



Operating and Capital BUDGET



2022

Greater Columbus Convention Center—Hilton Columbus Downtown—Nationwide Arena—Parking Facilities



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Greater Columbus Convention Center—Hilton Columbus Downtown—Nationwide Arena—Parking Facilities

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY 2022 OPERATING and CAPITAL BUDGET

EXECUTIVE SUMMARY

The 2022 operating and capital budget for the Franklin County Convention Facilities Authority (CFA) is presented in the following document. The budget presents financial information for all facilities owned by the CFA including the Greater Columbus Convention Center (convention center), Hilton Columbus Downtown Hotel (hotel), Nationwide Arena (arena), Vine Street Parking Garage, Goodale Street Parking Garage, South Parking Garage, east parking lot and north parking lot.



2020 was a challenging year for the CFA as COVID-19 and resulting health restrictions, travel advisories, stay at home orders and limitations on social gatherings all but shutdown travel, group gatherings, social events, sporting events, conventions and meetings. All revenue sources used by the CFA to support facilities and associated operations, improvements and debt service were significantly impacted and dropped to levels never experienced before nor ever contemplated. Fortunately, the CFA was well positioned to sustain the impact of the pandemic on the financial stability of the organization. The CFA did have significant reserves to cover loss in revenue. In addition, the CFA refinanced/restructured debt programs for both the convention center and parking facilities thereby reducing debt obligations in the short term. This reduction in debt service made available monies that did and will continue to sustain the CFA through the recovery period. During 2020, the CFA also reduced operating expenses through employee layoff and service reduction. Capital improvements in all facilities were eliminated and only emergency projects were implemented. Finally, through exceptional management, all facilities (except for the arena) remained open through 2020. The facilities responded to community needs through the pandemic by serving as the location for a surge hospital and for the Franklin County municipal & traffic courts.

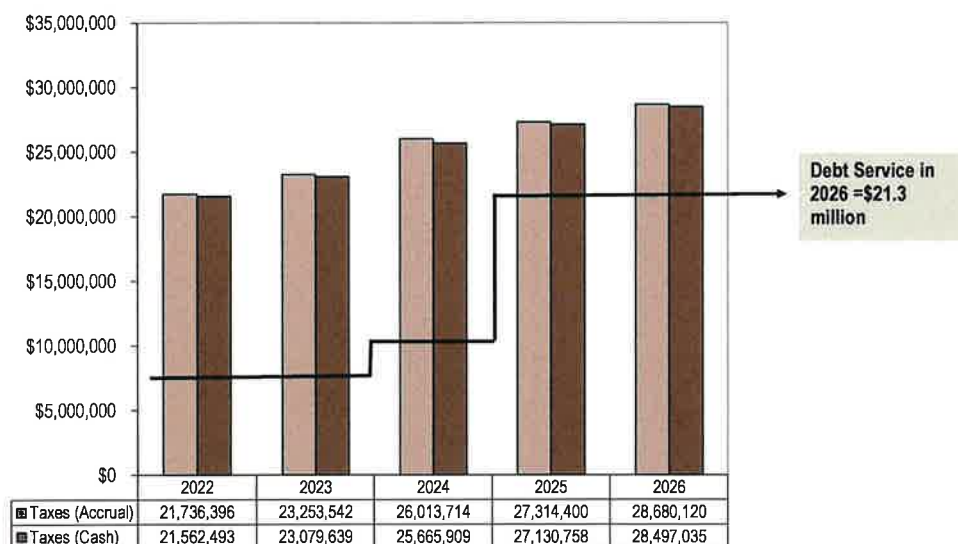
As hoped, 2021 has proven to be a year of recovery; especially during the second half of the year. The local hotel market is rebounding as hotel tax collections begin to approach monthly collection levels experienced prior to the pandemic. Activity within all CFA facilities has increased. Concerts and Blue Jacket hockey games have returned to Nationwide Arena. The Hilton Columbus Downtown Hotel experienced occupancy levels of over 50.0 percent beginning in July and the Greater Columbus Convention Center hosted events during October; the number, size and attendance of which rivaled prior years. Long-term bookings within all facilities are pacing well.

