

Aloha Stadium Conceptual Redevelopment Report

February 23, 2017

Prepared for:
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Executive Summary

Foley & Lardner LLP is pleased to submit this Aloha Stadium Conceptual Redevelopment Report to the State of Hawaii Stadium Authority and the State of Hawaii Department of Accounting and General Services. This report serves as a summary and introduction to the following reports: (a) the Market Study for a New Aloha Stadium and Economic Impact Analysis for a New Stadium with Ancillary Development prepared by Victus Advisors, (b) the Aloha Stadium Conceptual Redevelopment Plan prepared by Populous, and (c) the Preliminary Development Program, Costs and Feasibility Study prepared by Jones Lang LaSalle (JLL).

We highlight that the scope of this report and the analysis contained herein is limited to the information provided to us by the State of Hawaii and the stakeholders with whom we met. The conclusions and recommendations contained in this report are based on the aforementioned information only and our analysis of the legal and practical risks, challenges and opportunities associated with the ideas, concepts and needs identified by stakeholders. As such, this report contains our analysis of the relevant considerations associated with redevelopment of the Aloha Stadium site based on the needs and desires of the community and relevant stakeholders and not our subjective opinions of the highest and best use for the Aloha Stadium site.

The Victus report reviews the current condition and economic performance of Aloha Stadium and the market and economic opportunity related to construction of a new 30,000-40,000 seat stadium, including the impact on event activities and revenue. The Victus report includes a demographic and socioeconomic analysis of the Honolulu Metropolitan Statistical Area, comparing it to similar markets and other cities that host Mountain West conference football programs. Victus has interviewed key stakeholders of a potential new stadium and summarized their views. Victus recommends the construction of a 30,000-35,000 seat stadium, expandable to 40,000 seats, with premium areas and an improved playing field, and provides projections for the new stadium's utilization and revenue growth. The Victus report is attached hereto as Exhibit A.

The Populous report identifies the potential conceptual master plan for a new stadium and community gathering place in the Halawa Neighborhood, including the lifting of federal deed restrictions and the new Honolulu Authority for Rapid Transit (HART) transit system, all part of the City of Honolulu's transit oriented development. The Populous report is attached hereto as Exhibit B.

The JLL report assesses the financial development model for a mixed use development on the site of the new stadium, to include 2.6 million square feet of retail, office, hospitality and housing (including affordable housing) over the next 20-25 years. The JLL report, which validates the feasibility of ancillary development, is attached hereto as Exhibit C.

In addition, attached hereto as Exhibit D is a spreadsheet of Cash Flow Projections prepared by Charles Vitale, stadium engineer at Aloha Stadium, as edited by Foley & Lardner and Victus.

Aloha Stadium has stood for over 40 years and effectively achieved its mission as a gathering place and as a first-class facility. It is an iconic structure for the citizens of Hawaii, and it is a community asset that hosts over 300 events per year, including multiple professional sporting

events, college bowl, UH football, high school events, concerts, fundraisers supporting non-profit organizations, the Aloha Stadium Swap Meet & Marketplace, and the 50th State Fair.

An update of the structural studies concluded that the stadium currently requires approximately \$300 million in critical health and safety repairs, and an additional \$121 million to bring the stadium up to ADA standards and code compliance (these figures in 2017 dollars). The cost of such repairs is estimated to grow at a rate of approximately 5% per year, meaning that funding such repairs requires over \$30 million of annual contributions for the next 25 years. This is significantly more than the historical average (the State has spent \$98 million on the stadium since 2008, including planned upcoming 2017-2018 work). Wiss, Janney, Elstner Associates (WJE) have highlighted the urgency of systemic problems that continue to grow as a result of deferred maintenance and chronic corrosive conditions. WJE's inspections have analyzed pieces of the building that have actually fallen into public areas of the facility, bringing to reality the venue's immediate and long-term risks to fans, the Stadium Authority, and the State of Hawaii. Failure to fund the necessary health and safety repairs will eventually lead to closing down portions of the stadium.

A new stadium, by contrast, would cost a total of \$324.5 million, including \$260 million for building hard costs (including a 10% contingency and FF&E, demolition, minor excavation, utility relocation and abandonment), \$15 million for site preparation (including a 10% contingency), and \$49.5 in soft costs (including 7% architectural & engineering, 5% contingency, 2% insurance, 3% consultants, 1% testing and inspections) (2017 dollars; excludes remediation and infrastructure improvements). This plan would build a 500,000 square foot facility with approximately 31,000 permanent seats, expandable to 40,000 with temporary seating. Premium areas would include 20 16-seat suites, 2 30-seat party suites, 50 loge boxes, 1,200 club seats, and at least one upscale lounge area. The multipurpose stadium would have a comprehensive array of fan amenities and support spaces to market new events, including more seating options, increased concessions and improved facility circulation. The building would be fully ADA compliant and would decrease operational expenses (through efficient building systems).

A new stadium would be an improvement over a renovated existing stadium at a lower cost, and would facilitate up to 2.6 million square feet of ancillary development over a 25-year period. Ancillary development potential is severely limited with the existing stadium, even if it is renovated to meet basic health and safety requirements and code compliance. The current stadium cannot attract new events; it is too large (with limited seating adjustment capabilities) for many events, it lacks premium amenities, and the playing field is too narrow and not high enough performance quality for major international soccer and rugby clubs. A new stadium could attract additional international sports events and could facilitate variable sized concerts and other major events with proper staging equipment, seating bowl and lighting and sound

The new stadium would continue to be a civic anchor for the community. It would be designed to increase revenue and be more sustainable. Victus estimates that the \$324.5 million investment in a new stadium could generate new economic output over the next 25 years with a net present value of nearly \$1.5 billion. Victus conservatively estimates that the first year of stabilized operations of a new stadium could generate approximately \$5.2 million in net income. This represents \$5.0 million of incremental revenue, after funding of a capital improvement reserve,

but prior to any primary tenant revenue sharing. This is a very conservative conclusion, and it makes assumptions which make the net income estimates lower than they otherwise would be.

The recommendation is to phase construction to allow the existing stadium to continue operations during construction. With a 5% annual escalation in the cost of both renovating the existing stadium and constructing a new stadium, the time is now. The new stadium can be financed over 25 years for less than the annual contribution necessary to repair the existing stadium.

A HART rail transit station is being built at the Aloha Stadium site. Lifting of federal and city deed restrictions combined with the new HART station create a unique opportunity to leverage the increased transit options for stadium operations, and for transit oriented development. Once the new stadium is opened, the existing stadium would be demolished, opening up opportunities on the site for ancillary transit oriented development, located in an optimal location next to the new HART station.

The implementation of the construction plan would include constructing a new stadium in years 1-3, followed by ancillary mixed-used development in years 4-25. This incremental development will respond to market demand and coincide with the completion of HART's new transit station (planned for 2020). The majority of transit oriented mixed-use development will take place between the HART station and the new stadium.

Assuming no other financial contributions towards the new stadium project, approximately \$26 million of annual debt service will be necessary to support stadium construction (exclusive of infrastructure and site preparation). In addition to the extra tax revenue that could be generated by the ancillary retail and commercial development contemplated herein, the following is a list of potential funding sources for State bonds revenue for the new stadium project:

1. Tourist Taxes: Nationwide, hotel/bed taxes and car rental taxes are common sources of revenue for stadium funding. In Indianapolis, rental car taxes were raised to 15%, hotel taxes were raised to 17%, and restaurant taxes were raised to 9% to fund the Colts' Lucas Oil Stadium. In Chicago, funding for Guaranteed Rate Field (the White Sox ballpark) came in part from a raise in car rental tax to 23% and hotels to 16.4%. In Arlington, Texas, car rental taxes were increased 5% to fund the Dallas Cowboys' AT&T Stadium and the planned new Texas Rangers Ballpark, in addition to raises of 0.5% for the city's sales tax and 2% for the city's hotel occupancy tax.
 - a. Transient Accommodations Tax (TAT): There has been dramatic growth in TAT collections over the past several years, with the General Fund increasing from \$59.8 million in 2011 to \$237.2 million in 2016 (projected). With the growth of TAT collections, capturing \$10-20 million per year could fund a majority of the debt service for the new stadium project. This could be utilized by appropriating some existing TAT revenue, or passing a small increase in the TAT rate for the stadium.
 - b. Car rental taxes: The current Rental Motor Vehicle Surcharge Tax (RMVS) in Hawaii is \$3 per day. For fiscal year 2015 (ending June 30, 2015), the State's motor vehicle taxes

and fees (including the RMVS) totaled \$180.8 million, compared to \$168.7 million in fiscal year 2014. This revenue goes to the General Fund.

2. User Fees: Another common source of revenue is stadium-specific fees or sales taxes, such as special increases in sales tax imposed for concessions, food and beverages, tickets, and other items purchased at the stadium. In Washington, D.C., ticket sales and merchandise purchases at the 19-acre stadium and parking site of Nationals Park are subject to a 10.25% sales tax (6% sales tax plus a 4.25% specialized tax) and concessions are taxed at 10%. Other stadiums use ticket surcharges, such as the Steelers' Heinz Field in Pittsburgh and the Texans' Reliant Stadium in Houston. For fiscal year 2016, the existing Aloha Stadium had a total of 316 events drawing a total attendance of over 1.35 million. The existing Aloha Stadium generates gross food and beverage revenues of roughly \$6.64 per capita per event (which rises to \$10.67 for UH football games). Food and beverage revenue is expected to be much higher at a new stadium.
3. Sin Taxes: Cuyahoga County, Ohio, used taxes of 4.5 cents per pack of cigarettes, 1.5 cents per 12-ounce beer, 6 cents per 750-milliliter bottle of wine, 32 cents per gallon of mixed beverages, 24 cents per gallon of cider, and \$3 per gallon of hard liquor to fund the Cleveland Browns' FirstEnergy Stadium, the Cleveland Indians' Progressive Field and the Cleveland Cavaliers' Quicken Loans Arena. State lottery funds have been used in Washington for the Seattle Seahawks' CenturyLink Field and Maryland for the Baltimore Ravens' M&T Bank Stadium.
 - a. Tobacco: Currently, Hawaii has a cigarette tax on wholesalers and dealers equal to 16 cents per cigarette or little cigar. The tax on large cigars is 50% of the wholesale price and the tax on all other tobacco products (tobacco in any form except cigarettes, little cigars or large cigars) is 70% of the wholesale price. For fiscal year 2015, collections of the cigarette and tobacco tax totaled \$129.9 million, compared to \$121.7 million in fiscal year 2014. In 2015, the 16 cent tax per cigarette was distributed as follows: 2 cents went to the Hawaii Cancer Research Special Fund, 1.5 cents went to the Trauma System Special Fund, 1.25 cents went to the Community Health Centers Special Fund, and 1.25 cents went to the Emergency Medical Services Special Fund. An additional \$2 million went to the Cigarette Stamp Administrative Fund and the Cigarette and Stamp Enforcement Fund. The remainder went to the General Fund.
 - b. Alcohol: The State's liquor tax is a gallonage tax imposed on dealers. The current tax rate per wine gallon is \$5.98 for distilled spirits, \$2.12 on sparkling wine, \$1.38 on still wine, 85 cents on cooler beverages, 93 cents on beer other than draft beer, and 54 cents on draft beer. For fiscal year 2015, the liquor tax (and permit fees) totaled \$50.3 million, compared to \$48.3 million in fiscal year 2014. The revenue goes to the General Fund.
4. Tax Increment Financing. Under tax increment financing (TIF), municipalities divert future increases in property tax revenues from a defined area toward a project. These types of funds are often used for roads and infrastructure, and on occasion are used for facilities. Property taxes are locked at their current rate, and as they increase, the additional amount is used to fund the given project. The idea is that programs that depend on property tax revenues maintain their current rate of funding, while the incremental tax revenue generated by the

project is dedicated to paying debt service to support the project. For example, the Detroit Downtown Development Authority announced TIF for a new Red Wings hockey arena in 2014. \$250 million of the project cost will be financed using TIF to repay 30-year tax-exempt bonds purchased by the Michigan Strategic Fund, the state's economic development agency. Title 6, Chapter 46, Hawaii Revised Statutes, authorizes the City to issue tax increment bonds. Because no property tax revenue is currently generated from the stadium site, TIF could provide significant funding for the new stadium project if private ancillary development is built on the stadium site. Such bonds would have to be issued by the City and County. Note, Article VII, Section 12 of the Hawaii State Constitution does not specifically refer to tax increment bonds; therefore there is some question related to whether such bonds are constitutional, so the use of TIF for the new stadium project may require legislation.

5. State Transit Oriented Development (TOD) Assessment. The City is looking at TOD on multiple State properties to generate a significant property tax windfall to the City. The State can consider legislation allowing the State to capture a certain amount (i.e., 25% or more) of the incremental property tax that is a result of each specific private development on a TOD site. Capturing a portion of such incremental property tax windfall would create funds that could support issuance of debt to support State projects throughout the State, including the new stadium project. This is a variation of the TIF concept, but controlled by the State. Essentially, this would involve creating a legislative carve-out stating that when the State owns land that has not previously generated tax revenue for the City or County, a stated percentage of City and County taxes collected as a result of the State's development of such land shall be redirected to the State.
6. Parking: A parking surcharge could be applied to parking on the stadium site.

Immediate Recommendations

The Stadium Authority supports the construction of a new stadium facility, and related ancillary development on the Aloha Stadium site.

The Stadium Authority encourages the State Legislature to approve legislative tools to authorize the Stadium Authority to fund the master planning, construction and implementation of the new stadium, ancillary development and related infrastructure for the remainder of the site. This legislative cycle, the Stadium Authority respectfully requests that the State Legislature provide the minimal funds necessary to implement the new stadium project. This includes funds for a programmatic environmental impact study, market study, remediation, and site preparation. This will help minimize the effect of future cost escalation and reduce the risks for future development.

The Stadium Authority and HART should collaborate to relocate HART's bus parking and replace the planned surface parking spaces with a structured parking facility that will create site efficiencies, saving significant time and money.

We will provide further recommendations as the project progresses.

Exhibit A

Market Study for a New Aloha Stadium and
Economic Impact Analysis for a New Stadium with Ancillary Development

Victus Advisors



Market Study for a New Aloha Stadium
and Economic Impact Analysis for a New
Stadium with Ancillary Development

February 23, 2017





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EXECUTIVE SUMMARY



OVERVIEW OF NEW ALOHA STADIUM OPPORTUNITY

Current Situation:

- Since opening in 1975, Aloha Stadium has become a key part of the Honolulu/Oahu community. The stadium hosts 313 annual events, both locally focused (University of Hawaii football, Swap Meet, State Fair, high school and youth football, fun runs, graduations, parties, etc.) and tourism-focused (Hawaii Bowl, Pro Bowl in years past).
- There have been no major structural updates to Aloha Stadium, and it has now accumulated \$423 million in deferred maintenance, including \$120 million that is needed in ADA-related improvements (Americans with Disabilities Act), which would cost the State on average \$30M million per year over the next 25 years.
- As a result, Foley & Lardner LLP hired Victus Advisors on behalf of the State to analyze the market demand for a new stadium, plus develop an economic impact analysis of the construction and operations of both a new stadium and ancillary development (retail, office, hotel, residential). Construction cost estimates for the stadium were developed by Populous in consultation with contractors, while construction cost estimates for ancillary development were developed by Jones Lang LaSalle (“JLL”).

Market & Economic Opportunity:

- It is estimated that a new Aloha Stadium could be built for approximately \$324.5 million.
- The direct benefits to the State of a new stadium could include:
 - A stadium-anchored, mixed-use destination in conjunction with the Halawa Area Transit-Oriented Development plan
 - New events such as major concerts and international soccer and rugby exhibitions, state-of-the-art amenities such as club seating and in-stadium Wi-Fi, and incremental revenue streams from corporate partnership opportunities such as hospitality suites/boxes and stadium naming rights opportunities.
 - Significant increases in economic and fiscal impacts associated with stadium revenues and tourist spending.
- In addition, based on a development market study by JLL, the State’s initial \$324.5 million stadium investment could be leveraged by the private sector to also generate mixed-use development surrounding the stadium, potentially including:
 - 350,000 SF Retail
 - 150,000 SF Office - (50% professional, 50% medical)
 - 200 Room Limited or Select Service Hotel
 - 500 Multifamily units (to include the requisite allocation of affordable housing)
- Overall, based on an Economic & Fiscal Impact Analysis of a new stadium and ancillary development, Victus Advisors has estimated that the \$324.5 million initial investment by the State in a new stadium could help generate net new economic output over the next 25 years with a net present value of nearly \$1.5 billion.



EXECUTIVE SUMMARY - HISTORICAL ANALYSIS

Annual Event Activity: Tenant event activity has been stable. The total number of in-stadium sports events has increased slightly over the past 3 fiscal years. Events that are not in-stadium sports events account for approximately 83% of event activity. There are roughly 57 in-stadium sports-related events that could already be hosted in a new Aloha Stadium.

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
IN-STADIUM SPORTS EVENTS			
Hawaii State Jr. Prep. Assoc. football	10	8	3
Interscholastic League of Hawaii football	12	8	10
Pop Warner	5	5	6
University of Hawaii football	6	7	7
Other (football, rugby, soccer, etc.)	18	22	31
Total - Sports:	51	50	57
OTHER EVENTS & SHOWS			
Swap Meets*	151	153	155
50th State Fair*	20	24	20
Sports Car Club of America*	14	16	14
Runs*	4	5	3
Other (graduations, parties, etc.)	70	61	67
Total - Other Events & Shows:	259	259	259
TOTAL EVENT DAYS:	310	309	316
NON-IN-STADIUM SPORTS % OF EVENTS:	84%	84%	82%

*Events held outside stadium in parking lot

Note: Only includes revenue-generating events

It should also be noted that the largest events held in Aloha Stadium within the past 3 years have rarely exceeded 30,000 people in attendance.

Financials: Revenue has been steady in recent years, with the Swap Meet accounting for 63% of revenue. Expenses have remained relatively stable as well, resulting in an average profit margin of 2.2% over the last three fiscal years.

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>AVERAGE</u>	
Revenues:					
Swap Meet	\$4,429,057	\$4,445,007	\$4,175,578	\$4,350,000	63.0%
Parking	\$766,401	\$702,068	\$874,689	\$781,000	11.3%
Food and Beverage	\$960,103	\$977,746	\$989,980	\$976,000	14.1%
Rent	\$131,339	\$201,220	\$250,669	\$194,000	2.8%
Advertising	\$362,450	\$360,057	\$305,032	\$343,000	5.0%
Interest	\$14,043	\$20,648	\$25,951	\$20,000	0.3%
Stadium Tours	\$1,306	\$1,516	\$2,779	\$2,000	0.0%
Miscellaneous	\$249,165	\$196,720	\$274,896	\$240,000	3.5%
Revenue (net):	\$6,913,864	\$6,904,982	\$6,899,574	\$6,906,000	100%
Expenses:					
Personal Services	\$4,002,639	\$4,094,624	\$4,115,021	\$4,070,761	60%
Supplies	\$252,104	\$271,012	\$216,677	\$246,598	4%
Utilities	\$1,080,817	\$994,183	\$962,090	\$1,012,363	15%
Repair and Maintenance	\$233,481	\$213,520	\$216,446	\$221,149	3%
Services on a Fee Basis	\$389,222	\$489,026	\$508,331	\$462,193	7%
Central Services Assessment	\$431,260	\$408,348	\$441,249	\$426,952	6%
Miscellaneous	\$315,019	\$407,234	\$218,502	\$313,585	5%
Indirect Expenses:	\$6,704,542	\$6,877,947	\$6,678,316	\$6,753,602	100%
Operating Income:	\$209,322	\$27,035	\$221,258	\$152,398	
Profit Margin:	3.0%	0.4%	3.2%	2.2%	

Although the Stadium Authority has operated at a small positive margin over the last 3 years, the stadium currently requires approximately \$423,000,000 in critical health and safety repairs. This would cost the state approximately \$30,000,000 per year for 25 years, and there is not enough operating revenue to support this maintenance.



EXECUTIVE SUMMARY - MARKET ANALYSIS

Demographic & Socioeconomic Analysis: The Honolulu Metropolitan Statistical Area is the 54th largest metropolitan statistical area in the country, with nearly 1.0 million people. When comparing the Honolulu market to similar markets with stadiums that host a Mountain West conference football program (such as the University of Hawaii Rainbow Warriors), we found that Honolulu ranked high in terms of population and corporate base, which indicates strong potential for businesses to purchase premium seating amenities and sponsorship opportunities. However, the market ranked poorly in terms of median age and adjusted median household income which could indicate less discretionary income for the local population to purchase sports/entertainment tickets.

Interviews with Potential Users: Based on interviews conducted with key stakeholders of a potential new Aloha Stadium, Victus Advisors found that a new stadium in Honolulu should attract the addition of extra events to the marketplace, including major concerts and international soccer/rugby exhibitions. In addition, a new stadium with improved technology components could provide significant additional revenue streams including premium seating options and increased corporate sponsorship/hospitality opportunities as well as an annual stadium naming rights partner.

Based on stakeholder feedback, Aloha Stadium is not currently capable of hosting major concerts because:

- a) Aloha Stadium lacks the proper staging, rigging, and power supply for major concerts.
- b) The current stadium at 50,000 seats is too large to attract many artists who prefer to completely fill smaller venues (e.g. 30,000 seats or less).
- c) Artists are concerned about guaranteed revenue at a potential tour stop which is further away than typical continental United States tour locations.



EXECUTIVE SUMMARY - STADIUM PROGRAM

Based upon extensive market analysis, Victus Advisors recommends the following features in a new stadium:

Seating Capacity:

- Approximately 35,000 seats in a U-shaped arrangement (*Note: Final seating capacities to be determined by project architects, potentially including a mixture of fixed seating, grass/berm seating, and event-level seating for concerts.*)
- Significant consideration should be given to arranging seating to drive maximum value for concert and entertainment performances.

Premium Areas:

- Suites: 22 suites consisting of 18 private suites (16 seats each) leased annually, 2 private suites (16 seats each) reserved for state/university use, and 2 party suites (30 seats each) sold on a per game basis
- Loge Boxes: 50 loge boxes with 4 seats per box - leased annually by box
- Club Seats: 1,200 club seats - leased annually by seat
- At least one (1) upscale lounge area to be used by premium seat buyers, as well as meeting and banquet rentals on non-event nights

Field Specifications:

- In order to accommodate international soccer and rugby friendlies, the field should be natural grass and have dimensions of 120 yards long by 80 yards wide. Multiple sports promoters indicated that international soccer and rugby teams would not agree to play on artificial turf.

Comparable Mountain West Conference Football Stadiums:

Comparable stadiums offered approximately 36,000 seats, 20-21 suites (priced at \$40.5K each), 26-30 loge boxes (\$11,000 each), and 700-721 club seats (\$1,900 each).

We analyzed comparative suite inventories based on corporate base AND comparative loge box and club seat inventories based on households with income over \$150K.

Stadium	SEATING CAPACITY	SUITES		LOGE BOXES		CLUB SEATS	
	Total Inventory	Suite Inventory	Annual Price	Loge Inventory	Annual Price	Club Inventory*	Annual Price
Maverik Stadium	22,059	20	\$40,000	26	\$10,000	700	\$1,325
War Memorial Stadium	29,181	10	\$44,000	-	-	256	\$2,750
Bulldog Stadium**	43,560	46	\$35,000	12	-	1,000	-
Albertsons Stadium	36,387	39	\$45,000	48	\$12,000	832	\$2,200
Qualcomm Stadium***	54,000	20	\$10,800	-	-	-	-
Falcon Stadium	46,692	6	\$27,000	-	-	621	\$1,825
Sam Boyd Stadium	35,500	16	\$60,000	-	-	488	\$3,000
Colorado State Stadium	41,200	22	\$40,000	40	\$14,000	940	\$1,900
CEFCU Stadium	30,456	12	\$14,600	-	-	-	-
University Stadium	39,224	9	\$21,000	-	-	1,597	\$839
Mackay Stadium	26,000	36	\$115,000	26	\$8,000	56	\$1,500
AVERAGE	36,751	21	\$41,127	30	\$11,000	721	\$1,920
MEDIAN	36,387	20	\$40,000	26	\$11,000	700	\$1,863

*Club seats include a club seat lounge and supersuites

**Represents inventory for planned expansion

***Club Inventory is not listed because the stadium features more than 7,800 club seats to meet demand for the NFL's San Diego Chargers



EXECUTIVE SUMMARY - UTILIZATION & FINANCIALS

Projected Stadium Utilization:

As shown below, it is conservatively estimated that a new Aloha Stadium could host approximately 321 events per year, with estimated annual attendance of 1,440,558 people. With a new Aloha Stadium, we have estimated that the Honolulu market could capture at least 8 new major sports and entertainment events each year (e.g. concerts, soccer, rugby, etc.).

Event Type	Event Days	Average Attendees per Event	Total Attendees
Existing Events			
Runs	4	7,743	30,972
Football Games	53	6,249	331,197
Swap Meet	155	5,771	894,505
Other Events & Shows (Graduations, Parties, etc.)	101	484	48,884
Annual Total	313	20,247	1,305,558
New Events			
Concerts & Entertainment Acts	3	20,000	60,000
International Soccer & Rugby Exhibitions	5	15,000	75,000
Annual Total	8	35,000	135,000

Notes:

- Represents a stabilized year of operations.
- Estimates are intended to represent a conservative, base-case scenario.

Projected Financials - New Aloha Stadium:

In a stabilized year of operations, it is estimated that the operations of a new Aloha Stadium could generate approximately \$5.2 Million in net income (representing approximately \$5.0 Million in incremental income), after funding of a capital improvement reserve, but prior to any primary tenant revenue sharing.

It should be noted however, net income for the Stadium Authority may be significantly lower than \$5.2 million, as several new revenue streams may be shared with the primary tenant (stadium naming, sponsorships, luxury seating).

	Current Aloha Stadium ¹	Increment from New Aloha Stadium	New Aloha Stadium Operations
Revenues:			
Swap Meet ²	\$4,175,578	(\$835,116)	\$3,340,462
Parking (net) ³	\$874,689	(\$874,689)	\$0
Food & Beverage (net) ⁴	\$989,980	\$389,311	\$1,379,291
Rent	\$250,669	\$200,000	\$450,669
Stadium Naming Rights (net) ^{5,6}	\$0	\$1,088,000	\$1,088,000
Advertising & Sponsorships (net) ⁵	\$305,032	\$2,958,968	\$3,264,000
Interest	\$25,951	\$0	\$25,951
Luxury Seating Premiums (net) ^{5,7}	\$0	\$2,249,984	\$2,249,984
Stadium Tours	\$2,779	\$0	\$2,779
Miscellaneous	\$274,896	\$0	\$274,896
Total - Net Revenue:	\$6,899,574	\$5,176,458	\$12,076,032
Expenses:			
Personal Services	\$4,115,021	(\$700,506)	\$3,414,515
Supplies	\$216,677	(\$65,003)	\$151,674
Utilities	\$962,090	(\$288,627)	\$673,463
Repairs & Maintenance	\$216,446	(\$64,934)	\$151,512
Services On A Fee Basis	\$508,311	(\$152,493)	\$355,818
Central Services Assessment	\$441,249	(\$132,375)	\$308,874
Miscellaneous	\$218,502	(\$65,551)	\$152,951
Total - Expenses:	\$6,678,296	(\$1,469,489)	\$5,208,807
Net Operating Income*:	\$221,278	\$6,645,947	\$6,867,225
Less: Annual Capital Reserve:			(\$1,622,500)
NOI After Capital Reserve Funds:			\$5,244,725

²See footnotes on page 68.

¹Note: Represents a stabilized year of operations. Shown in 2017 dollars.

¹Represents 2015-16 Fiscal Year budget provided by Stadium Authority staff

²To reflect the uncertainty at this stage of planning, we have discounted existing Swap Meet revenue by 20%



EXECUTIVE SUMMARY - ECONOMIC IMPACTS

Stadium & Ancillary Development - Net Economic & Fiscal Impact Analysis:

The one-time construction and on-going operations of a new stadium and ancillary development (including 41 acres in Phase 1, with residential, retail, office and hotel, according to Jones Lang LaSalle demand estimates) are estimated to generate incremental direct spending by outside businesses and visitors. Over the course of 25 years, it has been estimated that approximately 680 net annual jobs could be sustained after full build-out. In addition, the Net Present Value (NPV) of incremental economic/fiscal benefits has been estimated to include nearly \$1.5 billion in net economic output, approximately \$556 million in net new labor income, and nearly \$135 million in state and local tax revenues, as shown below.

	Cumulative	Net Present Value*
Direct Spending:	\$1,962,617,000	\$999,339,000
Total Output:	\$2,916,591,000	\$1,463,702,000
Annual Jobs:	680	n/a
Personal Earnings:	\$1,086,407,000	\$556,143,000
Taxes:**	\$344,797,000	\$134,913,000

Note: 25 year model. For purposes of this model, construction spending lumped into Year 1.

** Assumes 8.0% discount rate.*

*** Includes State and Oahu taxes (general excise, tourist, property).*



SECTION 1
INTRODUCTION, METHODOLOGY &
PROJECT BACKGROUND



PROJECT BACKGROUND

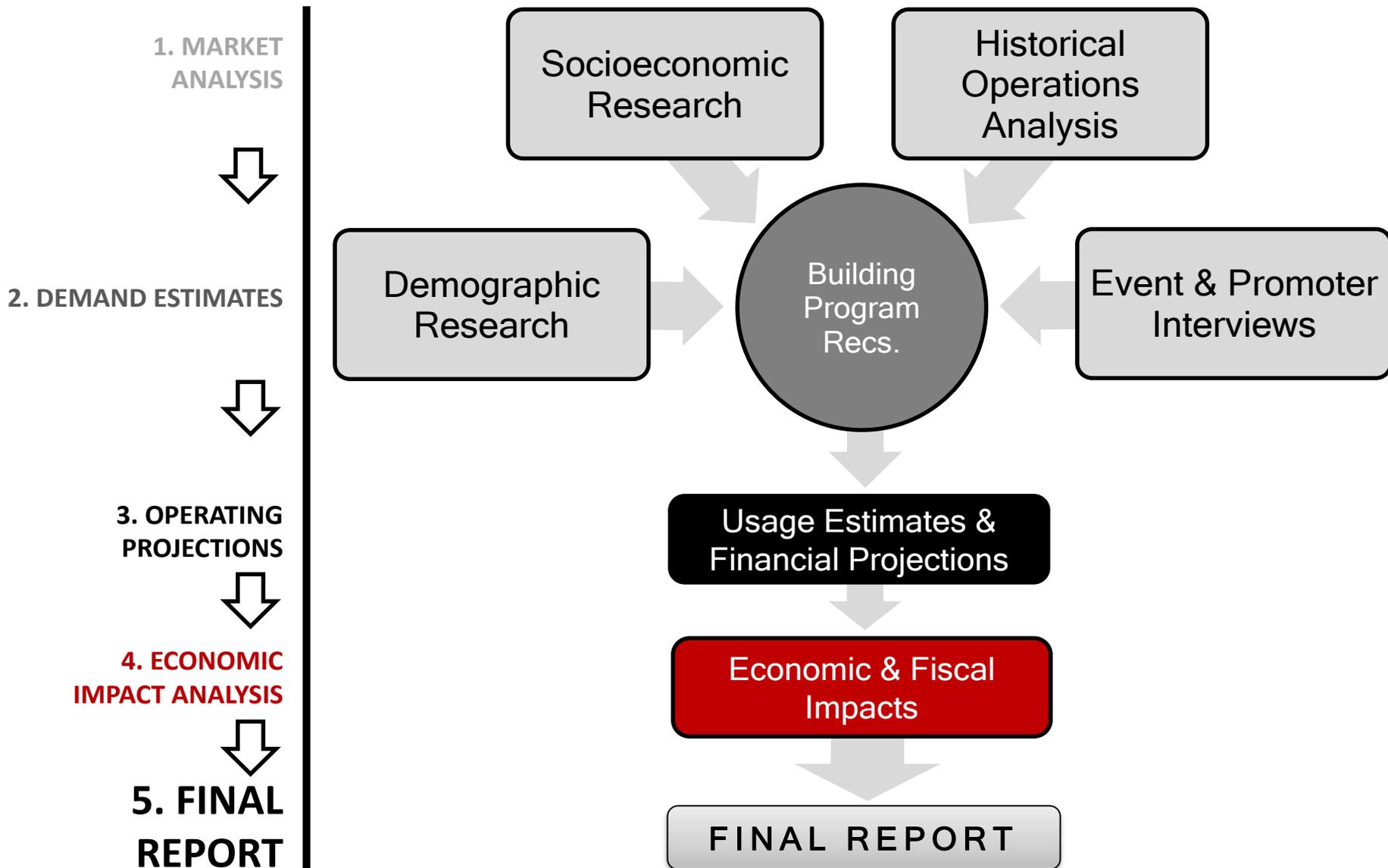
Victus Advisors was engaged by **Foley & Lardner LLP** on behalf of the **State of Hawaii** in October 2016 to conduct an independent, objective, and research-based study of the market demand for a replacement of Aloha Stadium and the potential economic and fiscal impacts that could be generated by a new Aloha Stadium and adjacent ancillary development (residential, retail, office, hotel).

Victus Advisors' study goals included:

- Estimate market demand for a new Aloha Stadium (events, attendance)
- Recommend a market-supportable building program (seating capacity, VIP areas, etc.)
- Project the potential incremental revenues/expenses of a new stadium
- Evaluate the potential economic & fiscal impacts of construction and operations of a new stadium and ancillary development



FEASIBILITY STUDY PROCESS





SECTION 2
HISTORICAL ANALYSIS



This section is intended to provide an analysis of the recent operations of Aloha Stadium. Therefore this section includes:

- Attendance figures
- Event history
- Financials
- Premium seating options
- Missed opportunities

The results of this analysis will be used to determine ideal seating capacity, future potential tenants and events, target consumers, and more.



ALOHA STADIUM

- Opened in 1975; Renovated in 2001
- Max Capacity: 50,000
- Cost: \$37.0M (1975)
 - \$87.9M (Additional construction since 1990)
- Owner: State of Hawaii
- Operator: Hawaii Stadium Authority
- Tenants: U. of Hawaii Football, Hawaii Bowl



Events & Attendance - FYE 2016:

- 316 unique events - 1,350,871 attendees:
 - 54 football - 377,868 attd.
 - 3 runs - 23,228
 - 3 other sports - 6,476
 - 155 swap meets - 894,579
 - 101 other events/shows - 54,520



Premium Seating Amenities:

- 6 sky box rooms (2 available at \$6,000/\$5,000)
- 2 VIP field suites (\$3,000 each)
- 2 loge areas (\$4,800 each)



ANNUAL EVENT ACTIVITY

Tenant event activity has been stable as the total number of in-stadium sports events has increased slightly over the past 3 fiscal years. Events outside of the stadium account for approximately 83% of event activity. There are roughly 57 in-stadium sports-related events that could be transitioned to a new Aloha Stadium.

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
IN-STADIUM SPORTS EVENTS			
Hawaii State Jr. Prep. Assoc. football	10	8	3
Interscholastic League of Hawaii football	12	8	10
Pop Warner	5	5	6
University of Hawaii football	6	7	7
Other (football, rugby, soccer, etc.)	18	22	31
Total - Sports:	51	50	57
OTHER EVENTS & SHOWS			
Swap Meets*	151	153	155
50th State Fair*	20	24	20
Sports Car Club of America*	14	16	14
Runs*	4	5	3
Other (graduations, parties, etc.)	70	61	67
Total - Other Events & Shows:	259	259	259
TOTAL EVENT DAYS:	310	309	316
NON-IN-STADIUM SPORTS % OF EVENTS:	84%	84%	82%

*Events held outside stadium in parking lot

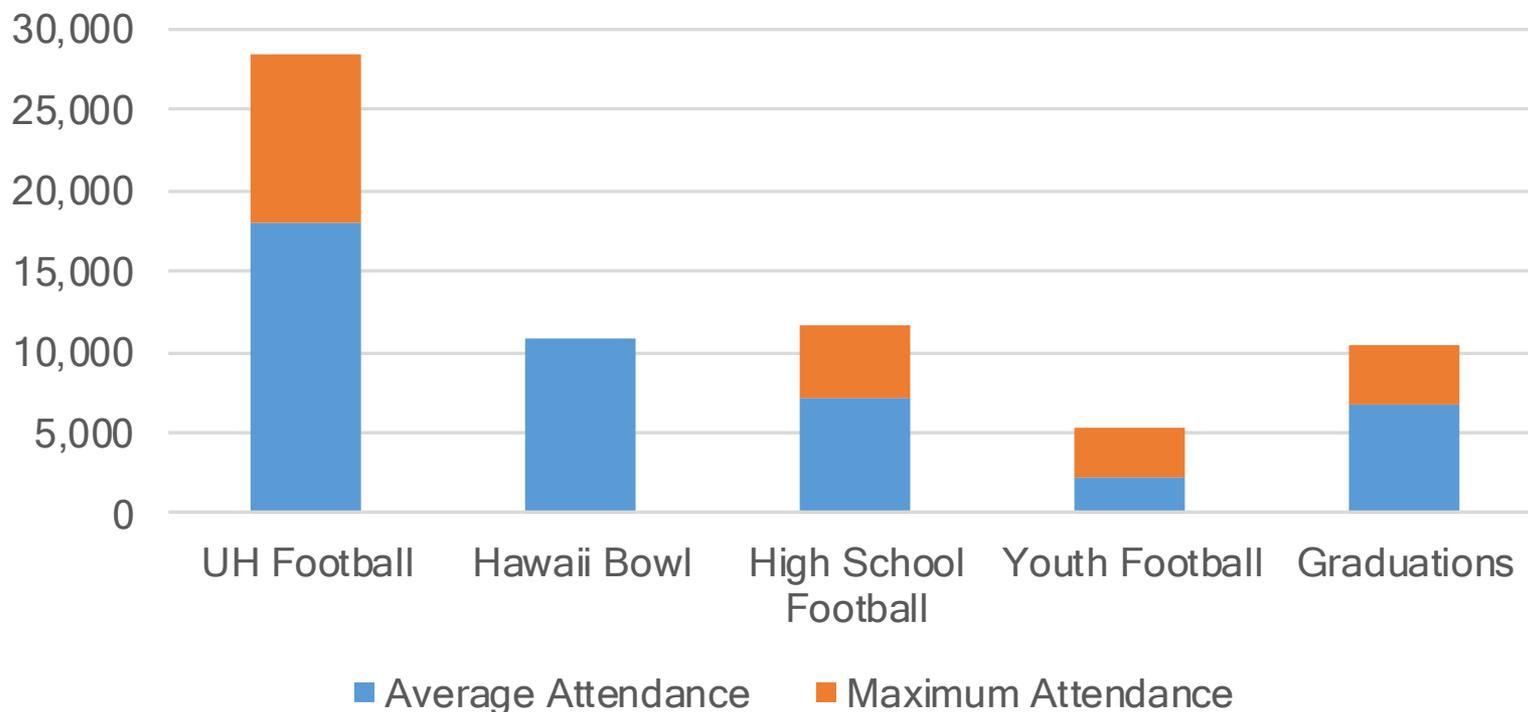
Note: Only includes revenue-generating events



IN-STADIUM ATTENDANCE BY USER GROUP

At the current Aloha Stadium, even the largest single-day event held in the stadium in 2016 had maximum turnstile attendance below 30,000.

FYE 2016 In-Stadium Attendance by User Group



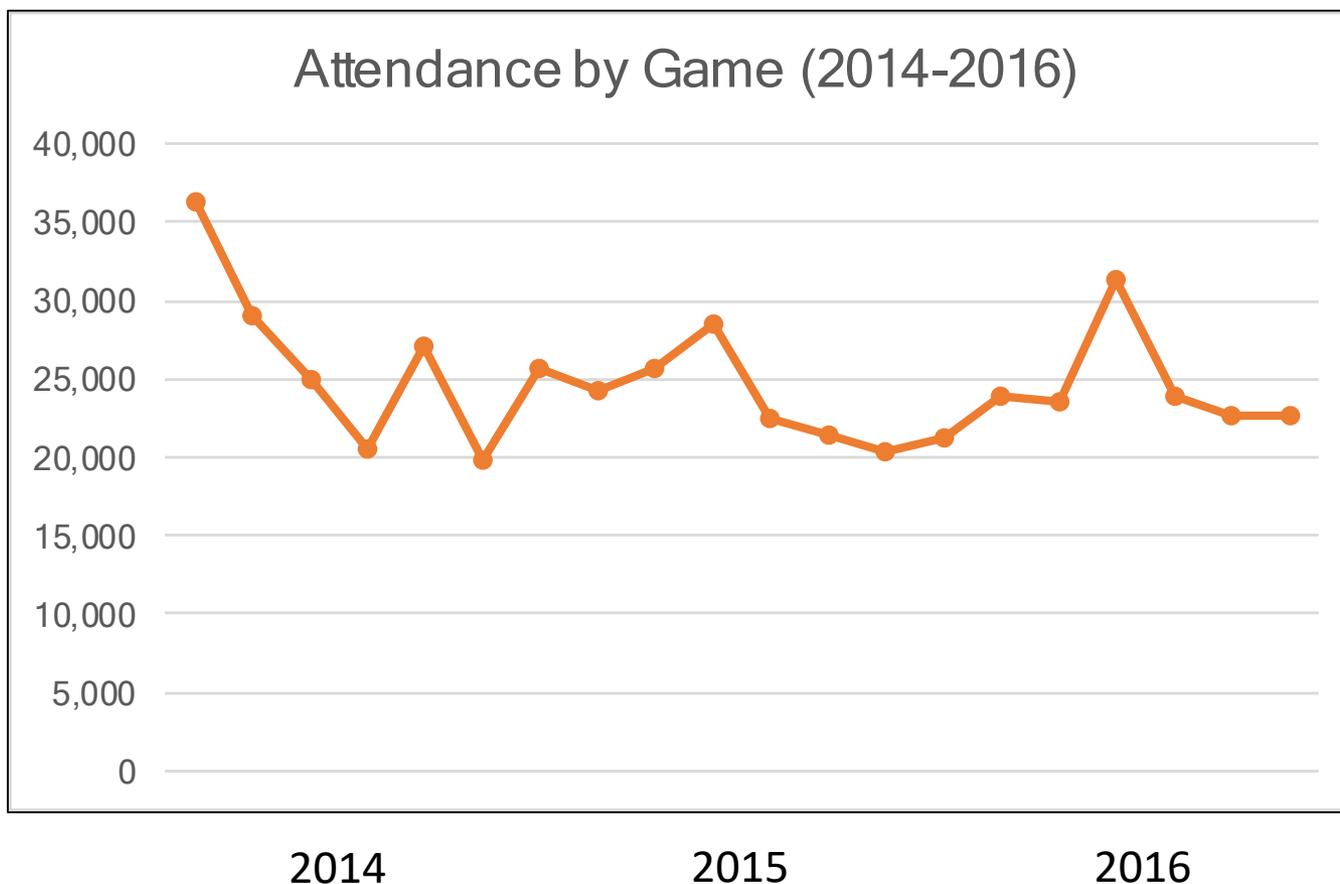


UH FOOTBALL ATTENDANCE: 2014-2016

Over the last 3 years, University of Hawaii football has had one game with attendance over 35,000.

Average Game Attendance - UH Football: 24,783

Median Game Attendance - UH Football: 23,932

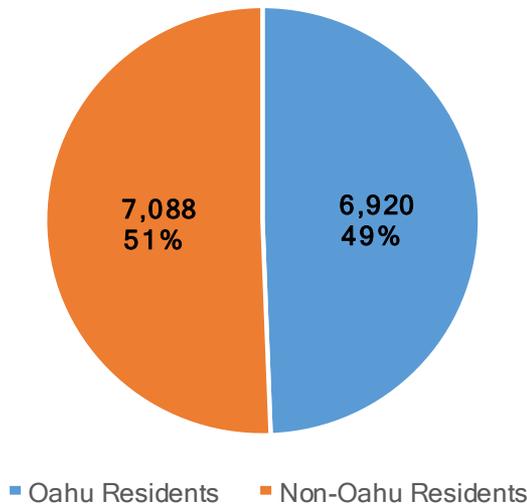




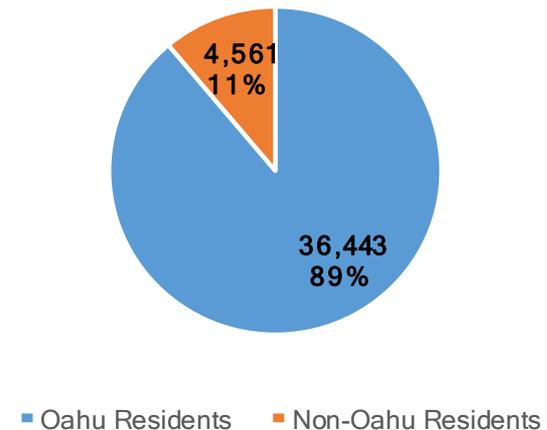
ATTENDANCE TRENDS - MAJOR FOOTBALL EVENTS

More than half of 2016 Pro Bowl attendees were non-Oahu residents, with many coming from the mainland. However, the vast majority (89%) of 2015-2016 University of Hawaii football attendees were residents of Oahu.

