
Development Expenditures							
Land Costs		-	(8,460,917)	-	-	-	-
Development Costs		(3,196,219)	(27,853,101)	(18,568,734)	-	-	-
Financing Costs		-	(443,973)	(1,169,266)	(1,169,241)	-	-
Revenues	*Rev. Growth*		*3%*				
Occupancy Rate				68%	72%	76%	76%
Average Daily Rate				225	232	239	246
Revenue Per Available Room				153	167	181	187
Rooms @ 70%		-	-	3,983,610	13,033,435	14,170,240	14,595,347
Food & Beverage @ 24%		-	-	1,384,109	4,518,132	4,902,147	5,049,078
Other @ 6%		-	-	399,402	1,273,982	1,353,226	1,393,401
Expenses	*Exp. Growth*		*3%*				
Departmental		-	-	(2,068,213)	(6,758,093)	(7,339,171)	(7,559,236)
House		-	-	(1,603,208)	(4,670,204)	(4,864,486)	(5,010,309)
Fixed		-	-	(545,149)	(1,713,664)	(1,763,706)	(1,815,560)
FF&E Reserve @ 1%, 2%, 3% GR		-	-	1,492,881	3,756,524	161,894	(436,663)
Net Operating Income		-	-	1,492,881	5,307,076	5,845,481	6,021,587
Capital Reserves @ 3% Gross Rev.		-	-	(160,086)	(569,094)	(626,829)	(645,713)
Project Cash Flow		-	-	1,332,795	4,737,982	5,218,652	5,375,873
Debt							
Construction							
Proceeds		-	12,566,557	19,738,000	1,169,241	-	-
Repayment		-	-	-	(33,473,798)	-	-
Mini-Perm							
Loan Proceeds		-	-	-	33,473,798	-	-
Debt Service		-	-	-	(539,084)	(2,156,335)	(2,156,335)
	DSCR		-	-	-	2.71	2.79
Reversion		@ 7.5% Exit Cap					
Net Sales Proceeds		*$355,818 / key*	-	-	-	-	42,295,238
Cash on Cash Return						11%	12%

IRR	**16.9%**
PROFIT	26,721,134
MULTIPLE	1.98x

Equity Sources	Contribution	Equity IRR	Equity Invested	Total Profit	Equity Multiple
Sponsor Equity (GP)	23%	38.5%	6,387,653	21,789,777	4.41x
EB-5 Preferred Equity	77%	5.0%	21,000,000	4,931,357	1.23x

Private Office Financial Details

TDP contemplates a 65% loan-to-cost construction loan in the amount of $29.5 million and will contribute 10% of the required equity, or $1.6 million, in a newly formed joint venture partnership with an institutional investor ("the Limited Partner") that will contribute the remaining 90% of equity, or $14.3 million, for the development of the privately owned office and parking garage on the south end of the site. The anticipated hold period for the project is 5 years. The Sponsor has arranged for the construction loan to be converted to a mini-perm loan upon stabilization.

PRIVATE OFFICE & PARKING GARAGE

Building Overview		
Building Footprint		28,590
Building Stories		4
Total Square Feet		108,302
Parking		3 Levels Below-Grade
Construction Start	Phase I	May-15
Construction Duration		16 months
Construction Costs	**Per RSF**	**Total**
Land Basis:	**$66**	**7,147,500**
Sitework / Excavation / Demolition	$16	1,508,212
Ground Water / Waterproofing / Dewatering	$10	858,400
Direct Building Construction	$176	17,927,464
Tenant Finish Work	$65	7,009,340
Total Hard Costs	**$267**	**27,303,416**
Architectural & Engineering @ 5.5% of hard costs	$15	1,501,688
Architectural Reimbursables @ 8% of A&E	$1	120,135
Space Plan & Design @ $2 psf	$2	216,604
Listing Broker Fee @ 3%	$6	600,600
Tenant Rep Broker Fee @ $1 psf/yr	$5	571,984
City Fees, Permits, Utility Fees, Taxes	$15	1,536,289
Legal, Closing, Appraisal & Title Costs	$2	200,000
Affordable Housing Linkage Fee	$3	310,098
Developer Overhead & Fee @ 3.5% of Cost	$13	1,293,005
Insurance, Testing, Inspection, Misc.	$4	388,144
FF&E / OS&E	$1	108,302
Contingency @ 8% of Hard Cost	$21	2,184,273
Total Soft Costs	**$83**	**9,031,122**
Loan, Appraisal, Bank & Other Fees	$3	294,993
Construction Period Interest	$15	1,606,462
Total Financing Costs	**$18**	**1,901,455**
Total Development Budget	**$439**	**45,383,493**
**Cost Per Parking Space*		*$34,724*