The 2022 budget is based upon the premise that recovery will continue, an assumption that is consistent with projections suggested by industry leaders. The 2022 budget is built upon the belief that the economy will improve; although the first several months of the year will prove challenging as questions of a possible winter surge remain. Given this, the long-term forecast does project that the CFA will maintain financial stability in 2022 and that by the end of the five-year projection period, all reserves depleted during 2020 and 2021 will be fully funded. The forecast also suggests that the CFA will remain self-sustaining, will meet all debt obligations during the period, will complete the hotel expansion project by August 2022 and will protect and improve all facilities through the continued investment in capital improvements. The 2022 CFA budget is summarized in the following:

2022 Budget - Greater Columbus Convention Center:

- ⇒ The 2022 budget assumes that hotel tax revenue will continue to improve in 2022 and will continue to improve through the period. Consistent with patterns of growth proposed by industry experts, the budget assumes tax revenue in 2022 (on an accrual basis) will be 20.0 percent above 2021 collection levels and will equal 84.0 percent of taxes collected in 2019 prior to the pandemic. Assuming the economy continues to recover; tax revenues will improve throughout the period. By 2024, tax revenues are projected to return to collection levels experienced during 2019, prior to the pandemic. By 2026, hotel tax revenue are projected to be approximately \$28.7 million.
- ⇒ Consistent with the CFA's investment policy, current debt reserve funds are invested in a series of U.S. agency securities, with varying maturities over a five-year period. The goal of the investment program is to protect principal while maximizing earning potential given the current market. Investments are made consistent with the CFA's investment policy.
- ⇒ As suggested by the current projection for hotel tax collections and interest earnings on reserve funds; tax revenue, when coupled with interest earnings, will meet and exceed convention center debt service obligations in 2022 and will continue to meet and exceed annual debt obligations throughout the projection period. Hotel tax revenue that exceeds debt obligations will be deposited into the CFA operating fund. In 2022, approximately \$15.0 million in hotel tax revenue will be deposited into the operating fund. Deposits will continue throughout the projection period. Such deposits will help sustain the CFA through the pandemic recovery period.

Convention Center Debt Service Coverage Projections



- ⇒ Parking revenue from the operation of CFA owned parking facilities serves as the funding source for debt service obligations associated with the development of the Ohio Center Garage, the Goodale Parking Garage and the expansion of the Vine Street Parking Garage. As such, annual parking facility debt service is included as an expense within the operating budget of the convention center and does impact net income projections. In 2020, the debt service program for parking facilities was restructured to provide the CFA with short term debt service relief as the impact of COVID-19 restrictions caused parking revenue to plummet. Because of this restructuring, debt service due in 2020 and 2021 was minimal. However, this reduction was not long term and in 2022, debt service due on parking facilities begins to increase and continues to escalate until 2025 where debt obligations plateau at \$4.9 million.
- ⇒ Prior to the pandemic, the operations of the convention center did well. Revenue generated through events in the facility easily covered all operating expenses. In fact, the facility reported positive net income for all years since opening, except for years during center renovation projects where loss in income was planned. The center's operating goal is to be the best operating facility; known for its innovation, use of best practices, exceptional guest services, facility cleanliness, facility safety and progressive food service delivery. The center continues to work towards the achievement of this goal despite challenges posed by COVID-19. In 2022, convention center operations will focus efforts on facility health safety and cleanliness; customer service, staffing and employee development; revenue generation and facility maintenance.
- ⇒ As shown in the following graph, COVID-19 financially devastated convention center operations. Due to health restrictions almost all events originally scheduled in 2020 cancelled or rescheduled. To manage this loss in revenue, the center reduced expenses as much as possible without completely shutting down the facility. Despite efforts, the center's net operating income for 2020 dropped from a budgeted net income of \$1.2 million to a loss in net income of \$5.0 million. Equity reserves held by both the convention center and CFA covered this deficit in 2020. The good news is that operations began to improve in 2021. While the 2021 budget assumed the center would end the year with a deficit of \$2.1 million; actual performance now indicates the center will end the year with an operating deficit of approximately \$340,000. Again, CFA equity reserves will be used to cover the deficit.