2016 Pro Bowl Attendees*



2015 and 2016 University of Hawaii Football Attendees



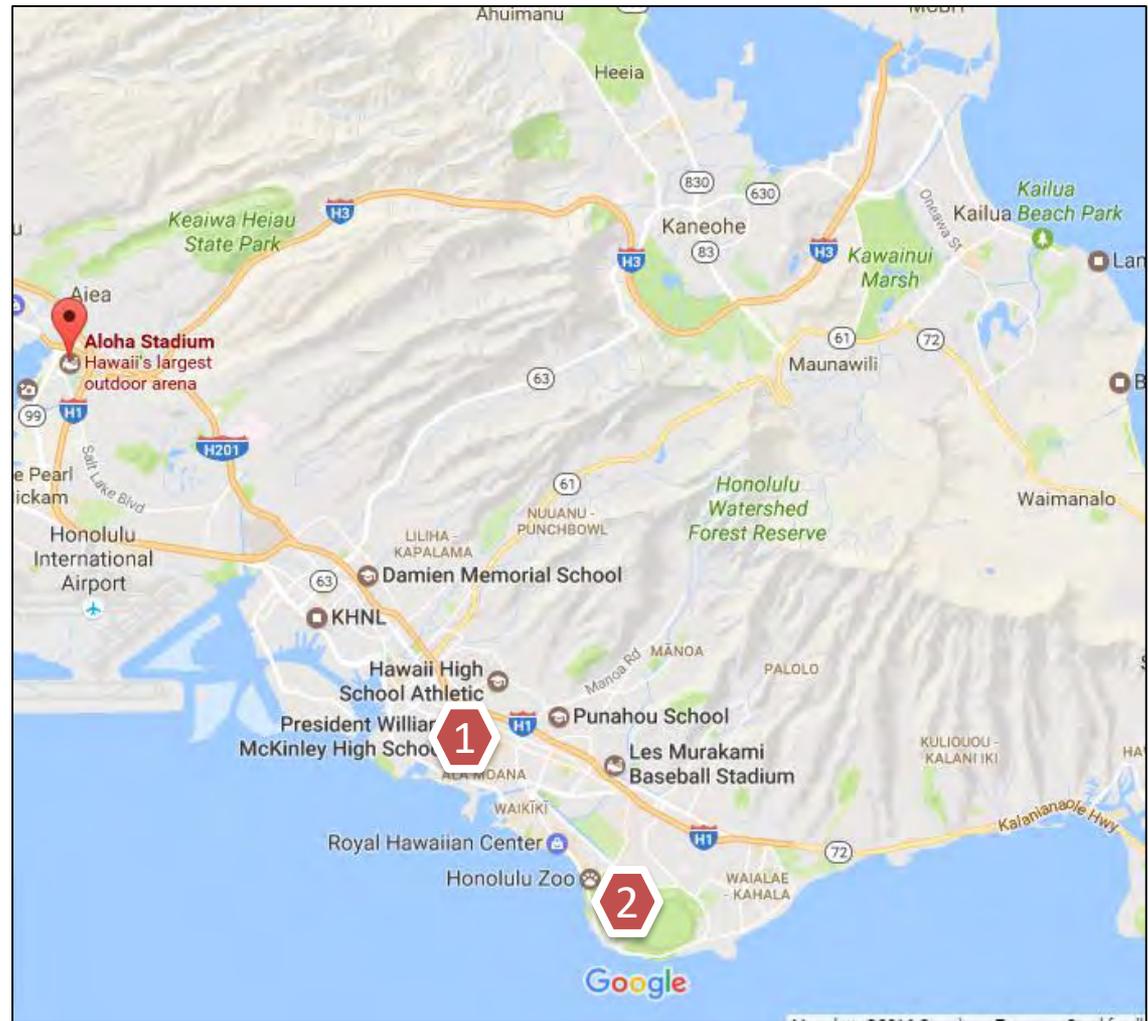
* Note: Represents ticket buyers, not individual attendees



OTHER KEY LOCAL/REGIONAL FACILITIES

In addition to Aloha Stadium, we have identified the following two facilities as major sports/entertainment facilities with a seating capacity of at least 2,000 seats:

- Neil S. Blaisdell Center/Concert Hall
- Waikiki Shell



- 1 Neal S. Blaisdell Center/Concert Hall (8.3 miles from Aloha Stadium)
- 2 Waikiki Shell (12.7 miles)



Neal S. Blaisdell Center/Concert Hall:

- Regional performing arts facility
- Opened in 1964 (\$14M); Renovation completed in 1994
- Owned by City and County of Honolulu
- Operated by City and County of Honolulu
- Capacity: 8,800 (arena); 2,157 (concert hall)



Annual Operations:

- Concerts and Entertainers (2014-2017): The Beach Boys, Steve Aoki, Dave Chapelle, Bruno Mars, Harlem Globetrotters, Bob Dylan, Elton John, Kings of Leon, Jack White, Diana Ross, Wiz Khalifa, Keith Urban, Hall & Oates, Kristi Yamaguchi, Chicago, UB40, Kevin Hart, The Cure, Sting, Ringo Starr, Mariah Carey, Garth Brooks, Chance the Rapper, Sesame Street Live, Journey

The arena hosts concerts with an average attendance of 5,504 while the Concert Hall has an average concert attendance of 2,309.

Premium Seating:

- 567 loge seats
 - Pricing varies per event (e.g. \$65 for Katt Williams and \$125 for Journey)



Waikiki Shell:

- Regional performing arts facility
- Opened in 1956 (\$14M)
- Owned by City and County of Honolulu
- Operated by City and County of Honolulu
- Capacity: 2,400 seats (expanded to 6,000 with lawn)



Annual Operations:

- Concerts (2014-2017): Big Mountain, Jack Johnson, Gyptian, Mayjah Rayjah

The Waikiki Shell hosts concerts with an average attendance of 6,009.

Premium Seating:

- No premium seating options



LACK OF CONCERT ACTIVITY

It should be noted that Aloha Stadium does not currently host major concert activity. Based on feedback from Stadium Authority staff and interviews with regional/national concert promoters, Aloha Stadium does not currently host concerts because:

- a) Aloha Stadium lacks the proper staging, rigging, and power supply for major concerts.
- b) The current stadium at 50,000 seats is too large to attract many artists who prefer to completely fill smaller venues (e.g. 30,000 seats or less).
- c) Artists are concerned about guaranteed revenue at a potential tour stop which is further away than typical continental United States tour locations.

As with current ticketed sports event activity at Aloha Stadium, it is expected that major concerts at a new Aloha Stadium could drive significant revenues for the Stadium Authority, as well as provide new major entertainment options for both local/regional residents and tourists (as described in detail in Section 5 of this report).



ANNUAL EVENT INCOME

In-stadium sports event income has gradually increased over the past 3 years, while other event and show income has remained relatively stable. Other events and shows account for 80% of income generated from events, primarily because of the Swap Meet.

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
IN-STADIUM SPORTS EVENTS INCOME:			
Hawaii State Jr. Prep. Assoc. football	\$31,190	\$23,433	\$17,969
Interscholastic League of Hawaii football	\$127,503	\$90,651	\$120,751
Pop Warner	\$23,413	\$22,650	\$22,314
University of Hawaii football	\$731,372	\$868,035	\$736,935
Other (football, rugby, soccer, etc.)	\$335,820	\$258,189	\$455,939
Total - Sports:	\$1,249,298	\$1,262,958	\$1,353,908
OTHER EVENTS & SHOWS INCOME:			
Swap Meets*	\$4,617,702	\$4,631,934	\$4,444,789
50th State Fair*	\$259,738	\$293,707	\$286,096
Sports Car Club of America*	\$10,500	\$12,000	\$10,500
Runs*	\$36,372	\$21,728	\$14,289
Other (graduations, parties, etc.)*	\$179,012	\$171,481	\$293,971
Total - Other Events & Shows:	\$5,103,324	\$5,130,850	\$5,049,645
TOTAL EVENT INCOME:	\$6,352,622	\$6,393,808	\$6,403,553
NON-SPORTS % OF EVENT INCOME:	80%	80%	79%

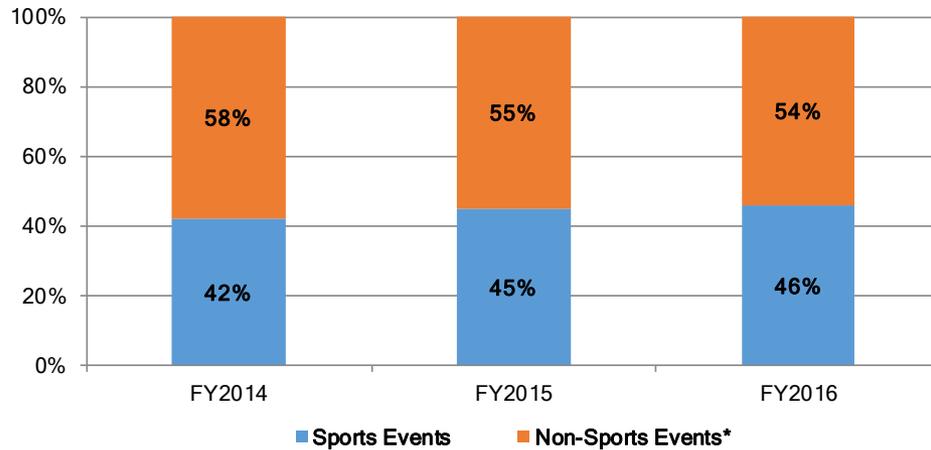
*Events held outside stadium in parking lot



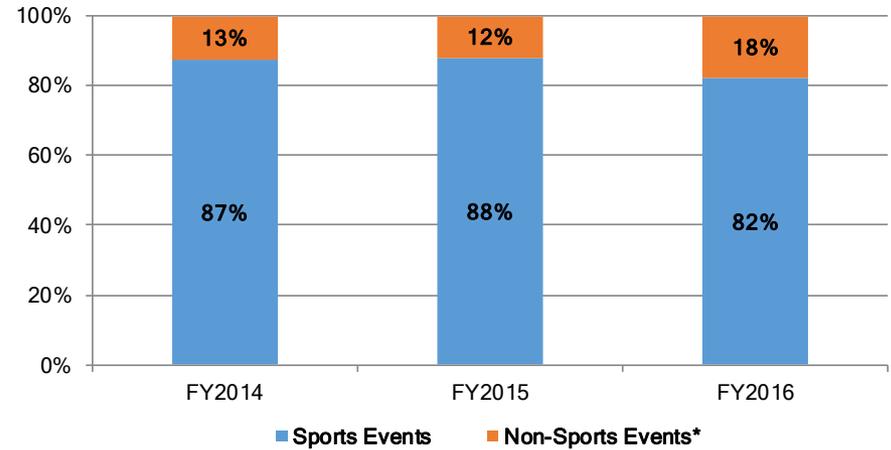
EVENT DAYS vs. EVENT INCOME (IN-STADIUM ONLY)

Sports events represent approximately 42-46% of in-stadium event activity, however these sports events account for well over 80% of income compared to non-sports events.

Event Days



Event Income



**Non-Sports Events include graduations, parties, etc.*



STADIUM AUTHORITY FINANCIALS

Stadium Authority revenue has been steady in recent years, with the Swap Meet accounting for 63% of revenue. Expenses have remained relatively stable as well, resulting in a small annual profit margin averaging 2.2% over the last three fiscal years.

	FY2014	FY2015	FY2016	AVERAGE	
Revenues:					
Swap Meet	\$4,429,057	\$4,445,007	\$4,175,578	\$4,350,000	63.0%
Parking	\$766,401	\$702,068	\$874,689	\$781,000	11.3%
Food and Beverage	\$960,103	\$977,746	\$989,980	\$976,000	14.1%
Rent	\$131,339	\$201,220	\$250,669	\$194,000	2.8%
Advertising	\$362,450	\$360,057	\$305,032	\$343,000	5.0%
Interest	\$14,043	\$20,648	\$25,951	\$20,000	0.3%
Stadium Tours	\$1,306	\$1,516	\$2,779	\$2,000	0.0%
Miscellaneous	\$249,165	\$196,720	\$274,896	\$240,000	3.5%
Revenue (net):	\$6,913,864	\$6,904,982	\$6,899,574	\$6,906,000	100%
Expenses:					
Personal Services	\$4,002,639	\$4,094,624	\$4,115,021	\$4,070,761	60%
Supplies	\$252,104	\$271,012	\$216,677	\$246,598	4%
Utilities	\$1,080,817	\$994,183	\$962,090	\$1,012,363	15%
Repair and Maintenance	\$233,481	\$213,520	\$216,446	\$221,149	3%
Services on a Fee Basis	\$389,222	\$489,026	\$508,331	\$462,193	7%
Central Services Assessment	\$431,260	\$408,348	\$441,249	\$426,952	6%
Miscellaneous	\$315,019	\$407,234	\$218,502	\$313,585	5%
Indirect Expenses:	\$6,704,542	\$6,877,947	\$6,678,316	\$6,753,602	100%
Operating Income:	\$209,322	\$27,035	\$221,258	\$152,398	
Profit Margin:	3.0%	0.4%	3.2%	2.2%	

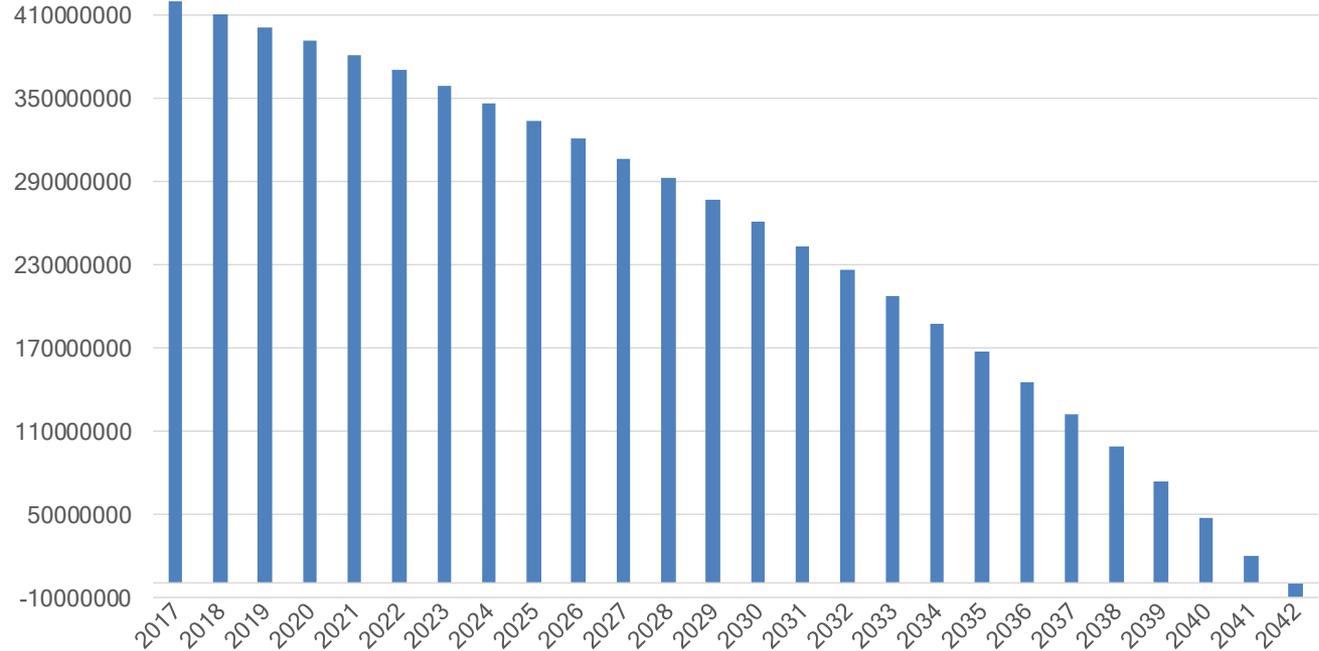
Note: Based on Victus Advisors' industry experience, Advertising revenue is very low for a 50,000 seat stadium.



STADIUM AUTHORITY FINANCIALS (CONT'D)

Although the Stadium Authority has operated at a slim positive margin over the last 3 years, the stadium currently requires approximately \$423,000,000 in critical health and safety repairs. This would cost the state approximately \$30,000,000 per year for 25 years, and there is not enough revenue to support this maintenance.

HEALTH & SAFETY REPAIR COSTS: ASSUMING \$30M* ANNUAL CONTRIBUTION



*An annual budget contribution to repairs of \$30M is significantly more than historical average.

**Applies 5% annual rate of escalation.

*** State has spent \$98M on the stadium since 2008 (including upcoming 2017-2018 work).



SECTION 3
DEMOGRAPHIC &
SOCIOECONOMIC ANALYSIS



This section is intended to provide an analysis of the demographic and socioeconomic trends of the Honolulu MSA and island of Oahu. Therefore this section includes:

- Demographic information
- Population distribution
- Median age distribution
- Median household income distribution
- Review of comparable markets (Mountain West football stadium locations)

The results of this analysis will be used to compare the Honolulu market to other similar markets around the country in terms of how the size of their stadiums is correlated to local demographic/socioeconomic data.



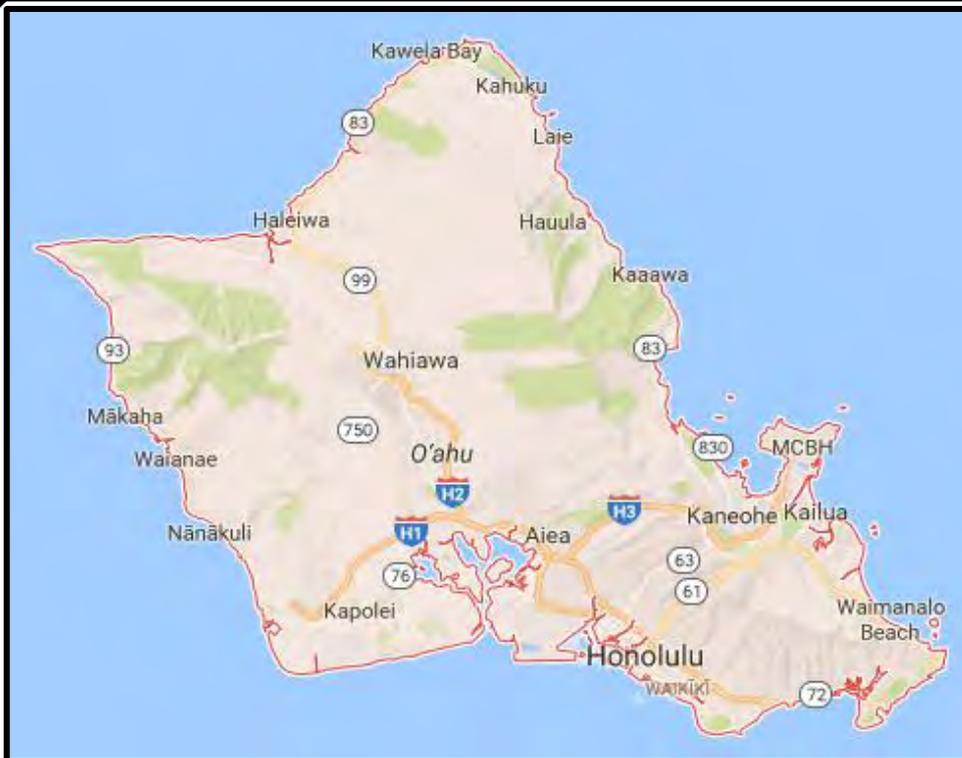
METROPOLITAN STATISTICAL AREA (MSA)

Metro.
Statistical
Areas

- MSA's are defined by U.S. Office of Management & Budget
- Adjacent counties with high degree of social/economic integration with urban core of 50,000 people or more.

Honolulu
MSA

- Geographically defined as Honolulu County
- According to Esri, the Honolulu MSA has a population of nearly 1 million people





HONOLULU MSA DEMOGRAPHICS

The Honolulu, HI MSA is the 54th largest MSA in the country, surpassing the MSA's of Tulsa, Fresno, Omaha, Albuquerque, Knoxville, and Baton Rouge, among others.

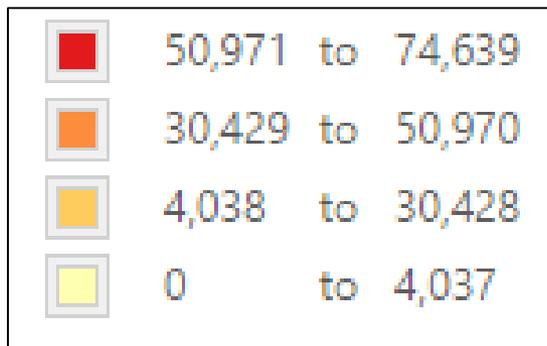
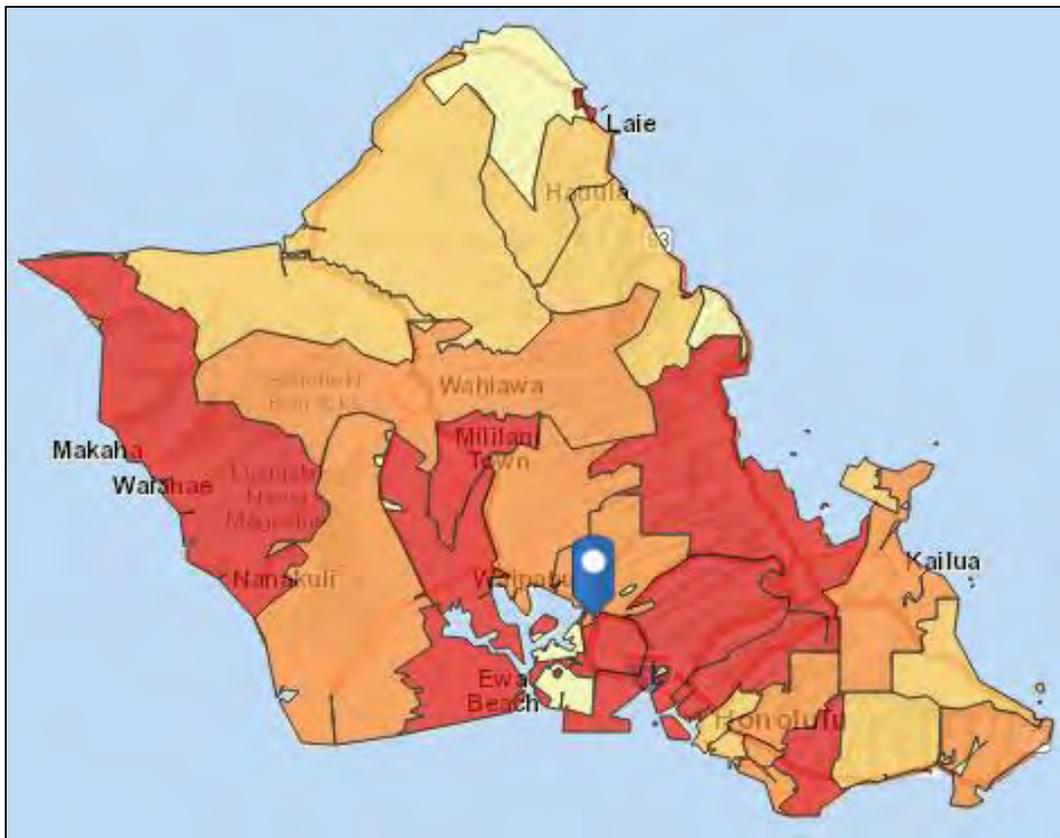
	Honolulu MSA	Hawaii	United States
Population	999,751	1,435,364	323,580,626
Population Growth:			
Annual Pop. Growth (2000 to 2016)	0.83%	1.07%	0.88%
Annual Pop. Growth (5-year Projection)	0.83%	0.94%	0.84%
Projected Population (2021)	1,041,858	1,503,878	337,326,118
Median Age	38.2	39.1	38.0
Median Household Income	\$74,851	\$68,416	\$54,149
Adjusted Household Income	\$39,709	\$40,894	
Corporate Base*	273	328	91,099

Sources: Esri, Hoovers, United States Census Bureau, ACCRA Cost of Living Index

* Represents headquarter locations with \$5+ million annual sales and 25+ employees



POPULATION DISTRIBUTION BY ZIP CODE



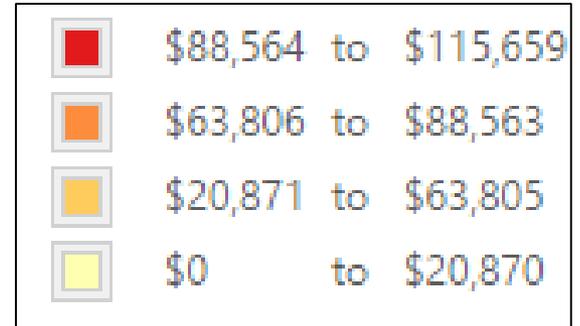
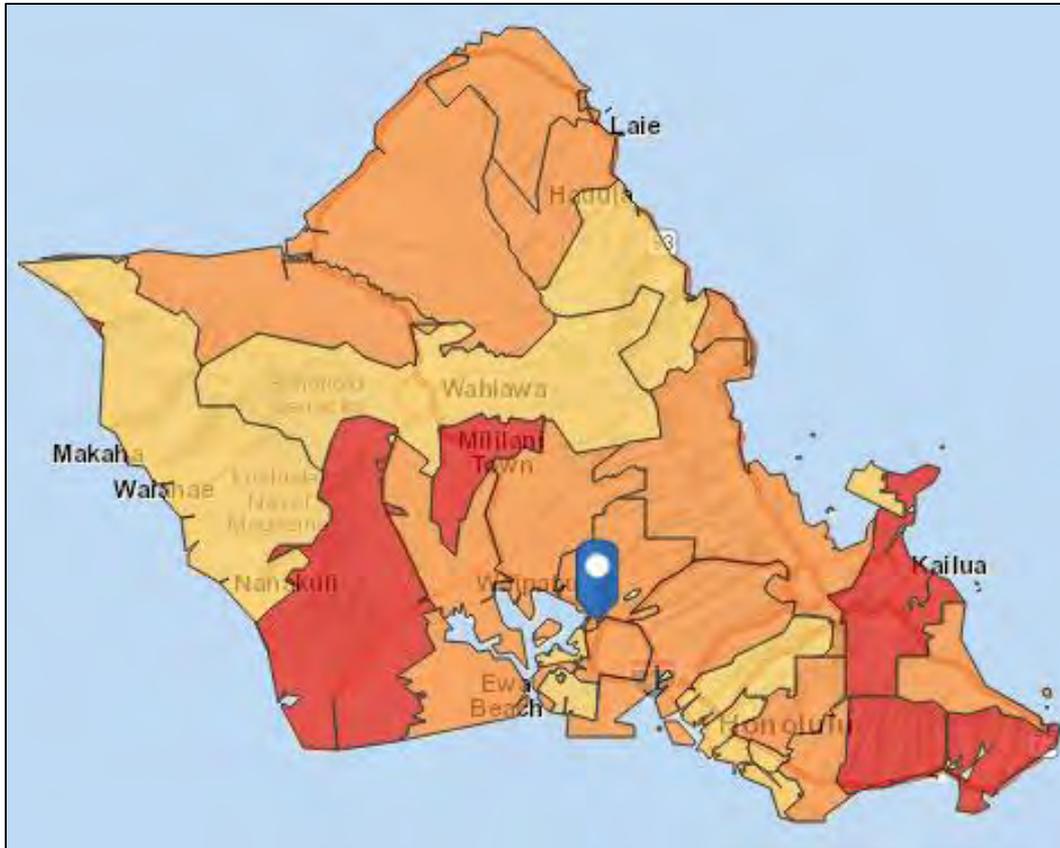
The population of the Honolulu MSA is highly clustered around Honolulu and Waipahu, with Aloha Stadium falling directly in between the two cities.

Source: Esri

Note: Blue marker denotes site of Aloha Stadium



HOUSEHOLD INCOME DISTRIBUTION BY ZIP CODE



Median Household income levels close to Aloha Stadium skew to the medium and high ends of distribution around the island, which should have a direct positive effect on entertainment spending.

Source: Esri

Note: Blue marker denotes site of Aloha Stadium



COMPARITIVE MARKET SELECTION CRITERIA

For the purposes of comparative markets, we examined market areas with a stadium that has a primary tenant driving major revenue streams such as premium seating, corporate sponsorships, etc. Therefore we are comparing the Honolulu market to similar markets with stadiums that host a Mountain West conference football program such as the University of Hawaii.



COMPARATIVE MARKETS - POPULATION

The Honolulu MSA's population of 999,751 people represents the 4th most populated out of the 12 markets selected for comparative analysis.

Stadium	MSA	MSA Pop. (2016)	Year Open	Construction Cost (2016 \$M)	Fixed Seats	School	Primary Sports Tenants
Qualcomm Stadium	San Diego-Carlsbad	3,266,328	1967	\$276.1	54,000	San Diego St.	Holiday Bowl, Poinsettia Bowl, San Diego State Aztecs, San Diego Chargers* (NFL)
Sam Boyd Stadium	Las Vegas-Henderson-Paradise	2,128,903	1971	\$25.4	35,500	UNLV	UNLV Rebels, Las Vegas Bowl
CEFCU Stadium	San Jose-Sunnyvale-Santa Clara	1,970,407	1933	N/A	30,456	San Jose State	San Jose State Spartans
<i>Aloha Stadium**</i>	<i>Honolulu</i>	<i>999,751</i>	<i>1975</i>	<i>\$185.9</i>	<i>50,000</i>	<i>Hawaii</i>	<i>Hawaii Rainbow Warriors, Hawai'i Bowl Hawaii High School Athletic Association, Oahu Interscholastic Association, Interscholastic League of Honolulu</i>
Bulldog Stadium	Fresno	976,043	1980	\$25.5	43,560	Fresno State	Fresno State Bulldogs
University Stadium	Albuquerque	915,987	1960	\$32.9	39,224	New Mexico	New Mexico Lobos, New Mexico Bowl
Falcon Stadium	Colorado Springs	697,132	1962	\$27.4	46,692	Air Force	Air Force Falcons
Albertsons Stadium	Boise City	684,720	1970	\$14.0	36,387	Boise State	Boise State Broncos, Famous Idaho Potato Bowl
Mackay Stadium	Reno	456,012	1966	N/A	26,000	Nevada	Nevada Wolf Pack
Colorado State Stadium	Fort Collins	332,234	2017	\$220.1	41,200	Colorado State	Colorado State Rams
Maverik Stadium	Logan	51,181	1969	\$20.4	22,059	Utah State	Utah State Aggies
War Memorial Stadium	Cheyenne	38,801	2010	\$62.3	29,181	Wyoming	Wyoming Cowboys
High		3,266,328	2017	\$130.0	54,000		
Low		38,801	1933	\$52.6	5,800		
Average		1,242,752	1973	\$89.4	36,719		

Source: Nielsen, Turner Building Cost Index

Note: Sorted by MSA Population in descending order.

* Note: San Diego Chargers recently announced that they will be relocating to Los Angeles for the 2017 NFL season.

** Note: Swap Meet excluded, as this analysis only pertains to in-stadium sports tenants.



COMPARATIVE MARKETS - POPULATION (CONT'D)

Honolulu's primary market (15 mile) population of 847,067 people represents the 4th most populated out of the 12 markets selected for comparative analysis.

<u>Stadium</u>	<u>MSA</u>	<u>MSA Population (2016)</u>	<u>15 MILE Primary Market Population</u>	<u>30 MILE Secondary Market Population</u>	<u>30 MINUTE Drive Time Population</u>
Qualcomm Stadium	San Diego-Carlsbad	3,266,328	1,921,051	2,706,948	2,196,469
CEFCU Stadium	San Jose-Sunnyvale-Santa Clara	1,970,407	1,866,029	3,557,180	2,130,008
Sam Boyd Stadium	Las Vegas-Henderson-Paradise	2,128,903	1,806,985	2,081,873	1,847,998
<i>Aloha Stadium</i>	<i>Honolulu</i>	<i>999,751</i>	<i>847,067</i>	999,751	608,613
Bulldog Stadium	Fresno	976,043	789,080	1,119,778	910,595
University Stadium	Albuquerque	915,987	741,074	882,969	749,831
Falcon Stadium	Colorado Springs	697,132	607,524	702,526	644,448
Albertsons Stadium	Boise City	684,720	434,675	656,305	526,407
Mackay Stadium	Reno	456,012	434,095	561,281	428,202
Colorado State Stadium	Fort Collins	332,234	320,495	613,926	319,693
Maverik Stadium	Logan	51,181	121,701	206,498	135,905
War Memorial Stadium	Cheyenne	38,801	36,873	40,179	36,872
Average		1,043,125	827,221	1,177,435	877,920
Median		806,560	674,299	792,748	626,531

Source: Esri

Note: Sorted by (15 Mile) Primary Market Population in descending order.



COMPARATIVE MARKETS - POPULATION (CONT'D)

The Honolulu MSA has had one of the slowest growth rates amongst comparative markets since 2000.

<u>Stadium</u>	<u>MSA</u>	<u>MSA Population (2000)</u>	<u>MSA Population (2016)</u>	<u>MSA Population (2021)</u>	<u>Annualized Growth Rate Since 2000</u>	<u>Projected 5-Yr Annual Growth Rate</u>
Sam Boyd Stadium	Las Vegas-Henderson-Paradise	1,375,378	2,128,903	2,301,832	2.77%	1.57%
Albertsons Stadium	Boise	464,840	684,720	750,005	2.45%	1.84%
Mackay Stadium	Reno	342,885	456,012	485,909	1.80%	1.28%
Colorado State Stadium	Fort Collins	251,494	332,234	367,709	1.76%	2.05%
Falcon Stadium	Colorado Springs	537,484	697,132	743,909	1.64%	1.31%
University Stadium	Albuquerque	729,649	915,987	935,707	1.43%	0.43%
Bulldog Stadium	Fresno	798,843	976,043	1,017,955	1.26%	0.84%
War Memorial Stadium	Cheyenne	32,014	38,801	41,182	1.21%	1.20%
Maverik Stadium	Logan	42,771	51,181	53,321	1.13%	0.82%
Qualcomm Stadium	San Diego-Carlsbad	2,813,833	3,266,328	3,444,611	0.94%	1.07%
<i>Aloha Stadium</i>	<i>Honolulu</i>	<i>876,156</i>	<i>999,751</i>	<i>1,041,858</i>	<i>0.83%</i>	<i>0.83%</i>
CEFCU Stadium	San Jose-Sunnyvale-Santa Clara	1,735,819	1,970,407	2,105,527	0.80%	1.34%
Average		833,431	1,043,125	1,107,460	1.50%	1.22%
Median		633,567	806,560	842,856	1.35%	1.24%

Source: Nielsen

Note: Sorted by Annualized Growth Rate Since 2000 in descending order.



COMPARATIVE MARKETS - MEDIAN AGE

The Honolulu MSA's median age of 38.2 is the highest among comparative markets, indicating an older market that could have a larger presence of retirement aged individuals who often have smaller disposable income budgets and partake in a more limited range of entertainment options.

City	MSA	Stadium	MSA Median Age (2016)
Logan, UT	Logan	Maverik Stadium	24.8
Laramie, WY	Cheyenne	War Memorial Stadium	28.1
Fresno, CA	Fresno	Bulldog Stadium	31.6
Boise, ID	Boise City	Albertsons Stadium	35
San Diego, CA	San Diego-Carlsbad	Qualcomm Stadium	35.4
Colorado Springs, CO	Colorado Springs	Falcon Stadium	35.6
Whitney, NV	Las Vegas-Henderson-Paradise	Sam Boyd Stadium	36.4
Fort Collins, CO	Fort Collins	Colorado State Stadium	36.5
San Jose, CA	San Jose-Sunnyvale-Santa Clara	CEFCU Stadium	37
Albuquerque, NM	Albuquerque	University Stadium	37.3
Reno, NV	Reno	Mackay Stadium	37.9
<i>Halawa, HI</i>	<i>Honolulu</i>	<i>Aloha Stadium</i>	<i>38.2</i>
Average			34.5
Median			36.0

Source: Esri

Note: Sorted by Median Age in ascending order.



COMPARATIVE MARKETS - HOUSEHOLD INCOME

When adjusted for cost of living, the Honolulu MSA's median household income ranks second to last among comparable stadium markets. Relative to other large markets, this data indicates that Honolulu MSA households may have less discretionary income for entertainment spending.

<u>City, State</u>	<u>MSA</u>	<u>Stadium</u>	<u>MSA Median HH Income (2016)</u>	<u>Adjusted Median HH Income (2016)</u>
Colorado Springs, CO	Colorado Springs	Falcon Stadium	\$60,239	\$63,543
Boise, ID	Boise City	Albertsons Stadium	\$51,922	\$56,437
Albuquerque, NM	Albuquerque	University Stadium	\$49,651	\$52,652
Whitney, NV	Las Vegas-Henderson-Paradise	Sam Boyd Stadium	\$52,476	\$51,803
Reno, NV	Reno	Mackay Stadium	\$52,284	\$49,652
Fort Collins, CO	Fort Collins	Colorado State Stadium	\$60,994	\$49,031
Laramie, WY	Cheyenne	War Memorial Stadium	\$43,190	\$47,048
San Diego, CA	San Diego-Carlsbad	Qualcomm Stadium	\$64,817	\$44,487
Fresno, CA	Fresno	Bulldog Stadium	\$47,405	\$44,470
San Jose, CA	San Jose-Sunnyvale-Santa Clara	CEFCU Stadium	\$93,391	\$41,655
<i>Halawa, HI</i>	<i>Honolulu</i>	<i>Aloha Stadium</i>	<i>\$74,851</i>	<i>\$39,709</i>
Logan, UT	Logan	Maverik Stadium	\$37,132	\$38,280
Average			\$57,363	\$48,231
Median			\$52,380	\$48,039

* Adjusted for cost of living, according to ACCRA Cost of Living Index.

Sources: Esri, ACCRA

Note: Sorted by Adjusted Median HHI in descending order.



COMPARATIVE MARKETS - CORPORATE BASE

Among comparable markets, the Honolulu MSA has the 4th largest corporate base, indicating that the market has solid potential for businesses to purchase event tickets, premium seating amenities, and sponsorship opportunities.

<u>City</u>	<u>MSA</u>	<u>Stadium</u>	MSA Corporate Base
San Diego, CA	San Diego-Carlsbad	Qualcomm Stadium	802
San Jose, CA	San Jose-Sunnyvale-Santa Clara	CEFCU Stadium	602
Whitney, NV	Las Vegas-Henderson-Paradise	Sam Boyd Stadium	277
<i>Halawa, HI</i>	<i>Honolulu</i>	<i>Aloha Stadium</i>	<i>273</i>
Fresno, CA	Fresno	Bulldog Stadium	180
Albuquerque, NM	Albuquerque	University Stadium	177
Boise, ID	Boise City	Albertsons Stadium	159
Colorado Springs, CO	Colorado Springs	Falcon Stadium	122
Reno, NV	Reno	Mackay Stadium	99
Fort Collins, CO	Fort Collins	Colorado State Stadium	75
Logan, UT	Logan	Maverik Stadium	27
Laramie, WY	Cheyenne	War Memorial Stadium	27
Average			235.0
Median			168.0

* Corporate Base was defined as headquarter locations with at least 25 employees and \$5M+ annual sales.

Source: Hoover's

Note: Sorted by Corporate Base in descending order.



SECTION 4
INTERVIEW SUMMARY



1-ON-1 TELEPHONE INTERVIEWS

Victus Advisors also conducted telephone interviews with operators, promoters, and influencers of sports and entertainment events:

- Aloha Stadium Swap Meet
- Anschutz Entertainment Group (AEG)
- Ascendent Sports Group
- Centerplate
- Fukunaga & Associates
- Hawaii Bowl
- Hawaii High School Athletic Association
- Hawaii Tourism Authority
- Hawaii Tourism Authority - Japan
- Interscholastic League of Honolulu
- Monster Truck Entertainment
- Oahu Interscholastic Association
- Outfront Media
- University of Hawaii Athletics



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has summarized the following key comments, takeaways and general conclusions:

General

- The ideal minimum/maximum capacity of a new stadium should be about 35,000 seats.
- Having 3/4 of the stadium filled by seats and 1/4 of the stadium as an open lawn area could leave the option open for potential expansion in the future.
- One ideal comparable stadium is FAU Stadium at Florida Atlantic University in Boca Raton, FL opened in 2011.
- There needs to be improved referee preparation areas and locker rooms.
- There should be more shaded structures to block the sun for attendees.
- It would be nice to have different variations of seat comfort (benches, padded, etc.) depending on price level.
- Can there be a heritage hall or museum, or some sort of added attraction within the stadium?
- There is a need for more female restrooms.
- It would be good to have some type of iconic component to the stadium, like a volcano that erupts after a touchdown.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

General

- Japanese promoters have previously expressed concerns regarding the amount of lodging available close to the stadium to accommodate a large number of overseas tourists.
- There needs to be more storage space for tenants.
- It would be ideal to have a press conference room.
- Parking and traffic flow are currently a significant issue if there are more than 30,000 people at the stadium.
- The whole loop of the Swap Meet is really long and tiring so it would be nice if there was a different configuration that's not a complete circle. It would also be good to have more bathrooms ideally located near the Swap Meet.
- An entertainment area/stage at the Swap Meet that could stage an event such as a Hula show would increase the uniqueness of the experience beyond just shopping.
- A minimum height of 16 ft. for the operations entrance to the stadium would be ideal for large equipment for such things as concerts, special events, etc.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

Technology

- Improved technology is an essential component of the stadium, including Wi-Fi, charging stations, a better sound system, and more televisions.
- Noise levels coming from the stadium in the evenings have long been an expressed concern of local residents.
- A quicker on/off transition for the stadium lights is essential.
- Ribbon/digital boards on the field level would be more conducive for sponsorships.
- It would be nice to have non-permanent branding within the stadium, such as digital boards, designating the University of Hawaii as the primary tenant of the stadium.
- Box office locations should be more scattered throughout the stadium rather than just being in one location. This can also be done electronically by machines.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

Concerts

- Outdoor stadium concerts are not abundant and even the most successful stadiums in the world consider four (4) concerts a year to be a success.
- Having a built-in stage may make the stadium more concert-compatible, but it's better not to have a permanent stage because it restricts flexibility.
- 2-4 concerts per year would be a reasonable target, with 1-2 of those concerts or festivals ideally being recurring annual events as to not completely rely on touring acts.
- Design features should make hosting concerts easy, like having tunnels in the right place and making them big enough, direct access to the stage location(s), different power drops and buried cable runs, the right flexible infrastructure, the right rigging capacity for lights and sound, etc.
- Only a handful of concert acts can fill a 35,000 seat stadium, however there is a much larger market for 15,000-20,000 attendees.
- Hawaii Tourism Authority can help make it easier and more streamlined for artists to come to Hawaii.
- It makes sense to target concert acts who are already planning a West Coast and/or trans-Pacific tour.
- Artists often seek guarantees of a minimum amount of revenues in order to make traveling to Hawaii a safer decision for them.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

Sporting Events

- No international soccer clubs would agree to play on artificial turf. However, a natural grass field could attract exhibition matches, friendlies, preseason tournaments, stops on the way to Asia for regional tours, etc. There has also been initial interest from a few MLS clubs, the J1 league in Japan, and K-League from Korea. The minimum regulation size for FIFA fields is 120 x 80 yards.
- Any new field also needs to be flatter and wider than the existing field to accommodate international rugby. A few rugby codes (both league and union) could have pre-season matches or off-season tours. There has been interest from the National Rugby League of Australia.
- With the right turf, the stadium could host 3-4 international friendly games for soccer, and get 1-2 rugby games. There has to be a high quality natural grass.
- The stadium needs to be much more accessible than it is now. There needs to be major infrastructure and transit improvements.
- The Stadium Authority could get more creative with the space, like bringing in 100 tons of sand and doing beach volleyball or doing big air events, but that requires a significant investment from HTA and/or the State of Hawaii.
- Could baseball teams from Japan or Korea play exhibition games?
- Most potential sporting events we spoke to have concerns about being able to fill a 50,000 seat stadium.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

Corporate Hospitality and Sponsorships

- A smaller stadium will increase corporate sponsorship interest.
- Corporate hospitality boxes are currently too small.
- Loge seating and premium seating options should be located near the 50-yard line. It would be nice to have a mix of regular suites, field-level suites, and club seats. There should also be a club lounge/hospitality lounge for visitors.
- Both an athletic director's box and visiting athletic director's box would be ideal.
- It would be great to have a VIP parking area that flows right up to the VIP seating area.
- Can there be a separately designed area designated for families?
- The lack of amenities, premium seating, suites, etc. to package is a big constraint to attracting sponsors.
- 20-25 suites would be perfect for the Honolulu market. 50 suites may saturate the market.
- It is estimated that a stadium naming rights deal could be worth roughly somewhere between \$1.5-\$3 million annually.



Based on the interviews conducted with project stakeholders and event promoters, Victus Advisors has developed the following key comments, takeaways and general conclusions:

Food & Beverage

- The current building is very outdated for concessions and catering needs. Some of the kitchens have no gas or propane options and just electrical outlets.
- The stadium could use more elevators, kitchens, cooking facility areas, and service rows for concessions.
- Food options at the stadium are currently a significant issue. There is limited selection.



SECTION 5
EVENT & ATTENDANCE
PROJECTIONS



The next two slides show the current event activity of Aloha Stadium and the projected incremental event activity of a new Aloha Stadium based upon the historical analysis, demographic and market analysis, interviews with industry experts and event organizers/promoters, and Victus Advisors' industry expertise.

The rest of this section shows additional justification for our utilization estimates.





EVENT CENTER UTILIZATION ESTIMATES

As shown below, it is conservatively estimated that a new Aloha Stadium could host approximately 321 events per year, with an estimated annual attendance of 1,440,558 people. With a new Aloha Stadium, we have estimated that the Honolulu market could capture at least 8 new major sports and entertainment events each year (concerts, soccer, rugby, etc.).

Event Type	Event Days	Average Attendees per Event	Total Attendees
Existing Events			
Runs	4	7,743	30,972
Football Games	53	6,249	331,197
Swap Meet	155	5,771	894,505
Other Events & Shows (Graduations, Parties, etc.)	101	484	48,884
Annual Total	313	20,247	1,305,558
New Events			
Concerts & Entertainment Acts	3	20,000	60,000
International Soccer & Rugby Exhibitions	5	15,000	75,000
Annual Total	8	35,000	135,000

Notes:

- Represents a stabilized year of operations.
- Estimates are intended to represent a conservative, base-case scenario.



SPORTS UTILIZATION AT ALOHA STADIUM

Football

Over the past three fiscal years, football events have been the primary sports users of Aloha Stadium, in particular University of Hawaii football and interscholastic/prep football. It is expected that these football events will continue to be the primary sports tenants of a new Aloha Stadium. Of football events held annually at Aloha Stadium, University of Hawaii football had the highest average attendance in fiscal year 2016, with approximately 18,000 attendees per game. Based on our interviews of key stakeholders, primary tenants would like to see a new Aloha Stadium have a capacity between 30,000-35,000 seats.

Other Sports (Soccer, Rugby, etc.) and Field Specifications

Aloha Stadium has had mixed results hosting other major sporting events (non-football). Based upon feedback from interviews, the primary reason for this trend is the quality and dimensions of the playing field. In particular, the current artificial turf field is not satisfactory for the majority of major soccer clubs and international soccer teams, as well as rugby clubs.

The field is not only too narrow for these events, but potential users would prefer a well-maintained natural grass field over artificial turf. It is expected that a new Aloha Stadium with a properly dimensioned natural grass playing field could attract approximately 3-4 soccer exhibition games and 1-2 rugby exhibition games each year.



CONCERTS AT ALOHA STADIUM

Concerts

Aloha Stadium does not currently host major concerts or music festivals. According to interviews completed by Victus Advisors, the primary reasons for the absence of concert/entertainment activity include:

- Lack of staging equipment
- Poorly located and sized tunnels (too small, no direct access to staging area)
- Lack of power drops and buried cable runs
- Lack of proper rigging capacity for lights and sound.