Debt Financing	Construction	Mini-Perm
LTC/LTV	65%	51%
Interest Rate	3.5%	4.5%
Loan Fee / Closing Costs	1.0%	0.0%
Stabilized DSCR	I/O	2.3
Exit Cap Rate Sensitivity	**Net Sales Proceeds**	**IRR**
@ 6.5% Exit Cap	37,825,118	27.4%
@ 7.0% Exit Cap	33,107,268	24.7%
@ 7.5% Exit Cap	29,018,465	22.1%
@ 8.0% Exit Cap	25,440,763	19.6%
@ 8.5% Exit Cap	22,283,966	17.2%

Uses	RSF	Annual Rents PSF	Tenant Finish	Lease Up	Pre-leased	Capitalized LC's	
Traditional Office	79,712	$30.00 (NNN)	$70.00 psf	12 mo.	50%	Ten. $1 psf/yr	List 3%
Co-Office	26,590	$56.19	$50.00 psf	12 mo.	50%	NA	NA
Retail	2,000	$30.00 (NNN)	$50.00 psf	0 mo.	100%	Ten. $1 psf/yr	List 3%
Parking	232 spaces	$1,200 / space	NA	12 mo.	50%	NA	NA

Financial Projections For the Year Ending	Year 2 Apr-15	Year 3 Apr-16	Year 4 Apr-17	Year 5 Apr-18	Year 6 Apr-19	Year 7 Apr-20
Development Expenditures						
Land Costs	-	(7,147,500)	-	-	-	-
Development Costs	(3,010,374)	(24,993,123)	(8,331,041)	-	-	-
Financing Costs	-	(536,874)	(938,123)	(426,459)	-	-
Revenues	*Rev. Growth*	*3%*	*Exp. Growth*	*3%*		
Traditional Office (NNN)		-	1,125,086	2,598,042	2,772,242	2,855,409
Co-Office		-	702,981	1,623,320	1,732,164	1,784,129
Retail (NNN)		-	43,709	67,531	69,556	71,643
Parking Revenue		-	130,982	302,462	322,742	332,424
General Vacancy Loss @ 5%, 10% Co-office		-	-	(197,376)	(304,946)	(314,095)
Co-Office Operating Expense @ $15 psf		-	(290,556)	(448,909)	(462,376)	(476,248)
Net Operating Income		-	1,712,202	3,945,069	4,129,381	4,253,263
Capital Reserves		-	(14,440)	(21,660)	(21,660)	(21,660)
Project Cash Flow		-	1,697,762	3,923,408	4,107,721	4,231,602
Debt						
Construction						
Proceeds	-	19,803,648	9,269,164	426,459	-	-
Repayment	-	-	-	(29,499,271)	-	-
Mini-Perm						
Loan Proceeds		-	-	29,499,271	-	-
Debt Service		-	-	(1,046,279)	(1,793,622)	(1,793,622)
DSCR		-	-	-	2.30	2.37
Reversion	@ 7.5% Exit Cap					
Net Sales Proceeds	*$539 psf*	-	-	-	-	29,018,465
Cash on Cash Return					15%	15%

IRR	**22.1%**
PROFIT	22,461,213
MULTIPLE	2.41x

Equity Sources	Contribution	Equity IRR	Equity Invested	Total Profit	Equity Multiple
Sponsor Equity (GP)	10%	35%	1,588,422	4,684,530	3.95x
Investor Equity (LP)	90%	20%	14,295,800	17,776,683	2.24x

Waterfall Structure	Hurdle Rate	Limited Partner	General Partner
Equity Contribution		90%	10%
Preferred Return	10%	Pari Passu	Pari Passu
Second Tranche	15%	80%	20%
Final Promote	Thereafter	70%	30%

CAGID Garage Financial Details

The design and construction of the 525 space, 2.5-level below grade parking structure will be funded through the issuance of general obligation bonds issued by CAGID and backed by the full faith and credit of the district. CAGID has pledged $1 million in existing revenue to help support the public parking garage component of the project. The cost of the parking structure is estimated at $34,719 per parking space at 370 square feet per space efficiency for a total of $18.2 million. The garage is expected to generate over $800,000 in revenue annually for the district.