**Greater Columbus Convention Center
Projected Net Operating Income**

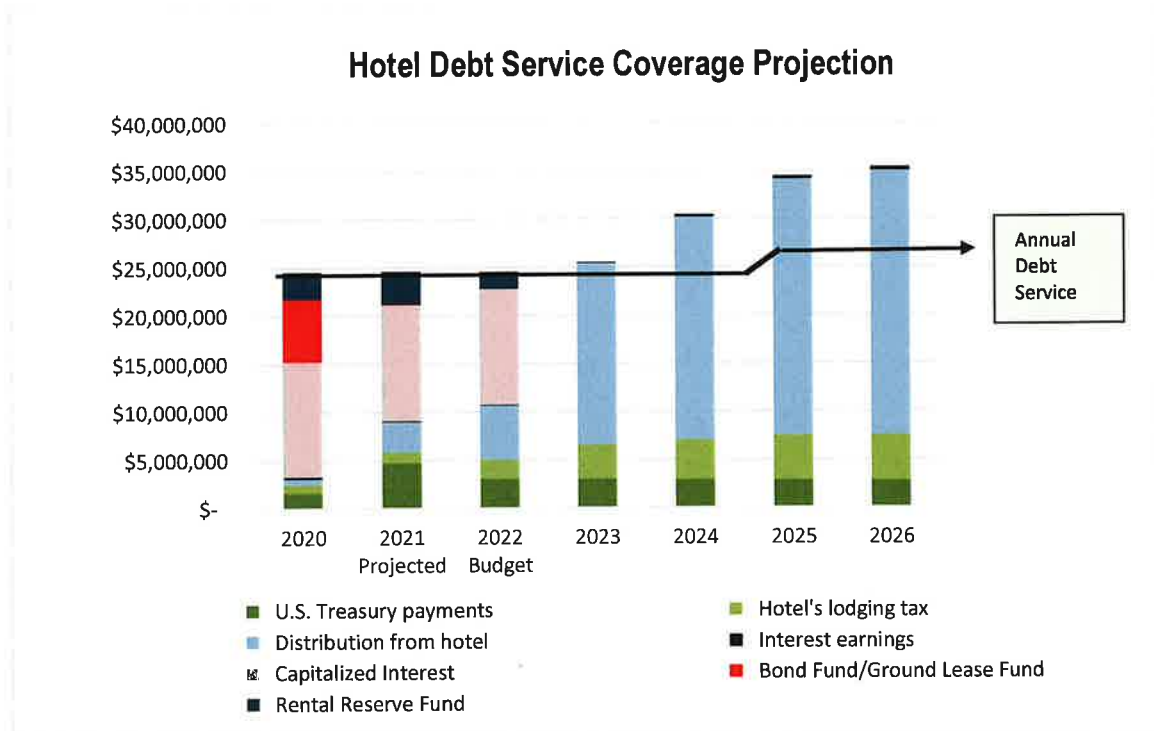


Budget projections assume that the center will gain operating momentum in 2022. While the center is still expecting to operate with a deficit (CFA equity reserves will cover the deficit), the cause of the deficit is due to added cost of garage debt service. If the 2022 garage debt service payment was excluded from expenses, the center would actually end the year with positive net income of \$720,000. Moving forward, center operations are positive. Event bookings remain strong in outer years of the forecast as the community's recent focus on attracting large, national events is expected to benefit the center. Beginning in 2023, projections assumes that the center will again be self-sustaining despite increase in expenses due to garage debt service.

- ⇒ In 2022, the CFA will have sufficient equity resources to invest in a capital improvements program for the convention center. The program will cost approximately \$8.7 million. Projects to be accomplished during the year include the renovation of the Regency Ballroom, upgrade of HVAC system controls, indoor air quality improvements and Battelle Hall carpet replacement.

2022 Budget – Hilton Columbus Downtown Hotel:

- ⇒ The Hilton Columbus Downtown Hotel sustained significant revenue loss in 2020 as the hotel experienced the impact of COVID-19 on the travel industry. While the hotel managed to maintain some occupancy through the course of the year, little income during the year was available for debt service. As illustrated in the following chart, because net income was low for the year, the CFA had to use funds available within the 2010 bond fund, ground lease reserve fund and rental reserve fund to meet debt obligations. In 2021 while hotel operations are improving, net operating income from the hotel will not be back to levels needed to cover debt service. As a result, the CFA will have to again rely on the rental reserve fund to cover shortages. This proves true in 2022 as well. The good news is that 2022 is the last year for such draws on the rental reserve fund. Beginning in 2023, the hotel will be operating at a level where net income will fully cover debt requirements. By 2026, net income from the hotel will be sufficient enough to not only meet debt service obligations but to completely replenish the rental reserve fund, the 2010 bond fund and the ground lease rent fund.