It is expected that a new Aloha Stadium could compete for concert activity if properly designed to accommodate modern concerts that target outdoor venues and stadiums.

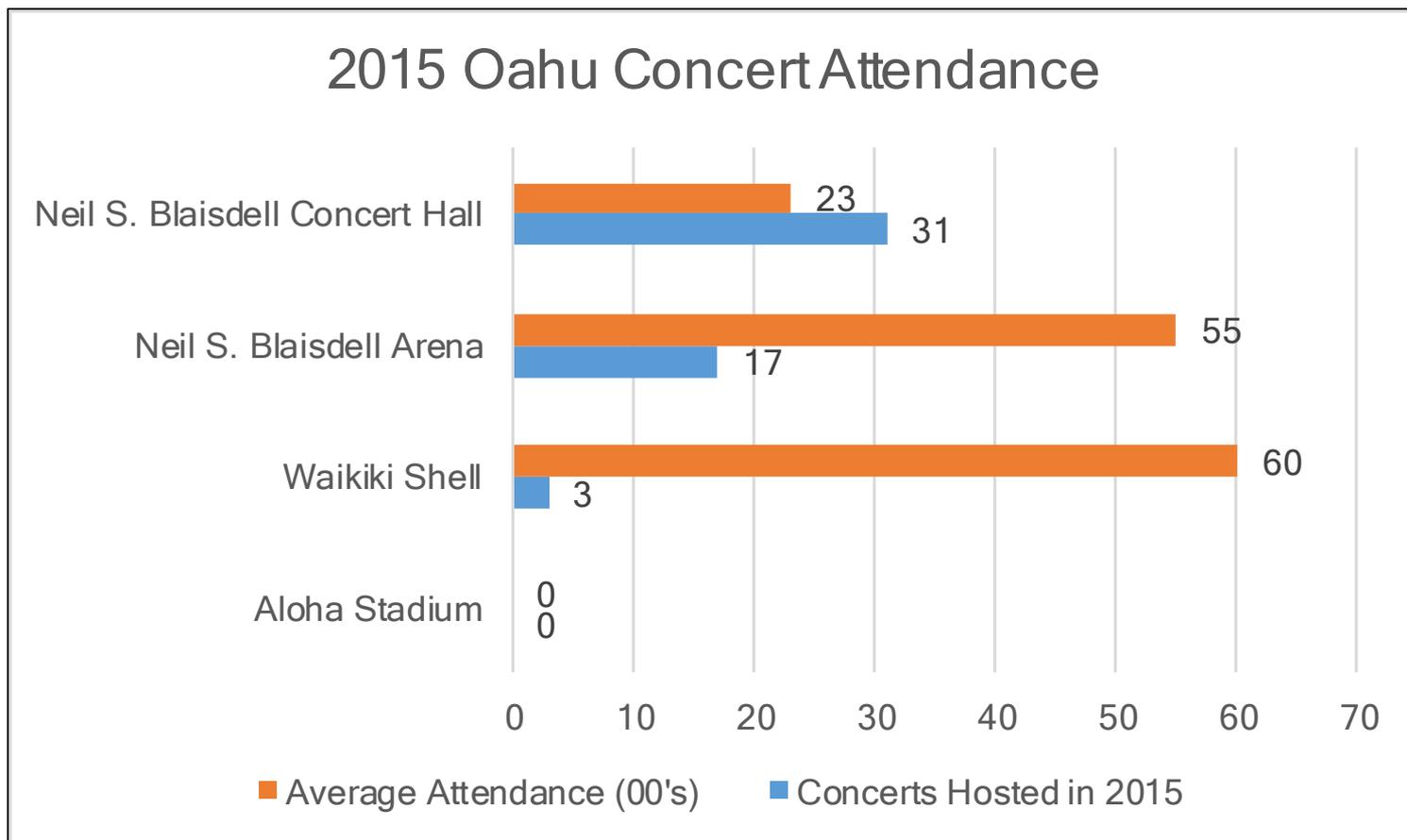
Concert Seating Capacity

Interview participants also indicated that they felt the current seating capacity of Aloha Stadium (50,000 seats) is too large for the concert market in Honolulu. Most felt that a 30,000 to 35,000 seat stadium would be more appropriate, with the ability to capture a wide range of concerts primarily in the 15,000 to 30,000 seat range, especially if the new Aloha Stadium is designed in a flexible manner to appropriately host variable concert sizes (with portable staging and a seating bowl designed with concerts in mind).



2015 OAHU CONCERT ATTENDANCE

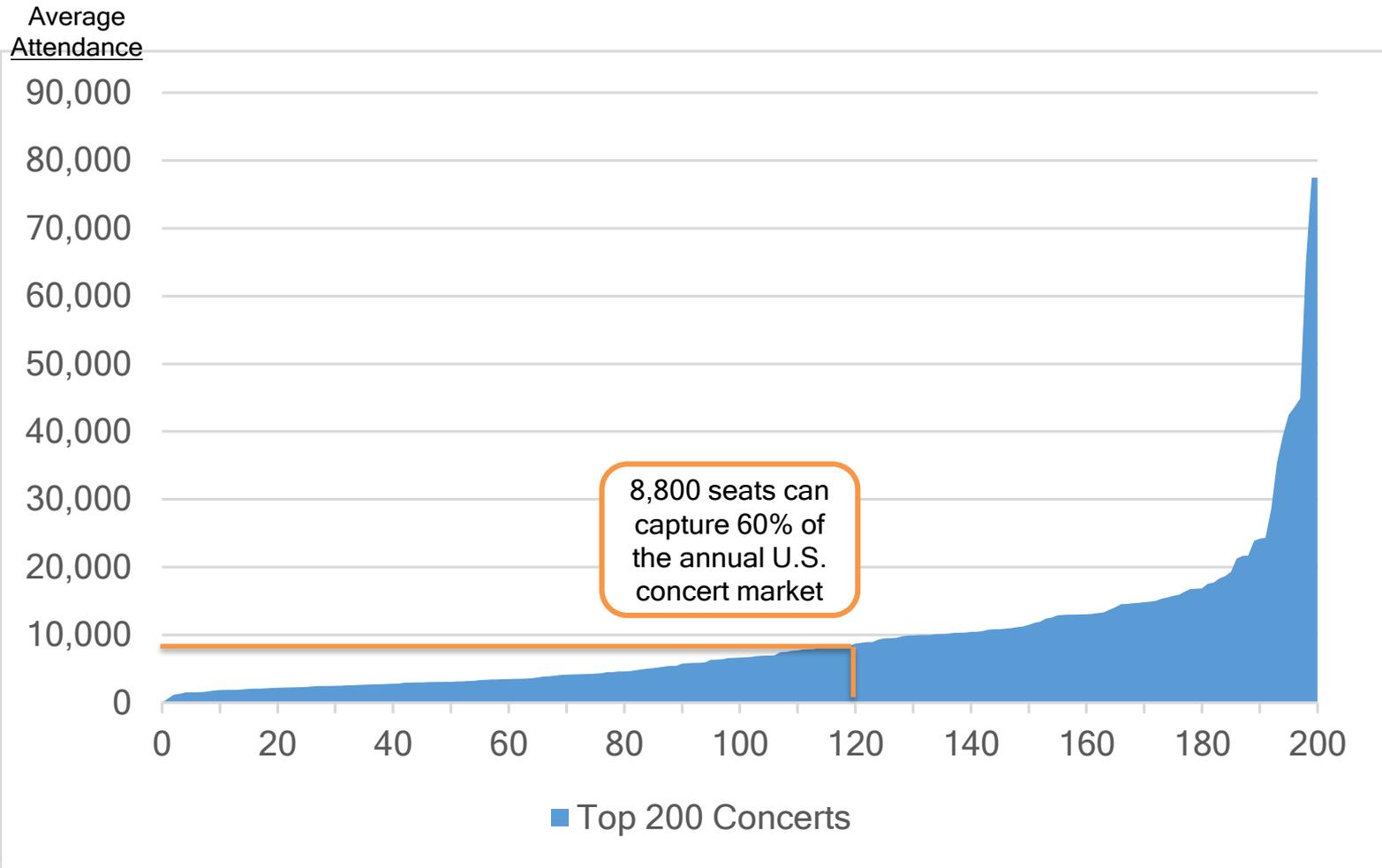
When comparing other major venues on Oahu with a minimum capacity of 2,000 attendees, Pollstar reported that the Waikiki Shell hosts the largest sized concerts (average attendance of 6,000) while the Neil S. Blaisdell Concert Hall hosts the largest number of concerts (31 in 2015). As shown below, Aloha Stadium does not currently host concert activity.





OAHU VENUES RELATIVE TO U.S CONCERT MARKET

Other major entertainment venues on Oahu including Blaisdell Arena (8,800 seats), Waikiki Shell (8,400) and Blaisdell Concert Hall (2,157) can only accommodate approximately 60% of the annual top 200 concerts in the United States.

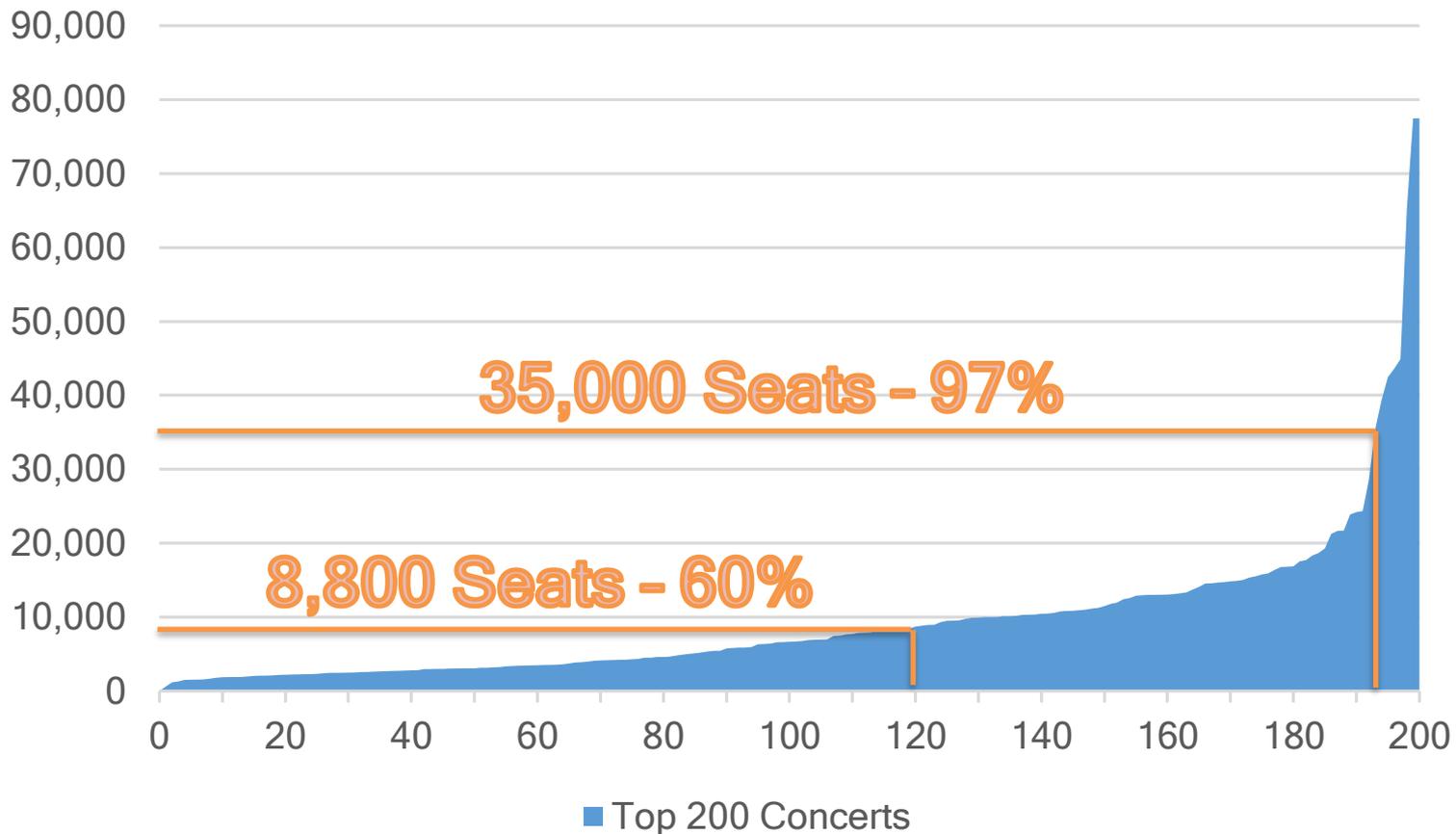




CONCERT MARKET AVAILABLE TO 35,000 SEAT VENUE

With the addition of an approximately 35,000-seat new Aloha Stadium, it is estimated that the Honolulu-Oahu market could compete for up to 97% of the annual U.S. concert market, an increase of 37%, or approximately 73 concert events each year. There were only 7 concert tours in 2015 with average attendance in excess of 35,000 people, which indicates that the added costs of building a larger stadium than 35,000 seats would be likely to produce diminishing returns from an event and revenue standpoint.

Average Attendance





CONCERTS AT A NEW ALOHA STADIUM

Estimated Concert Usage

It is estimated that a new Aloha Stadium could attract approximately 3 to 4 annual concert events each year, which represents approximately 5% successful penetration of the roughly 73 new events which could be available for Aloha Stadium to market itself to each year.

Attracting Concerts

Ultimately, the ability of Aloha Stadium to attract these new concert events will come down to more than just having a properly sized and configured venue. In addition, to compete for major concert activity, it is likely that the Stadium Authority, the State, and/or the Hawaii Tourism Authority would have to financially incentivize concert promoters to add Aloha Stadium and the Honolulu/Oahu market to their tours.

It is commonplace in the U.S. concert market for facilities or tourism promotion agencies (TPA) to incentivize event activity by providing revenue guarantees (such as commitments to purchase a block of tickets to an event) and/or offering to reduce event expenses (such as paying for travel costs, contributing sales and marketing dollars to promote ticket sales, etc.).

It should also be noted that it is becoming more common for facilities or TPA's to create, promote, and operate their own annual concert events, in particular annual music festivals.



SECTION 6
BUILDING PROGRAM
RECOMMENDATIONS



RECOMMENDED STADIUM PROGRAM

Seating Capacity:

- Approximately 35,000 seats in a U-shaped arrangement (*Note: Final seating capacities to be determined by project architects, potentially including a mixture of fixed seating, grass/berm seating, and event-level concert seating.*)
 - Significant consideration should be given to arranging seating to drive maximum value for concert and entertainment performances
-

Premium Areas:

- Private Suites: 20 suites with 16 seats each - 18 suites leased annually
 - Party Suites: 2 suites with 30 seats each - suites rented on a per event basis
 - Loge Boxes: 50 loge boxes with 4 seats per box - boxes leased annually
 - Club Seats: 1,200 club seats - seats leased annually
 - At least one (1) upscale lounge area to be used by premium seat buyers, as well as meeting and banquet rentals on non-event nights
-

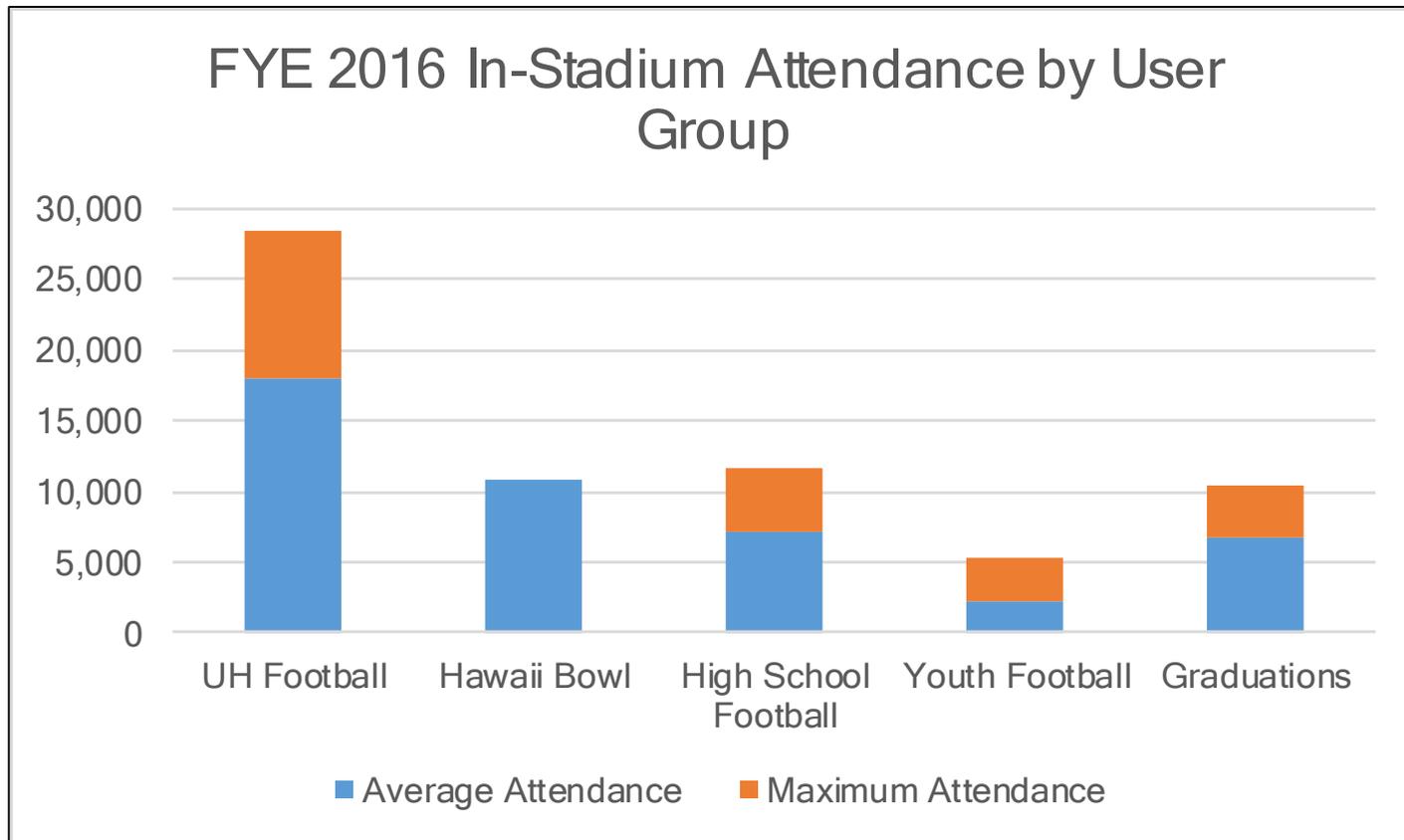
Field Specifications:

- In order to accommodate international soccer, rugby, and baseball events, the field should be natural grass and have the dimensions of 120 yards long by 80 yards wide.



SEATING CAPACITY

As portrayed previously in the report and below, current stadium events are using below 30,000 seats. Based on interviews regarding UH football, bowl games, other sporting events, and concerts, we feel that a seating capacity of approximately 35,000 would be ideal to accommodate top concerts, highly anticipated UH football or Hawaii Bowl matchups, or highly attended international friendlies.





COMPARABLE STADIUMS - CAPACITY & PREMIUM

Based on the averages and medians shown below, comparable stadiums offered approximately 36,000 seats, 20-21 suites (priced at \$40.5K each), 26-30 loge boxes (\$11,000 each), and 700-721 club seats (\$1,900 each).

Stadium	SEATING CAPACITY	SUITES		LOGE BOXES		CLUB SEATS	
	Total Inventory	Suite Inventory	Annual Price	Loge Inventory	Annual Price	Club Inventory*	Annual Price
Maverik Stadium	22,059	20	\$40,000	26	\$10,000	700	\$1,325
War Memorial Stadium	29,181	10	\$44,000	-	-	256	\$2,750
Bulldog Stadium**	43,560	46	\$35,000	12	-	1,000	-
Albertsons Stadium	36,387	39	\$45,000	48	\$12,000	832	\$2,200
Qualcomm Stadium***	54,000	20	\$10,800	-	-	-	-
Falcon Stadium	46,692	6	\$27,000	-	-	621	\$1,825
Sam Boyd Stadium	35,500	16	\$60,000	-	-	488	\$3,000
Colorado State Stadium	41,200	22	\$40,000	40	\$14,000	940	\$1,900
CEFCU Stadium	30,456	12	\$14,600	-	-	-	-
University Stadium	39,224	9	\$21,000	-	-	1,597	\$839
Mackay Stadium	26,000	36	\$115,000	26	\$8,000	56	\$1,500
AVERAGE	36,751	21	\$41,127	30	\$11,000	721	\$1,920
MEDIAN	36,387	20	\$40,000	26	\$11,000	700	\$1,863

*Club seats include a club seat lounge and supersuites

**Represents inventory for planned expansion

***Club Inventory is not listed because the stadium features more than 7,800 club seats to meet demand for the NFL's San Diego Chargers



PREMIUM SEATING - CORPORATE BASE PER SUITE

We analyzed comparative suite inventories relative to corporate base. Based on this metric, we estimated the potential suite inventory for Aloha Stadium to be between 18-67 suites. To be conservative, we are recommending 20 private suites (18 to be sold and 2 for state/university use) for a new Aloha Stadium.

Stadium	SEATING CAPACITY	SUITES		Metropolitan Statistical Area (MSA)	Corporate Base	Corporations Per Suite
	Total Inventory	Suite Inventory	Annual Price			
Maverik Stadium	22,059	20	\$40,000	Logan	27	1
War Memorial Stadium	29,181	10	\$44,000	Cheyenne	27	3
Bulldog Stadium**	43,560	46	\$35,000	Fresno	180	4
Albertsons Stadium	36,387	39	\$45,000	Boise City	159	4
Qualcomm Stadium***	54,000	20	\$10,800	San Diego-Carlsbad	802	40
Falcon Stadium	46,692	6	\$27,000	Colorado Springs	122	20
Sam Boyd Stadium	35,500	16	\$60,000	Las Vegas-Henderson-Paradise	277	17
Colorado State Stadium	41,200	22	\$40,000	Fort Collins	75	3
CEFCU Stadium	30,456	12	\$14,600	San Jose-Sunnyvale-Santa Clara	602	50
University Stadium	39,224	9	\$21,000	Albuquerque	177	20
Mackay Stadium	26,000	36	\$115,000	Reno	99	3
AVERAGE	36,751	21	\$41,127		232	15
MEDIAN	36,387	20	\$40,000		159	4

*Club seats include a club seat lounge and supersuites

**Represents current inventory before planned expansion

**Represents inventory for planned expansion

Hypothetical Honolulu Corporations Per Suite

	Corporate Base	Suite Inventory
Average:	273	18
Median:	273	67



COMPARABLE STADIUMS - SUMMARY

We analyzed comparative loge box and club seat inventories based on households with income over \$150K. We estimated the potential club/seat inventory for Aloha Stadium to be between 1,322-2,687 loge/club seats. To be conservative, we are preliminarily recommending 50 four-seat loge boxes and 1,200 club seats (1,400 total loge/club seats)

Stadium	SEATING CAPACITY	LOGE BOXES		CLUB SEATS		Metropolitan Statistical Area (MSA)	HH With Income Over \$150K	HH With Income Over \$150K Per Seat
	Total Inventory	Loge Inventory	Annual Price	Club Inventory*	Annual Price			
Maverik Stadium	22,059	26	\$10,000	700	\$1,325	Logan	611	1
War Memorial Stadium	29,181	-	-	256	\$2,750	Cheyenne	3,061	12
Bulldog Stadium**	43,560	12	-	1,000	-	Fresno	25,012	-
Albertsons Stadium	36,387	48	\$12,000	832	\$2,200	Boise City	20,063	20
Qualcomm Stadium***	54,000	-	-	-	-	San Diego-Carlsbad	176,093	-
Falcon Stadium	46,692	-	-	621	\$1,825	Colorado Springs	28,717	46
Sam Boyd Stadium	35,500	-	-	488	\$3,000	Las Vegas-Henderson-Paradise	55,297	113
Colorado State Stadium	41,200	40	\$14,000	940	\$1,900	Fort Collins	15,853	14
CEFCU Stadium	30,456	-	-	-	-	San Jose-Sunnyvale-Santa Clara	184,521	-
University Stadium	39,224	-	-	1,597	\$839	Albuquerque	29,450	18
Mackay Stadium	26,000	26	\$8,000	56	\$1,500	Reno	13,520	85
AVERAGE	36,751	30	\$11,000	721	\$1,920		50,200	39
MEDIAN	36,387	26	\$11,000	700	\$1,863		25,012	19

*Club seats include a club seat lounge and supersuites

**Represents inventory for planned expansion

***Club Inventory is not listed because the stadium features more than 7,800 club seats to meet demand for the NFL's San Diego Chargers

Hypothetical Honolulu HH With Income Over \$150K Per Seat		
	HH With Income Over \$150K	Club/Loge Seat Inventory
Average:	51,106	1,322
Median:	51,106	2,687



SECTION 7
REVENUE & EXPENSE PROJECTIONS



KEY ASSUMPTIONS

In addition to the event/attendance assumptions developed earlier in this report, the following key assumptions were utilized by Victus Advisors in order to develop financial operating projections for a new Aloha Stadium:

- The stadium will be owned by the public sector and exempt from property taxes.
- The stadium will be operated by the Hawaii Stadium Authority and a professional concessions operator will be responsible for catering and hospitality.
- The facility will offer competitive rental rates and aggressively market to 3rd-party events.
- The stadium will have approximately 35,000 fixed seats.
- For premium seating inventory, the stadium will have approximately twenty (20) private suites (18 marketed annually, 2 reserved), two (2) party suites, fifty (50) loge boxes, and 1,200 club seats. To be conservative, we have assumed that 80% of sellable inventory would actually be leased annually, and we have excluded per-game inventory (i.e. party suites).
- These projections are based on current market circumstances, and therefore assume that there will be no major changes to the Honolulu event market or available facilities.
- There will be an increase in event rentals, attendance, food and beverage sales, and parking revenue due to the expected new events coming from concerts and sports.
- A new stadium will sell annual naming rights as well as significantly increased corporate sponsorship opportunities.
- New premium seat and sponsorship/naming revenue will be subject to sales commissions.
- The Stadium Authority will fund an annual capital reserve sourced from operating income.



FINANCIAL PROJECTIONS - NEW ALOHA STADIUM

In a stabilized year of operations, it is estimated that the operations of a new Aloha Stadium could generate approximately \$5.2 Million in annual net income (representing \$5.0 Million in incremental income), after funding of a capital reserve, but prior to any revenue sharing with the stadium's primary tenant.

It is standard in the industry to annually put aside 0.5% of the total stadium development cost into a reserve fund for future capital improvements.

Based on our industry experience, it should be noted that it is likely that several of the new revenue streams could be shared with the primary tenant, including stadium naming rights, advertising & sponsorships, and luxury seating premiums.

	Current Aloha Stadium ¹	Increment from New Aloha Stadium	New Aloha Stadium Operations
Revenues:			
Swap Meet ²	\$4,175,578	(\$835,116)	\$3,340,462
Parking (net) ³	\$874,689	(\$874,689)	\$0
Food & Beverage (net) ⁴	\$989,980	\$389,311	\$1,379,291
Rent	\$250,669	\$200,000	\$450,669
Stadium Naming Rights (net) ⁵⁶	\$0	\$1,088,000	\$1,088,000
Advertising & Sponsorships (net) ⁵	\$305,032	\$2,958,968	\$3,264,000
Interest	\$25,951	\$0	\$25,951
Luxury Seating Premiums (net) ⁵⁷	\$0	\$2,249,984	\$2,249,984
Stadium Tours	\$2,779	\$0	\$2,779
Miscellaneous	\$274,896	\$0	\$274,896
Total - Net Revenue:	\$6,899,574	\$5,176,458	\$12,076,032
Expenses:			
Personal Services	\$4,115,021	(\$700,506)	\$3,414,515
Supplies	\$216,677	(\$65,003)	\$151,674
Utilities	\$962,090	(\$288,627)	\$673,463
Repairs & Maintenance	\$216,446	(\$64,934)	\$151,512
Services On A Fee Basis	\$508,311	(\$152,493)	\$355,818
Central Services Assessment	\$441,249	(\$132,375)	\$308,874
Miscellaneous	\$218,502	(\$65,551)	\$152,951
Total - Expenses:	\$6,678,296	(\$1,469,489)	\$5,208,807
Net Operating Income⁸:	\$221,278	\$6,645,947	\$6,867,225
Less: Annual Capital Reserve:			(\$1,622,500)
NOI After Capital Reserve Funds:			\$5,244,725

Note: Represents a stabilized year of operations. Shown in 2017 dollars.

¹ Represents 2015-16 Fiscal Year budget provided by Stadium Authority staff

² To reflect the uncertainty at this stage of planning, we have discounted existing Swap Meet revenue by 20%

³ If parking is privatized, it is assumed that there will be no parking revenue for the Stadium Authority

⁴ Represents gross F&B sales less direct cost of sales and direct labor costs.

⁵ Conservatively discounted at 15% to account for sales commissions

⁶ Represents new namings rights for the entire stadium, not just the field

⁷ It is expected that revenue from luxury seating premiums will be shared with University of Hawaii Athletics

⁸ Prior to primary tenant revenue sharing



RENT, PARKING, FOOD & BEVERAGE

Incremental revenue generated by the proposed new stadium is expected to consist primarily of increased rent, parking, and food and beverage revenues due to an increase of events such as concerts and international soccer/rugby exhibitions, as well as new revenue streams created by luxury seating premiums and stadium naming rights/sponsorships.

Rental Income:

In addition to the current tenants and events already held at Aloha Stadium, we have conservatively assumed that a new Aloha Stadium can attract 3 concerts and 5 international sporting events, with rental rates per concert or international sporting event averaging approximately \$25,000 per event based on industry standards.

Parking:

It is assumed that parking will become privatized and therefore no longer an annual revenue stream for the Stadium Authority. This assumption makes our net income projections more conservative.

Food & Beverage:

We used incremental attendance of 135,000, estimated to be associated with the incremental event activity described above, and to be conservative we used the same per capita sales of food and beverage at University of Hawaii football games (\$10.67 per attendee) to calculate new food and beverage revenue. Although it should be noted that: a) per caps are often significantly higher in new stadiums with modern food operations and menus, and b) the current Populous program for a new Aloha Stadium contains five times the number of concessions points of sale.



EXPENSES

Incremental expenses generated by the proposed new stadium are expected to decrease significantly due to the decreased square footage of the stadium (676,038 ft.² to 435,853 ft.², or a 36% decrease) as well as the decrease in seating capacity (50,000 to approximately 35,000, or 30%). To be conservative, we decreased certain expense line items by just 30%.

Personal Services:

Although salaries for personal services were initially decreased by 30% like the other line items, we added back additional salaries to account for an increase in staffing for the premium seating areas. The industry standard for premium seating staff salary estimation is \$300 per premium seat. Since we are projecting 1,780 new premium seats, we added back \$534,000 in projected personal services expenses.



PREMIUM SEATING REVENUE - PRIVATE SUITES

We analyzed comparative suite revenues based on corporate base. We estimated the potential suite revenue for Aloha Stadium to be between \$1.2M-\$3.0M. Based upon comparable venues and a market penetration analysis, we believe overall private suite revenue could be \$1,170,000*. However to be conservative, we have discounted that figure in our financial model by 20% to \$936,000, and in addition we have deducted a conservative 15% cost-of-sales to account for sales commissions.

Stadium	SEATING CAPACITY	SUITES		Metropolitan Statistical Area (MSA)	Potential Suite Revenue	Corporate Base	Suite Revenue Per Corporation
	Total Inventory	Suite Inventory	Annual Price				
Maverik Stadium	22,059	20	\$40,000	Logan	\$800,000	27	\$29,630
War Memorial Stadium	29,181	10	\$44,000	Cheyenne	\$440,000	27	\$16,296
Bulldog Stadium**	43,560	22	\$35,000	Fresno	\$770,000	180	\$4,278
Albertsons Stadium	36,387	39	\$45,000	Boise City	\$1,755,000	159	\$11,038
Qualcomm Stadium***	54,000	20	\$10,800	San Diego-Carlsbad	\$216,000	802	\$269
Falcon Stadium	46,692	6	\$27,000	Colorado Springs	\$162,000	122	\$1,328
Sam Boyd Stadium	35,500	16	\$60,000	Las Vegas-Henderson-Paradise	\$960,000	277	\$3,466
Colorado State Stadium	41,200	22	\$40,000	Fort Collins	\$880,000	75	\$11,733
CEFCU Stadium	30,456	12	\$14,600	San Jose-Sunnyvale-Santa Clara	\$175,200	602	\$291
University Stadium	39,224	9	\$21,000	Albuquerque	\$189,000	177	\$1,068
Mackay Stadium	26,000	36	\$115,000	Reno	\$4,140,000	99	\$41,818
AVERAGE	36,751	19	\$41,127		\$953,382	232	\$11,020
MEDIAN	36,387	20	\$40,000		\$770,000	159	\$4,278

**Represents current inventory before planned expansion

Hypothetical Honolulu Suite Revenue Per Corporation			
	Corporate Base	Potential Suite Revenue	Potential Price Per Suite (18)
Average:	273	\$3,008,328	\$167,129
Median:	273	\$1,167,833	\$64,880

*Note: To be conservative, does not include single-game party suite rental revenue



PREMIUM SEATING REVENUE - CLUB/LOGE

We analyzed comparative loge box/club seat revenues based on households with income over \$150K. We estimated the potential loge box/club seat revenue for Aloha Stadium to be between \$4.2M-\$16.5M. We believe overall club/loge revenue could be \$4,200,000. However, like with suites, to be conservative, we are discounting that figure by 20% and are projecting club/loge revenue to be \$3,360,000. We have also deducted a conservative 15% cost-of-sales for sales commissions.

Stadium	SEATING CAPACITY	LOGE BOXES		CLUB SEATS		Metropolitan Statistical Area (MSA)	Potential Club/Loge Revenue	HH With Income Over \$150K	Club/Loge Revenue Per HH With Income Over \$150K
	Total Inventory	Loge Inventory	Annual Price	Club Inventory	Annual Price				
Maverik Stadium	22,059	26	\$10,000	700	\$1,325	Logan	\$1,187,500	611	\$1,944
War Memorial Stadium	29,181	-	-	256	\$2,750	Cheyenne	\$704,000	3,061	\$230
Bulldog Stadium**	43,560	-	-	-	-	Fresno	-	25,012	-
Albertsons Stadium	36,387	48	\$12,000	832	\$2,200	Boise City	\$2,406,400	20,063	\$120
Qualcomm Stadium***	54,000	-	-	-	-	San Diego-Carlsbad	-	176,093	-
Falcon Stadium	46,692	-	-	621	\$1,825	Colorado Springs	\$1,133,325	28,717	\$39
Sam Boyd Stadium	35,500	-	-	488	\$3,000	Las Vegas-Henderson-Paradise	\$1,464,000	55,297	\$26
Colorado State Stadium	41,200	40	\$14,000	940	\$1,900	Fort Collins	\$2,346,000	15,853	\$148
CEFCU Stadium	30,456	-	-	-	-	San Jose-Sunnyvale-Santa Clara	-	184,521	-
University Stadium	39,224	-	-	1,597	\$839	Albuquerque	\$1,339,883	29,450	\$45
Mackay Stadium	26,000	26	\$8,000	56	\$1,500	Reno	\$292,000	13,520	\$22
AVERAGE	36,751	35	\$11,000	686	\$1,920		\$1,359,139	50,200	\$322
MEDIAN	36,387	33	\$11,000	661	\$1,863		\$1,263,692	25,012	\$83

*Club seats include a club seat lounge and supersuites

**Represents current inventory before planned expansion

***Club Inventory is not listed because the stadium features more than 7,800 club seats to meet demand for the NFL's San Diego Chargers

Hypothetical Honolulu Club/Loge Revenue			
	HH With Income Over \$150K	Potential Club/Loge Revenue	Potential Price Per Club/Loge Seat (1,400)
Average	51,106	\$16,446,468	\$11,747.48
Median	51,106	\$4,227,464	\$3,019.62



ANNUAL PREMIUM SEATING PRICING - SUMMARY

Based on our analysis of premium seating in comparative markets, we estimate that the following pricing model would be appropriate for a new Aloha Stadium's annual premium seating:

- 18 sellable 16-person suites priced at \$65,000 per suite (*note: total suite inventory would be 22, which includes 2 reserved for state/university and 2 party suites sold on a per-game basis*)
- 50 4-person loge boxes priced at \$20,000 per box
- 1,200 club seats priced at \$2,500 per seat

However, to be conservative, we are discounting all of those prices by 20%, as follows:

- \$52,500 per suite
- \$16,000 per box
- \$2,000 per club seat

This pricing leads to potential gross premium seating revenue of **\$4,136,000** prior to sales commissions (conservatively estimated at 15%) and if 100% of sellable inventory is sold (conservatively estimated 80%).

Premium Product	Sellable Inventory	Total Seats	Average Price Per Suite/Box	Average Price Per Seat	Total Revenue
Private Suites*	18	288	\$52,000	\$3,250	\$936,000
Loge Boxes	50	200	\$16,000	\$4,000	\$800,000
Club Seats	1,200	1,200	-	\$2,000	\$2,400,000
TOTAL:		1,688		\$2,450	\$4,136,000

**Note: To be conservative, does not include single-game party suite rental revenue*



STADIUM NAMING RIGHTS DEAL

Six (6) of the other eleven (11) stadiums in the Mountain West Conference for football have a multi-year naming rights deals for the stadium, as seen below. These deals range from \$333,333 to \$900,000 per year. However, on the next slide we conducted analysis showing the potential market value of a Honolulu-based stadium naming rights deal based on market size.

Stadium	University	Year Sold	Term (Yrs)*	Total Value	Annual Value
Qualcomm Stadium	San Diego State	1997	20	\$18,000,000	\$900,000
Albertsons Stadium	Boise State	2014	15	\$12,500,000	\$833,333
Sonny Lubick Field	Colorado State	2016	30	\$20,000,000	\$666,667
CEFCU Stadium	San Jose State	2016	15	\$8,700,000	\$580,000
Maverik Stadium	Utah State	2015	18	\$6,300,000	\$350,000
War Memorial Stadium	Wyoming	2005	Life	\$10,000,000	\$333,333
Average:		2011	21.3	\$12,583,333	\$610,556
Median:		2015	19.0	\$11,250,000	\$623,333

**Life term is estimated to be 30 years, or the approximate useful life of a collegiate athletic facility*

Note: Sorted by Annual Value



STADIUM NAMING RIGHTS DEAL (CONT'D)

We analyzed comparative stadium naming rights deals based on market size. We estimated a potential annual naming rights deal to be between \$1.6M-\$3.2M. To be conservative, we are discounting the low-end of this range (\$1.6M) at 20% and estimating that the annual naming rights for a new Aloha Stadium will sell for **\$1.28M** (prior to sales commissions, conservatively estimated at 15%).

Stadium	University	Year Sold	Term (Yrs)*	Total Value	Annual Value	MSA	MSA Population	Annual Dollars Per Resident
War Memorial Stadium	Wyoming	2005	Life	\$10,000,000	\$333,333	Cheyenne	38,801	\$8.59
Maverik Stadium	Utah State	2015	18	\$6,300,000	\$350,000	Logan	51,181	\$6.84
Sonny Lubick Field	Colorado State	2016	30	\$20,000,000	\$666,667	Fort Collins	332,234	\$2.01
Albertsons Stadium	Boise State	2014	15	\$12,500,000	\$833,333	Boise City	684,720	\$1.22
CEFCU Stadium	San Jose State	2016	15	\$8,700,000	\$580,000	San Jose	1,970,407	\$0.29
Qualcomm Stadium	San Diego State	1997	20	\$18,000,000	\$900,000	San Diego	3,266,328	\$0.28
Average:		2011	21.3	\$12,583,333	\$610,556		1,057,279	\$3.20
Median:		2015	19.0	\$11,250,000	\$623,333		508,477	\$1.61

*Life term is estimated to be 30 years, or the approximate useful life of a collegiate athletic facility

Note: Sorted by Annual Dollars Per Resident

Hypothetical Hawaii Annual Dollars by Resident			
	Annual Dollars /Resident	Honolulu MSA Population	Annual Dollars
Average:	\$3.20	999,751	\$ 3,203,015
Median:	\$1.61	999,751	\$ 1,611,429



Stadium Naming Rights

Based on our comparative analysis and industry expertise, we are conservatively estimating that the naming rights for a new Aloha Stadium could sell for \$1.28M annually in the Honolulu market.

Founding Partnerships

Founding partners are multiple companies that form the top tier of sponsors, excluding stadium naming rights, at a new or renovated sports venue. These companies can help properties offset the cost of construction or capital improvements by making a significant financial contribution.

We recommend that the Stadium Authority targets at least 4 founding partners, with the total sponsorship revenue equaling the annual naming rights value. We therefore project that founding partner revenues will total \$1.28M.

Other Sponsorships

Due to the increase in sponsorship inventory that currently does not exist in Aloha Stadium, such as increased static signage, flexible format LED signs, field-level digital boards, etc., there should be a significant increase in other sponsorship revenue. The remaining sponsorships should account for an additional 50% of total sponsorship revenue, at \$2.56M.

Based on our experience in the stadium industry, a stadium naming rights deal typically accounts for 25% of the total revenue generated by sponsorships and advertising. Therefore we are projecting total annual sponsorship revenue of \$5,120,000, of which \$1,280,000 is assumed to come from annual naming rights. Please note: we also conservatively estimate a 15% cost-of-sales.



SECTION 8
ECONOMIC &
FISCAL IMPACT ANALYSIS



Please note the following key sources for the data utilized in developing this economic and fiscal impact analysis:

- *CONSTRUCTION IMPACTS* - Construction cost estimates used in this analysis were developed by Populous (stadium) and Jones Lang LaSalle (mixed-use development), as shown below.
- *OPERATIONAL IMPACTS* - Operational estimates for the new stadium were developed by Victus Advisors.

ESTIMATED STADIUM & ANCILLARY DEVELOPMENT PROGRAM		
	Square Feet	Estimated Construction Cost*
Stadium	435,853	\$324,500,000
Underground Parking	-	\$223,000,000
Retail	350,000	\$149,614,000
Office	150,000	\$56,299,000
Hotel (200 rooms)	160,000	\$62,787,000
Residential (500 units)	550,000	\$157,285,000
Additional Sitework & Roads	-	\$161,200,000

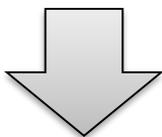
*Includes hard/ soft costs, land, sitework & roads for new stadium, underground garage & Phase I development (41 acres)
Sources: Populous, Jones Lang LaSalle

Note: To be conservative, we have estimated the economic and fiscal impacts of Phase I of the ancillary development. The ultimate development of additional phases (beyond the initial 41 acres) would be dependent on numerous future market factors.

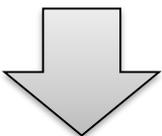


Our economic/fiscal impact analysis was conducted in three (3) key steps:

1) Estimate Gross Direct Spending of both Construction and Operations



2) Identify Relevant Economic Area and Estimate Gross versus Net Impacts



3) Utilize the Multiplier Effect to Estimate Economic and Fiscal Impacts



1. ESTIMATE GROSS DIRECT SPENDING

The first step in projecting the potential economic and fiscal impacts of a new downtown event center is estimating the Gross Direct Spending activity that could occur due to both the one-time construction and on-going operations of the new stadium.

Gross Direct Spending represents all of the direct spending that could be associated with the project, regardless of income source or spending location.

Primary Sources of Direct Spending from Stadium

One-Time Construction Expenditures	On-Going Facility Operations	
Supplies & Materials Labor Costs Service Fees	<i>In-Facility Revenues:</i> Ticket Sales Premium Seating Concessions/Catering Sponsorships/Advertising	<i>Visitor Spending:</i> Lodging Restaurants/Bars Entertainment Retail Transportation



2. IDENTIFY GROSS VS. NET IMPACTS (CONT'D)

After estimating the “Gross” economic activity associated with the Stadium, Victus Advisors estimated the portion of Gross Direct Spending that could represent incremental (or “Net”) spending within the island’s economy. Net Direct Spending accounts for the phenomenon of “displacement”, as described below.

DISPLACEMENT is the economic principle that assumes a household (or business) entertainment and recreation budget would be spent within the local economy with or without development of a new sports/entertainment venue.



For purposes of this study, we have assumed that local entertainment spending would be displaced (i.e. spent elsewhere within the Oahu economy) without the presence of a new stadium. Therefore...

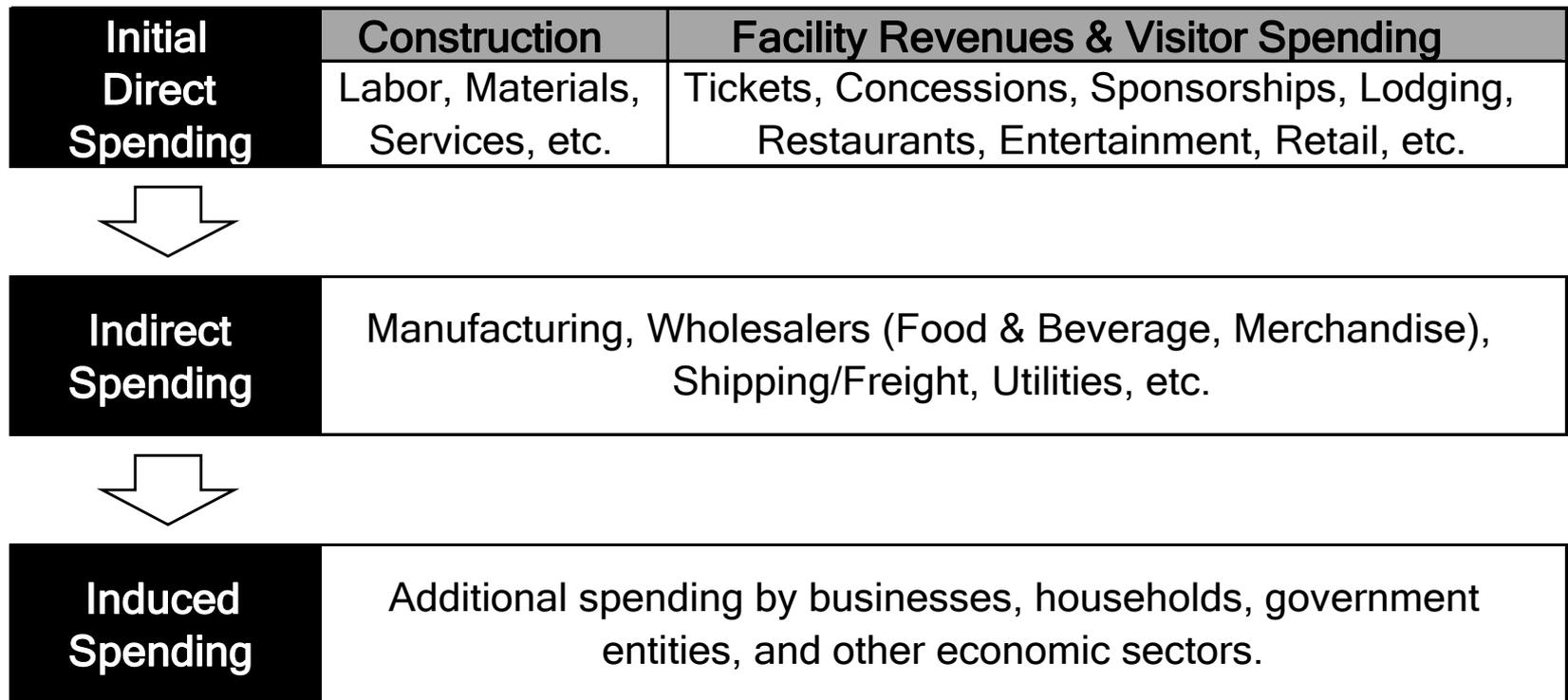


NET IMPACTS will only include the estimated dollars spent within Oahu limits by non-resident visitors and businesses located outside of the island.