CAGID PARKING GARAGE

Structure Overview		
Type		Below-Grade
Levels		2.5
Total Square Feet		193,977
Efficiency		370 SF/Space
Number of Spaces		525
Construction Start	Phase I	May-15
Construction Duration		12 months
Construction Costs	**Per Space**	**Total**
Land Basis:	**$0**	**0**
Sitework / Excavation / Demolition	$3,695	1,939,766
Ground Water / Waterproofing / Dewatering	$3,695	1,939,766
Direct Building Construction	$18,973	9,960,696
Total Hard Costs	**$26,362**	**13,840,228**
Architectural & Engineering @ 5.5% of hard costs	$1,450	761,213
Architectural Reimbursables @ 8% of A&E	$116	60,897
City Fees, Permits, Utility Fees, Taxes	$2,030	1,065,872
Developer Overhead & Fee @ 3.5% of Cost	$1,174	616,397
Insurance, Testing, Inspection, Misc.	$739	387,953
Contingency @ 8% of Hard Cost	$2,109	1,107,218
Total Soft Costs	**$8,357**	**4,387,503**
Total Development Budget	**$34,719**	**18,227,731**
CAGID Bond Finance Underwriting		
Proceeds Available		$18,236,783
Existing CAGID Revenue Available		$1,000,000
Debt Service Coverage Ratio		1.05
Interest Rate (T + 10bps)		3.0%
Amortization		30 years
Capitalized Interest		0.0%
Debt Service Reserve Fund		0.0%
Cost of Issuance		3.0%

Uses	Avg. Allocation	Rate	Vacancy
Permit Parking	288 spaces	$91.67 /month	0%
Hotel Valet Parking	139 spaces	$20.00 /night	10%
Public Parking	99 spaces	$1.25 /hour	10%

Financial Projections	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
For the Year Ending	**Apr-16**	**Apr-17**	**Apr-18**	**Apr-19**	**Apr-20**
Development Expenditures					
Development Costs	(18,227,731)				
Revenues	*Rev. Growth*	*1%*			
Permit Parking		316,470	319,635	322,831	326,059
Hotel Valet Parking		506,153	511,214	516,326	521,490
Public Parking		269,994	272,694	275,421	278,175
General Vacancy		(77,615)	(78,391)	(79,175)	(79,966)
Expenses	*Exp. Growth*	*2%*			
Management Costs		(36,750)	(37,485)	(38,235)	(38,999)
Security Costs		(47,250)	(48,195)	(49,159)	(50,142)
Utilities		(23,625)	(24,098)	(24,579)	(25,071)
Insurance		(5,250)	(5,355)	(5,462)	(5,571)
Supplies		(2,625)	(2,678)	(2,731)	(2,786)
Routine Maintenance		(34,125)	(34,808)	(35,504)	(36,214)
Structural Maintenance (reserve)		(26,250)	(26,775)	(27,311)	(27,857)
Elevator/Equipment Maintenance		(5,250)	(5,355)	(5,462)	(5,571)
Other Expenses		(18,375)	(18,743)	(19,117)	(19,500)
Net Operating Income		**815,502**	**821,662**	**827,844**	**834,047**
Capital Sources					
CAGID Bond Proceeds	18,227,731	100%			

Community Events Center Financial Details

The City will again contribute the allocated land basis since it will ultimately own the Community Events Center upon completion. The $8.5 million in proceeds from the sale of the fee simple absolute interest in the surface and air rights for the privately developed hotel will pay for the entire cost of the Community Events Center.

COMMUNITY EVENTS CENTER

Building Overview			
Levels			2
Total Square Feet			28,250
Largest Contiguous Space			20,000
Construction Start	Phase II		May-16
Construction Duration			16 months
Construction Costs	**PSF**		**Total**
Land Basis:		**$0**	**0**
Sitework / Excavation / Demolition		$6	169,500
Direct Building Construction		$180	5,085,000
Total Hard Costs		**$186**	**5,254,500**
Architectural & Engineering @ 5.5% of hard costs		$10	288,998
Architectural Reimbursables @ 8% of A&E		$1	23,120
Space Plan & Design @ $2 psf		$2	56,500
City Fees, Permits, Utility Fees, Taxes		$14	381,434
Pre-opening expenses		$10	282,500
Legal, Closing, Appraisal & Title Costs		$7	200,000
Affordable Housing Linkage Fee		$3	80,887
Developer Overhead & Fee @ 3.5% of Cost		$10	286,118
Insurance, Testing, Inspection, Misc.		$2	56,500
FF&E / OS&E		$40	1,130,000
Contingency @ 8% of Hard Cost		$15	420,360
Total Soft Costs		**$114**	**3,206,417**
Total Development Budget		**$300**	**8,460,917**

Uses	Annual Event Days	Annual Attendees	Avg. Att./Event	F&B Per Capita	Rent PSF / Day
Corporate Events	110	14,250	130	$ 25.00	$0.05
Association Events	52	8,800	169	$ 25.00	$0.05
University Events	6	1,200	200	$ 7.00	$0.10
Public Shows	32	4,000	125	$ 7.00	$0.10
Social, Military, Educational, Religious & Fraternal	100	15,000	150	$ 20.00	$0.05
Arts/Cultural Events	30	6,000	200	$ 2.50	$0.05