- ⇒ Despite draws on the rental reserve fund, other reserve funds associated with the 2010 and 2019 bond series issued in support of hotel development remain fully funded. This includes the 2010 and 2019 debt service reserve funds and the consolidated bond fund. The hotel also has an operating reserve fund that was drawn upon during 2020 to cover operating deficits due to the pandemic. Gradually, this reserve is being replenished. By year end 2021, the balance in the operating reserve will be \$1.9 million. The required balance for this fund is \$2.4 million and the fund will be fully replenished by 2024.
- ⇒ The CFA is currently implementing a development project that will expand the hotel to 1,000 rooms through the addition of a new tower. Construction of the tower is in progress and completion is scheduled for August 2022. Con-current with completion of the new tower, the CFA is implementing a soft goods renovation of the existing tower. The soft goods renovation project will also be completed by August 2022.

2022 Budget – Nationwide Arena:

- ⇒ During 2022, the CFA is projected to receive approximately \$7.2 million in casino tax revenue. This revenue will be distributed as follows: \$5.4 million to CAM for arena operations, \$165,000 to the CFA for the land lease, \$369,000 to the CFA to help cover property tax obligations and \$1.3 million to the capital improvements fund.
- ⇒ The CFA is also projected to receive approximately \$1.25 million in admission tax revenue. This revenue will be held in the arena capital improvements funds and will be reserved for future arena capital improvement projects.

2022 Budget – Summary:

- ⇒ The CFA manages several funds that account for all financial activity of the authority. Funds that are established to meet debt service requirements are considered non-discretionary because resources within these funds can only be used for specified reasons as outlined in bond transaction documents. Funds that are free from obligation (available) can be used by the CFA in any manner deemed appropriate. Currently, the CFA maintains two such funds; the capital improvements fund and the operating fund. Together resources within these funds are available to cover ordinary and reasonable needs of the CFA. At year-end 2022, such funds will equal \$6.2 million. A summary of year end balances for all current funds of the CFA is provided in the following table.

Long-term Forecast

Summary of Projected Fund Balances at Year End

	2020	2021	2022	2023	2024	2025	2026
Non-discretionary Funds - Greater Columbus Convention Center:							
Debt Service Fund	\$ 1,531,314	\$ 943,003	\$ 943,003	\$ 1,155,503	\$ 2,086,382	\$ 2,136,254	\$ 2,146,110
Debt Service Reserve Fund	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414
Rental Reserve Fund	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406
Non-discretionary Funds - Parking Facilities:							
Sinking Fund - Parking Facility Development	2,803,164	2,034,274	1,818,349	3,409,049	5,744,749	8,769,249	9,171,249
Non-discretionary Funds - Hilton Columbus Downtown:							
2010 Bond Payment Fund	52,132	125,410	94,327	916,028	5,351,423	6,142,669	6,022,155
2019 Bond Payment Fund	24,542,900	12,744,950	797,500	797,500	797,500	797,500	797,500
2010 Debt Service Reserve Fund	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820
2019 Debt Service Reserve Fund	15,379,473	15,519,473	15,669,473	15,181,500	15,181,500	15,181,500	15,181,500
2010 Rental Reserve Fund	5,634,862	2,215,067	410,067	410,067	410,067	6,361,311	8,000,000
2010 Ground Lease Rents Fund	2,147	1,002,147	1,002,147	1,003,147	1,003,647	1,004,147	1,004,147
Consolidated Hotel Bond Fund	25,061,040	25,054,737	25,054,737	25,054,737	25,054,737	25,354,737	25,000,000
Hotel Residuals Fund	1,916,215	1,930,215	1,944,215	1,958,915	1,974,350	2,004,350	8,704,514
Hotel Expansion Construction Fund	182,314,168	89,004,776	-	-	-	-	-
Reserve Funds for Operations **	1,931,473	1,931,680	1,931,680	1,931,680	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E **	3,538,348	4,102,667	93,120	1,818,348	726,156	2,822,634	4,981,976
** (Funds held by Hotel Manager)							
Non-discretionary Funds - Nationwide Arena:							
Real Estate Reserve Fund	-	356,306	368,777	381,684	395,043	408,869	423,180
Capital Improvements Fund	608,647	2,015,639	1,925,738	1,941,753	1,373,759	1,435,541	1,498,333
Discretionary Funds:							
Capital Improvements Fund	5,014,453	5,112,973	1,739,148	3,104,979	2,372,922	1,777,562	1,823,306
Operating Fund	7,327,990	8,664,327	4,770,493	6,010,058	6,718,414	4,846,583	4,250,548
Total:	\$ 12,342,443	\$ 13,777,300	\$ 6,509,641	\$ 9,115,037	\$ 9,091,336	\$ 6,624,145	\$ 6,073,854