3. THE MULTIPLIER EFFECT

Direct Spending that is captured in Oahu is subsequently re-spent, both inside and outside the local economy. The cumulative impact of the re-spending cycles that occur within island limits is called the “Multiplier Effect”.





3. THE MULTIPLIER EFFECT (CONT'D)

Victus Advisors utilized IMPLAN Multipliers specific to Oahu (shown below) to estimate the following Economic & Fiscal Impacts:

- **TOTAL OUTPUT** (direct, indirect & induced spending in Oahu)
- **EMPLOYMENT** (full-time & part-time jobs in Oahu)
- **LABOR INCOME** (salaries & wages associated with Oahu jobs)
- **TAX REVENUES** (state & local taxes associated with the total output)

IMPLAN MULTIPLIERS FOR HONOLULU COUNTY			
Industry	Total Output Multiplier	Personal Earnings Multiplier	Employment Multiplier
Construction - Non Residential	1.46782	0.56822	8.56895
Construction - Residential	1.48543	0.36722	5.99861
Transit & Ground Transportation	1.66845	0.63919	20.02110
Retail Stores	1.50717	0.54962	14.78580
Spectator Sports	1.58158	0.45493	29.96025
Amusement & Recreation (Entertainment)	1.54752	0.54883	17.98860
Hotels & Motels	1.47394	0.53267	9.84512
Food Services & Drinking Places	1.46083	0.61934	18.83256
Other Personal Services	1.57208	0.75043	13.85916



ONE-TIME ECONOMIC IMPACTS OF CONSTRUCTION

As shown below, it is estimated that construction of a new Aloha Stadium and ancillary development could generate one-time impacts of more than \$647 million in economic output, approximately 5,420 construction jobs, and over \$261 million in construction wages.

ONE-TIME ECONOMIC IMPACTS OF CONSTRUCTION - ALOHA STADIUM & ANCILLARY DEVELOPMENT

Total Estimated Construction Cost - New Stadium & Underground Parking:*	\$547,500,000
Total Estimated Construction Cost - Ancillary Development (Residential, Retail, Office, Hotel):**	\$587,986,000
Total Construction Spending - New Stadium & Ancillary Development:	\$1,135,486,000



Estimated Portion of Construction Spending Occuring In-State:	\$462,100,000
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Estimated Economic Impacts of Construction Spending	
Total Economic Output:	\$647,476,000
Full- and Part-Time Jobs:	5,420
Personal Earnings:	\$261,224,000

* Source: Populous. Includes estimated hard costs, soft costs, sitework, and roads for new stadium and 4,000 underground parking spots.

** Sources: Jones Lang Lasalle & Populous. Includes hard/ soft costs, sitework, and roads for development of 41 acres adjacent to new stadium.



ONE-TIME FISCAL IMPACTS OF CONSTRUCTION

As shown below, it is estimated that construction of a new Aloha Stadium and ancillary development could generate over \$6.6 million in state and local general excise tax revenues, via direct ancillary development construction spending and indirect/induced spending associated with stadium construction.

ONE-TIME FISCAL IMPACTS OF CONSTRUCTION - ALOHA STADIUM & ANCILLARY DEVELOPMENT

General Excise Tax - State	\$5,868,000
General Excise Tax - Oahu	\$733,000
Total - GET Revenue:	\$6,601,000

Note: Consists of tax revenues from Phase I ancillary development construction spending and stadium-related indirect/induced spending, as construction spending associated with the Stadium was assumed to be non-taxable.



ANNUAL ECONOMIC IMPACTS OF OPERATIONS

It is estimated that stadium operations could annually generate nearly \$31 million in net total output, 380 net annual jobs, and \$11.2 million in net annual wages each year.

ESTIMATED ANNUAL ECONOMIC IMPACTS OF STADIUM OPERATIONS

	GROSS	NET NEW
Direct Spending	\$59,418,000	\$20,211,000
Total Output	\$90,368,000	\$30,763,000
Full- & Part-time Jobs	1,090	380
Personal Earnings	\$32,952,000	\$11,169,000

Note: Presented in 2017 dollars. Includes both in-stadium/ out-of-stadium spending by attendees.

It is estimated that ancillary development operations (retail, residential, office, hotel) could annually generate more than \$31 million in net total output, 300 net annual jobs, and \$11.5 million in net annual wages.

ESTIMATED ANNUAL ECONOMIC IMPACTS OF ANCILLARY DEVELOPMENT OPERATIONS

	GROSS	NET NEW
Direct Spending	\$195,303,000	\$20,945,000
Total Output	\$293,884,000	\$31,474,000
Full- & Part-time Jobs	2,820	300
Personal Earnings	\$107,102,000	\$11,464,000

Note: Presented in 2017 dollars.



ANNUAL FISCAL IMPACTS OF OPERATIONS

It is estimated that stadium operation could annually generate nearly \$2 million in gross tax revenues (\$797,000 net new).

ESTIMATED ANNUAL FISCAL IMPACTS OF STADIUM OPERATIONS

	GROSS	NET NEW
General Excise Tax - State	\$267,000	\$98,000
General Excise Tax - County	\$33,000	\$12,000
Transient Accommodations Tax	\$2,062,000	\$687,000
TOTAL:	\$2,362,000	\$797,000

Note: Presented in 2017 Dollars. Includes both in-stadium/ out-of-stadium spending by attendees.

It is estimated that ancillary development operations (retail, residential, office, hotel) could annually generate over \$17.6 million in gross tax revenues (approx. \$8.5 million net new).

ESTIMATED ANNUAL FISCAL IMPACTS OF ANCILLARY DEVELOPMENT OPERATIONS

	GROSS	NET NEW
General Excise Tax - State	\$8,411,000	\$901,000
General Excise Tax - County	\$1,051,000	\$113,000
Transient Accommodations Tax	\$872,000	\$174,000
Property Tax	\$7,291,000	\$7,291,000
TOTAL:	\$17,625,000	\$8,479,000

Note: Presented in 2017 dollars.



COMBINED IMPACTS OVER 25 YEARS

As shown below, it is estimated that a new Aloha Stadium and ancillary development could generate net impacts over a period of 25 years with an NPV of approximately \$1.5 billion in total economic output, \$556 million in personal earnings, and \$135 million in state and local tax revenues. In addition, it is estimated that up to 680 net new annual jobs could be supported after full build-out.

GROSS:

	Cumulative	Net Present Value*
Direct Spending:	\$9,749,040,000	\$3,964,778,000
Total Output:	\$14,657,021,000	\$5,935,015,000
Annual Jobs:	3,910	n/a
Personal Earnings:	\$5,367,490,000	\$2,186,583,000
Taxes:**	\$735,312,000	\$283,640,000

NET:

	Cumulative	Net Present Value*
Direct Spending:	\$1,962,617,000	\$999,339,000
Total Output:	\$2,916,591,000	\$1,463,702,000
Annual Jobs:	680	n/a
Personal Earnings:	\$1,086,407,000	\$556,143,000
Taxes:**	\$344,797,000	\$134,913,000

Note: 25 year model. For purposes of this model, construction spending lumped into Year 1.

** Assumes 8.0% discount rate.*

*** Includes State and Oahu taxes (general excise, tourist, property).*



APPENDIX - MOUNTAIN WEST
CONFERENCE STADIUM SUMMARIES



QUALCOMM STADIUM - SAN DIEGO, CA

- Opened in 1967
- Cost: \$276 million (2017 dollars); Funding: Public bond
- Capacity: 54,000 (San Diego State football)
- Owner: City of San Diego
- Operator: City of San Diego
- Tenants: San Diego State football, San Diego Chargers (NFL), Holiday Bowl, Poinsettia Bowl



Annual Operations:

- 8 San Diego Chargers regular season games (66,772 average attendance)
- 6 San Diego State regular season games (37,289 average attendance)
- Holiday Bowl (48,329 2015 attendance)
- Poinsettia Bowl (21,501 2015 attendance)
- International soccer (CONCACAF Gold Cup, Mexico National Team, etc.)



Premium Seating and Parking :

- 20 Private Suites, 7,800 Club Seats
- Luxury suites tickets sold per game at \$100/ticket per person
- Club seats average \$435 per seat per year
- 18,500 on-site parking stalls



SAM BOYD STADIUM - WHITNEY, NV

- Opened in 1971; Footprint: 145,635 ft²
- Cost: \$25.4 million (2017 dollars); Funding: Public bond
- Capacity: 35,500 (UNLV football)
- Owner: University of Nevada Las Vegas
- Operator: University of Nevada Las Vegas
- Tenants: UNLV football, Las Vegas Bowl



Annual Operations:

- 6 UNLV regular season games (29,000+ average attendance)
- Las Vegas Bowl (29,286 2016 attendance)
- USA Sevens Rugby (60,000+ average attendance)
- International soccer friendlies



Premium Seating:

- 16 Private Suites, 488 Club Seats
- Annual luxury suite leases start at \$60,000



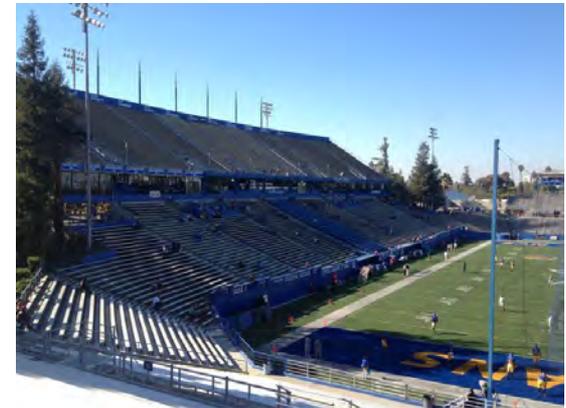
CEFCU STADIUM - SAN JOSE, CA

- Opened in 1933
- Cost: N/A; Funding: San Jose State University
- Capacity: 30,456
- Owner: San Jose State University
- Operator: San Jose State University
- Tenants: San Jose State University football



Annual Operations:

- 6 San Jose State regular season games (15,149 average attendance)



Premium Seating:

- 12 Private Suites
- Annual luxury suite leases start at \$14,600



BULLDOG STADIUM - FRESNO, CA

- Opened in 1980
- Cost: \$25.5 million (2017 dollars)
- Capacity: 43,560
- Owner: California State University, Fresno
- Operator: California State University, Fresno
- Tenants: Fresno State football



Annual Operations:

- 6 Fresno State regular season games (25,493 average attendance)



Premium Seating and Parking :

- 46 Private Suites, 1,000 Club Seats
- Annual luxury suite leases start at \$35,000
- 1,200 on-site parking stalls



- Opened in 1960
- Cost: \$32.9 million (2017 dollars); Funding: U. of New Mexico
- Capacity: 39,224
- Owner: University of New Mexico
- Operator: University of New Mexico
- Tenants: New Mexico football, New Mexico Bowl



Annual Operations:

- 6 UNM regular season games (18,708 average attendance)
- New Mexico Bowl (29,688 2016 attendance)
- Concerts (Led Zeppelin, Rolling Stones, Metallica) and entertainment acts (Nitro Circus Live)



Premium Seating and Parking :

- 9 Private Suites, 1,597 Club Seats
- Annual luxury suite leases start at \$21,000
- Club seats average \$839 per seat per year



FALCON STADIUM - COLORADO SPRINGS, CO

- Opened in 1962
- Cost: \$27.4 million (2017 dollars); Funding: U.S. Air Force
- Capacity: 46,692
- Owner: U.S. Air Force
- Operator: U.S. Air Force Academy
- Tenants: Air Force football



U.S. AIR FORCE

Annual Operations:

- 6 Air Force regular season games (29,587 average attendance)



Premium Seating and Parking :

- 6 Private Suites, 621 Club Seats
- Annual luxury suite leases start at \$14,000
- Club seats average \$2,050 per seat per year
- 10,100 on-site parking stalls



ALBERTSONS STADIUM - BOISE, ID

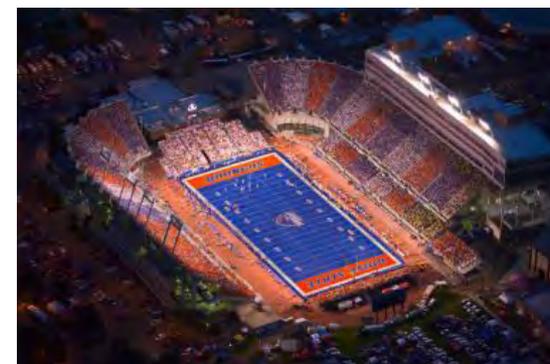
- Opened in 1970; Footprint: 131,000 ft²
- Cost: \$14 million (2017 dollars)*; Funding: Boise State U.
- Capacity: 36,387
- Owner: Boise State University
- Operator: Boise State University
- Tenants: Boise State football, Famous Idaho Potato Bowl



**BOISE STATE
UNIVERSITY**

Annual Operations:

- 6 Boise State regular season games (34,290 average attendance)
- Famous Idaho Potato Bowl (24,975 2016 attendance)
- International soccer friendlies



Premium Seating:

- 39 Private Suites, 48 Loge Boxes, 832 Club Seats
- Annual luxury suite leases start at \$45,000
- Club seats average \$2,200 per seat per year, Loge Boxes start at \$12,000

**Note: Represents construction cost of original 14,500 seat stadium in 1970*



MACKAY STADIUM - RENO, NV

- Opened in 1966; Footprint: ft²
- Cost: N/A; Funding: U. of Nevada, Reno
- Capacity: 26,000
- Owner: University of Nevada, Reno
- Operator: University of Nevada, Reno
- Tenants: University of Nevada football



University of Nevada, Reno

Annual Operations:

- 6 Nevada regular season games (18,501 average attendance)



Premium Seating:

- 36 Private Suites, 26 Loge Boxes, 56 Club Seats
- Annual luxury suite leases start at \$30,000
- Club Seats average \$1,500 per year, Loge Boxes start at \$8,000



- Opening in 2017
- Cost: \$220.1 million (2017 dollars); Funding: CSU
- Capacity: 41,200
- Owner: Colorado Sate University
- Operator: Colorado State University
- Tenants: Colorado State football



Annual Operations:

- 6 Colorado State regular season games (27,602 average attendance)



Premium Seating:

- 22 Private Suites, 798 Club Seats, 44 Loge Boxes
- Annual luxury suite leases start at \$35,000
- Club seats average \$1,900 per seat per year; Loge Boxes start at \$12,000 per year



MAVERIK STADIUM - LOGAN, UT

- Opened in 1969
- Cost: \$20.4 million (2017 dollars); Funding: Utah State
- Capacity: 22,059
- Owner: Utah State University
- Operator: Utah State University
- Tenants: Utah State football



Annual Operations:

- 6 Utah State regular season games (22,059 average attendance)



Premium Seating and Parking :

- 20 Private Suites, 26 Loge Boxes, 700 Club Seats
- Annual luxury suite leases start at \$40,000
- Club Seats average \$1325 per seat per year, Loge Boxes start at \$10,000 per year
- 2500 on-site parking stalls



WAR MEMORIAL STADIUM - LARAMIE, WY

- Opened in 1950, Upgraded in 2010
- Cost: \$62.3 million (2017 dollars); Funding: U. of Wyoming
- Capacity: 29,181
- Owner: University of Wyoming
- Operator: University of Wyoming
- Tenants: Wyoming football



Annual Operations:

- 6 Wyoming regular season games (20,810 average attendance)



Premium Seating:

- 10 Private Suites, 256 Club Seats
- Annual luxury suite leases start at \$44,000
- Club seats average \$2,750 per seat per year



CONTACT INFORMATION



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Exhibit B

Aloha Stadium Conceptual Redevelopment Plan

Populous

Aloha Stadium Conceptual Redevelopment Plan

February 23, 2017

CONFIDENTIAL





This report represents a study for a new multi-use stadium to replace the existing Aloha Stadium. The existing stadium has served as a Honolulu icon since 1975, and hosted a variety of local, national, and international events, but has outlived its useful existence. A series of significant events make this an exciting new development opportunity for Honolulu, Oahu, and the state of Hawaii. The lifting of Federal Deed Restrictions on the site redefine the possible land uses and density on the site, which will attract new investment and create additional community assets. The new HART transit system, a landmark public project for Hawaii, is under construction with arguably the most important station located on the stadium site, also serving the Pearl Harbor Visitor Center.

The City of Honolulu has produced a concept plan for the stadium site's approximately 100 acres, outlining a vision for a new stadium together with a dense urban neighborhood, referred to as a "transit oriented development" (TOD). This plan also follows a mixed-use development program of residential, retail, office, hotel uses, with similar urban design principles. One notable difference, however, is the preferred stadium location, which has been selected so that the existing stadium may continue operations while the new building is under construction. In addition to a multi-modal transportation system and a series of diverse programmatic land uses, this project emphasizes the quality of Honolulu-inspired placemaking public spaces that tie together the robust development scheme and extend it outward to the adjoining Halawa neighborhood.

The new stadium is downsized from the existing capacity of 50,000 seats, designed with a capacity of approximately 30,000-35,000. The new stadium has a U-shaped configuration with an open end zone that connects to a central public plaza that can be programmed to also accommodate a number of community and large-scale events. The open end of the stadium has a sloping grass berm for casual spectator seating, where temporary seats may also be added to bring the venue to a maximum capacity of 40,000. The lanai-inspired stadium concourse and canopy and landscaped berm sets the stage for a uniquely crafted Hawaiian civic building which will become a new community icon and anchor for a new urban center while continuing to serve as a gathering place for the State of Hawaii.

Master Plan Legend:

1. New Halawa HART station.
2. Commercial buildings above parking deck & retail podium.
3. Residential buildings above parking deck & retail podium.
4. Retail-entertainment oriented “Main Street” & plazas.
5. Aloha stadium gateway (with historic volcano monument).
6. Grand entrance to stadium plaza (extended roof canopy).
7. Aloha stadium plaza.
8. Entertainment district (structured parking below).
9. Residential neighborhood.
10. Existing surface parking (swap meet zone 1.)
11. “Warriors way” (or other name): signature promenade designed to accommodate various events, including swap meet (zone 2).
12. Hotel & conference center, with parking deck.
13. Pedestrian bridges over creek, with local road access on both sides.
14. District gateway: elongated traffic roundabout with access to/ from H3 and H201 via expanded Kahuapaani street; direct access to stadium loop road.
15. Expanded Salt Lake Blvd. (“complete street”) with linear park and dedicated pedestrian/bike pathways.
16. Garden forecourt (and limited VIP parking) for aloha stadium.
17. Service access on south side of stadium (lower elevation, below concourse level).
18. RR/concession blocks on east and west side concourses;
19. Surface parking lot and event space.
20. North end zone berm, able to accommodate temporary seating, with double-sided video board to both stadium and plaza.
21. Parking garage and two residential buildings;
22. Multi-use recreational field and neighborhood park;



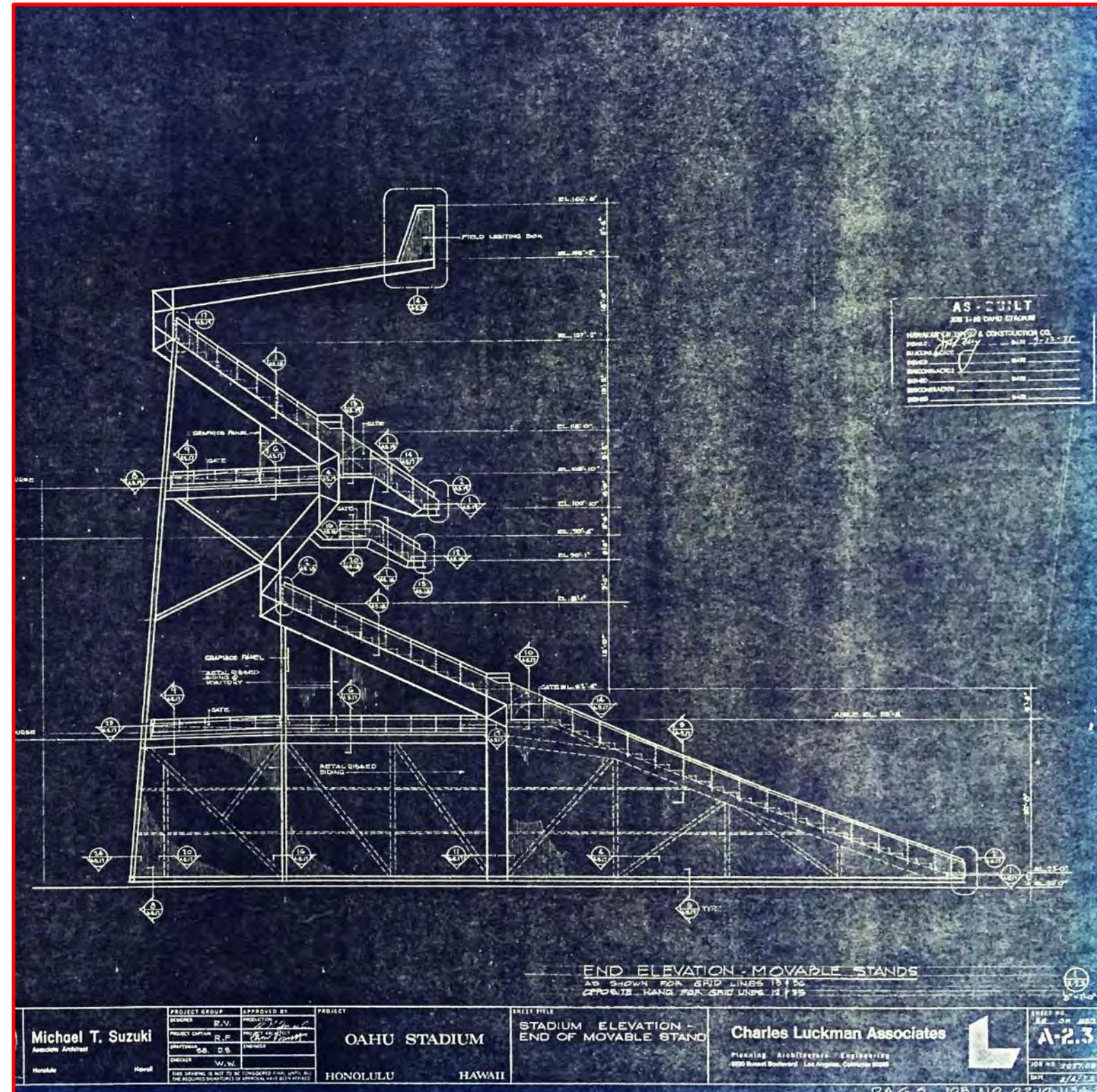
The Legacy of Aloha Stadium

The stadium as served as a Honolulu icon since 1975, and hosted a variety of local, national, and international events. Home to the University of Hawaii Rainbow Warriors football team, the stadium has also welcomed NFL players and fans for many of their annual Pro Bowls. High school football championship games, baseball games, concerts, the Aloha Stadium Swap Meet, and other community events have taken place here, helping to define it as one of the state's premier entertainment venues.



The Legacy of Aloha Stadium

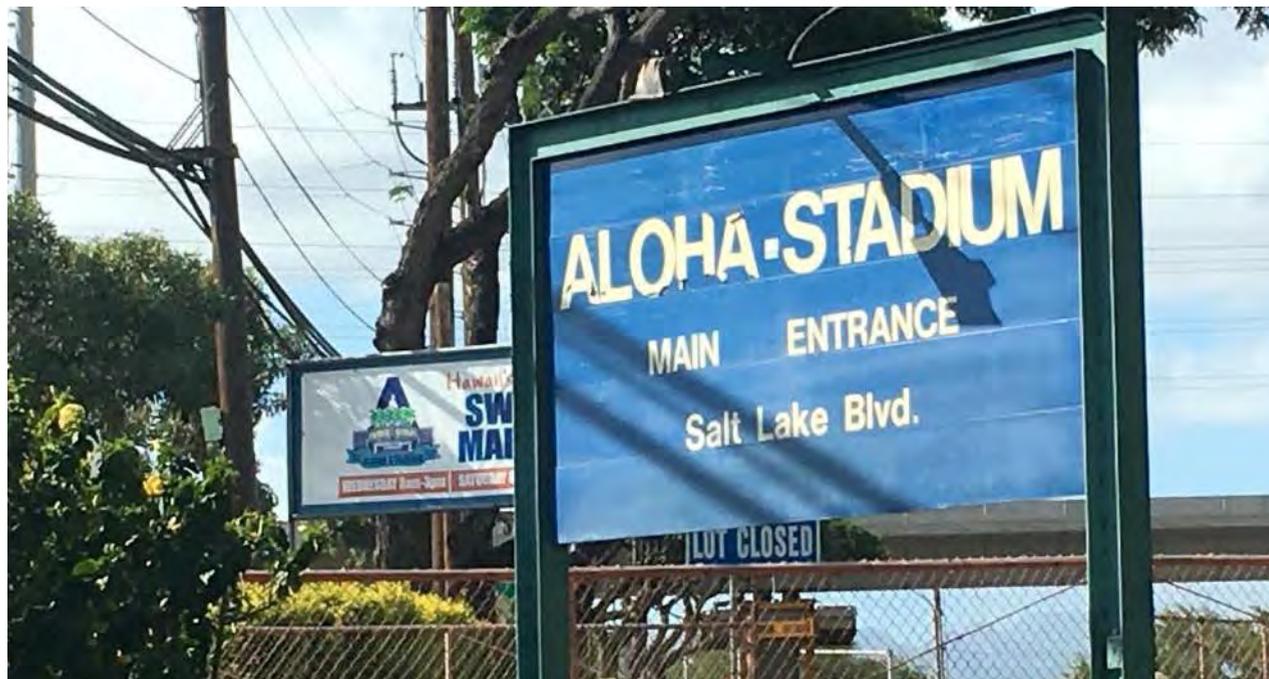
Charles Luckman, the architect of Aloha Stadium, was raised in Kansas City and later led a successful practice in Los Angeles, where he designed several notable public buildings including the “Theme Building” at Los Angeles International Airport, the Forum in Inglewood, and Madison Square Garden in New York City. Luckman’s design for Aloha Stadium was noted for its unique feature of rotating seating sections that altered the field of play and seating bowl to accommodate a variety of events including baseball, football, and concerts.



Current Condition of Aloha Stadium

The stadium has served its useful life and is now a liability to fan experiences, a potential danger to public health and safety, and a financial burden for maintenance and operations. Current costs for health and safety repairs exceed \$300 million in 2017 dollars, with another \$121 million for disability improvements and to bring stadium to current code requirements. A recent report published by engineers and architects from Wiss, Janney, Elstner Associates (WJE) highlighted the urgency of systemic problems that continue to grow as a result of deferred maintenance and chronic corrosive conditions. WJE's inspections have identified pieces of the building that have actually fallen into public areas of the facility (fortunately, the stadium was vacant at the time), bringing to reality the venue's immediate and long-term risks to fans, the Stadium Authority, and the State of Hawaii.

While this assessment focuses on the most serious short-term problems including structural deterioration and energy inefficiencies, a longer-term projection of building-related problems indicate that this venue is neither financially nor physically sustainable to remain a first-class entertainment venue for Hawaii. A comparison of fan amenities (eg. concessions, restrooms, circulation, etc.) to collegiate-level stadiums further illustrate the stadium's shortcomings and obsolescence.



HART Transit Station

Construction of the guideway structure and track for the Aloha Stadium HART station is currently underway, with an anticipated station opening of 2020. The multi-modal station will include bus service, car-sharing, bicycle amenities, and extensive highway access, representing a significant public investment that will enhance the broader Halawa community. The new Aloha Stadium station is anticipated to be one of the most utilized in the entire HART station, servicing not only the stadium but also the nearby Pearl Harbor Visitor Center, which attracts nearly 2 million visitors per year from around the world.

Since the Aloha Stadium station is a park-and-ride facility, the project also includes approximately four acres with 650 surface parking spaces. Slated as a Transit-Oriented Development (TOD), this parking and land area is planned to be replaced in the near future by structured parking and mixed-use development. Additional park-and-ride stations will also be included elsewhere in the HART system, including Pearl Highlands, located just two stops away.



Pearl Harbor Visitor Center



Existing Aloha Stadium Site

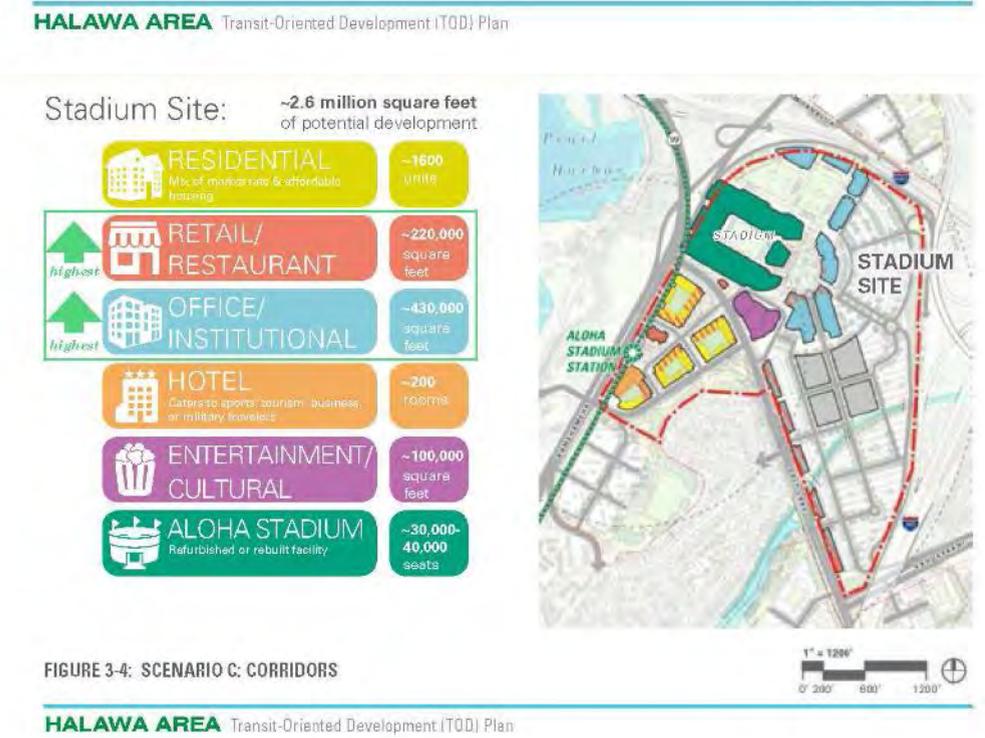
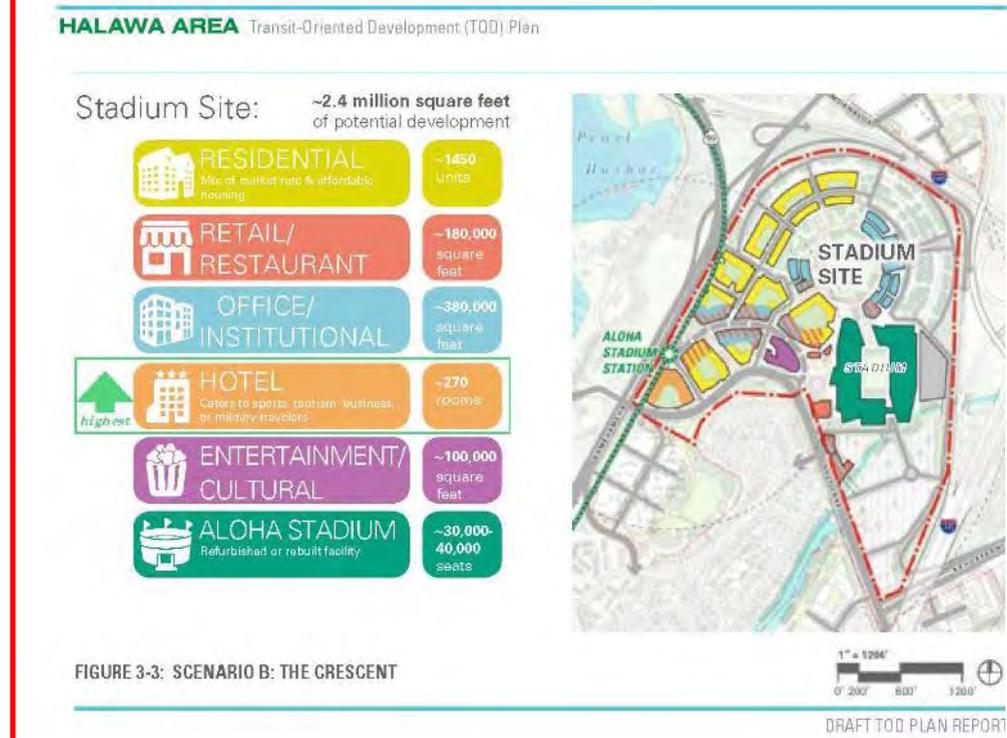
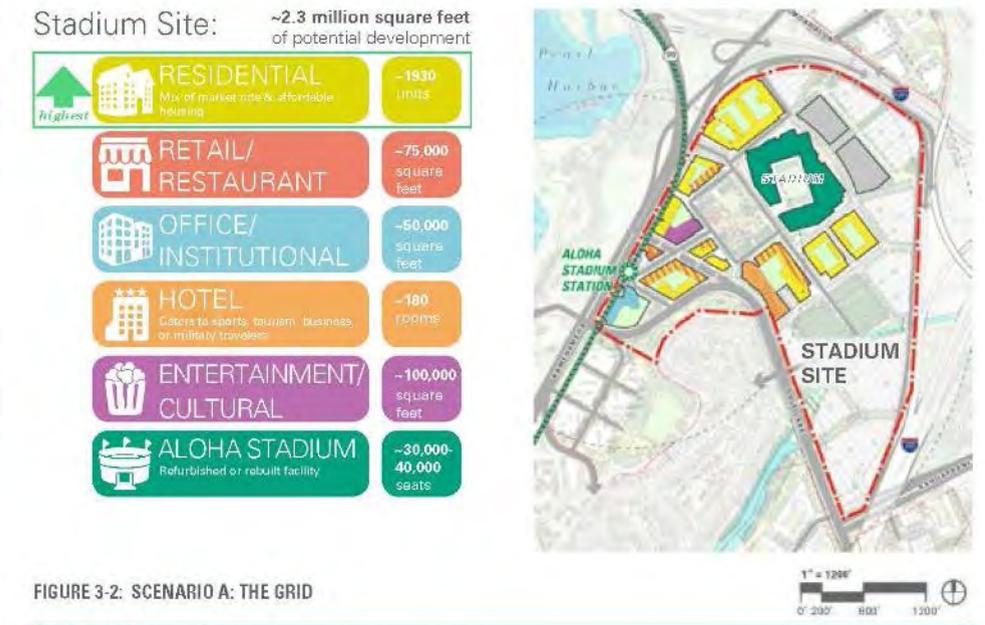
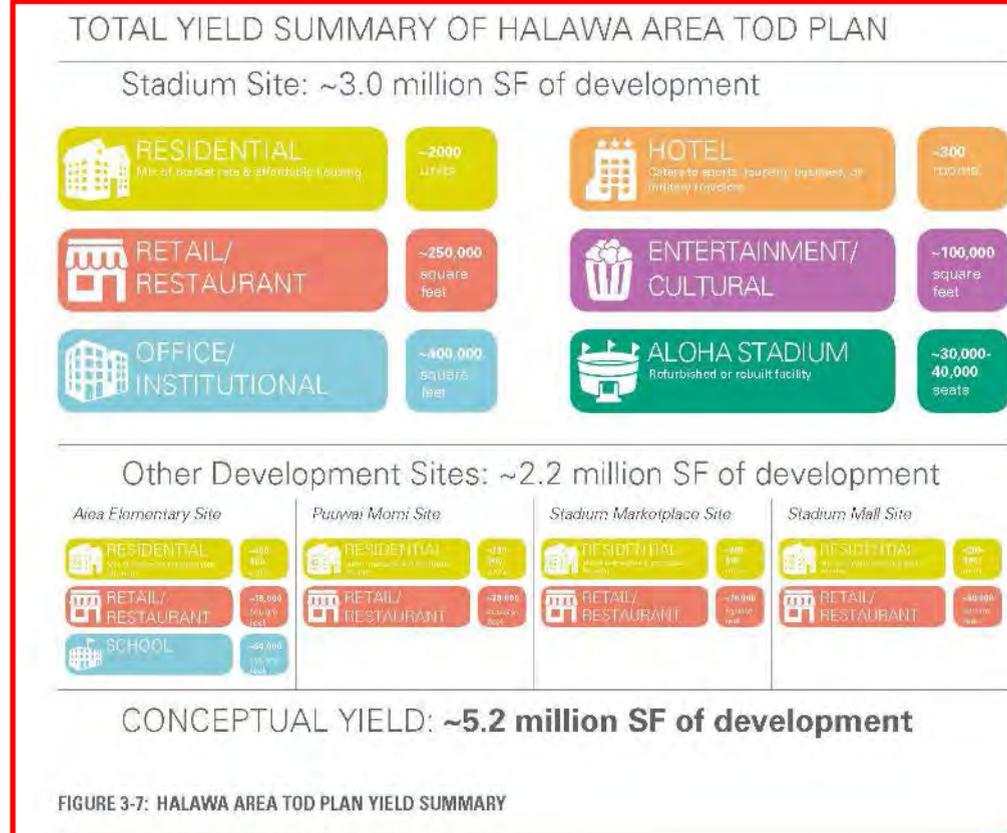


HART station construction

Halawa Area TOD Plan

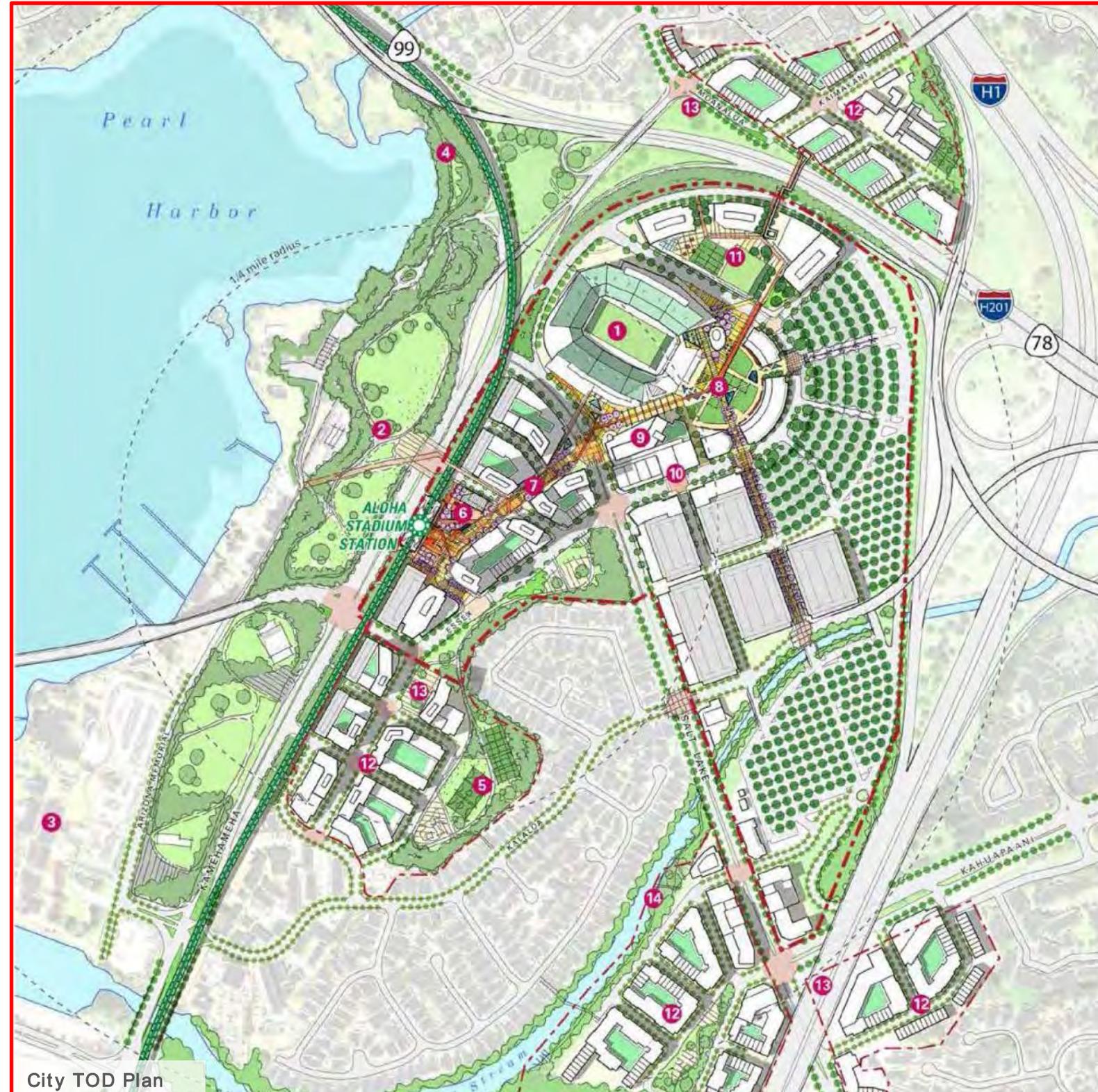
The City of Honolulu has worked with HART to develop area TOD plans for each of the new station areas, including the Aloha Station. The city with their planning consultant, Callison-RTKL, has created a conceptual master plan that includes a mixed-use ancillary development linking the HART station with a new stadium. The density of the stadium site is identified as having a development capacity of up to three million square feet, comprised of residential, retail, office, hotel, and entertainment uses, in addition to the stadium itself.

The city's TOD plan identified three possible locations for a new stadium: directly in the position of the existing stadium, northwest of the existing stadium, and south of the existing stadium. A series of smaller streets and blocks, served by both surface and structured parking, propose a dramatic change to the future character of the Aloha Stadium's approximately 100 acres.



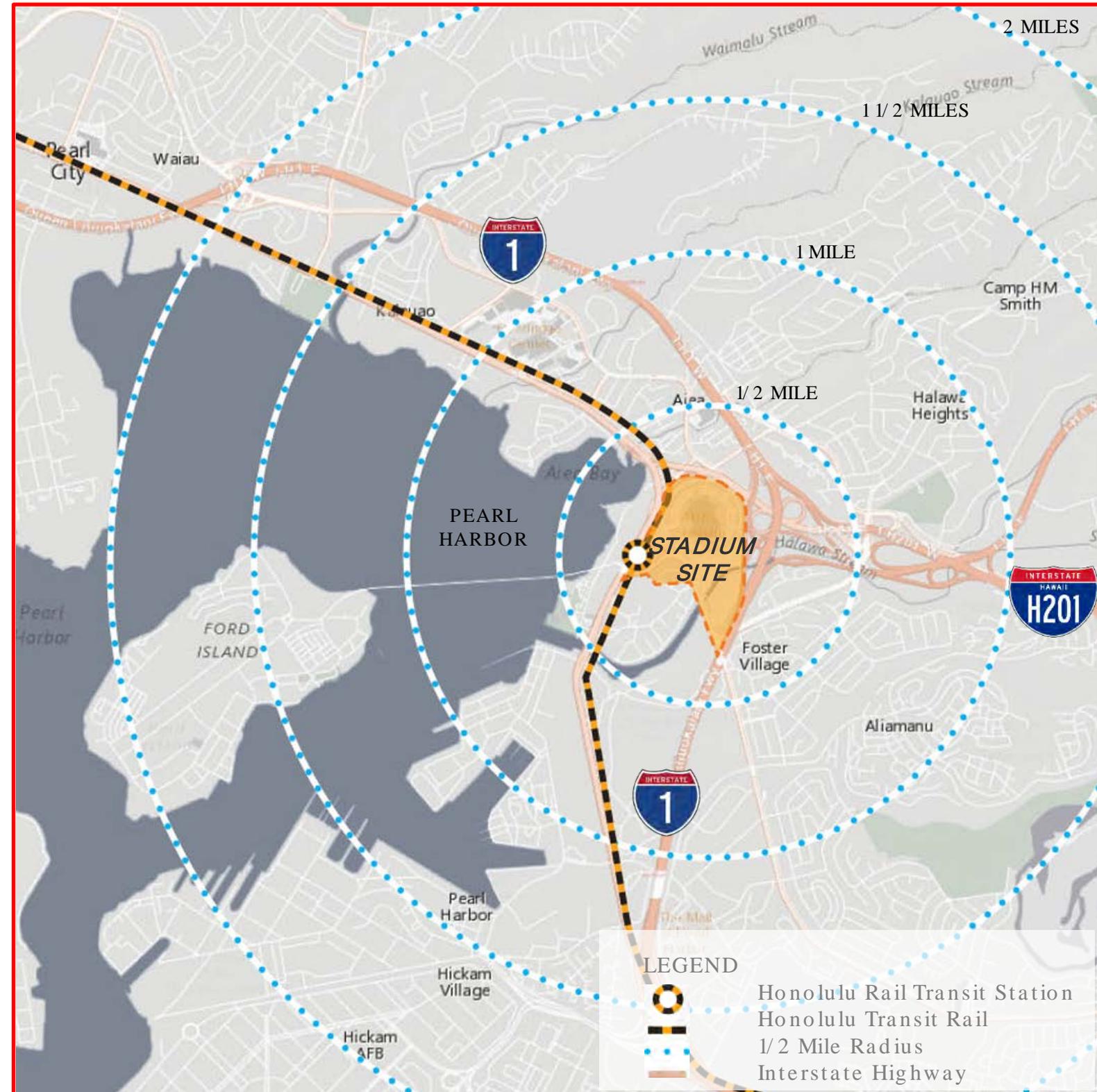
Halawa Area TOD Plan

The city's preferred location for a new stadium is positioned to the northwest of the existing stadium. A pedestrian-oriented street would represent a direct link between the new HART multi-modal transit center and the new stadium. This street will follow the legacy of great tree-lined streets found throughout Honolulu, evolving over time into a pleasant promenade with an active street life. On days when games or other events take place, this street will be managed to facilitate safe pedestrian passage across Salt Lake Boulevard, similar to circumstances found in many other stadium environments across the country. This strategy supports a more economical approach of smart design and effective traffic management that guides traffic flow around the western edge of the site to connect to Kamehameha Boulevard, in lieu of constructing a Salt Lake Boulevard pedestrian bridge, as suggested in the TOD plan. Whereas most of the existing stadium site is currently occupied by surface parking, future land utilization will transition into building sites, new roads, and public spaces. The new ancillary development is envisioned to be clustered primarily along the western and northern edges of the site, along the Kamehameha Highway, to take advantage of proximity to the station and stadium, as well as featuring views outward over Pearl Harbor. Land between the Aloha Stadium site and Pearl Harbor, however, is controlled by the U.S. Navy, with restricted use and access.