Financial Projections		Year 4	Year 5	Year 6	Year 7	Year 8
For the Year Ending		Apr-17	Apr-18	Apr-19	Apr-20	Apr-21
Development Expenditures						
Development Costs		(6,345,688)	(2,115,229)			
Revenues	*F&B / P&A Growth*		*3%*	*Rental Growth*	*2%*	
Food & Beverage			605,100	934,880	962,926	991,814
Room Rental			699,533	1,074,050	1,099,543	1,125,800
Partnerships / Advertising			52,000	80,340	82,750	85,233
Expenses	*Exp. Growth*		*2.00%*			
Food & Beverage			(564,558)	(872,243)	(898,410)	(925,362)
Room Rental			(207,453)	(319,843)	(328,765)	(337,955)
Partnerships			(3,900)	(3,013)	(3,103)	(3,196)
Salaries & Wages			(472,733)	(723,282)	(737,748)	(752,503)
Marketing & Promotions Expense			(100,000)	(153,000)	(156,060)	(159,181)
Utilities & Maintenance			(70,625)	(108,056)	(110,217)	(112,422)
Net Operating Income			**(62,637)**	**(90,167)**	**(89,084)**	**(87,773)**
Capital Sources						
Hotel Surface Rights Proceeds		8,460,917	100%			

Indoor/Outdoor Public Market Financial Details

The 8,206 square foot public market will be financed by the metro district revenue bond proceeds backed by the 13 mill property tax levy and 2% Public Improvement Fee (PIF) imposed on food, beverage, and room revenue generated by the hotel development. The land on which the market will be located will remain the property of the City as the market will be owned by the City upon completion.

PUBLIC MARKET

Building Overview		
Total Square Feet		8,206
Construction Start	Phase II	May-16
Construction Duration		16 months
Construction Costs	**PSF**	**Total**
Land Basis:	**$0**	**0**
Sitework / Excavation / Demolition	$6	49,236
Direct Building Construction	$125	1,025,750
Tenant Finish Work	$10	82,060
Total Hard Costs	**$141**	**1,157,046**
Architectural & Engineering @ 5.5% of hard costs	$7.76	63,638
Architectural Reimbursables @ 8% of A&E	$0.62	5,091
Space Plan & Design @ $2 psf	$2.00	16,412
City Fees, Permits, Utility Fees, Taxes	$13.50	110,798
Legal, Closing, Appraisal & Title Costs	$12.19	100,000
Affordable Housing Linkage Fee	$2.86	23,496
Developer Overhead & Fee @ 3.5% of Cost	$6.76	55,491
Insurance, Testing, Inspection, Misc.	$2.00	16,412
Contingency @ 8% of Hard Cost	$11.28	92,564
Total Soft Costs	**$58.97**	**483,901**
Total Development Budget	**$200**	**1,640,947**
Metro District Finance Underwriting		
Proceeds Available		$5,575,815
Mill Levy Assessment		13.1 mills
Mills Allocated to Metro District O&M		5 mills
Public Improvement Fee		2.0%
Debt Service Coverage Ratio		1.40
Interest Rate (T + 100bps)		3.9%
Amortization		30 years
Capitalized Interest		3 years
Debt Service Reserve Fund		1 year
Cost of Issuance		4%

Uses	Square Feet	Quantity	Monthly Rent	CAM	Stabilized Vac.	Rev. & Exp. Growth
Anchor Tenant	1,333	1	2,222	$ 10.00	10%	3%
Vendor Stalls	400 per stall	10	1,000	$ 10.00	10%	3%
Circulation	2,872					

Financial Projections For the Year Ending	Year 4 Apr-17	Year 5 Apr-18	Year 6 Apr-19	Year 7 Apr-20	Year 8 Apr-21
Development Expenditures					
Development Costs	(1,230,711)	(410,237)			
Revenues	*Rev. Growth*	*3%*			
Base Rent		97,773	151,060	155,592	160,259
CAM Reimbursement		35,553	54,930	56,578	58,275
Less Vacancy Loss		(19,999)	(20,599)	(21,217)	(21,853)
Less Collection Loss		(2,667)	(4,120)	(4,243)	(4,371)
Expenses	*Exp. Growth*	*3%*			
Manager		(40,000)	(61,800)	(63,654)	(65,564)
Assistant Manager		(23,333)	(36,050)	(37,132)	(38,245)
Maintenance and Repair		(10,941)	(16,904)	(17,411)	(17,934)
Garbage		(1,094)	(1,690)	(1,741)	(1,793)
Fringe Benefits		-	-	-	-
Advertising/Events		(6,640)	(10,258)	(10,566)	(10,883)
Office		(1,107)	(1,710)	(1,761)	(1,814)
Legal/Professional		(553)	(855)	(881)	(907)
Fees/Permits		(711)	(1,099)	(1,132)	(1,166)
Utilities		(21,883)	(33,809)	(34,823)	(35,868)
RE Taxes		-	-	-	-
Insurance		(1,094)	(1,690)	(1,741)	(1,793)
Net Operating Income		**3,305**	**15,406**	**15,868**	**16,344**
Capital Sources					
Metro District/PIF Bond Proceeds	1,640,947	100%			