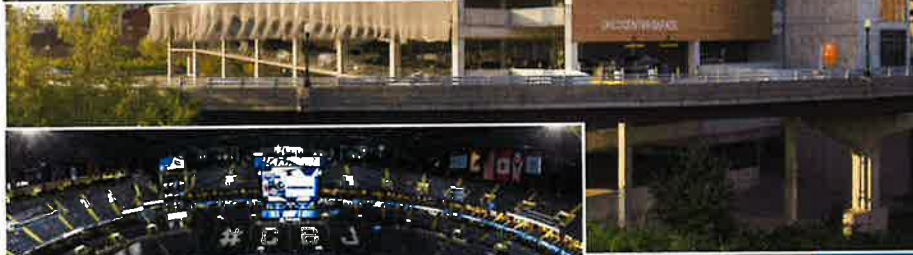


TABLE OF CONTENTS

2022 OPERATING and CAPITAL BUDGET Table of Contents

Section One: **Overview**

Overview	1.1
-----------------------	------------

Section Two: **Greater Columbus Convention Center**

Hotel/Motel Tax Collections	2.1
Graph 2-1: Historical Hotel Tax Collections.....	2.2
Chart 2-2: Hotel Tax Revenue.....	2.2
Chart 2-3: Hotel Tax Collections	2.3
Table 2-4: Revenue Fund.....	2.4
Chart 2-5: Monthly Flow of Hotel Tax Collections	2.4
Chart 2-6: Distribution of Hotel Tax Revenue.....	2.5
Debt Service - Convention Center	2.5
Table 2-7: 2021-2047 Debt Service Coverage Analysis.....	2.8
Table 2-8: Debt Service Fund	2.9
Table 2-9: Debt Service Reserve Fund	2.10
Table 2-10: Current Investments for Reserve Funds	2.10
Table 2-11: Rental Reserve Fund	2.11
Debt Service – Parking Facilities	2.12
Table 2-12: Debt Service Fund – Parking Facilities	2.13
Table 2-13: Net Operating Income per Parking Facility.....	2.13
Operation – Convention Center	2.14
Table 2-14: Summary of 2022 Events*	2.15
Chart 2-15: Event Income by Source	2.16
Chart 2-16: 2022 Sources of Income.....	2.17
Table 2-17: Convention Center Revenues & Expenses	2.18
Capital Improvements – Convention Center.....	2.18
Table 2-18: 2022 Capital Improvement Projects	2.19

Section Three: **Hilton Columbus Downtown Hotel**

Debt Service – Hilton Columbus Downtown Hotel.....	3.1
Chart 3-1: 2022 Coverage.....	3.4
Table 3-2: 2010 Bond Payment Fund.....	3.5
Table 3-3: 2019 Bond Payment Fund.....	3.5
Table 3-4: Hotel Consolidated Bond Fund	3.6
Table 3-5: Hotel Residuals Fund.....	3.6
Table 3-6: 2010 Hotel Debt Service Reserve Fund.....	3.7

Section Three: **Hilton Columbus Downtown Hotel (continued)**

Table 3-7: 2019 Hotel Debt Service Reserve Fund.....	3.7
Table 3-8: Hotel Rental Reserve Fund.....	3.8
Table 3-9: Hotel Ground Lease Fund.....	3.9
Operations and Capital Improvements – Hilton Columbus Downtown Hotel.....	3.9
Table 3-10: Hotel Revenues and Expenses.....	3.10
Table 3-11: 2022 Capital Improvement Projects.....	3.11
Table 3-12: Hotel Capital Improvements Reserve.....	3.12