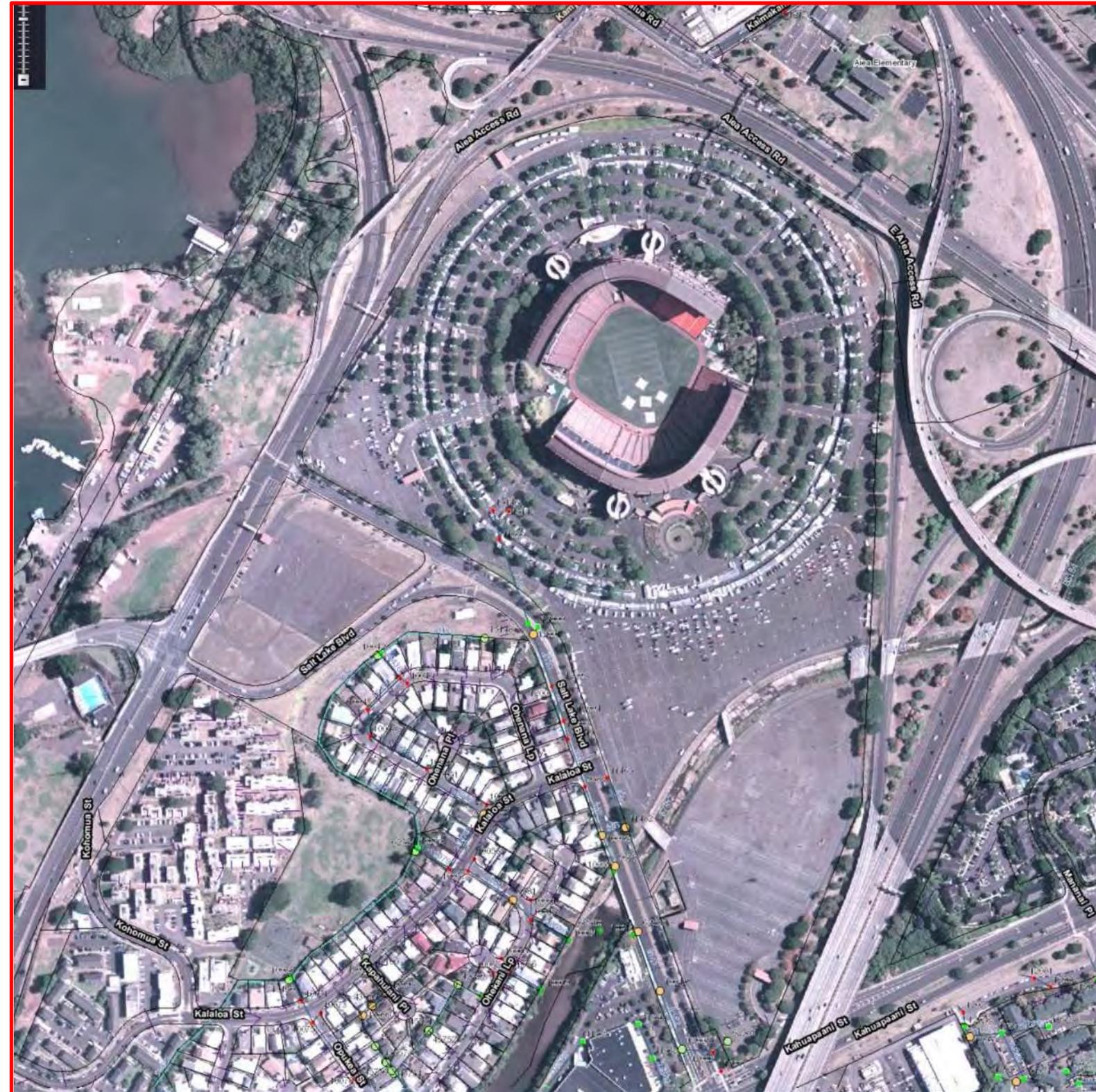
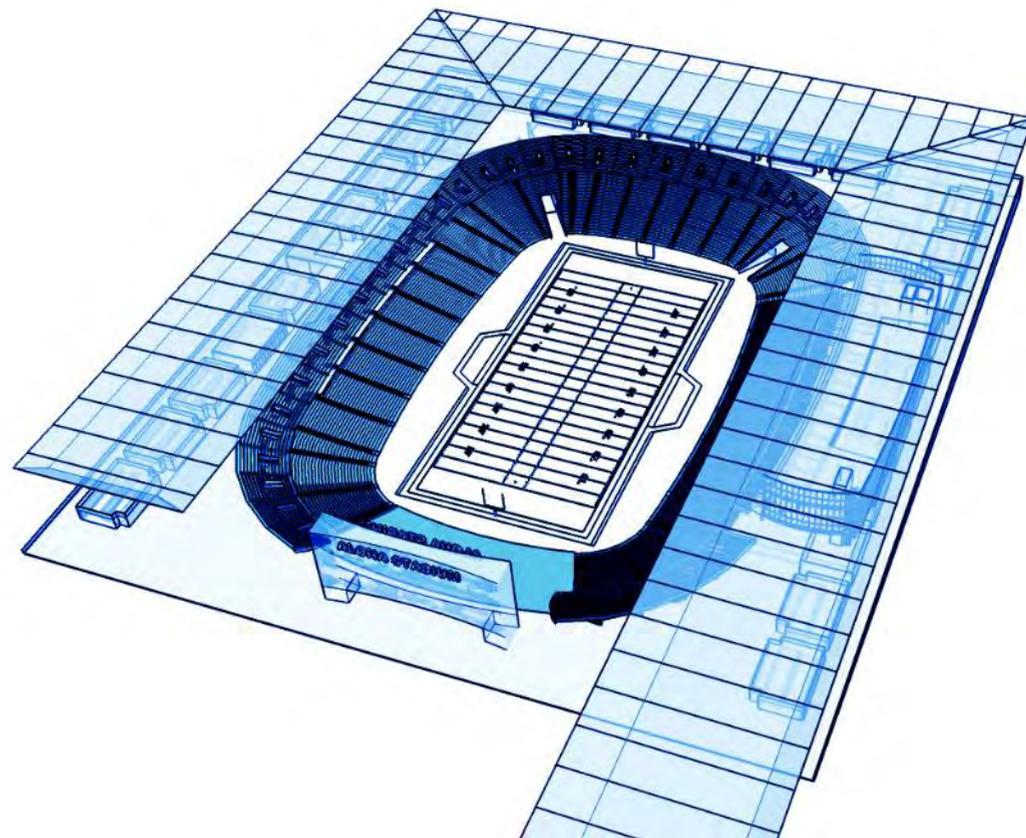
Aloha Stadium and the Halawa Neighborhood

Honolulu's proposed \$5 billion rail transit project, which would stretch most of the length of the populated southern shore, represents a new chapter for the city. As new station area developments are envisioned together with this monumental public investment, exciting opportunities are emerging that point to new forms of enhancing the city's unique community and tourist assets. Aloha Stadium is centrally located within the future HART transit system, and holds the potential to become a gathering place for the community creating the "Gateway to West Oahu" ...an iconic destination between the eastern and western areas of the city, which links the "old" and the "new" Honolulu, both architecturally and culturally. The station is only one stop from JPHHF Base and two stops from HNL. Both will generate foot traffic to the station.



Planning for a New Stadium

The assumption for this study is that the existing stadium has exhausted its useful life span, and needs to be replaced by a new state-of-the-art facility with a capacity of approximately 30,000-35,000 seats. The proposed seating bowl has a U-shaped geometry with an opening toward the north. This provides a “window” into the stadium from the adjoining ancillary development and stadium plaza, emphasizing the synergy between the new multi-use venue and adjacent mixed-use district. The open end of the stadium would be occupied by a sloping grass berm, where spectators can casually watch events in a picnic-like atmosphere. For special larger events approximately 10,000 temporary seats may be added, bringing the total stadium capacity to 40,000 seats.

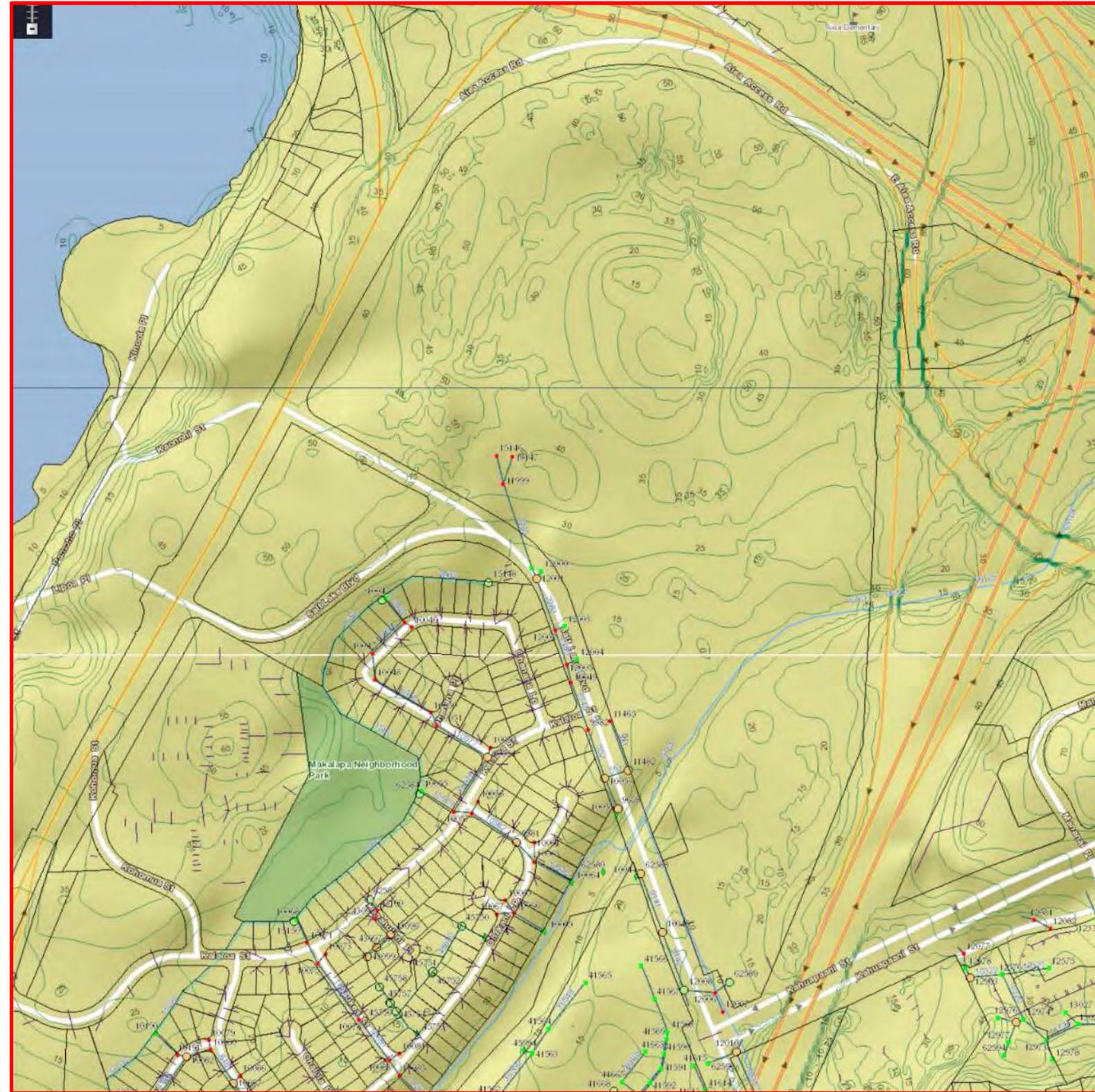


Planning for a New Stadium

The Aloha Stadium site is characterized by a gradually sloping topography, falling approximately 40 feet from north to south, adjacent to the Halawa Stream corridor. A dramatic topographic shift occurs at the stadium site itself, with a difference of nearly 40 feet between the at-grade concourse and the existing field level. As implied in the topographical map to the right, a circular depression exists in the position of the current stadium footprint. Future demolition of the stadium will result in a substantial void once the structure, ramps, and associated infrastructure is cleared.

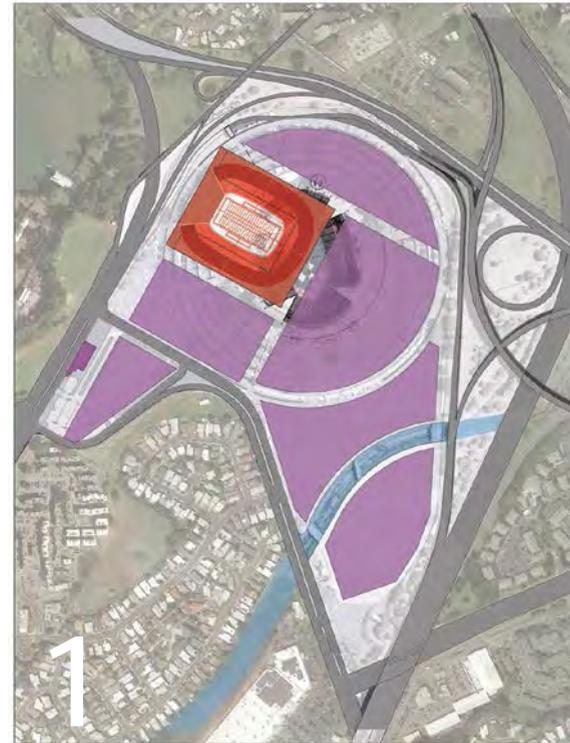


Slope of Aloha Stadium Site



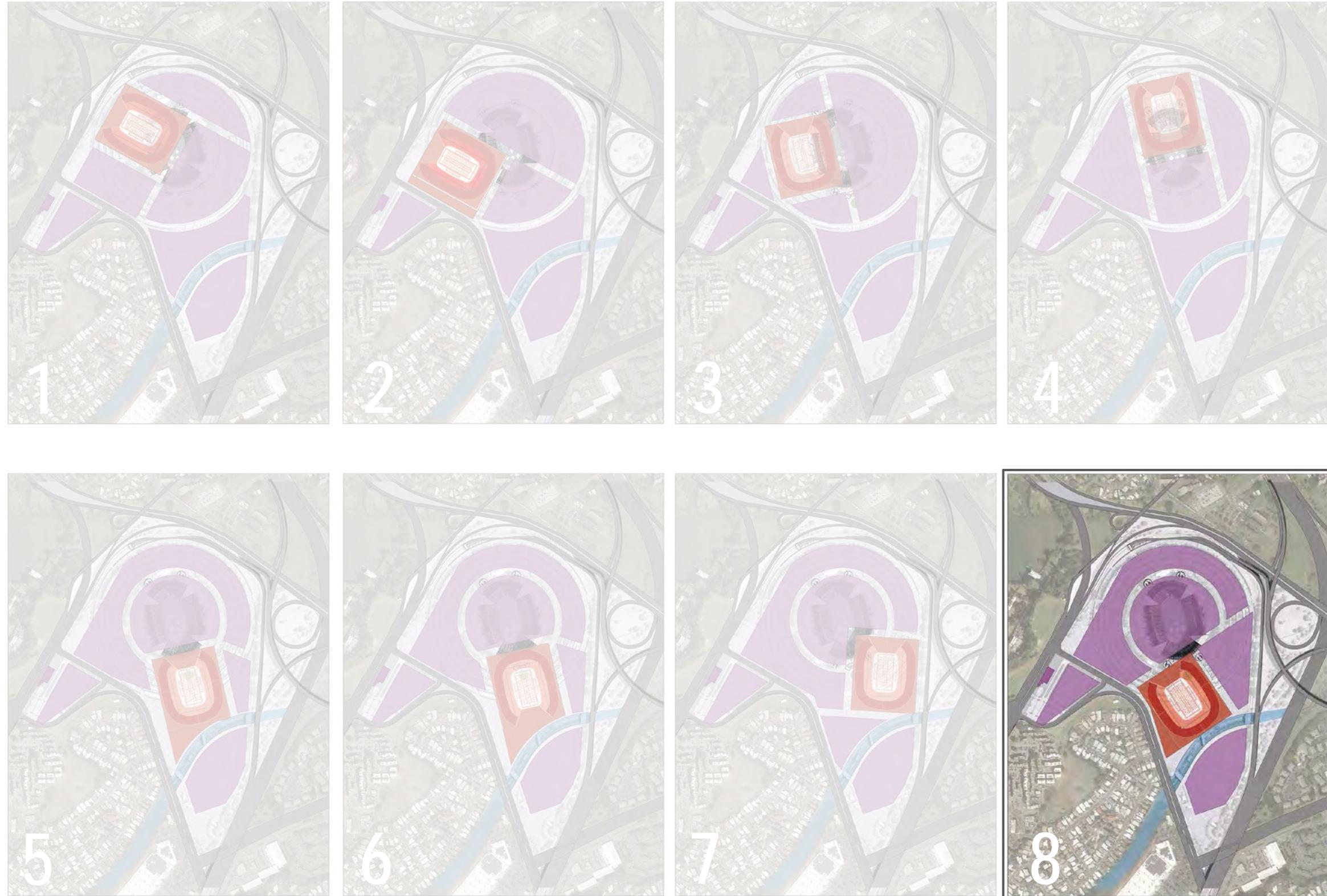
Possible locations of a new stadium

Another principle assumption for this study is that any future stadium project must avoid interrupting events at the existing stadium. In addition, stadium alignments were tested within acceptable geometric ranges from a north/south orientation. Multiple potential stadium locations and configurations were analyzed in relation to the existing stadium, peripheral roadways, and the Halawa Stream corridor.



Preferred location for a new stadium

The preferred stadium location was identified as located between the southern edge of the existing stadium and the Halawa Stream (though tilted north to create additional open space and distance from the neighborhood). This location is similar to “Scenario B” of the City’s TOD study (see page 8). As illustrated on the next page, views of the water will be featured from new residential, office, and hotel buildings, but will not be likely from the stadium. Visibility of the stadium will be excellent, given the immediate proximity to adjoining highways.





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1. New Halawa HART station.
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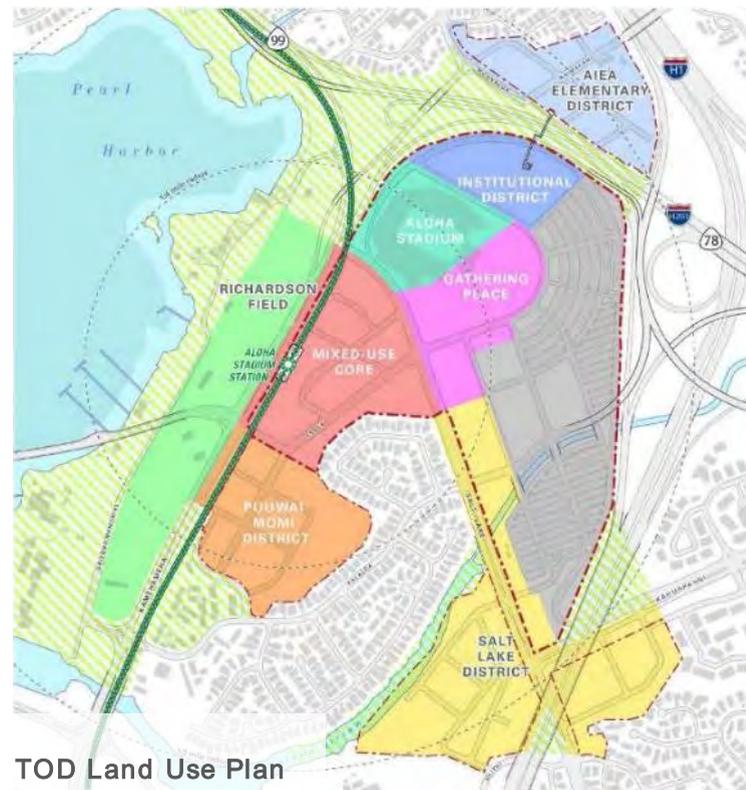
Site Land Use

The Aloha Stadium site occupies approximately 100 acres, with most of it dedicated to surface parking in addition to the stadium. Currently, a western portion of the site is controlled by a Federal Deed Restriction which limits uses to public park and recreation uses. Similarly, an eastern portion of the site is controlled by a City Deed Restriction which limits to a public stadium and related uses. Both of these deeds are expected to be lifted in the near future, thereby opening up significant urban planning opportunities for a new stadium and ancillary mixed-use development.

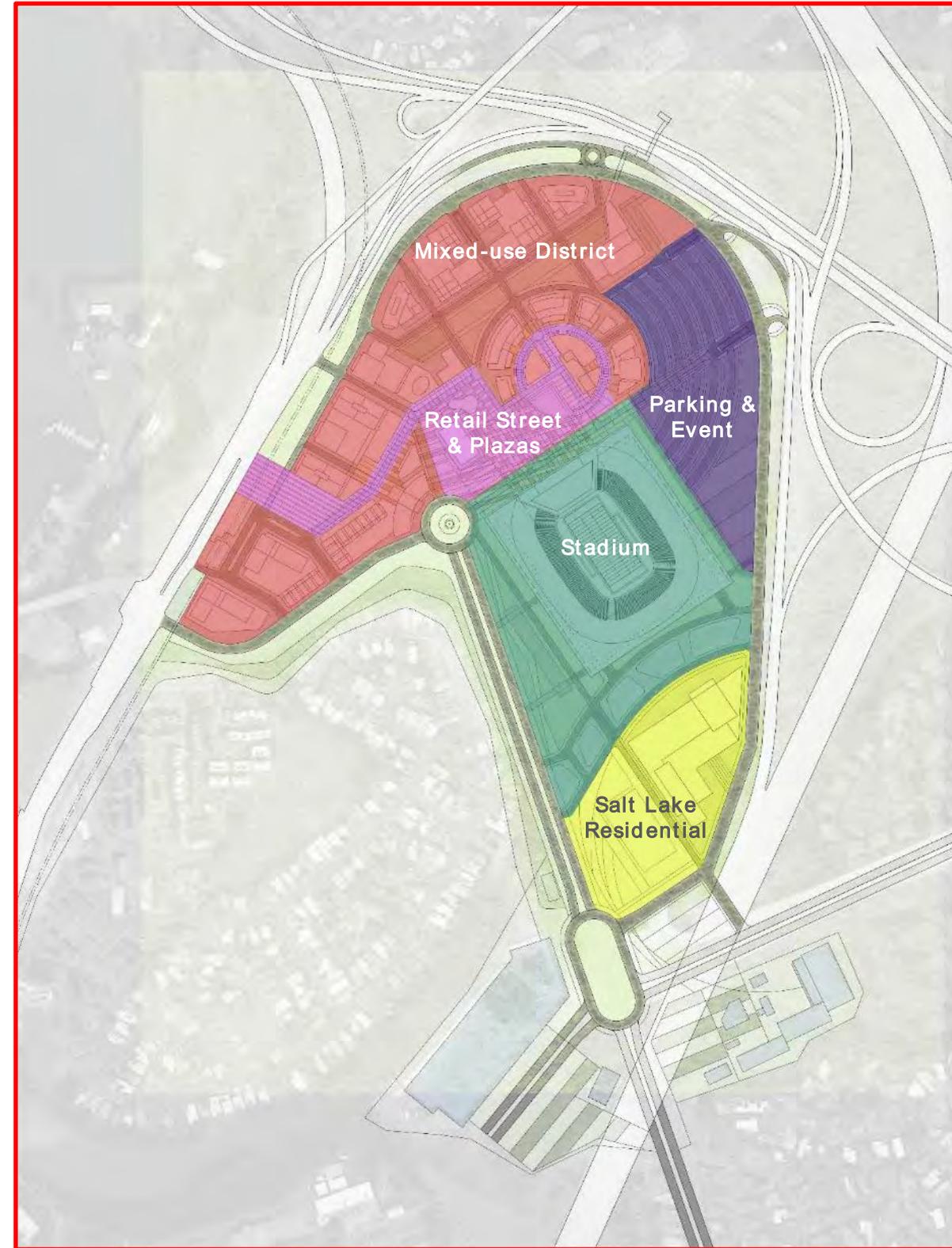
The proposed master plan follows a similar land use mix as the City's TOD report (below). The TOD plan surrounds the stadium by mixed-use buildings on three sides and a highway on the fourth side. This plan, however, proposes integration with retail-entertainment uses on the north side, energized by an active and programmed public plaza. The east and west sides are event-related, ensuring flexibility and operational advantages to the new multi-use stadium. The creek serves as a buffer between the stadium and adjacent residential and commercial uses.



Site Deed Restrictions



TOD Land Use Plan

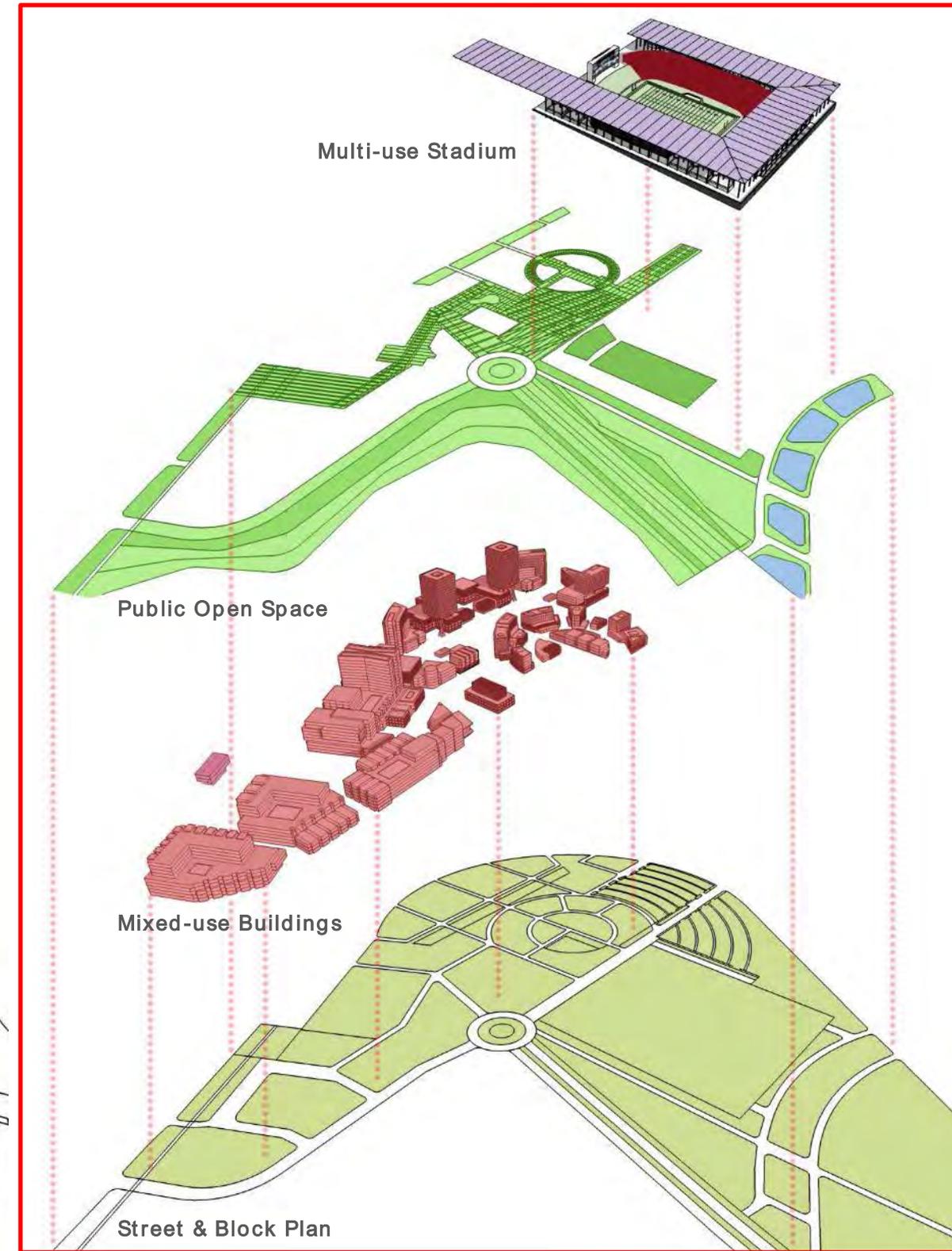


Urban Design Principles

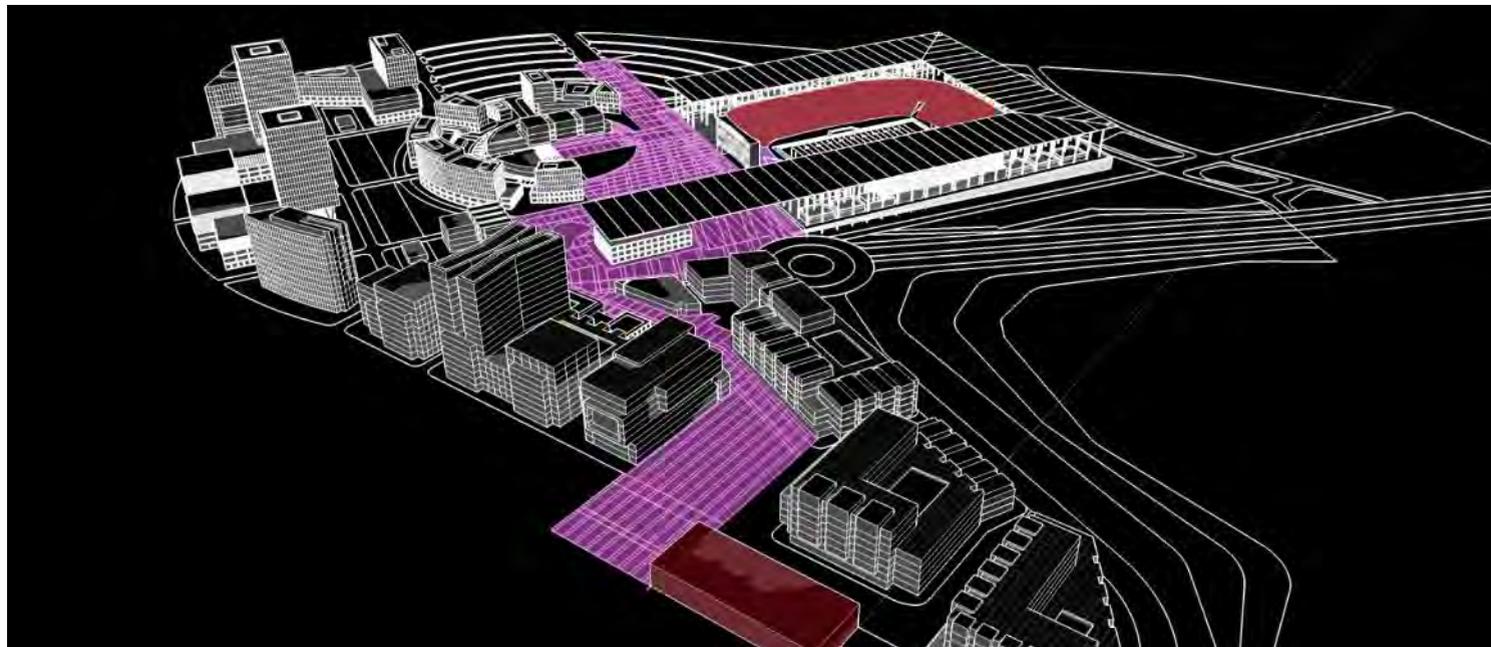
With the new HART station, deed restrictions lifted, and a future stadium location, the existing Aloha Stadium site represents one of the most exciting new development opportunities on Oahu. A Honolulu-inspired pattern of walkable streets and blocks establishes a future framework for integrating a state-of-the-art entertainment venue for up to 40,000 people with a vibrant and diverse urban neighborhood. The downsized stadium enables a more intimate connection between an iconic venue and district buildings and plazas. It also sets up the opportunity to design a smart building and site that includes clear back-of-house access, flexible event-related areas, and a programmable public plaza that can accommodate both everyday activities as well as major entertainment events.

A cluster of street-oriented buildings create a rich streetscape environment characterized by attractive storefronts, sidewalk cafes, shade trees, diverse landscape materials, a variety of lighting, public art, and integrated environmental graphics and signage. Building massing and density support the definition and scale of interconnected public spaces, and also take advantage of the water's proximity to feature views toward Pearl Harbor and surrounding island vistas.

Today Halawa Stream appears as an unattractive utilitarian drainage channel, but in the future could be enhanced as part of a regional corridor connecting the Halawa community to the Pearl Harbor shoreline. Within the stadium site, it is envisioned as a part of a wider sustainability strategy that extends from the overall site to the stadium and each of the adjoining mixed-use buildings and associated infrastructure.



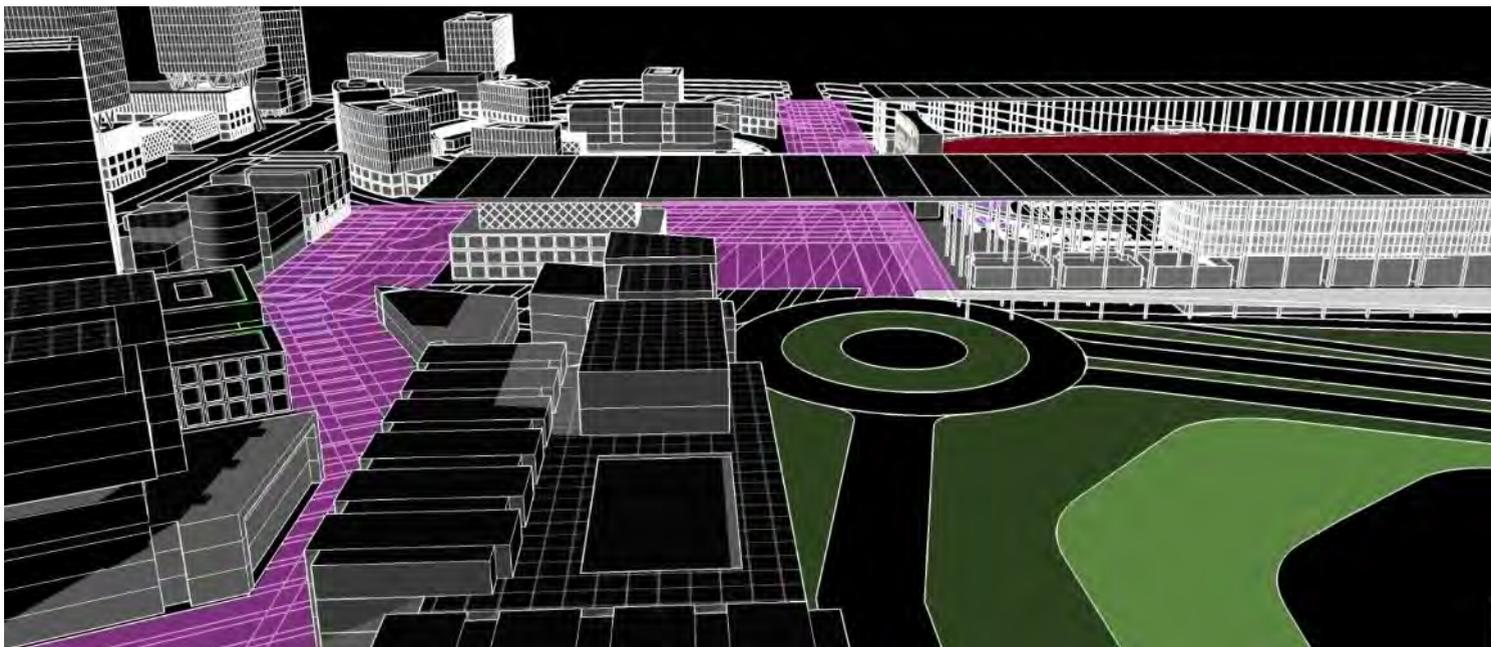
Urban Design Principles



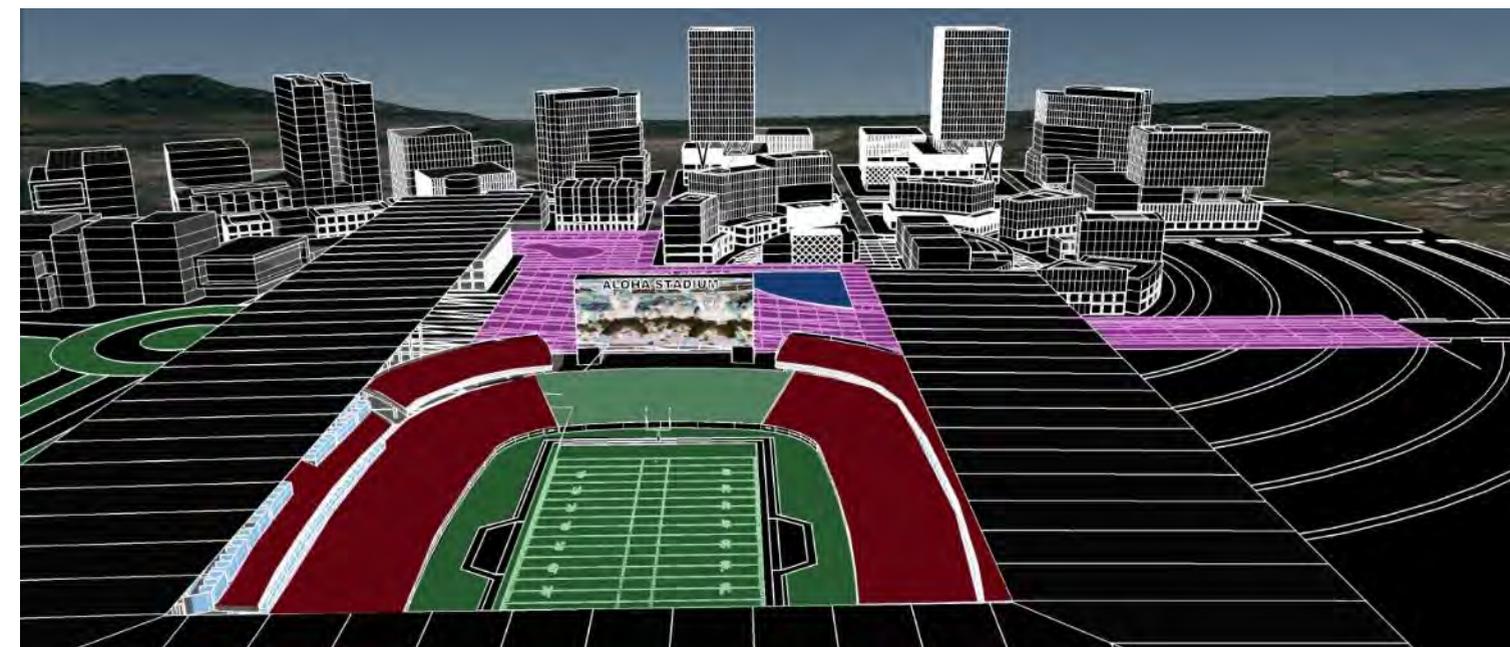
Pedestrian-oriented retail-entertainment Main Street connecting HART station and stadium



Public plaza and pedestrian-oriented retail-entertainment Main Street



Grand portal from Salt Lake Blvd. into stadium plaza entertainment zone

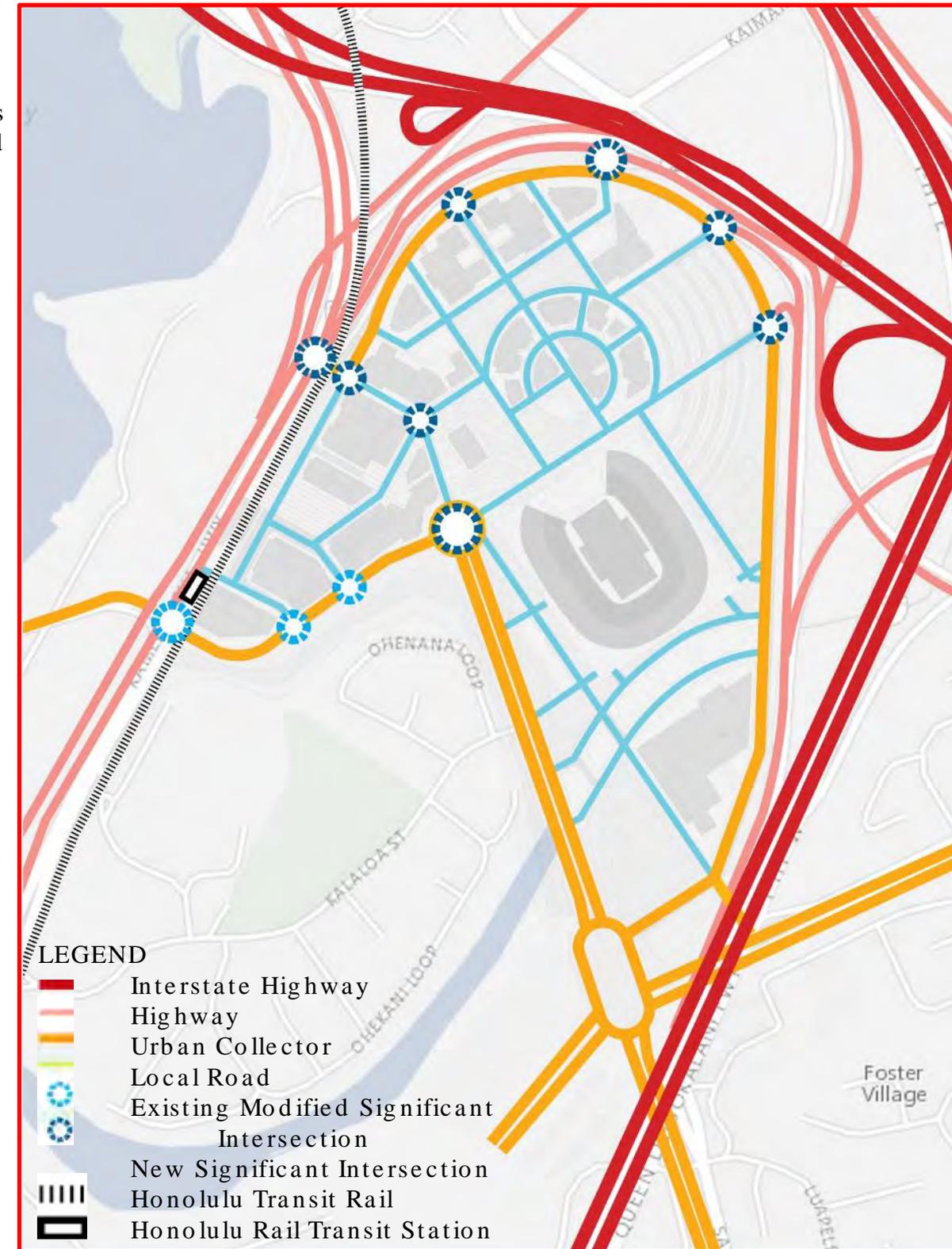


View outward from stadium toward plaza and mixed-use district

Vehicular Circulation: Stadium Authority Master Plan

The Stadium Authority Plan proposes a network of internal local streets within the stadium site to organize a new stadium site and ancillary development, similar to the City’s TOD transportation plan. This plan also follows a similar strategy for improving Salt Lake Blvd. converting it into a “complete street” and allowing additional access points into the site, and encourage continuous flow along the southern and western perimeter with the help of a new roundabout, to connect into the Kamehameha Highway. As Salt Lake Blvd. continues north of the proposed roundabout, the road right-of-way is downsized to a local width similar to adjoining roads that support the new mixed-use development. It is anticipated that traffic management techniques may control game-day flows, to ensure safe pedestrian crossing along the proposed retail street connecting the station and stadium. If Salt Lake Blvd. is not reconfigured and traffic management techniques are not available, a pedestrian bridge will be required. Based on other similar examples, it is believed that this solution is preferable to an elevated pedestrian bridge.