Public Bike Station Financial Details

The design and construction of the 107 space bike station and locker room facilities will be funded through the metropolitan district bond issuance backed by the 2% PIF and incremental mill levy.

BIKE STATION

Building Overview		
Total Square Feet		2,046
Number of Spaces		107
Construction Start	Phase II	Sep-16
Construction Duration		6 months
Construction Costs	**Per Space**	**Total**
Direct Building Construction	$8,069	866,733
Total Hard Costs	**$8,069**	**866,733**
Architectural & Engineering @ 5.5% of hard costs	$444	47,670
Architectural Reimbursables @ 8% of A&E	$36	3,814
City Fees, Permits, Utility Fees, Taxes	$468	50,271
Developer Overhead & Fee @ 3.5% of Cost	$338	36,324
Contingency @ 8% of Hard Cost	$646	69,339
Total Soft Costs	**$1,931**	**207,417**
Total Development Budget	**$10,000**	**1,074,150**
Metro District Finance Underwriting		
Proceeds Available		$5,575,815
Mill Levy Assessment		13.1 mills
Mills Allocated to Metro District O&M		5 mills
Public Improvement Fee		2.0%
Debt Service Coverage Ratio		1.40
Interest Rate (T + 100bps)		3.9%
Amortization		30 years
Capitalized Interest		3 years
Debt Service Reserve Fund		1 year
Cost of Issuance		4%

Uses	Allocation	Rate	Vacancy
Bicycle Parking Garage	107 spaces	$30.00 /month	20%
Changing Rooms	527 SF		
Circulation	818 SF		

Financial Projections For the Year Ending	Year 4 Apr-17	Year 5 Apr-18	Year 6 Apr-19	Year 7 Apr-20	Year 8 Apr-21
Development Expenditures					
Development Costs	(1,074,150)				
Revenues	*Rev. Growth*	*1%*			
Bicycle Parking		38,669	39,056	39,447	39,841
General Vacancy		(7,734)	(7,811)	(7,889)	(7,968)
Expenses	*Exp. Growth*	*2%*			
Management Costs		(5,699)	(5,784)	(5,871)	(5,959)
Security Costs		(7,327)	(7,437)	(7,548)	(7,662)
Utilities		(3,663)	(3,718)	(3,774)	(3,831)
Insurance		(814)	(826)	(839)	(851)
Supplies		(407)	(413)	(419)	(426)
Routine Maintenance		(5,292)	(5,371)	(5,452)	(5,533)
Capital Reserve		(1,547)	(1,570)	(1,594)	(1,617)
Net Operating Income		**6,187**	**6,125**	**6,061**	**5,994**
Capital Sources					
Metro District/PIF Bond Proceeds	1,074,150	100%			

Economic Impact of The Boulder International Center

General Economic Impact:

The Boulder International Center will contribute significantly to the economic vitality of Boulder. The centerpiece of the development, the Boulder Community Events Center , will attract visitors to Boulder for conferences, theater productions, weddings, and more. Through the Boulder Community Events Center, public market and adjoining hotel, we expect to serve almost 50,000 attendees.

Economic Details:

Jobs Created:
- 1,607 Temporary Jobs Created
- 1,249 Permanent Jobs Created (689 Direct, 560 Indirect)

Economic Output:
- $218 M Initial Output
- $205 M Annual Output

Tax Revenues:
- $3.3 M from Construction Costs to the City of Boulder
- $1.5 M Annual Tax Revenues to the City of Boulder (expected to increase with inflation)

One key consideration in our analysis is that the Boulder International Center fills several needs that will help the City of Boulder thrive. The low supply and high demand for office space in Boulder means that many companies are unable to remain in the city as their growth outpaces the ability of Boulder to house them. Similarly, many large-scale events are forced to leave Boulder due to the lack of available conference and performance space. The Boulder International Center will allow events and companies to stay in Boulder, generating new economic activity for the city rather than simply moving it around.