Section Four: **Nationwide Arena**

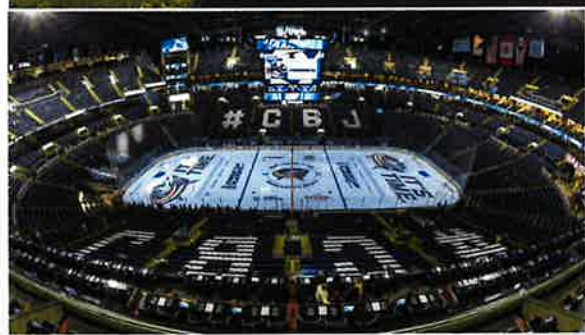
Casino Tax Collections.....	4.1
Table 4-1: Casino Tax Revenue.....	4.2
Table 4-2: Arena Lease Payments Fund	4.3
Table 4-3: Distribution of 2022 Casino Tax Revenue.....	4.3
Debt Service – Nationwide Arena	4.4
Capital Improvements – Nationwide Arena.....	4.4
Table 4-4: Arena Capital Improvements Fund.....	4.5
Admissions Fee.....	4.6
Real Estate Tax Reserve Fund	4.6
Table 4-5: Real Estate Tax Reserve Fund	4.6

Section Five: **CFA Office**

CFA Operating Fund	5.1
Table 5-1: CFA Operating Budget.....	5.2
Table 5-2: Operating Fund	5.3
CFA Capital Improvements Fund.....	5.4
Table 5-3: Capital Improvements Fund	5.4
Chart 5-4: Revenue from Land Leases	5.5

Section Six: **2020 – 2026 Operating and Capital Projection**

Long-term Forecast.....	6.1
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SECTION 1: OVERVIEW

Overview

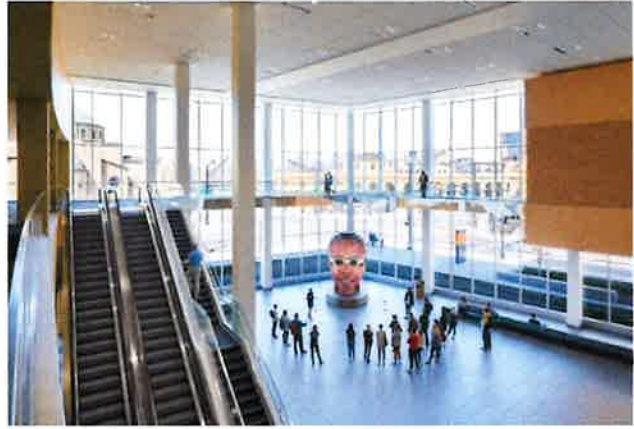
The CFA is a body corporate and politic in and of the State of Ohio that was formed to, among other things, develop facilities that promote convention activity in the downtown area of the City of Columbus. Established by the Franklin County Commissioners in July 1988 under the authority of Chapter 351 of the Ohio Revised Code, the CFA is a special government unit overseen by an eleven-member board appointed by the Franklin County Commissioners (six members), Mayor of Columbus (three members) and suburban mayors (two members). Over the past thirty-three years the CFA has developed, expanded, improved and operated several such facilities. These facilities include the Greater Columbus Convention Center, the Hilton Columbus Downtown Hotel, and Nationwide Arena as well as the Vine Street, Goodale Street and Ohio Center parking garages.

First and foremost, the CFA is the owner and developer of the Greater Columbus Convention Center. As owner/developer of the convention center, the CFA is responsible for the improvement, management and successful operation of the facility. In addition, the CFA is responsible for ensuring the continued success and growth of the convention business within the Greater Columbus community. Both responsibilities are directly linked to the CFA's continued investment in and support of services, resources, facilities and community projects that enhance the use and improvement of the convention center and convention center related services.



Currently consisting of 1.8 million square feet of space, the convention center has been renovated and expanded several times since its original construction in 1980 (south facility) and 1993 (north facility). The most recent expansion and renovation of the convention center was completed in 2017 with over \$141.0 million invested in the facility. As a result of this investment, the convention center has been upgraded with a new, modern, fresh look; expanded to include new exhibit halls and meeting room space; and enhanced with a new grand entrance at the north end of the facility. The convention center now has over 372,000 square feet of contiguous exhibit hall space; 114,000 square feet of ballroom space comprised of the 25,000 square foot Union Station Ballroom, the 15,000 square foot Short North Ballroom, and the 74,000 square foot Battelle Grand, the largest multipurpose ballroom in Ohio; 118,000 square feet of meeting room space or 75 meeting rooms; and 10,000 square feet of outdoor event space. The convention center features spacious

atriums and pre-function space with decorative lighting and colorful node walls in the concourse. The center also displays local contemporary art throughout the building and is home to "As We Are", a fourteen-foot-high interactive digital art piece. The convention center's north facility is LEED Silver certified.