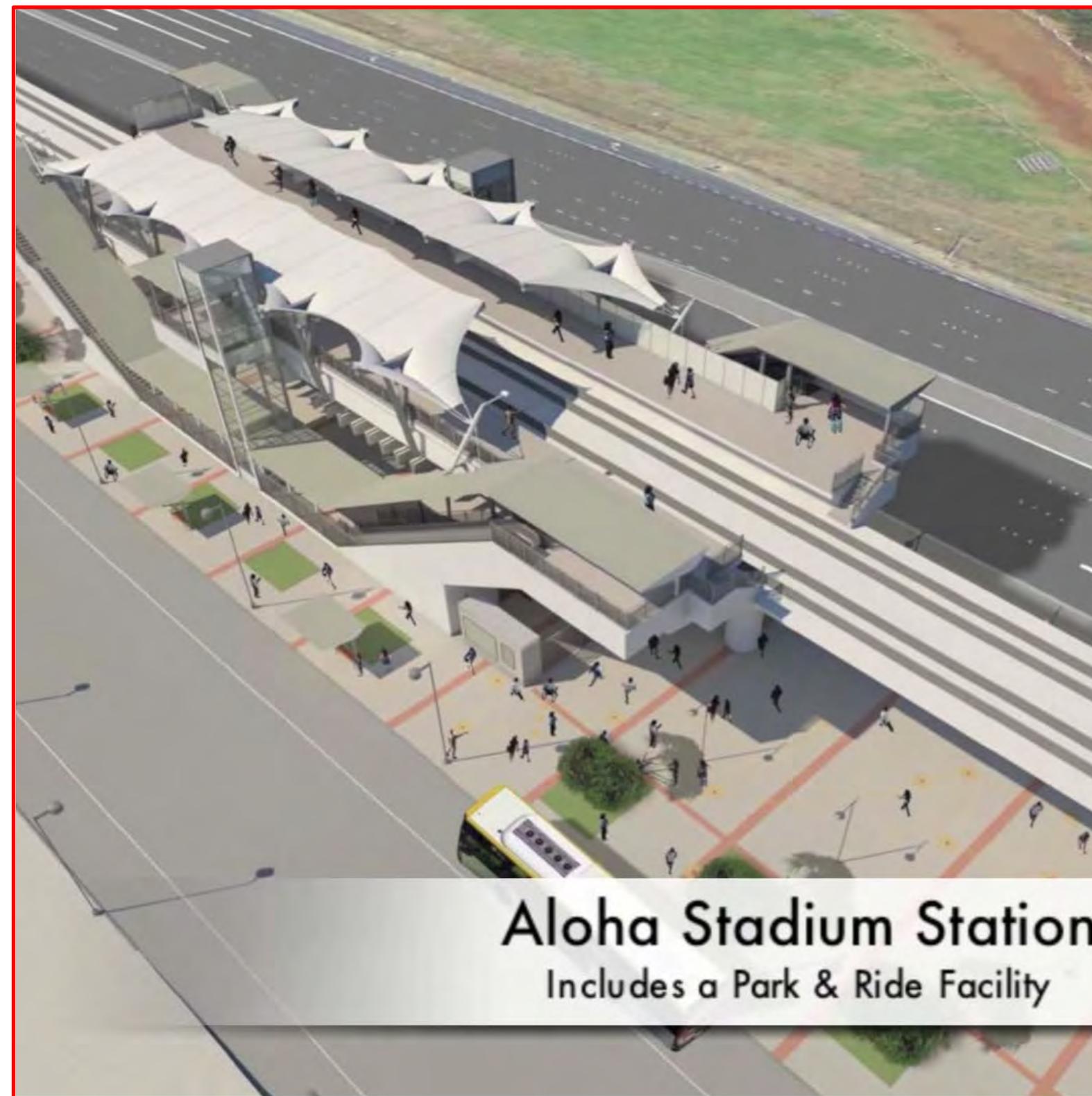
An elongated roundabout at the southern end is suggested as one possible transportation strategy to facilitate continuous flow to and from highway access points along Kahuapaani Street, and further south along Salt Lake Blvd. A new ingress road access may also be possible at the south end of the site, underneath the elevated H1 highway. The ingress/egress points along north and east sides of the perimeter road are observed as important to retain and improve, to maximize flow during events. The Stadium Authority does not require the proposed southbound TOD off ramp. All of these transportation improvements – and the overall system – are initial considerations and warrant additional study.



Circulation: HART Transit Station

The HART station is designed as an elevated double-platform system with ground level queuing space, and stair-elevator access to east- and west-bound destinations. This model is expected to function well for everyday traffic, but additional study is recommended for handling larger crushes of spectators before and after major events at the stadium.

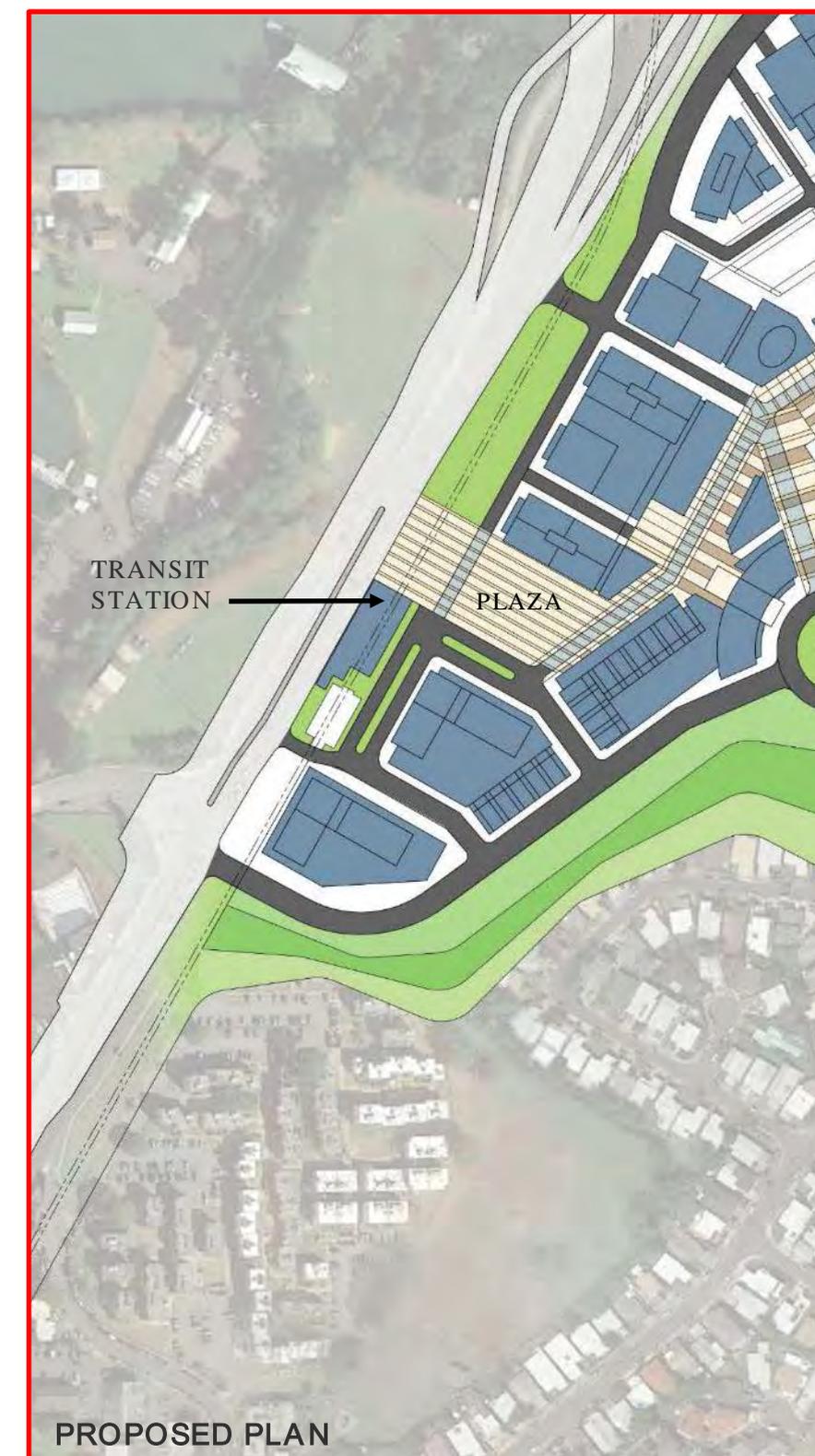
As the HART system matures, ridership patterns and train service may be adjusted to support event-level conditions. In addition, nearby park-and-ride stations such as Pearl Highlands may also help to offset heavy transit demands coming to the site for major events.



Circulation: HART Transit Station

In addition to HART trains, the Aloha Station is also planned to have bus transfer station. A bus drop-off is currently designed next to the HART station building, along with a parking lot for 650 dedicated transit-related parking spaces, as illustrated in the diagram on the left. If Salt Lake Boulevard is realigned in the future, following the city's TOD plan, then the HART bus circulation will also need to be altered as well. A possible solution for a modified bus circulation is indicated in the diagram on the right, which also recommends that HART relocate its bus parking and that its 650 dedicated parking spaces be located in a new parking garage next to the station building, rather than surface parking.

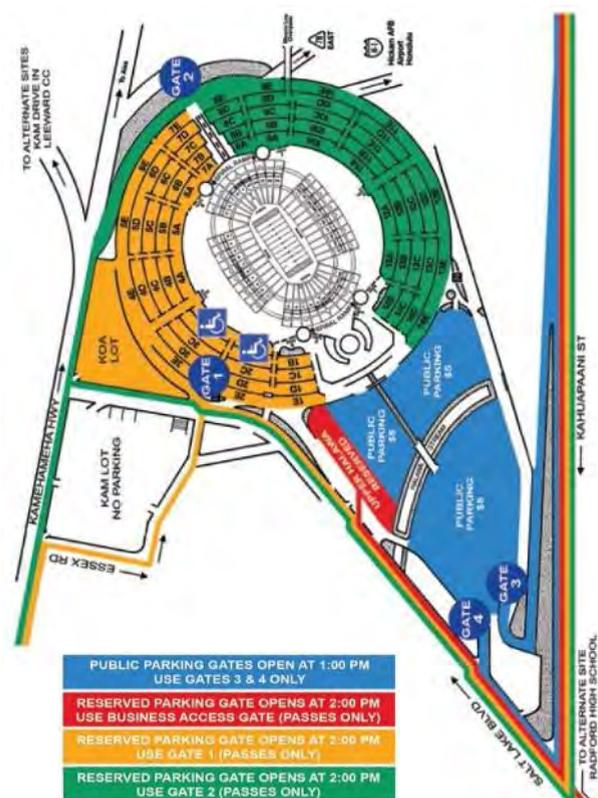
As the Main Street and district becomes developed with buildings, it is suggested that a new pedestrian plaza be designed to facilitate sufficient queuing space for large event crowds arriving and departing from the HART station. Since there is no mezzanine level to separate transit riders, the metering and queuing must take place at ground level in the proposed plaza space. The location of the plaza is situated on the east side of the HART station building, so that riders can exit and enter directly to the plaza, avoiding a crossover with bus traffic.



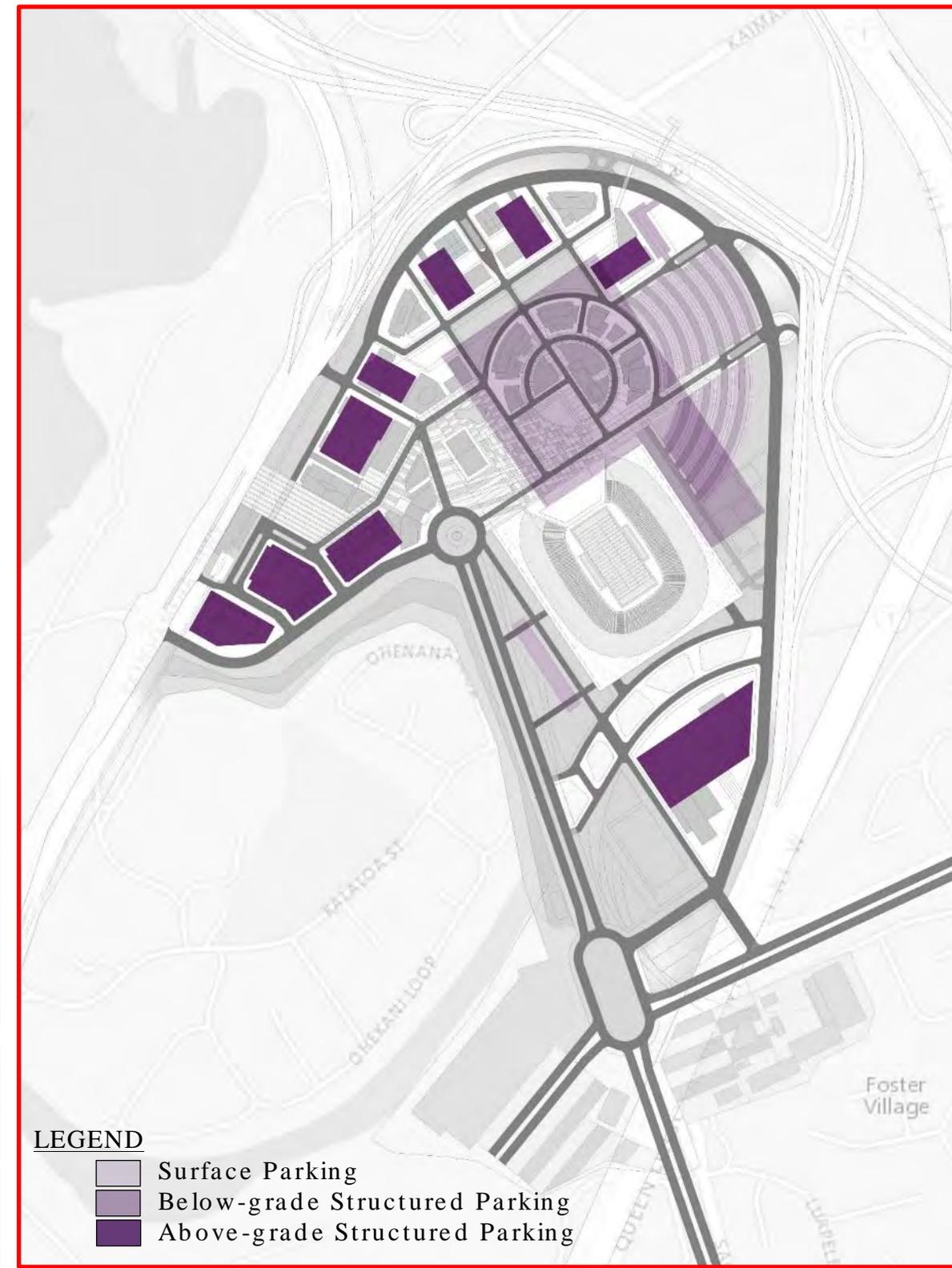
Land Use: Local circulation and parking

As indicated in the site topographic diagram, a significant grade change exists between the existing at-grade concourse and field level. Following demolition of the stadium, it is suggested that the resulting “void” be filled up with three levels of structured parking. The post-demolition hole represents a development advantage by avoiding the need for excavation that would otherwise be required for underground parking. By burying a large portion of parking below grade, more of the surface level may then be dedicated to building sites, local roads, and parks and plaza spaces.

In addition to the supply of underground parking, much of the needed parking supply will be constructed incrementally as new mixed-use buildings come on line. These are distributed widely across the site to encourage a dispersed traffic pattern that ties into regional road systems along the entire site perimeter.



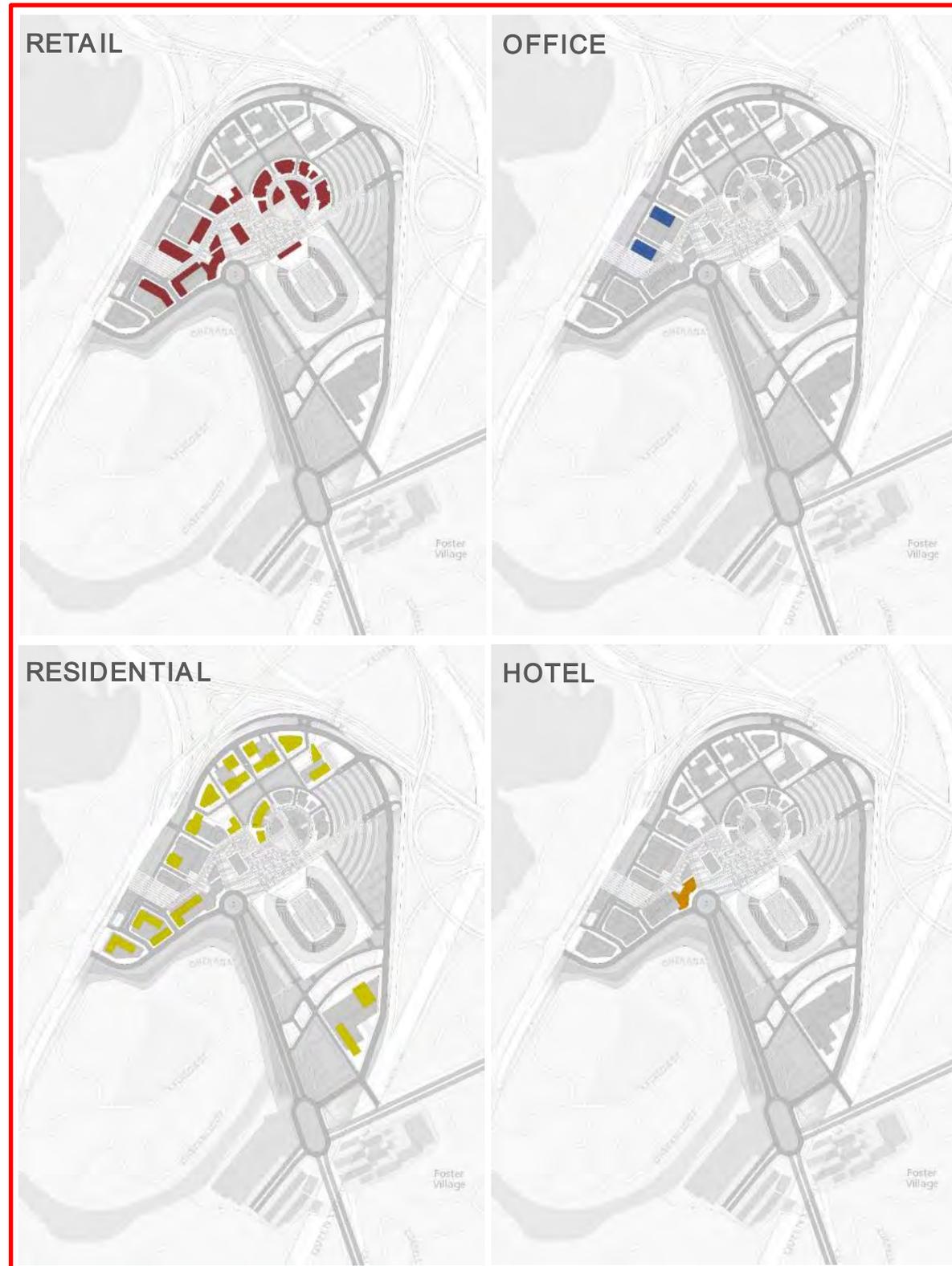
Aloha Stadium Tailgating



Land Uses: Retail, Office, Residential, Hotel

The Main Street connecting the HART station with the stadium plaza and front door is the backbone of the mixed-use district. It's gently winding alignment beckons pedestrians to comfortable stroll or dine at a sidewalk café on a normal days; on game days, it is programmed and managed to handle thousands of lively revelers on their way to or from a football game, concert, or community event. Similarly, the main plaza itself is multi-functional, with the ability to act as an event venue in its own right. The double-sided video board at the north end of the stadium can also transform into stage function and serve as a major fan amenity for both the stadium and for the plaza.

One- and two-level retail extends along the length of Main Street, into the stadium plaza. Residential, office, residential, and hotel uses are all vertically integrated throughout the district, supported primarily by structured parking and the new HART station. Although the existing Aloha Stadium will be completely demolished and replaced, a circular-shaped entertainment core remains as a vestige of the former circular design, supported by the remaining circular parking lot.

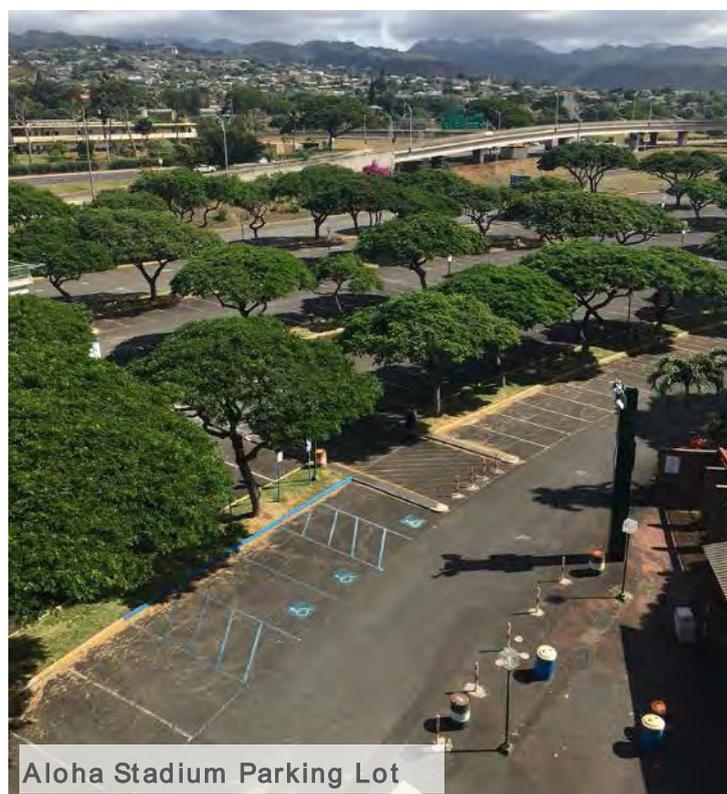


Land Use: Open Space

The field of the new stadium is the symbolic center of the new development. The open, lanai-inspired stadium is intentionally open to the adjoining development and surrounding landscape of Pearl Harbor and Halawa. The field extends up the grass berm in the north end of the stadium, connecting to the central plaza and the Main Street, eventually to the HART station plaza.

In addition to the stadium field, the Halawa Stream is the other primary driver to the site's open space system. Currently, the stream operates as a utilitarian drainage element for the region, emptying out into Pearl Harbor. But given its proximity to the stadium and potential role as a regional greenway, the corridor has the potential to eventually become an important ingredient to the site's story of resilience and sustainability.

The preferred stadium location illustrated in the Stadium Authority master plan is pulled back from Salt Lake Blvd., to reduce its impact to nearby existing residential neighborhoods; but it also sets up a functional park space that could be utilized for stadium-related uses. This linear park space can be integrated into a wider Salt Lake Blvd. beautification initiative, utilizing the sloping setback on the western and southern fringes of the road right-of-way. Finally, neighborhood-scale park spaces will add desirable amenities for the new mixed-use buildings and also act as functional separations between residential areas and entertainment zones.



Aloha Stadium Parking Lot



Existing Halawa Stream

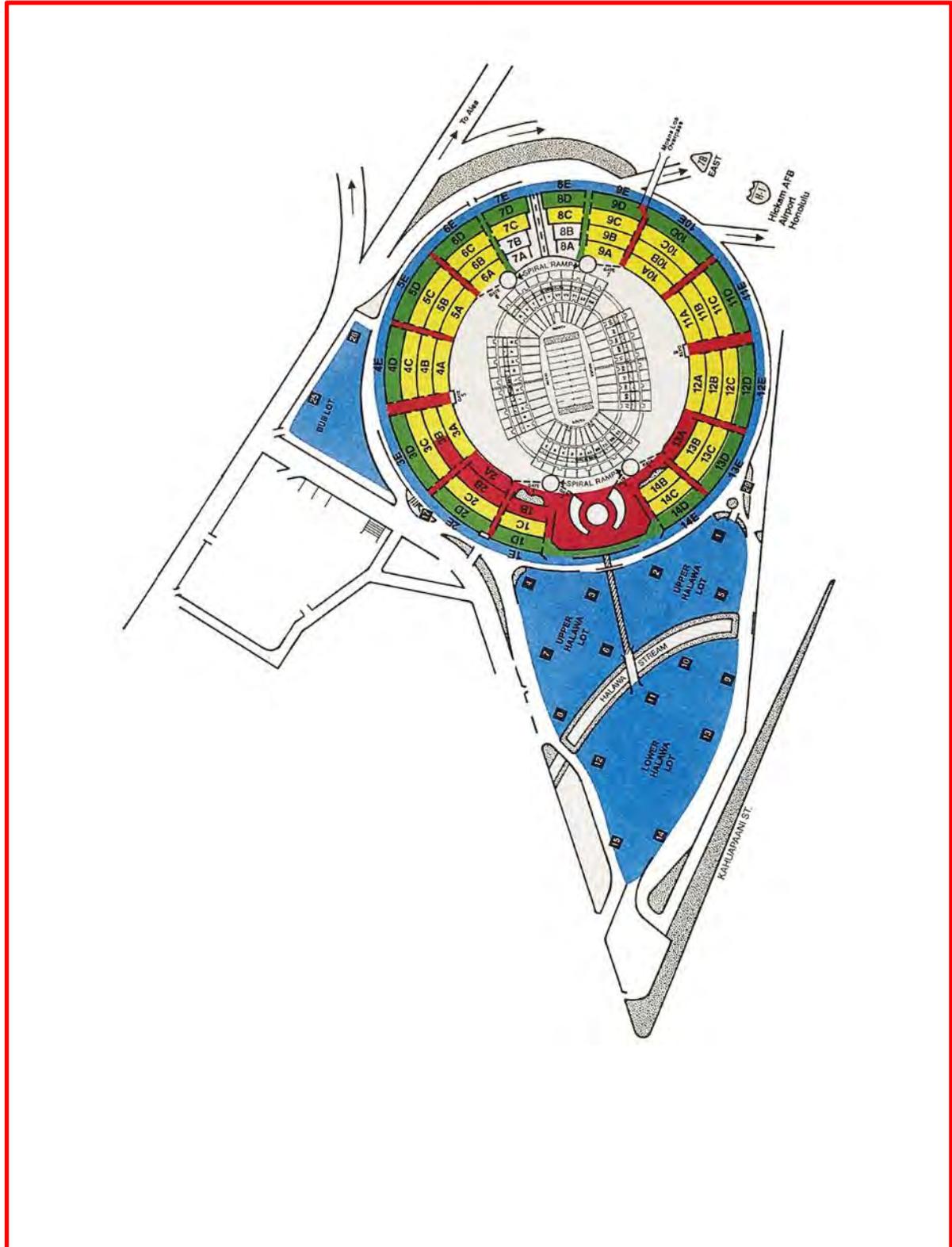


Swap Meet: Existing

The Aloha Stadium Swap Meet and Marketplace operates three days a week in the circular parking lot around the stadium. The outer loop, the “D Ring,” is the most desirable location for vendors and operates during all three days of the week. The typical module for swap meet vendors is to park a vehicle in one space and set up a pop-up sales tent in a parking space on an adjoining aisle, as pictured below. Centerplate, the swap meet operator, supplies some of the tents, while some individual vendors bring their own.



Aloha Stadium Swap Meet



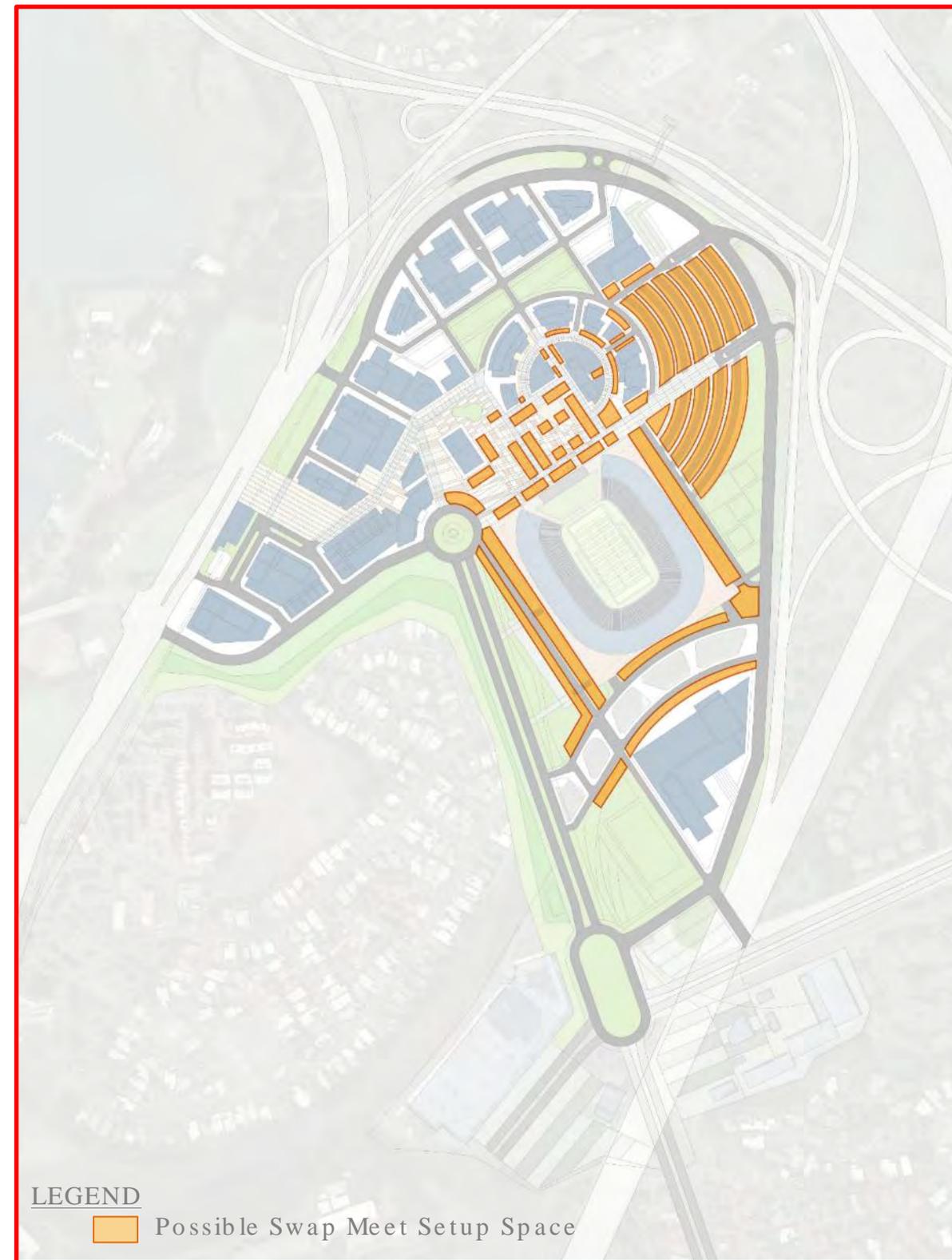
Swap Meet: Reconfigured

In the Stadium Authority master plan, a portion of the existing surface parking lot is retained on the east side of the site, next to the stadium. This is advantageous to event operations for the stadium, providing a useful and flexible open space for various elements, either inside or outside of a control line. A triangular residual space next to the perimeter road adds additional space to this parking lot-event area, strategically placed directly next to the new stadium. These spaces may all be planned to accommodate a new swap meet configuration.

A setback along the edges of the planned stadium may possibly be utilized as a possible swap meet zone, looping around the entire building. The central plaza space, designed to accommodate a variety of functions, may also be able to support swap meet or other temporary event functions. A potential swap meet layout can be seen in the diagram to the right where the highlighted areas would provide good space to develop a reimagined swap meet.



Aloha Stadium Swap Meet

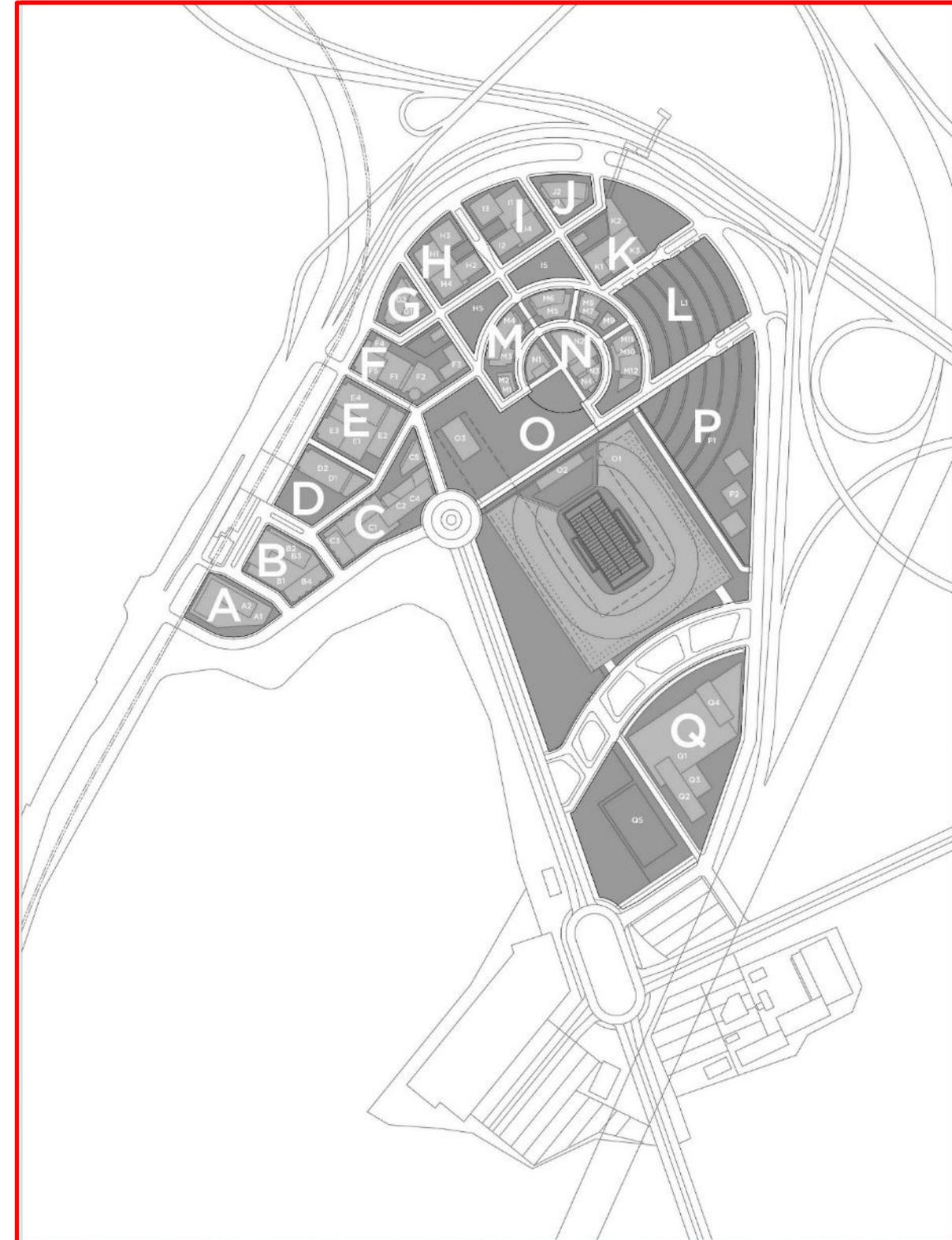


Parcelization Plan

The Stadium Authority master plan is organized around a series of streets and blocks that are conducive to a mixed-use urban neighborhood. Each block is sized to handle a two- or three-bay above grade parking structure and adjoining buildings. The parcel plan to the right includes a code of block designations as well as building numbers; each of these is tied to a phased development proforma with program uses, densities, parking ratios, and building heights.

The diagrams on the following pages illustrate a tentative phasing sequence, which may be considered as two general stages. The first stage (Years 1-3) is a continuous sequence, beginning with the construction of the new stadium. Once the existing stadium is demolished, a new underground parking structure is proposed to fill up the remaining “void.”

Once the new stadium and underground parking garage are completed, the second stage (Years 4-25) may begin, which is focused on ancillary mixed-use development. This incremental development will respond to market demand, and could also coincide with the completion of HART’s new transit station (planned for 2020).



Phasing Sequence: Year 0 (Existing Conditions)

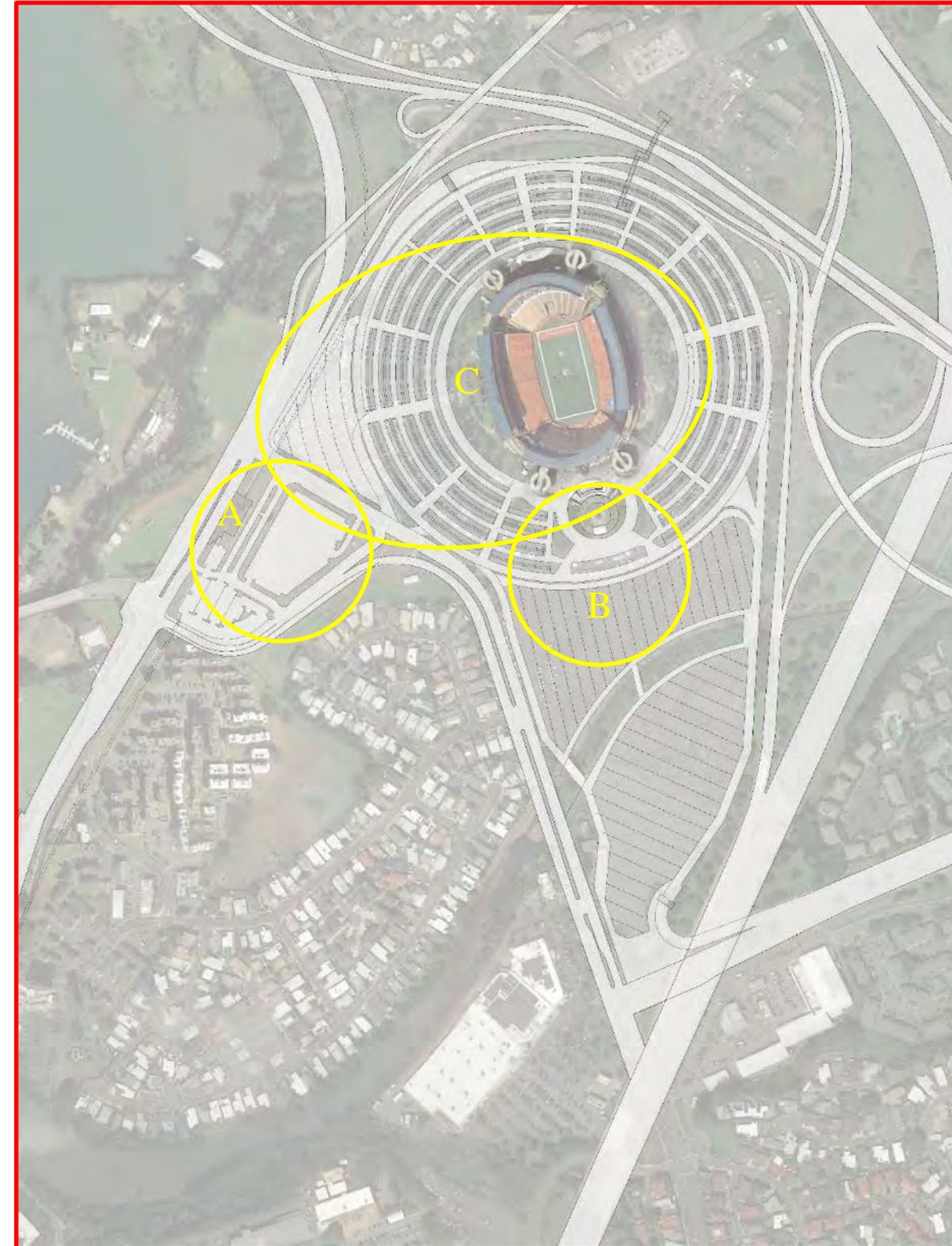
Existing Stadium Maintained, ongoing HART construction

The HART transit station is located in Area “A.” Construction of the guideway structure is currently underway on the stadium site. In addition to the station building, surface parking and bus circulation will be included in the initial phase.

The future stadium location is indicated in Area “B.”

The majority of TOD-related mixed-use development is located in “Area C,” between the HART transit station and the main entry plaza of the future stadium.

The following cost estimates represent general budgeting for (a) a new 30,000-35,000-seat stadium; (b) demolition of the existing stadium; (c) sitework (utilities, site prep, surface parking, landscape); (d) new roadways; (e) improved roadways; and (f) Halawa Stream corridor improvements.



Phasing Sequence: Year 1-2

New stadium constructed

a) New Stadium and site prep (includes demolition, minor excavation, utility relocation and abandonment	\$260,000,000
b) Soft costs	\$49,500,000
c) Stadium sitework	\$15,000,000
Subtotal cost	\$324,500,000

*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.



Phasing Sequence: Year 1-2

Existing stadium demolished

a) New Stadium and site prep (includes demolition, minor excavation, utility relocation and abandonment)	\$260,000,000
b) Soft costs	\$49,500,000
c) Stadium sitework	\$15,000,000
Subtotal cost	\$324,500,000

*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.



Phasing Sequence: Year 3

Underground Parking

a) New Stadium and site prep (includes demolition, minor excavation, utility relocation and abandonment	\$260,000,000
b) Soft costs	\$49,500,000
c) Stadium sitework	\$15,000,000
Subtotal cost	\$324,500,000
d) Underground parking garage in void of existing stadium	\$216,000,000
e) Sitework and roads	\$7,000,000
Subtotal cost	\$223,000,000

*The underground parking garage is to be privately owned and no state money is anticipated or requested for construction of this underground garage.



*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.

Phasing Sequence: Years 4-9

Ancillary Development Sitework & Roads, initial phase

f) Sitework	\$62,000,000
g) New Roads	\$4,500,000
h) Improved Roads	\$300,000
Subtotal cost	\$66,800,000



*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.

Phasing Sequence: Years 10-15

Ancillary Development Sitework & Roads, intermediate phase

f) Sitework	\$62,000,000
g) New Roads	\$4,500,000
h) Improved Roads	\$300,000
Subtotal cost	\$66,800,000
i) Sitework	\$14,000,000
j) New Roads	\$300,000
k) Improved Roads	\$600,000
Subtotal cost	\$14,900,000



*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.

Phasing Sequence: Years 16-25

Ancillary Development Sitework & Roads, final phase

f) Sitework	\$62,000,000
g) New Roads	\$4,500,000
h) Improved Roads	\$300,000
Subtotal cost	\$66,800,000
i) Sitework	\$14,000,000
j) New Roads	\$300,000
k) Improved Roads	\$600,000
Subtotal cost	\$14,900,000
l) Sitework	\$39,000,000
m) Halawa Stream corridor improvements	\$35,000,000
n) New Roads	\$4,000,000
o) Improved Roads	\$1,500,000
Subtotal cost	\$79,500,000
TOTAL (underground parking, sitework, roads, stream corridor improvements; not including stadium)	\$384,200,000

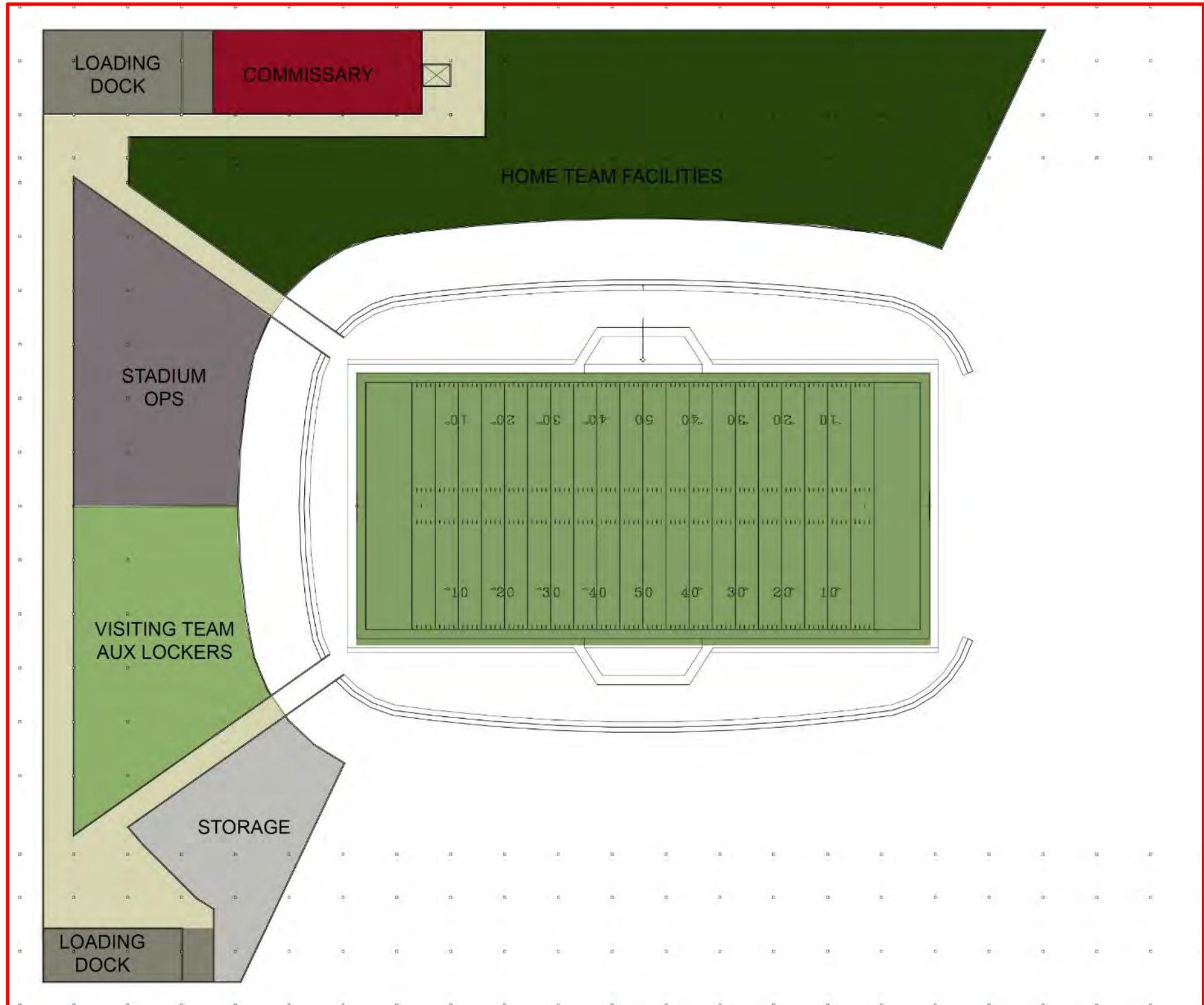
*\$223,000,000 of the total cost is for the large underground parking garage replacing the old stadium, which is to be privately owned and no state money is anticipated or requested for construction of this underground garage.

*The prices estimated in this document are estimates for 2017 (2017 dollars) and are subject to change with time. Final prices will vary based on level of finish, design, local availability of materials and labor costs.