Our economic impact study used IMPLAN multipliers provided by the Business Research Division at the University of Colorado. These multipliers calculate the economic output (revenue), labor income (wages), and jobs created by a proposed development.

Our direct output projections for the operations of the Boulder Community Events Center and hotel, as well as all construction costs, come from our financial projections, which we verified with leaders in the Colorado real estate community. Our projections for the economic output for the private office and public market are based on reports and conversations from reputable sources.

Jobs:

Construction of the Boulder International Center will create 1,607 temporary jobs, and its operations will create employment for 1,249 people on a permanent basis. We estimate that 75% of these jobs will go to Boulder residents, specifically those located in the Targeted Employment Area, which will constitute 937 jobs. Of the 1249 permanent jobs created, 689 will be on site, and 560 will be located in the community.

Construction Jobs Created by the Boulder International Center:

Construction	Total Costs	Direct Multiplier	Indirect Multiplier	Induced Multiplier	Total Multiplier	Total Jobs Created	Local Jobs Multiplier	Boulder Jobs Created
Hard Costs	$98,838,883	7.43	1.90	2.08	11.41	1128	0.75	846
Soft Costs	$30,229,473	7.43	1.90	2.08	11.41	345	0.75	259
Financing Costs	$4,683,935	7.43	1.90	2.08	11.41	53	0.75	40
Land Costs	$7,147,500	7.43	1.90	2.08	11.41	82	0.75	61
TOTAL	$140,899,791					1607		1206

Permanent Jobs Created by the Boulder International Center:

Operations	Total Revenue	Direct Multiplier	Indirect Multiplier	Induced Multiplier	Total Multiplier	Total Jobs Created	Local Jobs Multiplier	Boulder Jobs Created
Hotel	$20,425,612	11.52	2.23	2.14	15.89	325	0.75	243
Private Office								
Management	$1,572,310	3.82	2.02	2.86	8.69	14	0.75	10
Information	$50,889,942	2.02	2.09	1.54	5.65	288	0.75	216
Professional	$34,087,328	6.31	2.19	3.19	11.69	399	0.75	299
Real Estate	$5,436,867	3.86	1.97	1.33	7.17	39	0.75	29
Finance	$11,027,593	4.62	2.99	2.34	9.95	110	0.75	82
BCELC	$2,034,950	22.59	4.59	2.83	30.01	61	0.75	46
Public Market	$670,440	17.70	1.90	2.17	21.77	15	0.75	11
TOTAL	$126,145,042					1249		937

IMPLAN Economic Impact Analysis Definitions:

IMPLAN multipliers represent the inter-industry relationships within a given region. Our analysis uses the 2009 multipliers for the City of Boulder. In order to calculate the economic impact of the Boulder International Center using IMPLAN multipliers, it is important to understand the following definitions:

***Direct Output**: The increased economic output directly generated by a business entity.*

***Indirect Output**: Economic output generated by the purchases of that business entity.*

***Induced Output**: Economic output generated by the purchases of a business' employees in the community.*

***Local Output Multiplier**: The percentage of a business' increased economic output spent in its municipality*

Economic Impact (Continued)

Economic Output:

Construction of the Boulder International Center will generate $218 million in economic output, and its operations will generate $205 million of economic output on an annual basis. We anticipate that 75% percent of this output will remain in Boulder, contributing $154 million to the local economy on an annual basis. These numbers account for the operations of the Boulder Community Events Center and hotel, the economic activity generated by the companies operating within the public market and the private office building, and the spending of hotel visitors in the community. The municipal office building will serve to relocate jobs from other facilities instead of generating new economic activity, and therefore was not included in our calculations. Economic output is expected to increase annually with the rate of inflation.

Construction Output Created by the Boulder International Center:

Construction	Total Costs	Direct Multiplier	Indirect Multiplier	Induced Multiplier	Total Multiplier	Total Economic Output	Local Output Multiplier	City of Boulder Output
Hard Costs	$98,838,882.73	1.00	0.29	0.26	1.55	$153,025,435	0.75	$114,769,075.94
Soft Costs	$30,229,473.18	1.00	0.29	0.26	1.55	$46,802,211	0.75	$35,101,658.44
Financing Costs	$4,683,934.65	1.00	0.29	0.26	1.55	$7,251,813	0.75	$5,438,860.06
Land Costs	$7,147,500.00	1.00	0.29	0.26	1.55	$11,065,982	0.75	$8,299,486.47
TOTAL	$140,899,791					$218,145,441		$163,609,081

Operations Output Created by the Boulder International Center:

Operations	Total Revenue	Direct Multiplier	Indirect Multiplier	Induced Multiplier	Total Multiplier	Total Economic Output	Local Output Multiplier	City of Boulder Output
Hotel	$20,425,612	1.00	0.33	0.26	1.59	$32,429,652	0.75	$24,322,239.15
Private Office								
Management	$1,572,310	1.00	0.33	0.35	1.68	$2,636,139	0.75	$1,977,104.03
Information	$50,889,942	1.00	0.37	0.19	1.56	$79,499,157	0.75	$59,624,367.41
Professional	$34,087,328	1.00	0.32	0.39	1.71	$58,381,383	0.75	$43,786,036.97
Real Estate	$5,436,867	1.00	0.32	0.16	1.48	$8,043,342	0.75	$6,032,506.21
Finance	$11,027,593	1.00	0.48	0.28	1.77	$19,502,919	0.75	$14,627,189.21
BCELC	$2,034,950	1.00	0.42	0.34	1.76	$3,582,742	0.75	$2,687,056.60
Public Market	$670,440	1.00	0.38	0.27	1.64	$1,100,239	0.75	$825,179.16
TOTAL	$126,145,042					$205,175,572		$153,881,679

Operations Output Created by the Boulder International Center's Hotel:

Visitor Impact	Total Room Nights	Occupancy	Total Visitor Nights	Spending per Visitor/Night	Total Visitor Economc Activity	Local Output Multiplier	Boulder Visitor Output
Hotel	78,110	0.76	59,364	$170	$10,091,812.00	0.75	$7,568,859
TOTAL VISITOR IMPACT					$10,091,812.00		$7,568,859

Tax Revenues:

The City of Boulder will generate tax revenues in several ways through the construction and operation of the Boulder International Center. First, the city will receive at 3.41% construction use tax at the completion of construction. Which they can choose to keep or pledge to the construction of their municipal office building. Upon completion, the hotel and private office building will generate property tax revenue based on the city's current mill levy. In addition, food and beverage sold at the public market, hotel and Boulder Community Events Center are subject to 3.41% sales tax, and the city will receive a 7.5% accommodations tax for each hotel stay. Since we are assessing a 2% PIF on the hotel, which is assessed before taxes are calculated, the actual assessment will be slightly higher than for other hotels. The Boulder International Center will generate $3.3 million for Boulder based on construction costs, and will contribute over $1.5 million annually to the city's economy. This revenue is expected to rise annually with the rate of inflation.

Tax Revenue Created by the Operations of the Boulder International Center:

Revenue to City of Boulder	Tax Base	Assessment Rate	Total Tax Revenue
Accommodations Tax	$14,453,645	7.50%	$1,084,023
Sales Tax			
Conference Center	$907,650	3.41%	$30,951
Hotel	$4,902,147	3.41%	$167,163
Public Market	$670,440	3.41%	$22,862
Property Tax			
Hotel	$10,492,249	11.981 mills	$125,708
Private Office	$7,562,963	11.981 mills	$90,612
TOTAL TAX REVENUE (ANNUAL)			$1,521,319

Tax Revenue Created by the Construction of the Boulder International Center:

Revenue to City of Boulder	Tax Base	Assessment Rate	Total Tax Revenue
Construction Use Tax	$98,838,883	3.41%	$3,370,406
TOTAL TAX REVENUE (ONE TIME)			$3,370,406

Tatonka Development Partners Would Like to Thank:

Casey Gebhard – Continuum Partners
Mark Tompkins – Continuum Partners
David Agnew – CU Faculty
Dan Schuetz – Nichols Partnership
Chris Crosby – Nichols Partnership
Steve Sims – Gibbons White
Bryant Smith – Shaw Construction
Dave Thorpe – Shaw Construction
Brian Lewandowski – CU Faculty
Tom Thibodeau – CU Faculty
Brett Russell – HVS
Sherman Miller - CUREC
Aylene McCallum – Downtown Denver Partnership
Ferd Belz – L.C. Fulenwider Inc.
Jeff Wingert – WW Reynolds
Chet Schwartz – Colorado Regional Center
Alexandra Hall – Colorado Department of Labor and Employment
David Johnson – Colorado Department of Labor and Employment
Tyra Sutak – CU Conference Services
David K. O'Neil – International Market Consulting
Peter Cushman – Oakwood Capital Partners
Lou Dellacava – LJD Enterprises, Inc.
Scott Holton – Element Properties
Tracy Huggins – Denver Urban Renewal Authority
Steve Clarke - Prime West Companies
Kevin Hart - Hart Team, LLC
Sam Sharp – DA Davidson
Chris Shears – Shears Adkins+Rockmore
Marilee Utter - ULI
Mark Younadam - Director of Feasibility & Development, Hyatt
Scott Pedersen - Pedersen Development Co