Service Level Plan

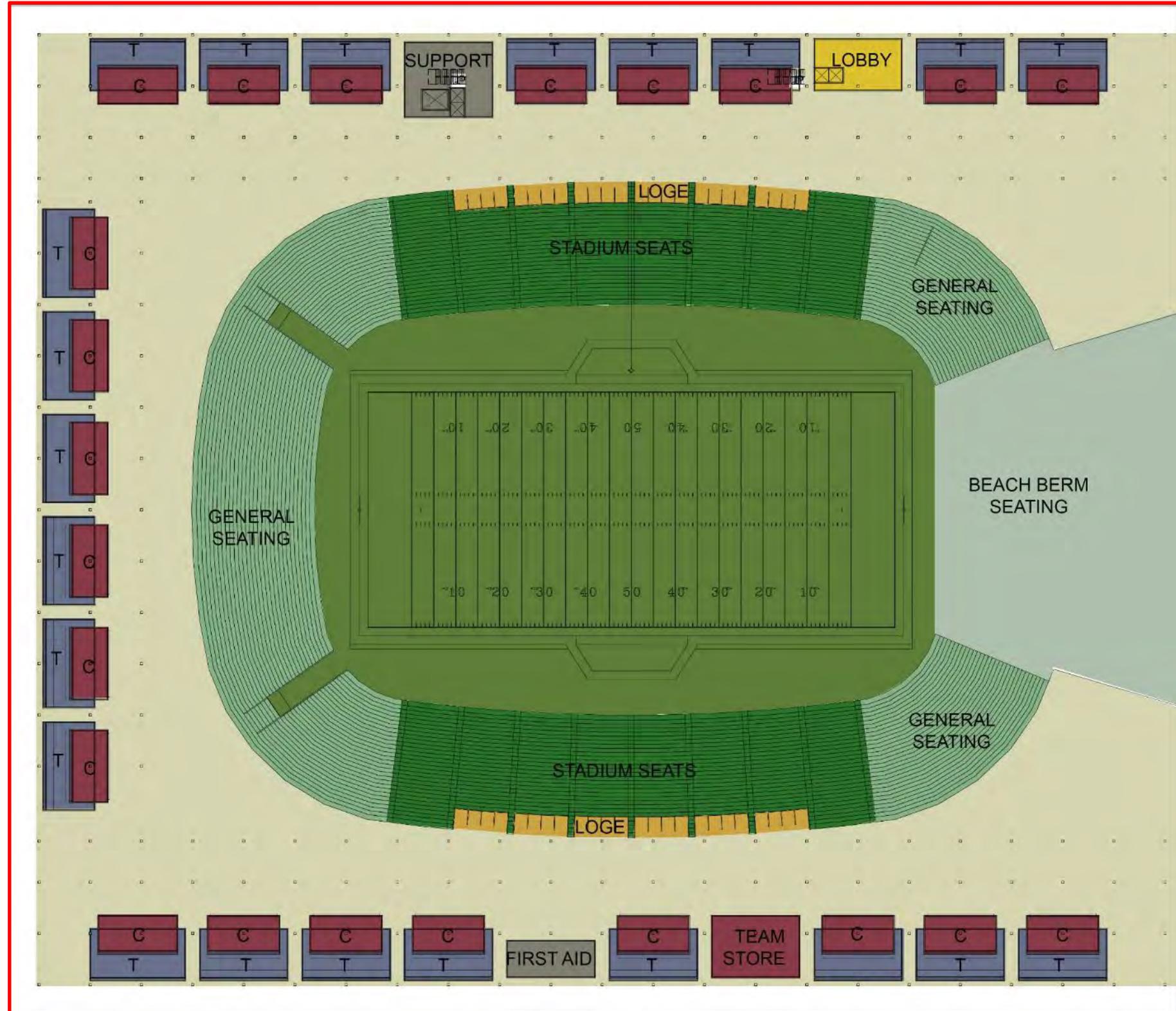
- Food Service: **7,200 SF**
- Home Team Facilities: **61,500 SF**
- Visiting Team and Aux Lockers: **23,200 SF**
- Stadium Operations: **13,100 SF**
- Storage: **10,000 SF**
- **1** 10,000 LB Freight Elevator
- **2** Passenger Elevators (Press and Team)



Concourse Level Plan

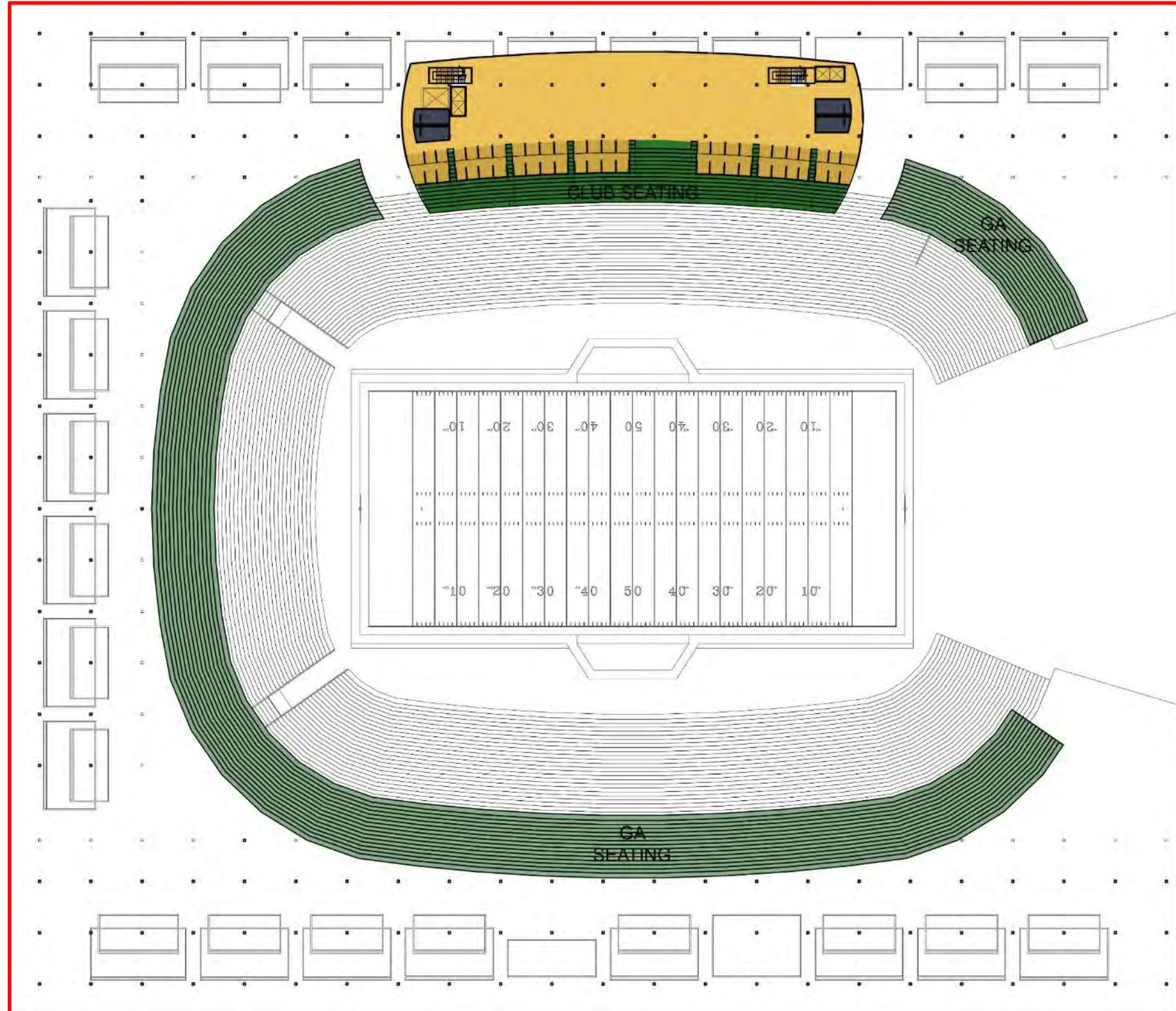
Minimum Concourse Width: 49'

- Up to **50** 4-Person Loge Boxes (Between Concourse Level and Club Level)
- **22** Concession Stands / **154** Points of Sale
- 13,000 SF Team Store
- 110,000 LB Freight Elevator
- **5** Passenger Elevators (2 for Premium Fans)



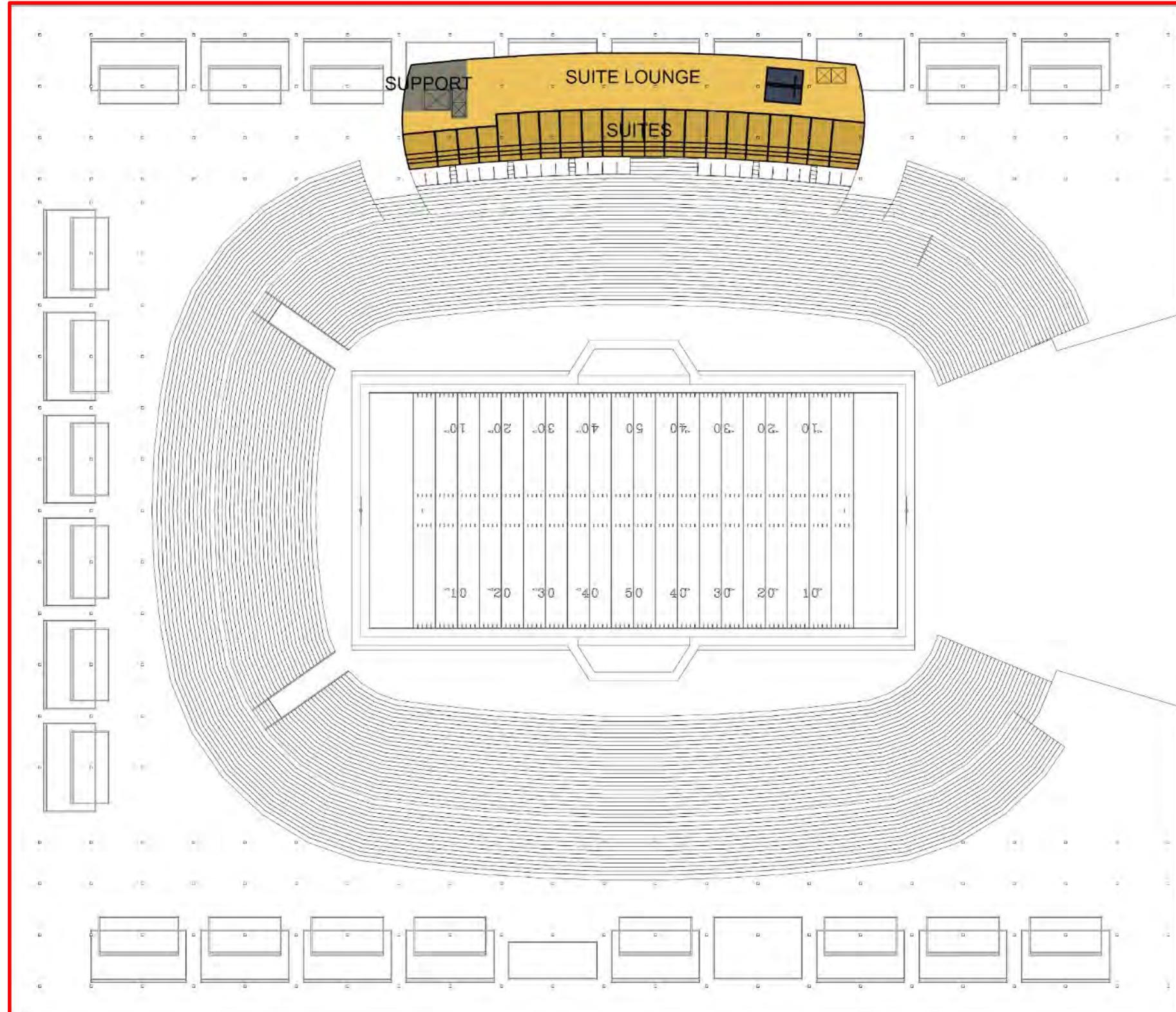
Club Level Plan

- Club Lounge: **15,400 SF**
- Up to **1,200** Club Seats (between Club and Suite Levels)
- Up to **50** 4-Person Loge Boxes (Between Concourse Level and Club Level)
- **1** 10,000 LB Freight Elevator
- **4** Passenger Elevators (2 for Premium Fans)



Suite Level Plan

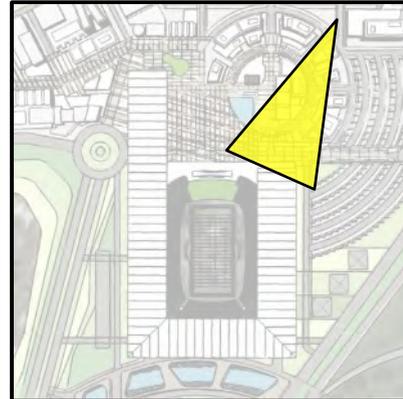
- Suite Lounge: **12,200 SF**
- Up to **1,200** Club Seats (between Club and Suite Levels)
- **20** 16-Seat Suites
- **2** 30-Seat Party Suites
- **4** Passenger Elevators (2 for Premium Fans)



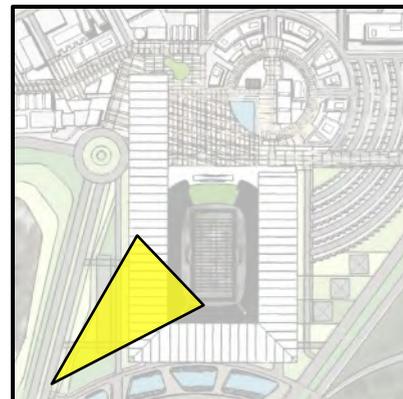
Press Level Plan

- Broadcast Facilities (Program TBD)





View from north side of stadium looking into bowl



View along south side of stadium lanai concourse

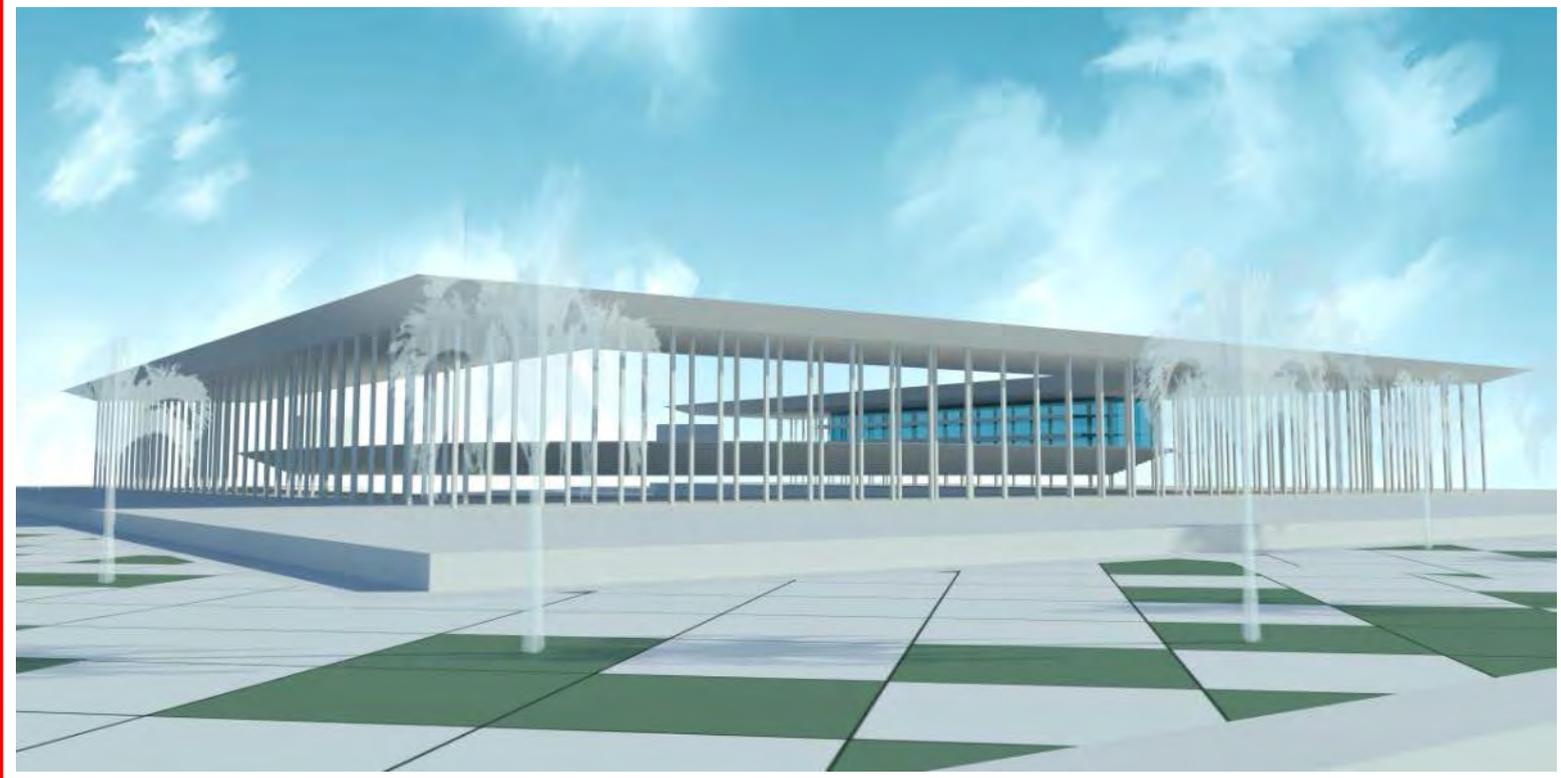




Exhibit C

Preliminary Development Program, Costs and Feasibility Study

Jones Lang LaSalle

Aloha Stadium Site

Preliminary Development Program, Costs and Feasibility Discussion

Introduction

JLL has performed a preliminary site assessment and financial development model to determine feasibility of a mixed use development on the Aloha Stadium site.

The concept of developing mixed use properties around a sports venue or other catalyst facility has gained momentum over the last few years with numerous municipalities and sports franchises in all five major sports having pursued successful comparable opportunities. The proposed Aloha Stadium development is well positioned to capitalize on this momentum.

A mixed use development on the Aloha Stadium site will be complimentary in nature to the Stadium use with the appropriate entertainment components ideally suited to such an environment while simultaneously creating a sustainable mix of retail, hotel, office and residential uses for year-round success. Good fundamentals in all product types offer positive dynamics for future phases of the development.

Aloha Stadium is close to the population center of the island with excellent site access at the intersection of the H-1 freeway, the H-3 freeway, and Kamehameha Highway. The HART rail station terminus on site is a critical amenity and will be key to the long term success of any development. Proximity to Pearl Harbor, the top tourist destination in Hawaii, is another key catalyst for success. Comparable mixed use developments in the U.S. include: Irvine Spectrum, LA Live, The Grove (all in Southern California) and Santana Row (Northern California).

We have combined our national research and expertise together with our local market knowledge to arrive at preliminary programming assumptions and financial development model. Please note, the site program is subject to completion of development master plan together with a comprehensive development opportunity assessment.

Observations & Preliminary Programming

The area is underserved for multifamily rental units and there is strong demand for well-priced product. The area is also underserved for big-box, entertainment, and specialty retail. Programmed and designed appropriately, Aloha Stadium will serve as an excellent venue for midsized and larger concerts and other alternative non-sporting events complimenting the mixed use project. We have excluded a smaller concert venue given the other venues in Honolulu and the planned redevelopment of Neal Blaisdell Center.

Phase I – 41 acres – ~1.2MM square feet

- 350,000 SF Retail
- 150,000 SF Office – (50% professional, 50% medical)
- 200 Room Limited or Select Service Hotel

- 500 Multifamily units (to include the requisite allocation of affordable housing)

Phase II – 20 acres - ~700K SF (10-15 years out)

Phase III – 20 acres - ~700K SF (20-25 years out)

For Phases II and III, we cannot predict the exact product mix at this time so we are assuming a similar mix to Phase I.

Total Development Program – 2.6MM square feet

Total Development Period - 20-25 years

Land Value & Infrastructure Investment

While any contemplated transaction with an investor / developer could consist of multiple structures, public - private partnerships typically include an infrastructure investment from the municipality.

The infrastructure investment funds:

- Site specific horizontal improvements including but not limited to: due diligence, grading, utilities, water, sewer, streets, curb and gutter, etc.
- Transportation improvements immediately surrounding the site to maximize access; both roadway and mass transit.

Estimated Site infrastructure costs are \$1MM/acre or \$56 million (including 15 acre stadium site) for Phase I.

Returns on the infrastructure investment are realized through the following revenue streams:

1. Ground rent
2. Parking
3. PILOT program (payment in lieu of property taxes)
4. Sales and room taxes on the retail and hotel uses
5. Indirectly, income taxes from additional jobs created through construction and new businesses
6. Stadium specific user fees
7. Development common area fees

Assuming the state can only lease the land (i.e. no fee simple sale), the typical lease term is 99 years. In some cases lease term less than 75 years may necessitate some discount in pricing. We understand that the maximum lease currently permissible in Hawaii is 65 years, but we recommend that extension options be considered to get to 99 years to give investors/developers more comfort. In any event the difference in land value between 65 and 99 is not material (less than 5%). It is our understanding that legislation has been proposed to allow this type of development to have a 99 year lease.

Conclusion

The proposed development should incorporate forward-thinking approaches to urban design, architecture, engineering, environmental technologies, the public realm and capitalize on the presence of the new Aloha Stadium operations and activities. Envisioned as a mid-to-high density mixed-use destination, the design of the development must support thousands of fans and fan activities on game days and a vibrant mixed-use setting with an active street environment on both game and non-game days.

Included herein are financial models depicting the Phase 1 pro formas for each product type and a cash flow roll up contemplating short and long term hold scenarios. Scenario 1 assumes the properties are sold within a year of stabilization (stabilization being defined as reaching maximum occupancy, or being fully leased up). Scenario 2 assumes the properties are held for 10 years after stabilization and then sold. Different investors / developers will have different hold periods so these are shown to illustrate the bookend scenarios. The initial program for the site maximizes returns for a third-party developer given certain constraints with the ultimate goal of developing a vibrant mixed-use live/work/play community. Any mixed use development will need to be balanced with land used for stadium parking. Game day parking needs will be supplemented by surrounding available parking.

Financial models are preliminary, subject to change, and require full feasibility studies for validation. However our research indicates that the presence of a catalyst property such as a new athletic stadium definitively drives additional retail demand and can even increase forecasted rent streams for more entertainment oriented retail uses.

Aloha Development Model

Returns Summary



Scenario	Scenario 1	Scenario 2
Description	Self Develop; Sale on Stabilization	Self Develop; Long Term Hold

Returns Summary

Total Square Footage	1,210,000	1,210,000
Total Development Costs w/ Land	\$466,985,583	\$466,985,583
<u>Equity Required</u> ⁽¹⁾		
Land Acquisition Cost ⁽²⁾	\$48,400,000	\$48,400,000
Horizontal Infrastructure Cost	\$41,000,000	\$41,000,000
Equity for Vertical Buildout	\$81,423,337	\$81,423,337
Total Equity Required	\$170,823,337	\$170,823,337
Total Distributions	\$264,657,905	\$536,192,708
Less: Equity Invested	(\$170,823,337)	(\$170,823,337)
Net Cash Flow	\$93,834,567	\$365,369,370
NPV @ 8%	\$38,525,395	\$76,540,294
IRR	16.9%	13.0%
Equity Multiple	1.5x	3.1x
Profitability Index	1.2x	1.4x

Notes:

(1) Assumes 2-3 year build and sale in year 4 or 5 in Scenario 1, 10 year hold in Scenario 2

(2) Assumes land is held under a long-term ground lease; value is financed up front

Development Model Assumptions



Mixed Use Assumptions

	New Stadium (& Underground Parking)	Office	Retail	Residential	Hotel	Other: Greenspace / Plaza Future Dvlpmt / HART Station	Total (SF excludes Stadium)
Development Program (Phase I)							
Acreage	15.0	8.0	15.0	12.0	6.0	44.0	100.0
Land SF		348,480	653,400	522,720	261,360		
Sq. Ft.	500,000	150,000	350,000	550,000	160,000		1,210,000
% of Total		12.4%	28.9%	45.5%	13.2%		
FAR		0.4	0.5	1.1	0.6		0.3
Parking / Infrastructure / Land							
Parking Ratio (per 1000 sf)		2.5	3.0	1.00	1.00		
Parking Spaces	4,000	375	1,050	550	160		6,135
Cost / Space ⁽¹⁾	\$40,000	\$20,000	\$20,000	\$20,000	\$20,000		\$33,040
Parking Costs	\$160,000,000	\$7,500,000	\$21,000,000	\$11,000,000	\$3,200,000		\$202,700,000
On-Site Infra. per Acre	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		\$560,000
On-Site Infrastructure	\$15,000,000	\$8,000,000	\$15,000,000	\$12,000,000	\$6,000,000		\$56,000,000
Total Parking & Infrastructure	\$175,000,000	\$15,500,000	\$36,000,000	\$23,000,000	\$9,200,000		\$258,700,000
Total Parking & Infrastructure PSF	\$213.80	\$103.33	\$102.86	\$41.82	\$57.50		\$213.80
Total Parking & Infrastructure per Acre	\$11,666,667	\$1,937,500	\$2,400,000	\$1,916,667	\$1,533,333		\$2,587,000
Land Value PSF FAR		\$40.00	\$40.00	\$40.00	\$40.00		\$40.00
Land Valuation		\$6,000,000	\$14,000,000	\$22,000,000	\$6,400,000		\$48,400,000
Land Value per Acre		\$750,000	\$933,333	\$1,833,333	\$1,066,667		\$484,000
Price Per Land SF		\$17.22	\$21.43	\$42.09	\$24.49		\$11.11
Total Land, Parking & Infrastructure	\$175,000,000	\$21,500,000	\$50,000,000	\$45,000,000	\$15,600,000		\$307,100,000
Returns							
Total Development Costs PSF		\$428.66	\$470.33	\$307.79	\$429.92		
Net Rent PSF ⁽²⁾		\$31.00	\$32.00	\$19.32	\$26.33		
Return on Cost		7.23%	6.80%	6.28%	6.13%		
Valuation Cap Rate		6.50%	6.00%	5.50%	6.00%		
Developer Spread		0.73%	0.80%	0.78%	0.13%		0.61%
Unlevered Profits ⁽²⁾		\$7,239,452	\$22,052,190	\$23,915,133	\$1,438,771		\$54,645,545

Notes:

- (1) Assumes structured parking
- (2) No ground lease payment included; assumes ground lease financed up front

Development Model

Budget Assumptions



	Office	Retail	Residential	Hotel	Total
Square Footage	150,000	350,000	550,000	160,000	1,210,000

Hard Costs	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total
Base Building	\$145.00	\$21,750,000	\$160.00	\$56,000,000	\$170.00	\$93,500,000	\$210.00	\$33,600,000	\$169.30	\$204,850,000
Tenant Improvements	\$70.00	\$10,500,000	\$70.00	\$24,500,000	\$0.00	\$0	\$0.00	\$0	\$28.93	\$35,000,000
Sitework	\$1.00	\$150,000	\$13.15	\$4,602,069	\$2.00	\$1,100,000	\$0.00	\$0	\$4.84	\$5,852,069
Parking	\$50.00	\$7,500,000	\$60.00	\$21,000,000	\$20.00	\$11,000,000	\$20.00	\$3,200,000	\$35.29	\$42,700,000
Hardscape	\$1.00	\$150,000	\$0.00	\$0	\$0.50	\$275,000	\$0.00	\$0	\$0.35	\$425,000
Landscape	\$0.00	\$0	\$0.00	\$0	\$2.00	\$1,100,000	\$0.00	\$0	\$0.91	\$1,100,000
Signage	\$0.50	\$75,000	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.06	\$75,000
Hard Cost Contingency	\$5.00	\$750,000	\$11.00	\$3,850,000	\$5.00	\$2,750,000	\$5.00	\$800,000	\$6.74	\$8,150,000
Subtotal: Hard Costs	\$272.50	\$40,875,000	\$314.15	\$109,952,069	\$199.50	\$109,725,000	\$235.00	\$37,600,000	\$246.41	\$298,152,069

Soft Costs	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total
Consultants (A&E)	\$6.00	\$900,000	\$10.00	\$3,500,000	\$6.41	\$3,526,111	\$20.00	\$3,200,000	\$9.20	\$11,126,111
Other Consultants	\$2.20	\$329,579	\$0.00	\$0	\$0.00	\$0	\$10.00	\$1,600,000	\$1.59	\$1,929,579
FF&E	\$0.00	\$0	\$0.00	\$0	\$3.89	\$2,138,889	\$40.00	\$6,400,000	\$7.06	\$8,538,889
Permits and Impact Fees	\$0.75	\$112,132	\$3.91	\$1,368,500	\$4.11	\$2,260,895	\$0.00	\$0	\$3.09	\$3,741,527
Insurance	\$0.57	\$85,393	\$4.32	\$1,512,000	\$1.31	\$718,711	\$0.00	\$0	\$1.91	\$2,316,104
Legal	\$2.88	\$431,277	\$6.25	\$2,187,640	\$1.50	\$825,000	\$3.00	\$480,000	\$3.24	\$3,923,917
Marketing	\$0.19	\$28,752	\$1.46	\$511,341	\$1.00	\$550,000	\$0.00	\$0	\$0.90	\$1,090,093
RE Tax	\$1.04	\$155,260	\$0.50	\$175,000	\$0.21	\$117,797	\$6.17	\$987,229	\$1.19	\$1,435,286
Leasing Commissions	\$25.00	\$3,750,000	\$22.00	\$7,700,000	\$0.00	\$0	\$0.00	\$0	\$9.46	\$11,450,000
Closing Costs	\$0.00	\$0	\$3.50	\$1,226,677	\$0.50	\$275,000	\$10.00	\$1,600,000	\$2.56	\$3,101,677
Construction Loan Interest	\$9.89	\$1,483,324	\$6.04	\$2,114,583	\$6.50	\$3,575,000	\$6.25	\$1,000,000	\$6.75	\$8,172,907
Bank Fee and Financing	\$3.45	\$517,533	\$0.00	\$0	\$2.52	\$1,386,892	\$2.00	\$320,000	\$1.84	\$2,224,424
Operating Expenses During Construction	\$0.38	\$57,504	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.05	\$57,504
Soft Cost / Owner Contingency	\$7.00	\$1,050,000	\$7.00	\$2,450,000	\$8.13	\$4,468,905	\$10.00	\$1,600,000	\$7.91	\$9,568,905
Subtotal: Soft Costs	\$59.34	\$8,900,754	\$64.99	\$22,745,742	\$36.08	\$19,843,200	\$107.42	\$17,187,229	\$56.76	\$68,676,925

Development Fees	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total	\$ / s.f.	Total
Development Fees	\$2.33	\$348,837	\$5.83	\$2,041,667	\$7.64	\$4,200,025	\$8.00	\$1,280,000	\$6.50	\$7,870,529
Construction Management Fee	\$1.16	\$174,419	\$2.50	\$875,000	\$2.76	\$1,516,642	\$2.00	\$320,000	\$2.39	\$2,886,061
Subtotal: Development Costs	\$3.49	\$523,256	\$8.33	\$2,916,667	\$10.39	\$5,716,667	\$10.00	\$1,600,000	\$8.89	\$10,756,589

Total Development Costs (w/o Land)	\$335.33	\$50,299,010	\$387.47	\$135,614,477	\$245.97	\$135,284,867	\$352.42	\$56,387,229	\$312.05	\$377,585,583
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Land Costs	\$ / s.f.	Total								
Land Acquisition Cost	\$40.00	\$6,000,000	\$40.00	\$14,000,000	\$40.00	\$22,000,000	\$40.00	\$6,400,000	\$40.00	\$48,400,000
Infrastructure Cost	\$53.33	\$8,000,000	\$42.86	\$15,000,000	\$21.82	\$12,000,000	\$37.50	\$6,000,000	\$33.88	\$41,000,000
Subtotal: Land Costs	\$93.33	\$14,000,000	\$82.86	\$29,000,000	\$61.82	\$34,000,000	\$77.50	\$12,400,000	\$73.88	\$89,400,000

Total Development Costs (w/ Land)	\$428.66	\$64,299,010	\$470.33	\$164,614,477	\$307.79	\$169,284,867	\$429.92	\$68,787,229	\$385.94	\$466,985,583
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Mixed Use Cash Flows



		1	2	3	4	5	6	7	8	9	10	11	12	13
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
IRR	Eq. Mult.													
11.6%	2.9x Retail Cash Flows	(\$62,903,619)	(\$11,172,895)	\$0	\$20,105,229	\$3,445,752	\$3,777,989	\$4,120,192	\$4,472,663	\$4,835,707	\$5,209,642	\$5,594,796	\$5,991,504	\$158,692,894
17.4%	4.0x Residential Cash Flows	(\$25,528,487)	(\$26,021,217)	\$0	\$30,596,212	\$1,821,530	\$2,149,873	\$2,488,067	\$2,836,406	\$3,195,196	\$3,564,749	\$3,945,389	\$4,337,449	\$148,865,439
14.2%	3.5x Office Cash Flows	(\$8,047,842)	(\$9,634,386)	\$0	\$5,245,426	\$854,941	\$953,522	\$1,054,322	\$1,157,389	\$1,262,775	\$1,370,533	\$1,480,715	\$1,593,376	\$46,678,130
7.2%	2.0x Hotel Cash Flows	(\$17,196,807)	(\$10,318,084)	\$0	\$2,891,943	\$1,180,274	\$1,396,646	\$1,560,349	\$1,667,111	\$1,773,874	\$1,880,636	\$1,987,399	\$2,094,161	\$38,062,510
13.0%	3.1x Total Cash Flows	(\$113,676,755)	(\$57,146,583)	\$0	\$58,838,810	\$7,302,497	\$8,278,030	\$9,222,930	\$10,133,569	\$11,067,552	\$12,025,560	\$13,008,298	\$14,016,489	\$392,298,973
10.1%	1.3x Retail Cash Flows	(\$62,903,619)	(\$11,172,895)	\$0	\$97,622,038									
33.0%	2.1x Residential Cash Flows	(\$25,528,487)	(\$26,021,217)	\$0	\$106,158,837									
14.9%	1.4x Office Cash Flows	(\$8,047,842)	(\$9,634,386)	\$0	\$24,950,116									
7.8%	1.3x Hotel Cash Flows	(\$17,196,807)	(\$10,318,084)	\$0	\$3,678,324	\$32,248,590								
16.9%	1.5x Total Cash Flows	(\$113,676,755)	(\$57,146,583)	\$0	\$232,409,314	\$32,248,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Aloha Discount Rate	8.0%	8.00%											
	Self Develop - Hold													
	Total Equity Required	\$170,823,337												
	Net Cash Flow	\$365,369,370	(\$113,676,755)	(\$57,146,583)	\$0	\$58,838,810	\$7,302,497	\$8,278,030	\$9,222,930	\$10,133,569	\$11,067,552	\$12,025,560	\$13,008,298	\$14,016,489
	IRR	13.0%												
	NPV	\$76,540,294												
	Equity Multiple	3.1x												
	Self Develop - Sale													
	Total Equity Required	\$170,823,337												
	Net Cash Flow	\$93,834,567	(\$113,676,755)	(\$57,146,583)	\$0	\$232,409,314	\$32,248,590							
	IRR	16.9%												
	NPV	\$38,525,395												
	Equity Multiple	1.5x												

Office Development Model

Assumptions



Development Assumptions

Development Program	Office		
Land Area (acres)			8.00
GSF			150,000
Land Info	\$ / Per Acre	\$ / s.f.	Total
Aloha Land Acquisition Cost	\$750,000	\$40.00	\$6,000,000
Aloha Infrastructure Cost	\$1,000,000	\$53.33	\$8,000,000
Aloha Total Improved Land Cost	\$1,750,000	\$93.33	\$14,000,000
Land Valuation	\$750,000	\$40.00	\$6,000,000
Aloha Infrastructure Cost	\$1,000,000	\$53.33	\$8,000,000
Land Value (Contribution to JV)	\$1,750,000	\$93.33	\$14,000,000
Land Value Mark Up / (Down)			\$0

	\$ / s.f.	Total
Hard Costs		
Base Building	\$145.00	\$21,750,000
Tenant Improvements	\$70.00	\$10,500,000
Sitework	\$1.00	\$150,000
Parking	\$50.00	\$7,500,000
Hardscape	\$1.00	\$150,000
Landscape	\$0.00	\$0.00
Signage	\$0.50	\$75,000
Hard Cost Contingency	\$5.00	\$750,000
Subtotal: Hard Costs	\$272.50	\$40,875,000
Soft Costs		
Consultants (A&E)	\$6.00	\$900,000
Other Consultants	\$2.20	\$329,579
FF&E	\$0.00	\$0.00
Permits and Impact Fees	\$0.75	\$112,132
Insurance	\$0.57	\$85,393
Legal	\$2.88	\$431,277
Marketing	\$0.19	\$28,752
RE Tax	\$1.04	\$155,260
Leasing Commissions	\$25.00	\$3,750,000
Closing Costs	\$0.00	\$0
Construction Loan Interest	\$9.89	\$1,483,324
Bank Fee and Financing	\$3.45	\$517,533
Operating Expenses during Construction	\$0.38	\$57,504
Soft Cost Contingency	\$7.00	\$1,050,000
Subtotal: Soft Costs	\$59.34	\$8,900,754
Development Fees		
Development Fees	\$2.33	\$348,837
Construction Management Fee	\$1.16	\$174,419
Subtotal: Development Costs	\$3.49	\$523,256
Total Development Costs Excluding Land	\$335.33	\$50,299,010
Land Acquisition Cost	\$40.00	\$6,000,000
Aloha Infrastructure Cost	\$53.33	\$8,000,000
Total Development Costs Including Land	\$428.66	\$64,299,010

Ownership Structures

Financing	Own / Operate	Joint Venture -
		50/50
Ownership - Aloha	100%	50%
Ownership - Developer	0%	50%
Debt (Construction Loan)	73%	72.50%
Equity	28%	28%

Construction Loan Assumptions

Interest Rate	3.75%
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Construction Cost Spreading

Year 0	16%
Year 1	53%
Year 2	31%

Permanent Loan Assumptions (Cash Out Refinancing)

Interest Rate	4.75%
LTV	75%
Amortization	25

Rent and Lease Up Assumptions

Office	
GSF	150,000
Rent Assumptions	
Net Rent	\$31.00
Vacancy	5.00%
Escalation	
Growth Rate	2.25%
F&B	
GSF	0
Rent Assumptions	
Net Rent	\$38.00
Vacancy	10.0%
Escalation	
Growth Rate	2.50%
Return on Cost	7.23%

Valuation and Reversion and Disposition

LTV Cap Rate	6.50%
Residual Cap Rate	6.50%
Lease Up Risk Discount at Sale	0.00%
Cost of Sale	1.00%

Office Development Model

Own-Operate Scenario - 100/0 ownership, 72.5/27.5 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Costs														
Construction Costs - Retail	\$50,299,010	\$8,047,842	\$26,658,475	\$15,592,693										
Land Value Contribution (Land Cost + Mark up)	\$14,000,000	\$0	\$14,000,000											
Total Costs	\$64,299,010	\$8,047,842	\$40,658,475	\$15,592,693										
Equity														
Aloha JV Stake	100%													
Total Equity Requirement	\$17,682,228													
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$17,682,228													
Aloha Cash Equity	\$3,682,228													
Equity Draws	\$17,682,228	\$8,047,842	\$9,634,386	\$0										
Aloha Cash Equity	(\$3,682,228)	\$5,952,158	(\$9,634,386)	\$0										
Aloha Land Contribution (Cost)	(\$14,000,000)	(\$14,000,000)	\$0	\$0										
Aloha Land Value Markup	\$0	\$0	\$0	\$0										
Debt														
Construction Loan														
Beginning Balance	\$0	\$0	(\$32,187,492)											
Draws	(\$46,616,782)	\$0	(\$31,024,089)	(\$15,592,693)										
Interest	(\$2,955,160)	\$0	(\$1,163,403)	(\$1,791,757)										
Ending Balance	\$0	(\$32,187,492)	(\$49,571,942)											
Permanent Loan														
Retail														
Beginning Balance				(\$50,971,154)	(\$49,865,838)	(\$48,708,020)	(\$47,495,205)	(\$46,224,781)	(\$44,894,013)	(\$43,500,033)	(\$42,039,839)	(\$40,510,285)	(\$38,908,078)	
Principal Payment	\$13,741,388	\$1,105,316	\$1,157,818	\$1,212,815	\$1,270,423	\$1,330,769	\$1,393,980	\$1,460,194	\$1,529,553	\$1,602,207	\$1,678,312	\$1,754,426	\$1,830,540	
Interest Payment	\$21,523,069	\$2,421,130	\$2,368,627	\$2,313,631	\$2,256,022	\$2,195,677	\$2,132,466	\$2,066,252	\$1,996,892	\$1,924,239	\$1,848,134	\$1,772,029	\$1,695,924	
Outstanding Balance				(\$49,865,838)	(\$48,708,020)	(\$47,495,205)	(\$46,224,781)	(\$44,894,013)	(\$43,500,033)	(\$42,039,839)	(\$40,510,285)	(\$38,908,078)	(\$37,229,766)	
Total: All Product Types														
Beginning Balance				(\$50,971,154)	(\$49,865,838)	(\$48,708,020)	(\$47,495,205)	(\$46,224,781)	(\$44,894,013)	(\$43,500,033)	(\$42,039,839)	(\$40,510,285)	(\$38,908,078)	
Principal Payment	\$13,741,388	\$1,105,316	\$1,157,818	\$1,212,815	\$1,270,423	\$1,330,769	\$1,393,980	\$1,460,194	\$1,529,553	\$1,602,207	\$1,678,312	\$1,754,426	\$1,830,540	
Interest Payment	\$21,523,069	\$2,421,130	\$2,368,627	\$2,313,631	\$2,256,022	\$2,195,677	\$2,132,466	\$2,066,252	\$1,996,892	\$1,924,239	\$1,848,134	\$1,772,029	\$1,695,924	
Outstanding Balance				(\$49,865,838)	(\$48,708,020)	(\$47,495,205)	(\$46,224,781)	(\$44,894,013)	(\$43,500,033)	(\$42,039,839)	(\$40,510,285)	(\$38,908,078)	(\$37,229,766)	
Operating and Sale Cashflows														
NOI - Office	\$48,926,939			\$4,417,500	\$4,516,894	\$4,618,524	\$4,722,441	\$4,828,696	\$4,937,341	\$5,048,431	\$5,162,021	\$5,278,167	\$5,396,925	
NOI - F&B	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ground Lease	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residual Value - Office	\$83,029,620													\$83,029,620
Residual Value - F&B	\$0													\$0
Capital Reserve	(\$1,335,283)			\$0	(\$135,507)	(\$138,556)	(\$141,673)	(\$144,861)	(\$148,120)	(\$151,453)	(\$154,861)	(\$158,345)	(\$161,908)	
Lease Up Risk Discount @ Sale	\$0													\$0
Cost of Sale	(\$830,296)													(\$830,296)
Net Cash Flow Before Debt Service	\$129,790,980	\$0	\$0	\$0	\$4,417,500	\$4,381,387	\$4,479,968	\$4,580,767	\$4,683,835	\$4,789,221	\$4,896,978	\$5,007,160	\$5,119,822	\$87,434,342
Debt Service	(\$35,264,457)	\$0	\$0	\$0	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)	(\$3,526,446)
DSCR					1.25	1.28	1.31	1.34	1.37	1.40	1.43	1.46	1.50	1.53
Excess Refinancing Proceeds	\$4,354,372			\$4,354,372										
Permanent Loan Repayment	(\$37,229,766)													(\$37,229,766)
Total Cashflow for Distribution	\$61,651,129	\$0	\$0	\$0	\$5,245,426	\$854,941	\$953,522	\$1,054,322	\$1,157,389	\$1,262,775	\$1,370,533	\$1,480,715	\$1,593,376	\$46,678,130
Net Cash Flow from Operations	\$12,327,199	\$0	\$0	\$0	\$891,054	\$854,941	\$953,522	\$1,054,322	\$1,157,389	\$1,262,775	\$1,370,533	\$1,480,715	\$1,593,376	\$1,708,572
Net Cash Flow from Capital Events	\$49,323,930	\$0	\$0	\$0	\$4,354,372	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,969,558
Cashflows to Aloha and Developer														
Total Net Cash Flow														
Aloha	\$43,968,901	(\$8,047,842)	(\$9,634,386)	\$0	\$5,245,426	\$854,941	\$953,522	\$1,054,322	\$1,157,389	\$1,262,775	\$1,370,533	\$1,480,715	\$1,593,376	\$46,678,130
Aloha Distributions	\$61,651,129													
Aloha IRR	14.25%													
Total Aloha Cash Equity Investment	\$3,682,228													
Total Aloha Land Cost Investment	\$14,000,000													
Total Investment	\$17,682,228													
Total Aloha Cash Flow (10 Year Hold)	\$43,968,901													
Aloha Debt	\$50,971,154													
Total Aloha Distributions	\$112,622,283													

Office Development Model
Own-Operate Scenario - 100/0 ownership, 72.5/27.5 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Costs																			
Construction Costs - Retail	\$50,299,010	\$8,047,842	\$26,658,475	\$15,592,693															
Land Value Contribution (Land Cost + Mark up)	\$14,000,000	\$0	\$14,000,000																
Total Costs	\$64,299,010	\$8,047,842	\$40,658,475	\$15,592,693															
Equity																			
Aloha JV Stake	100%																		
Total Equity Requirement	\$17,682,228																		
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$17,682,228																		
Aloha Cash Equity	\$3,682,228																		
Equity Draws	\$17,682,228	\$8,047,842	\$9,634,386	\$0															
Aloha Cash Equity	(\$3,682,228)	\$5,952,158	(\$9,634,386)	\$0															
Aloha Land Contribution (Cost)	(\$14,000,000)	(\$14,000,000)	\$0	\$0															
Aloha Land Value Markup	\$0	\$0	\$0	\$0															
Debt																			
Construction Loan																			
Beginning Balance		\$0	\$0	(\$32,187,492)															
Draws	(\$46,616,782)	\$0	(\$31,024,089)	(\$15,592,693)															
Interest	(\$2,955,160)	\$0	(\$1,163,403)	(\$1,791,757)															
Ending Balance		\$0	(\$32,187,492)	(\$49,571,942)															
Permanent Loan																			
Retail																			
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total: All Product Types																			
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating and Sale Cashflows																			
NOI - Office	\$4,417,500			\$4,417,500															
NOI - F&B	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ground Lease	\$0			\$0															
Residual Value - Office	\$67,961,538			\$67,961,538															
Residual Value - F&B	\$0			\$0															
Capital Reserve	(\$132,525)			(\$132,525)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Up Risk Discount @ Sale	\$0			\$0															
Cost of Sale	(\$679,615)			(\$679,615)															
Net Cash Flow Before Debt Service	\$71,566,898	\$0	\$0	\$0	\$71,566,898	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess Refinancing Proceeds	(\$46,616,782)			(\$46,616,782)															
Permanent Loan Repayment	\$0			\$0															
Total Cashflow for Distribution	\$24,950,116	\$0	\$0	\$0	\$24,950,116	\$0													
Net Cash Flow from Operations	\$4,284,975	\$0	\$0	\$0	\$4,284,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Capital Events	\$20,665,141	\$0	\$0	\$0	\$20,665,141	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cashflows to Aloha and Developer																			
Total Net Cash Flow																			
Aloha	\$7,267,888	(\$8,047,842)	(\$9,634,386)	\$0	\$24,950,116	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aloha Distributions	\$24,950,116																		
Aloha IRR	14.94%																		
Total Aloha Cash Equity Investment	\$3,682,228																		
Total Aloha Land Cost Investment	\$14,000,000																		
Total Investment	\$17,682,228																		
Total Aloha Cash Flow (10 Year Hold)	\$7,267,888																		
Aloha Debt	\$0																		
Total Aloha Distributions	\$24,950,116																		