AndersonMasonDale Architects

Cathy Bellem – Anderson Mason Dale Architects
Carrie Lee – Anderson Mason Dale Architects
Kristina Winn – Anderson Mason Dale Architects
Brian Zilis – Anderson Mason Dale Architects
Joseph Montalbano - studiotrope Design Collective
Rick Woodruff - International Man of Mystery
Kim Koehn – K2 Ventures
Katie Latier - CUREC
Bruce Dierking- Packard Dierking
Susan Stanton - NAIOP
Ed Johnson – Dividend Capital
Kevin Mahoney – Stonebridge Companies
Rebecca Harp – Boulder County Fairgrounds
Dan Cohen – Freeman Myre
Chip Wilson - Managing Partner of Dakota Ridge Development
Bob Benton - President of Robert S. Benton & Associates
Mary Ann Mahoney - Boulder Convention & Visitors Buearu
Becky Hall - Packard Dierking
MaryAnn McGeady - McGeady Sisneros P.C.
Diana Long - Little Rock River Market
Duane Vinson - Smith Travel Research
Chad Henry - WW Reynolds
Carolynne White - Brownstein Hyatt Farber Schreck LLP
Ben Woolf - Conscience Bay Company
Jim Lorenzen - Cornerstone

TATONKA

The ancient word for Bison. It is believed that the American Indian tribse known as the Lakota or Souix were the first to use the word Tatonka to describe the great buffalo. Other American Indian tribes also began using the word and soon it was the common word for buffalo.

Tatonka Development Partners is:

Andrew Browning – Andrew will graduate from the University of Colorado's Leeds School of Business in May of 2013 with an MBA in Real Estate and Finance. Prior to entering into the MBA program at CU, Andrew worked as an Architectural Designer and Project Manager at DTJ Design and PEH Architects, both in Boulder, Colorado. More recently Andrew was an Asset Management Intern at Urban Villages in Denver where he learned the functional and financial realities of owning and operating real estate. Andrew hopes to apply his skills in design, finance, and sustainability to real estate development after graduation.

Jason Elliott – Jason will graduate from the University of Colorado's Leeds School of Business in May of 2013 with an MBA in Real Estate Finance. Jason has twenty years of experience in residential design-development and design-build project management as a general contractor. He has started and operated three design-build construction companies over his career and has assembled a wide range of specific competencies applicable to all aspects of real estate. Jason is currently seeking an opportunity to leverage his skills and experience within the real estate development industry.

Cody Kirkpatrick – Cody will graduate from the University of Colorado's Leeds School of Business in May of 2013 with an MBA in Real Estate and Finance. Cody has recently accepted a full-time position as an Associate with Encore Enterprises that began last January. In addition to his work with Encore, Cody has worked with Zisler Capital Associates and Real Capital Solutions. Prior to entering the Leeds School of Business, Cody worked in healthcare consulting and as a project manager with Vail Resorts Development Company where he developed the Arrabelle at Vail Square and The Ritz-Carlton Club and Residences, Vail. Cody graduated from Washington State University earning a bachelor's degree in Finance with emphasis in Real Estate.

Dan Konecny – Dan will graduate from the University of Colorado's Leeds School of Business in May of 2013 with an MBA in Real Estate and Finance. Currently, Dan works part-time as a real estate analyst with Essex Financial Group, a Denver based commercial mortgage bank. Dan recently accepted a full-time offer from Essex and will continue working there upon graduation. Dan received his B.A. from Northwestern University where he studied both Business and Religion. In addition, he was a four year starter on the varsity baseball team and an All-Big Ten pitcher. Dan was drafted by the Detroit Tigers in the 2004 MLB Draft.

Nathan Stern – Nathan will graduate from the University of Colorado – Denver in May of 2013 with an MBA and a Master of Urban and Regional Planning (MURP). A native of Denver, Nathan earned his BA from the University of North Carolina – Chapel Hill and worked for Colorado WINS in Denver prior to enrolling at CU. Nathan is currently a project intern for the Urban Land Conservancy, learning the intricacies of real estate acquisition, development, and finance, and also runs his own business, Solar Roast Coffee – On The Road, a gourmet espresso truck.

Andrea Woodhams – Andrea will graduate from the University of Colorado's Leeds School of Business in May of 2013 with an MBA in Real Estate. Andrea currently works as a Project Manager for Cornerstone Apartment Services, facilitating the design and implementation of operational systems for a $250 million multifamily portfolio in Denver, Colorado. She is enthusiastic about taking on increasingly complex projects, both within and beyond the real estate industry.