Retail Development Model Assumptions



Development Assumptions

Development Program	Retail		
Land Area (acres)			15.00
GSF			350,000
Land Info	\$ / Per Acre	\$ / s.f.	Total
Aloha Land Acquisition Cost	\$933,333	\$40.00	\$14,000,000
Aloha Infrastructure Cost	\$1,000,000	\$42.86	\$15,000,000
Aloha Total Improved Land Cost	\$1,933,333	\$82.86	\$29,000,000
Land Valuation	\$933,333	\$40.00	\$14,000,000
Aloha Infrastructure Cost	\$1,000,000	\$42.86	\$15,000,000
Land Value (Contribution to JV)	\$1,933,333	\$82.86	\$29,000,000
Land Value Mark Up / (Down)			\$0

Hard Costs	\$ / s.f.	Total
Base Building	\$160.00	\$56,000,000
Tenant Improvements	\$70.00	\$24,500,000
Sitework	\$13.15	\$4,602,069
Parking	\$60.00	\$21,000,000
Hardscape	\$0.00	\$0
Landscape	\$0.00	\$0
Signage	\$0.00	\$0
Hard Cost Contingency	\$11.00	\$3,850,000
Subtotal: Hard Costs	\$314.15	\$109,952,069
Soft Costs		
Consultants (A&E)	\$10.00	\$3,500,000
Other Consultants	\$0.00	\$0
Permits and Impact Fees	\$3.91	\$1,368,500
Insurance	\$4.32	\$1,512,000
Legal	\$6.25	\$2,187,640
Marketing/PR	\$1.46	\$511,341
RE Tax	\$0.50	\$175,000
Leasing Commissions	\$22.00	\$7,700,000
Closing Costs	\$3.50	\$1,226,677
Construction Loan Interest	\$6.04	\$2,114,583
Soft Cost Contingency	\$7.00	\$2,450,000
Subtotal: Soft Costs	\$64.99	\$22,745,742
Development Fees		
Development Fees	\$5.83	\$2,041,667
Construction Management Fee	\$2.50	\$875,000
Subtotal: Development Costs	\$8.33	\$2,916,667
Total Development Costs Excluding Land	\$387.47	\$135,614,477
Land Acquisition Cost	\$40.00	\$14,000,000
Aloha Infrastructure Cost	\$42.86	\$15,000,000
Total Development Costs Including Land	\$470.33	\$164,614,477

Ownership Structures

Financing	Own / Operate	Joint Venture - 50/50
Ownership - Aloha	100%	50%
Ownership - Developer	0%	50%
Debt (Construction Loan)	55%	55%
Equity	45%	45%

Construction Loan Assumptions

Interest Rate	4.00%
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Construction Cost Spreading

Year 1	25%
Year 2	60%
Year 3	15%

Permanent Loan Assumptions (Cash Out Refinancing)

Interest Rate	5.00%
LTV	60%
Amortization	25

Rent and Lease Up Assumptions

Rent Assumptions	
Net Rent	\$32.00
Vacancy	4.00%

Total Annual NOI	\$30.72
ROC	6.53%

Escalation	
Growth Rate	3.00%

Valuation / Reversion / Disposition

LTV Cap Rate	6.00%
Residual Cap Rate	6.00%
Lease Up Risk Discount at Sale	0.00%
Cost of Sale	1.00%

Retail Development Model

Own-Operate Scenario - 100/0 ownership, 55/45 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Costs														
Construction Costs - Retail	\$135,614,477	\$33,903,619	\$81,368,686	\$20,342,172										
Land Value Contribution (Land Cost + Mark up)	\$29,000,000	\$29,000,000	\$0											
Total Costs	\$164,614,477	\$62,903,619	\$81,368,686	\$20,342,172										
Equity														
Aloha JV Stake	100%													
Total Equity Requirement	\$74,076,515													
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$74,076,515													
Developer Total Equity Requirement	\$0													
Aloha Cash Equity	\$45,076,515													
Developer Cash Equity	\$0													
Equity Draws	\$74,076,515	\$62,903,619	\$11,172,895	\$0										
Aloha Cash Equity	(\$45,076,515)	(\$33,903,619)	(\$11,172,895)	\$0										
Aloha Land Contribution (Cost)	(\$29,000,000)	(\$29,000,000)	\$0	\$0										
Aloha Land Value Markup	\$0	\$0	\$0	\$0										
Developer Cash Equity	\$0	\$0	\$0	\$0										
Debt														
Construction Loan														
Beginning Balance	\$0	\$0	(\$73,003,622)											
Draws	(\$90,537,962)	\$0	(\$70,195,791)	(\$20,342,172)										
Interest	(\$6,541,663)	\$0	(\$2,807,832)	(\$3,733,832)										
Ending Balance	\$0	(\$73,003,622)	(\$97,079,626)											
Permanent Loan														
Retail														
Beginning Balance				(\$107,520,000)	(\$105,267,192)	(\$102,901,743)	(\$100,418,022)	(\$97,810,115)	(\$95,071,813)	(\$92,196,595)	(\$89,177,617)	(\$86,007,689)	(\$82,679,265)	(\$79,184,420)
Principal Payment	\$28,335,580			\$2,252,808	\$2,365,449	\$2,483,721	\$2,607,907	\$2,738,302	\$2,875,218	\$3,018,978	\$3,169,927	\$3,328,424	\$3,494,845	
Interest Payment	\$47,952,503			\$5,376,000	\$5,263,360	\$5,145,087	\$5,020,901	\$4,890,506	\$4,753,591	\$4,609,830	\$4,458,881	\$4,300,384	\$4,133,963	
Outstanding Balance				(\$105,267,192)	(\$102,901,743)	(\$100,418,022)	(\$97,810,115)	(\$95,071,813)	(\$92,196,595)	(\$89,177,617)	(\$86,007,689)	(\$82,679,265)	(\$79,184,420)	
Total: All Product Types														
Beginning Balance				(\$107,520,000)	(\$105,267,192)	(\$102,901,743)	(\$100,418,022)	(\$97,810,115)	(\$95,071,813)	(\$92,196,595)	(\$89,177,617)	(\$86,007,689)	(\$82,679,265)	(\$79,184,420)
Principal Payment	\$28,335,580			\$2,252,808	\$2,365,449	\$2,483,721	\$2,607,907	\$2,738,302	\$2,875,218	\$3,018,978	\$3,169,927	\$3,328,424	\$3,494,845	
Interest Payment	\$47,952,503			\$5,376,000	\$5,263,360	\$5,145,087	\$5,020,901	\$4,890,506	\$4,753,591	\$4,609,830	\$4,458,881	\$4,300,384	\$4,133,963	
Outstanding Balance				(\$105,267,192)	(\$102,901,743)	(\$100,418,022)	(\$97,810,115)	(\$95,071,813)	(\$92,196,595)	(\$89,177,617)	(\$86,007,689)	(\$82,679,265)	(\$79,184,420)	
Operating and Sale Cashflows														
NOI - Retail	\$123,259,630			\$10,752,000	\$11,074,560	\$11,406,797	\$11,749,001	\$12,101,471	\$12,464,515	\$12,838,450	\$13,223,604	\$13,620,312	\$14,028,921	
Ground Lease	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residual Value - Retail	\$233,815,355												\$233,815,355	
Lease Up Risk Discount @ Sale	\$0												\$0	
Cost of Sale	(\$2,338,154)												(\$2,338,154)	
Net Cash Flow Before Debt Service	\$354,736,831	\$0	\$0	\$0	\$10,752,000	\$11,074,560	\$11,406,797	\$11,749,001	\$12,101,471	\$12,464,515	\$12,838,450	\$13,223,604	\$13,620,312	\$245,506,122
Debt Service	(\$76,288,082)	\$0	\$0	\$0	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)	(\$7,628,808)
DSCR				1.41	1.45	1.50	1.54	1.59	1.63	1.68	1.73	1.79	1.84	
Excess Refinancing Proceeds	\$16,982,038			\$16,982,038										
Permanent Loan Repayment	(\$79,184,420)													(\$79,184,420)
Total Cashflow for Distribution	\$216,246,366	\$0	\$0	\$0	\$20,105,229	\$3,445,752	\$3,777,989	\$4,120,192	\$4,472,663	\$4,835,707	\$5,209,642	\$5,594,796	\$5,991,504	\$158,692,894
Net Cash Flow from Operations	\$46,971,548	\$0	\$0	\$0	\$3,123,192	\$3,445,752	\$3,777,989	\$4,120,192	\$4,472,663	\$4,835,707	\$5,209,642	\$5,594,796	\$5,991,504	\$6,400,113
Net Cash Flow from Capital Events	\$169,274,818	\$0	\$0	\$0	\$16,982,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$152,292,781
Cashflows to Aloha and Developer														
Total Net Cash Flow														
Aloha	\$142,169,852	(\$62,903,619)	(\$11,172,895)	\$0	\$20,105,229.39	\$3,445,752	\$3,777,989	\$4,120,192	\$4,472,663	\$4,835,707	\$5,209,642	\$5,594,796	\$5,991,504	\$158,692,894
Developer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aloha IRR (pari passu)														
Total Aloha Cash Equity Investment	\$45,076,515													
Total Aloha Land Cost Investment	\$29,000,000													
Total Investment	\$74,076,515													
Total Aloha Cash Flow (10 Year Hold)	\$142,169,852													
Aloha Debt	\$107,520,000													
Total Aloha Distributions	\$266,357,641													

Retail Development Model
Own-Operate Scenario - 100/0 ownership, 55/45 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
					1	2	3	4	5	6	7	8	9	10
Costs														
Construction Costs - Retail	\$135,614,477	\$33,903,619	\$81,368,686	\$20,342,172										
Land Value Contribution (Land Cost + Mark up)	\$29,000,000	\$29,000,000	\$0											
Total Costs	\$164,614,477	\$62,903,619	\$81,368,686	\$20,342,172										
Equity														
Aloha JV Stake	100%													
Total Equity Requirement	\$74,076,515													
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$74,076,515													
Developer Total Equity Requirement	\$0													
Aloha Cash Equity	\$45,076,515													
Developer Cash Equity	\$0													
Equity Draws	\$74,076,515	\$62,903,619	\$11,172,895	\$0										
Aloha Cash Equity	(\$45,076,515)	(\$33,903,619)	(\$11,172,895)	\$0										
Aloha Land Contribution (Cost)	(\$29,000,000)	(\$29,000,000)	\$0	\$0										
Aloha Land Value Markup	\$0	\$0	\$0	\$0										
Developer Cash Equity	\$0	\$0	\$0	\$0										
Debt														
Construction Loan														
Beginning Balance		\$0	\$0	(\$73,003,622)										
Draws	(\$90,537,962)	\$0	(\$70,195,791)	(\$20,342,172)										
Interest	(\$6,541,663)	\$0	(\$2,807,832)	(\$3,733,832)										
Ending Balance		\$0	(\$73,003,622)	(\$97,079,626)										
Permanent Loan														
Retail														
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total: All Product Types														
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating and Sale Cashflows														
NOI - Retail	\$10,752,000				\$10,752,000									
Ground Lease	\$0				\$0									
Residual Value - Retail	\$179,200,000				\$179,200,000									\$0
Lease Up Risk Discount @ Sale	\$0				\$0									\$0
Cost of Sale	(\$1,792,000)				(\$1,792,000)									\$0
Net Cash Flow Before Debt Service	\$188,160,000	\$0	\$0	\$0	\$188,160,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Repayment	(\$90,537,962)				(\$90,537,962)									
Permanent Loan Repayment	\$0				\$0									\$0
Total Cashflow for Distribution	\$97,622,038	\$0	\$0	\$0	\$97,622,038	\$0								
Net Cash Flow from Operations	\$10,752,000	\$0	\$0	\$0	\$10,752,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Capital Events	\$86,870,038	\$0	\$0	\$0	\$86,870,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cashflows to Aloha and Developer														
Total Net Cash Flow														
Aloha	\$23,545,523	(\$62,903,619)	(\$11,172,895)	\$0	\$97,622,037.60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aloha IRR														
Aloha IRR	10.15%													
Total Aloha Cash Equity Investment	\$45,076,515													
Total Aloha Land Cost Investment	\$29,000,000													
Total Investment	\$74,076,515													
Total Aloha Cash Flow (10 Year Hold)	\$23,545,523													
Aloha Debt	\$0													
Total Aloha Distributions	\$266,357,641													

Residential Development Model

Assumptions



Development Assumptions

Development Program	Residential		
Land Area (acres)			12.00
GSF			550,000
Land Info	\$ / Per Acre	\$ / s.f.	Total
Aloha Land Acquisition Cost	\$0	\$0.00	\$0
Aloha Infrastructure Cost	\$1,000,000	\$21.82	\$12,000,000
Aloha Total Improved Land Cost	\$1,000,000	\$21.82	\$12,000,000
Land Valuation	\$0	\$0.00	\$0
Aloha Infrastructure Cost	\$1,000,000	\$21.82	\$12,000,000
Land Value (Contribution to JV)	\$1,000,000	\$21.82	\$12,000,000
Land Value Mark Up / (Down)			\$0

	\$ / s.f.	Total
Hard Costs		
Base Building	\$170.00	\$93,500,000
Tenant Improvements	\$0.00	\$0
Sitework	\$2.00	\$1,100,000
Parking	\$20.00	\$11,000,000
Hardscape	\$0.50	\$275,000
Landscape	\$2.00	\$1,100,000
Signage	\$0.00	\$0
Hard Cost Contingency	\$5.00	\$2,750,000
Subtotal: Hard Costs	\$199.50	\$109,725,000
Soft Costs		
Consultants (A&E)	\$6.41	\$3,526,111
FF&E	\$3.89	\$2,138,889
Financing Fees	\$2.52	\$1,386,892
Permits and Impact Fees	\$4.11	\$2,260,895
Insurance	\$1.31	\$718,711
Legal	\$1.50	\$825,000
Marketing	\$1.00	\$550,000
RE Tax	\$0.21	\$117,797
Leasing Commissions	\$0.00	\$0
Closing Costs / Miscellaneous	\$0.50	\$275,000
Construction Loan Interest	\$6.50	\$3,575,000
Soft Cost Contingency	\$8.13	\$4,468,905
Deduction for Operating Deficit Reserve	\$0.00	\$0
Subtotal: Soft Costs	\$36.08	\$19,843,200
Development Fees		
Development Fees	\$7.64	\$4,200,025
Construction Management Fee	\$2.76	\$1,516,642
Subtotal: Development Costs	\$10.39	\$5,716,667
Total Development Costs Excluding Land	\$245.97	\$135,284,867
Land Acquisition Cost	\$40.00	\$22,000,000
Aloha Infrastructure Cost	\$21.82	\$12,000,000
Total Development Costs Including Land	\$307.79	\$169,284,867

Ownership Structures

Financing	Joint Venture -	
	Own / Operate	50/50
Ownership - Aloha	100%	50%
Ownership - Developer	0%	50%
Debt (Construction Loan)	65%	65%
Equity	35%	35%

Construction Loan Assumptions

Interest Rate	4.38%
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Construction Cost Spreading

Year 1	10%
Year 2	60%
Year 3	30%

Permanent Loan Assumptions (Cash Out Refinancing)

Interest Rate	6.00%
LTV	65%
Amortization	30

Rent and Lease Up Assumptions

Rent Assumptions	
Net Rent	\$19.32
Vacancy	0.00%
	6.28%
Escalation	
Growth Rate	3.00%

Valuation and Reversion and Disposition

LTV Cap Rate	5.50%
Residual Cap Rate	5.50%
Lease Up Risk Discount at Sale	0.00%
Cost of Sale	1.00%

Residential Development Model

Own-Operate Scenario - 100/0 ownership, 65/35 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Costs														
Construction Costs - Residential	\$135,284,867	\$13,528,487	\$81,170,920	\$40,585,460										
Land Value Contribution (Land Cost + Mark up)	\$12,000,000	\$12,000,000	\$0											
Total Costs	\$147,284,867	\$25,528,487	\$81,170,920	\$40,585,460										
Equity														
Aloha JV Stake	100%													
Total Equity Requirement	\$51,549,703													
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$51,549,703													
Developer Total Equity Requirement	\$0													
Aloha Cash Equity	\$39,549,703													
Developer Cash Equity	\$0													
Equity Draws	\$51,549,703	\$25,528,487	\$26,021,217	\$0										
Aloha Cash Equity	(\$39,549,703)	(\$13,528,487)	(\$26,021,217)	\$0										
Aloha Land Contribution (Cost)	(\$12,000,000)	(\$12,000,000)	\$0	\$0										
Aloha Land Value Markup	\$0	\$0	\$0	\$0										
Developer Cash Equity	\$0	\$0	\$0	\$0										
Debt														
Construction Loan														
Beginning Balance	\$0	\$0	(\$55,149,703)											
Draws	(\$95,735,163)	\$0	(\$55,149,703)	(\$40,585,460)										
Interest	(\$6,608,757)	\$0	(\$2,415,557)	(\$4,193,200)										
Ending Balance	\$0	(\$55,149,703)	(\$95,735,163)											
Permanent Loan														
Residential														
Beginning Balance				(\$125,580,000)	(\$124,785,775)	(\$123,102,018)	(\$121,317,235)	(\$119,425,365)	(\$117,419,983)	(\$115,294,278)	(\$113,041,031)	(\$110,652,589)	(\$108,120,841)	
Principal Payment	\$20,142,813	\$794,225	\$1,683,757	\$1,784,783	\$1,891,870	\$2,005,382	\$2,125,705	\$2,253,247	\$2,388,442	\$2,531,748	\$2,683,653	\$2,838,442	\$2,994,225	
Interest Payment	\$66,528,065	\$3,767,400	\$7,439,493	\$7,338,468	\$7,231,381	\$7,117,868	\$6,997,545	\$6,870,003	\$6,734,808	\$6,591,502	\$6,439,597	\$6,277,225	\$6,118,750	
Outstanding Balance				(\$124,785,775)	(\$123,102,018)	(\$121,317,235)	(\$119,425,365)	(\$117,419,983)	(\$115,294,278)	(\$113,041,031)	(\$110,652,589)	(\$108,120,841)	(\$105,437,187)	
Total: All Product Types														
Beginning Balance				(\$125,580,000)	(\$124,785,775)	(\$123,102,018)	(\$121,317,235)	(\$119,425,365)	(\$117,419,983)	(\$115,294,278)	(\$113,041,031)	(\$110,652,589)	(\$108,120,841)	
Principal Payment	\$20,142,813	\$794,225	\$1,683,757	\$1,784,783	\$1,891,870	\$2,005,382	\$2,125,705	\$2,253,247	\$2,388,442	\$2,531,748	\$2,683,653	\$2,838,442	\$2,994,225	
Interest Payment	\$66,528,065	\$3,767,400	\$7,439,493	\$7,338,468	\$7,231,381	\$7,117,868	\$6,997,545	\$6,870,003	\$6,734,808	\$6,591,502	\$6,439,597	\$6,277,225	\$6,118,750	
Outstanding Balance				(\$124,785,775)	(\$123,102,018)	(\$121,317,235)	(\$119,425,365)	(\$117,419,983)	(\$115,294,278)	(\$113,041,031)	(\$110,652,589)	(\$108,120,841)	(\$105,437,187)	
Operating and Sale Cashflows														
NOI - Residential	\$116,502,182			\$5,313,000	\$10,944,780	\$11,273,123	\$11,611,317	\$11,959,657	\$12,318,446	\$12,688,000	\$13,068,640	\$13,460,699	\$13,864,520	
Ground Lease	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Residual Value - Residential	\$252,082,179												\$252,082,179	
Lease Up Risk Discount @ Sale	\$0												\$0	
Cost of Sale	(\$2,520,822)												(\$2,520,822)	
Net Cash Flow Before Debt Service	\$366,063,539	\$0	\$0	\$0	\$5,313,000	\$10,944,780	\$11,273,123	\$11,611,317	\$11,959,657	\$12,318,446	\$12,688,000	\$13,068,640	\$13,460,699	
Debt Service	(\$86,670,878)	\$0	\$0	\$0	(\$4,561,625)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	(\$9,123,250)	
DSCR					1.16	1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	
Excess Refinancing Proceeds	\$29,844,837			\$29,844,837										
Permanent Loan Repayment	(\$105,437,187)												(\$105,437,187)	
Total Cashflow for Distribution	\$203,800,310	\$0	\$0	\$0	\$30,596,212	\$1,821,530	\$2,149,873	\$2,488,067	\$2,836,406	\$3,195,196	\$3,564,749	\$3,945,389	\$4,337,449	
Net Cash Flow from Operations	\$29,831,304	\$0	\$0	\$0	\$751,375	\$1,821,530	\$2,149,873	\$2,488,067	\$2,836,406	\$3,195,196	\$3,564,749	\$3,945,389	\$4,337,449	
Net Cash Flow from Capital Events	\$173,969,007	\$0	\$0	\$0	\$29,844,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$144,124,170	
Cashflows to Aloha and Developer														
Total Net Cash Flow	\$152,250,607	(\$25,528,487)	(\$26,021,217)	\$0	\$30,596,212	\$1,821,530	\$2,149,873	\$2,488,067	\$2,836,406	\$3,195,196	\$3,564,749	\$3,945,389	\$4,337,449	
Aloha	\$152,250,607	(\$25,528,487)	(\$26,021,217)	\$0	\$30,596,212	\$1,821,530	\$2,149,873	\$2,488,067	\$2,836,406	\$3,195,196	\$3,564,749	\$3,945,389	\$4,337,449	
Developer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Aloha IRR														
Aloha IRR	17.40%													
Total Aloha Cash Equity Investment	\$39,549,703													
Total Aloha Land Cost Investment	\$12,000,000													
Total Investment	\$51,549,703													
Total Aloha Cash Flow (10 Year Hold)	\$152,250,607													
Aloha Debt	\$125,580,000													
Total Aloha Distributions	\$206,303,064													

Residential Development Model

Own-Operate Scenario - 100/0 ownership, 65/35 leverage



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Costs														
Construction Costs - Residential	\$135,284,867	\$13,528,487	\$81,170,920	\$40,585,460										
Land Value Contribution (Land Cost + Mark up)	\$12,000,000	\$12,000,000	\$0											
Total Costs	\$147,284,867	\$25,528,487	\$81,170,920	\$40,585,460										
Equity														
Aloha JV Stake	100%													
Total Equity Requirement	\$51,549,703													
Aloha Total Equity Requirement (incl Land Cost + Mark up)	\$51,549,703													
Developer Total Equity Requirement	\$0													
Aloha Cash Equity	\$39,549,703													
Developer Cash Equity	\$0													
Equity Draws	\$51,549,703	\$25,528,487	\$26,021,217	\$0										
Aloha Cash Equity	(\$39,549,703)	(\$13,528,487)	(\$26,021,217)	\$0										
Aloha Land Contribution (Cost)	(\$12,000,000)	(\$12,000,000)	\$0	\$0										
Aloha Land Value Markup	\$0	\$0	\$0	\$0										
Developer Cash Equity	\$0	\$0	\$0	\$0										
Debt														
Construction Loan														
Beginning Balance		\$0	\$0	(\$55,149,703)										
Draws	(\$95,735,163)	\$0	(\$55,149,703)	(\$40,585,460)										
Interest	(\$6,608,757)	\$0	(\$2,415,557)	(\$4,193,200)										
Ending Balance		\$0	(\$55,149,703)	(\$95,735,163)										
Permanent Loan														
Residential														
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total: All Product Types														
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating and Sale Cashflows														
NOI - Residential	\$10,626,000			\$10,626,000										
Ground Lease	\$0			\$0										
Residual Value - Residential	\$193,200,000			\$193,200,000										\$0
Lease Up Risk Discount @ Sale	\$0			\$0										\$0
Cost of Sale	(\$1,932,000)			(\$1,932,000)										\$0
Net Cash Flow Before Debt Service	\$201,894,000	\$0	\$0	\$0	\$201,894,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess Refinancing Proceeds	(\$95,735,163)			(\$95,735,163)										
Permanent Loan Repayment	\$0			\$0										\$0
Total Cashflow for Distribution	\$106,158,837	\$0	\$0	\$0	\$106,158,837	\$0								
Net Cash Flow from Operations	\$10,626,000	\$0	\$0	\$0	\$10,626,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Capital Events	\$95,532,837	\$0	\$0	\$0	\$95,532,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cashflows to Aloha and Developer														
Total Net Cash Flow														
Aloha	\$54,609,133	(\$25,528,487)	(\$26,021,217)	\$0	\$106,158,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aloha IRR														
Aloha IRR	33.03%													
Total Aloha Cash Equity Investment	\$39,549,703													
Total Aloha Land Cost Investment	\$12,000,000													
Total Investment	\$51,549,703													
Total Aloha Cash Flow (10 Year Hold)	\$54,609,133													
Aloha Debt	\$0													
Total Aloha Distributions	\$206,303,064													

Hotel Development Model Assumptions



Development Assumptions

Acres	6.0
Rooms	200
GSF	160,000
Construction Cost per Key	\$343,936

Land Info	\$ / Per Acre	\$ / Room	\$ / s.f.	Total
Land Acquisition Cost	\$1,066,667	\$32,000	\$40.00	\$6,400,000
Infrastructure Cost	\$1,000,000	\$30,000	\$37.50	\$6,000,000
Total Improved Land Cost	\$2,066,667	\$62,000	\$77.50	\$12,400,000

Hard Costs	% of total	\$ / Room	\$ / s.f.	Total
Base Building	48.85%	\$168,000	\$210.00	\$33,600,000
Parking	4.65%	\$16,000	\$20.00	\$3,200,000
Hard Cost Contingency	1.16%	\$4,000	\$5.00	\$800,000
Subtotal: Hard Costs	54.66%	\$188,000	\$235.00	\$37,600,000

Soft Costs	% of total	\$ / Room	\$ / s.f.	Total
Consultants (A&E)	4.65%	\$16,000	\$20.00	\$3,200,000
Other Consultants	2.33%	\$8,000	\$10.00	\$1,600,000
FF&E, OS&E and IT	9.30%	\$32,000	\$40.00	\$6,400,000
Legal	0.70%	\$2,400	\$3.00	\$480,000
Taxes	1.44%	\$4,936	\$6.17	\$987,229
Owner Contingency	2.33%	\$8,000	\$10.00	\$1,600,000
Capitalized Interest	1.45%	\$5,000	\$6.25	\$1,000,000
Legal & Financing Fees	2.79%	\$9,600	\$12.00	\$1,920,000
Subtotal: Soft Costs	24.99%	\$85,936	\$107.42	\$17,187,229

Development Fees	% of total	\$ / Room	\$ / s.f.	Total
Pre-Development Fees	1.86%	\$6,400	\$8.00	\$1,280,000
Development Fees	0.47%	\$1,600	\$2.00	\$320,000
Subtotal: Development Costs	2.33%	\$8,000	\$10.00	\$1,600,000

Total Development Costs Excluding Land	% of total	\$ / Room	\$ / s.f.	Total
Land Acquisition Cost	9.30%	\$32,000	\$40.00	\$6,400,000
Infrastructure Cost	8.72%	\$30,000	\$37.50	\$6,000,000
Development Costs Including Land	100.00%	\$343,936	\$429.92	\$68,787,229

Ownership Structure and Financing Assumptions

Ownership Structures	
Financing	
Ownership - Aloha	100%
Ownership - Developer	0%
Debt (Construction Loan)	60%
Equity	40%

Construction Loan Assumptions	
Interest Rate	4.25%
Loan Amount	\$41,272,338

Construction Cost Spreading	
Year 1	25%
Year 2	60%
Year 3	15%

Permanent Loan Assumptions	
Interest Rate	5.00%
LTV	65%
Amortization	30

Valuation	
Short Term Sale Cap Rate	6.00%
Long Term Terminal Cap Rate	7.00%
Cost of Sale	1.00%

Hotel Development Model

Own-Operate Scenario



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Operating Assumptions														
Rooms					200	200	200	200	200	200	200	200	200	200
Available Room Nights					73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Occupied Room Nights					49,640	52,560	54,020	54,750	54,750	54,750	54,750	54,750	54,750	54,750
Occupancy					68.0%	72.0%	74.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
ADR					\$190.00	\$195.00	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00	\$225.00	\$230.00	\$235.00
RevPAR					\$129.20	\$140.40	\$148.00	\$153.75	\$157.50	\$161.25	\$165.00	\$168.75	\$172.50	\$176.25
Room Revenue					\$9,431,600	\$10,249,200	\$10,804,000	\$11,223,750	\$11,497,500	\$11,771,250	\$12,045,000	\$12,318,750	\$12,592,500	\$12,866,250
Other Revenue				30%	\$2,829,480	\$3,074,760	\$3,241,200	\$3,367,125	\$3,449,250	\$3,531,375	\$3,613,500	\$3,695,625	\$3,777,750	\$3,859,875
Total Revenue					\$12,261,080	\$13,323,960	\$14,045,200	\$14,590,875	\$14,946,750	\$15,302,625	\$15,658,500	\$16,014,375	\$16,370,250	\$16,726,125
NOI Margin					30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOI					\$3,678,324	\$3,997,188	\$4,213,560	\$4,377,263	\$4,484,025	\$4,590,788	\$4,697,550	\$4,804,313	\$4,911,075	\$5,017,838
Costs														
Construction Costs - Hotel	\$68,787,229	\$17,196,807	\$41,272,338	\$10,318,084										
Aloha JV Stake	100%													
Total Equity Requirement	\$27,514,892													
Equity Draws		(\$17,196,807)	(\$10,318,084)	\$0										
Construction Loan														
Beginning Balance	\$0	\$0	(\$32,269,809)											
Draws	(\$41,272,338)	\$0	(\$30,954,253)	(\$10,318,084)										
Interest	(\$2,220,548)	\$0	(\$1,315,556)	(\$904,993)										
Ending Balance	\$0	(\$32,269,809)	(\$43,492,886)											
Permanent Loan														
Hotel														
Beginning Balance					(\$43,302,870)	(\$42,651,100)	(\$41,966,741)	(\$41,248,164)	(\$40,493,658)	(\$39,701,427)	(\$38,869,585)	(\$37,996,150)	(\$37,079,044)	(\$36,116,082)
Principal Payment					\$651,770	\$684,359	\$718,577	\$754,506	\$792,231	\$831,842	\$873,435	\$917,106	\$962,962	\$1,011,110
Interest Payment					\$2,165,144	\$2,132,555	\$2,098,337	\$2,062,408	\$2,024,683	\$1,985,071	\$1,943,479	\$1,899,808	\$1,853,952	\$1,805,804
Outstanding Balance					(\$42,651,100)	(\$41,966,741)	(\$41,248,164)	(\$40,493,658)	(\$39,701,427)	(\$38,869,585)	(\$37,996,150)	(\$37,079,044)	(\$36,116,082)	(\$35,104,973)
Operating and Sale Cashflows														
NOI - Hotel					\$3,678,324	\$3,997,188	\$4,213,560	\$4,377,263	\$4,484,025	\$4,590,788	\$4,697,550	\$4,804,313	\$4,911,075	\$5,017,838
Residual Value - Hotel														\$71,683,393
Cost of Sale														(\$716,834)
Net Cash Flow Before Debt Service					\$3,678,324	\$3,997,188	\$4,213,560	\$4,377,263	\$4,484,025	\$4,590,788	\$4,697,550	\$4,804,313	\$4,911,075	\$75,984,396
Net Cash Flow Before Debt Service		(\$17,196,807)	(\$41,272,338)	(\$10,318,084)	\$3,678,324	\$3,997,188	\$4,213,560	\$4,377,263	\$4,484,025	\$4,590,788	\$4,697,550	\$4,804,313	\$4,911,075	\$75,984,396
Unlevered IRR		5.8%												
Debt Service		\$0	\$0	\$0	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)	(\$2,816,914)
DSCR					1.31	1.42	1.50	1.55	1.59	1.63	1.67	1.71	1.74	26.97
Excess Refinancing Proceeds					\$2,030,532									
Permanent Loan Repayment														(\$35,104,973)
Levered Cash Flows	\$26,980,010	(\$17,196,807)	(\$10,318,084)	\$0	\$2,891,943	\$1,180,274	\$1,396,646	\$1,560,349	\$1,667,111	\$1,773,874	\$1,880,636	\$1,987,399	\$2,094,161	\$38,062,510
Aloha Distributions														
Aloha IRR	\$54,494,902													
7.2%														
Total Aloha Equity Investment	\$27,514,892													
Total Aloha Cash Flow (10 Year Hold)	\$26,980,010													
Aloha Debt	\$43,302,870													
Total Aloha Distributions	\$70,282,880													

Hotel Development Model

Own-Operate - Sale Scenario



Development Year		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Hold Year	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
Operating Assumptions														
Rooms					200	200	200	200	200	200	200	200	200	200
Available Room Nights					73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Occupied Room Nights					49,640	52,560	54,020	54,750	54,750	54,750	54,750	54,750	54,750	54,750
Occupancy					68.0%	72.0%	74.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
ADR					\$190.00	\$195.00	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00	\$225.00	\$230.00	\$235.00
RevPAR					\$129.20	\$140.40	\$148.00	\$153.75	\$157.50	\$161.25	\$165.00	\$168.75	\$172.50	\$176.25
Room Revenue					\$9,431,600	\$10,249,200	\$10,804,000	\$11,223,750	\$11,497,500	\$11,771,250	\$12,045,000	\$12,318,750	\$12,592,500	\$12,866,250
Other Revenue				30%	\$2,829,480	\$3,074,760	\$3,241,200	\$3,367,125	\$3,449,250	\$3,531,375	\$3,613,500	\$3,695,625	\$3,777,750	\$3,859,875
Total Revenue					\$12,261,080	\$13,323,960	\$14,045,200	\$14,590,875	\$14,946,750	\$15,302,625	\$15,658,500	\$16,014,375	\$16,370,250	\$16,726,125
NOI Margin					30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOI					\$3,678,324	\$3,997,188	\$4,213,560	\$4,377,263	\$4,484,025	\$4,590,788	\$4,697,550	\$4,804,313	\$4,911,075	\$5,017,838
Costs														
Construction Costs - Hotel	\$68,787,229	\$17,196,807	\$41,272,338	\$10,318,084										
Aloha JV Stake		100%												
Total Equity Requirement	\$27,514,892													
Equity Draws		(\$17,196,807)	(\$10,318,084)	\$0										
Construction Loan														
Beginning Balance		\$0	\$0	(\$32,269,809)										
Draws	(\$41,272,338)	\$0	(\$30,954,253)	(\$10,318,084)										
Interest	(\$2,220,548)	\$0	(\$1,315,556)	(\$904,993)										
Ending Balance		\$0	(\$32,269,809)	(\$43,492,886)										
Permanent Loan														
Hotel														
Beginning Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Payment					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payment					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Balance					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating and Sale Cashflows														
NOI - Hotel					\$3,678,324	\$3,997,188	\$4,213,560							
Residual Value - Hotel						\$70,226,000								\$0
Cost of Sale						(\$702,260)								\$0
Net Cash Flow Before Debt Service					\$3,678,324	\$73,520,928		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow Before Debt Service		(\$17,196,807)	(\$41,272,338)	(\$10,318,084)	\$3,678,324	\$73,520,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unlevered IRR		3.8%												
Debt Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess Refinancing Proceeds						(\$41,272,338)								
Permanent Loan Repayment														\$0
Levered Cash Flows	\$8,412,023	(\$17,196,807)	(\$10,318,084)	\$0	\$3,678,324	\$32,248,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aloha Distributions	\$35,926,914													
Aloha IRR	7.9%													
Total Aloha Equity Investment	\$27,514,892													
Total Aloha Cash Flow (10 Year Hold)	\$8,412,023													
Aloha Debt	\$0													
Total Aloha Distributions	\$8,412,023													

Exhibit D

Cash Flow Projections

Charles Vitale, as edited by Foley & Lardner and Victus

Comparison of Renovating Existing Stadium vs New stadium																										
All Figures are in (\$000) Unless noted otherwise																										
RENOVATED STADIUM (Bond Funding)-	Cumulative Cost to State through 2058:	\$ 560,321	8% More than New Stadium																							
RENOVATED STADIUM (Financed)-	Cumulative Cost to State through 2058:	\$ 857,838	18% More than New Stadium																							
Renovating Existing Stadium																										
Total H&S and Current Code Update		\$423,000	2017 Dollars																							
Based on WJE Report 17 January 2017																										
2017 dollars	\$	423,000																								
Construction Portion	\$	338,921	Same ratio of Construction portion to Total cost as New Stadium																							
Years to complete		5 yr.	Straight line division of work																							
Reserve fund		0.5%	2018		2019		2020		2021		2022		2023		2024		2025									
Existing Stadium repairs w/esc		5% %/Yr.	\$ 88,830	\$ 93,272	\$ 97,935	\$ 102,832	\$ 107,973	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695								
Reserve Fund for future repairs			\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695								
Total cost to Renovate Stadium (Bond Funding)			\$ 90,525			\$ 94,966			\$ 99,630			\$ 104,526			\$ 109,668			\$ 1,695			\$ 1,695			\$ 1,695		
Finance as costs D&C costs are incurred																										
Interest Rate (%)		5.5%																								
Finance Length (Yrs.)		25																								
Yearly Cost For Financed portion - 25 years		\$31,534																								
Annual Debt Service Payment	\$	31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534								
Reserve Fund for future repairs	\$	1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,687								
Total cost to Finance Renovate Stadium (Financed)			\$ 33,229			\$ 33,229			\$ 33,229			\$ 33,229			\$ 33,229			\$ 33,229			\$ 33,229					
NEW STADIUM - (Bond Funding)																										
Cumulative Cost to State through 2058:		\$ 520,632																								
NEW STADIUM - (Financed)																										
Cumulative Cost to State through 2058:		\$ 729,892																								
Maintain Existing Stadium for 7 years																										
Essential H&S Items per WJE Report		\$71,000	2017 Dollars																							
Repairs for existing stadium (2017 Dollars)	\$	71,000	\$ 35,500	\$ 28,400	\$ 3,550	\$ 3,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
Escalation		5% %/Yr.																								
Total Cost to keep existing stadium for 7 years			\$ 37,275			\$ 31,311			\$ 4,110			\$ 4,315			\$ -			\$ -			\$ 77,011					
Funding for New stadium																										
Assumptions:																										
Design, Construction, and Other Soft Costs	\$	324,500	2017 Dollars																							
Construction Portion Only	\$	260,000																								
Design and Site Prep		2019	2020		2021		2022		2023		2024		2025													
Reserve fund for major repairs (%D&C/yr.)		0.5%	2018		2019		2020		2021		2022		2023		2024		2025									
Existing Stadium repairs w/esc		5% %/Yr.	\$ -	\$ 35,556	\$ 37,333	\$ 158,016	\$ 165,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
Reserve Fund for future repairs								\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300								
Total Cost to New Stadium (Bond Funded)			\$ -			\$ 35,556			\$ 37,333			\$ 158,016			\$ 165,917			\$ 1,300			\$ 1,300			\$ 1,300		
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$ 37,275			\$ 66,867			\$ 41,443			\$ 162,331			\$ 165,917			\$ 1,300			\$ 1,300			\$ 1,300		
Assumptions:																										
total	\$	324,500																								
Construction	\$	260,000																								
Interest Rate (%)		5.5%																								
Reserve fund for major repairs (%D&C/yr.)		0.5%																								
Yearly Cost For Financed portion - 25 years		\$ 24,191																								
Yearly Cost to Financed Stadium	\$	-	\$ 4,808	\$ 4,808	\$ 14,500	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191								
Reserve Fund for future repairs	\$	1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300								
Total Years Costs for New Stadium			\$ -			\$ 4,808			\$ 4,808			\$ 14,500			\$ 25,491			\$ 25,491			\$ 25,491			\$ 25,491		
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$ 37,275			\$ 36,119			\$ 8,918			\$ 18,815			\$ 25,491			\$ 25,491			\$ 25,491			\$ 25,491		

Comparison of Renovating Existing Stadium vs New stadium													
All Figures are in (\$000) Unless noted otherwise													
RENOVATED STADIUM (Bond Funding)-	Cumulative Cost to State through 2058:	\$ 560,321											
RENOVATED STADIUM (Financed)-	Cumulative Cost to Statet hrough 2058:	\$ 857,838											
Renovating Existing Stadium													
Total H&S and Current Code Update		\$423,000	2017 Dollars										
Based on WJE Report 17 January 2017													
2017 dollars	\$	423,000											
Construction Portion	\$	338,921	Same ratio of Constr										
Years to complete		5 yr.											
Reserve fund		0.5%	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Existing Stadium repairs w/esc		5% %/Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Fund for future repairs			\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695
Total cost to Renovate Stadium (Bond Funding)			\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695
Finance as costs D&C costs are incurred													
Interest Rate (%)		5.5%											
Finance Length (Yrs.)		25											
Yearly Cost For Financed portion - 25 years		\$31,534											
Annual Debt Service Payment			2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Reserve Fund for future repairs			\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ 31,534	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695
Total cost to Finance Renovate Stadium (Financed)			\$ 33,329	\$ 33,329	\$ 33,329	\$ 33,329	\$ 33,329	\$ 33,329	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695	\$ 1,695
NEW STADIUM - (Bond Funding)	Cumulative Cost to State through 2058:	\$ 520,632											
NEW STADIUM - (Financed)	Cumulative Cost to State through 2058:	\$ 729,892											
Maintain Existing Stadium for 7 years													
Essential H&S Items per WJE Report		\$71,000	2017 Dollars										
Repairs for existing stadium (2017 Dollars)													
Escalation		5% %/Yr.											
Total Cost to keep existing stadium for 7 years													
Funding for New stadium													
Assumptions:													
Design, Construction, and Other Soft Costs	\$	324,500	2017										
Construction Portion Only	\$	260,000											
Design and Site Prep		2019	2020										
Construction		2021	2022										
Reserve fund for major repairs (%D&C/yr.)		0.5%	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Existing Stadium repairs w/esc		5% %/Yr.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Fund for future repairs			\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Total Cost to New Stadium (Bond Funded)			\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Assumptions:													
total	\$	324,500											
Construction	\$	260,000											
Interest Rate (%)		5.5%											
Reserve fund for major repairs (%D&C/yr.)		0.5%											
Yearly Cost For Financed portion - 25 years	\$	24,191											
Yearly Cost to Financed Stadium			2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Reserve Fund for future repairs			\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 24,191	\$ 19,383	\$ 19,383	\$ 9,691	\$ -
			\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Total Years Costs for New Stadium			\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 20,683	\$ 20,683	\$ 10,991	\$ 1,300
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 25,491	\$ 20,683	\$ 20,683	\$ 10,991	\$ 1,300

Comparison of Renovating Existing Stadium vs New stadium					
All Figures are in (\$000) Unless noted otherwise					
RENOVATED STADIUM (Bond Funding)-	Cumulative Cost to State through 2058:			\$560,321	8% More than New Stadium
RENOVATED STADIUM (Financed)-	Cumulative Cost to State through 2058:			\$857,838	18% More than New Stadium
Renovating Existing Stadium					
Total H&S and Current Code Update	\$423,000	2017 Dollars			
Based on WJE Report 17 January 2017					
2017 dollars	\$423,000				
Construction Portion	\$338,921	Same ratio of Construction portion to Total cost as New Stadium			
Years to complete	5 yr.	Straight line division of work			
Reserve fund	0.50%			Totals	
Existing Stadium repairs w/esc)	5.00% %/Yr.		\$	490,842	
Reserve Fund for future repairs			\$	69,479	
Total cost to Renovate Stadium (Bond Funding)			\$	560,321	
Finance as costs D&C costs are incurred					
Interest Rate (%)	5.5%				
Finance Length (Yrs.)	25				
Yearly Cost For Financed portion - 25 years	\$31,534				
				Totals	
Annual Debt Service Payment			\$	788,359	
Reserve Fund for future repairs			\$	69,479	
Total cost to Finance Renovate Stadium (Financed)			\$	857,838	
NEW STADIUM - (Bond Funding)	Cumulative Cost to State through 2058:			\$ 520,632	
NEW STADIUM - (Financed)	Cumulative Cost to State through 2058:			\$ 729,892	
Maintain Existing Stadium for 7 years					
Essential H&S Items per WJE Report	\$71,000	2017 Dollars			
				Totals	
Repairs for existing stadium (2017 Dollars)			\$	71,000	\$
Escalation	5% %/Yr.				100%
					71,000
Total Cost to keep existing stadium for 7 years			\$	77,011	
Funding for New stadium					
Assumptions:					
Design, Construction, and Other Soft Costs	\$	324,500	2017 Dollars		
Construction Portion Only	\$	260,000			
Design and Site Prep		2019	2020		
Construction		2021	2022		
Reserve fund for major repairs (%D&C/yr.)		0.5%			Totals
Existing Stadium repairs w/esc)		5.0% %/Yr.		\$	396,821
Reserve Fund for future repairs				\$	46,800
Total Cost to New Stadium (Bond Funded)			\$	443,621	
			\$	-	
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$	520,632	
Assumptions:					
total	\$	324,500			
Construction	\$	260,000			
Interest Rate (%)		5.5%			
Reserve fund for major repairs (%D&C/yr.)		0.5%			
	\$	-			
Yearly Cost For Financed portion - 25 years	\$	24,191			
				Total	
Yearly Cost to Financed Stadium			\$	604,782	
Reserve Fund for future repairs			\$	48,100	
Total Years Costs for New Stadium			\$	652,882	
Total Costs for New Stadium (Financed) and Maintain Existing for 7 years			\$	729,892	