In addition to the convention center, the CFA also owns and operates several parking facilities. The CFA's newest parking facility, the Ohio Center garage, was opened in 2020. Currently, the CFA now owns four parking facilities and two surface parking lots totaling approximately 4,700 individual parking spaces.



To further support convention business within the Columbus community; the CFA, in partnership with the County and the City, opened its first full-service convention headquarters hotel in October 2012. Branded as the Hilton Columbus Downtown, the hotel is managed by Hilton Management, LLC (the "Manager"), a subsidiary of Hilton Worldwide Holdings Inc., and is located adjacent to the convention center. The hotel contains 537 guest rooms (five rooms to be added in 2021), of which 48 are suites, and over 32,000 square feet of meeting space, including 12,000 square feet of ballroom space. In addition to the ballroom and meeting space, the hotel has a main lobby, a three-meal restaurant, a bar/lounge area, a coffee bar and "grab-n-go" food service outlet, an indoor pool, a whirlpool, a fitness center and a glass walkway connecting the hotel to the convention center. The Hilton Columbus Downtown is comprised of 14 floors (excluding mechanical) with over 429,600 square feet of usable space. The hotel's contemporary design features a central atrium with a 15,000 square foot glass ceiling and an art collection consisting of over 150 original pieces by central Ohio artists. The hotel is LEED gold certified, is rated AAA Four Diamond and has won three Connie Awards (Hilton Worldwide brand's prestigious recognition for service and quality) since opening in 2012.



Because the original Hilton hotel has done extremely well; the CFA in partnership with the County and City decided to expand and improve the hotel through the construction of a new 28-story tower. The new tower will include 463 guest rooms, ballroom space, meeting rooms, a lobby, two restaurants, a lobby bar and lounge, a fitness center and connections to the existing hotel and the convention center. The new tower is scheduled to open August 2022. Once opened the expanded hotel will operate and function as a single enterprise under common management. As such, the Hilton Columbus Downtown will be the first 1,000 room hotel in Ohio.

In an effort to build on the productivity and vitality of the Arena District and to ensure the continued success of Nationwide Arena; CFA along with the City of Columbus, Franklin County, Nationwide Realty Investors, The Ohio State University and Columbus Blue Jackets developed and agreed upon a plan for the arena that was originally designed to resolve the financial challenges facing the facility. This plan shifted the ownership of the arena and related facilities to the CFA who purchased the arena with funds borrowed from Nationwide Realty Investors and the State of Ohio. This purchase was completed in 2012. Columbus Arena Management LLC or "CAM" is now responsible for managing the daily operations of the arena and establishing a capital improvements program for the facility. Expenses associated



with the arena are funded solely through a percentage of City of Columbus and Franklin County casino tax revenues received by the CFA, admission taxes and event revenues.

Art and the use of art is core to the CFA's approach to facility development and is vital to the CFA's on-going support of the local art community. The CFA has invested over \$3.7 million in local art that is displayed throughout the convention center and the Hilton Columbus Downtown Hotel. In fact, the CFA owns the largest contemporary collection of local art in central Ohio. The purpose of the collection is to share with visitors the vibrant, unique, interesting, smart and diverse characteristics of the Columbus community as reflected in the richness of local art.





SECTION 2: GREATER COLUMBUS CONVENTION CENTER

Greater Columbus Convention Center

The CFA is a public authority responsible for the development and operation of the Greater Columbus Convention Center in downtown Columbus, Ohio. As owner/developer of the convention center, the CFA is responsible for the improvement, management and successful operation of the facility. Hotel tax collections provide the financial resources to pay for debt service associated with the convention center and capital improvement projects needed to maintain and improve the facility. Revenues collected from events and services within the convention center are used to offset expenses associated with the actual operation of the facility. Such revenues and expenses are managed by ASM Global, operator of the Greater Columbus Convention Center, with final review and approval provided by the CFA Board and staff. Any required support of convention center operations is incorporated into the CFA's operating budget.

Hotel Tax Collections

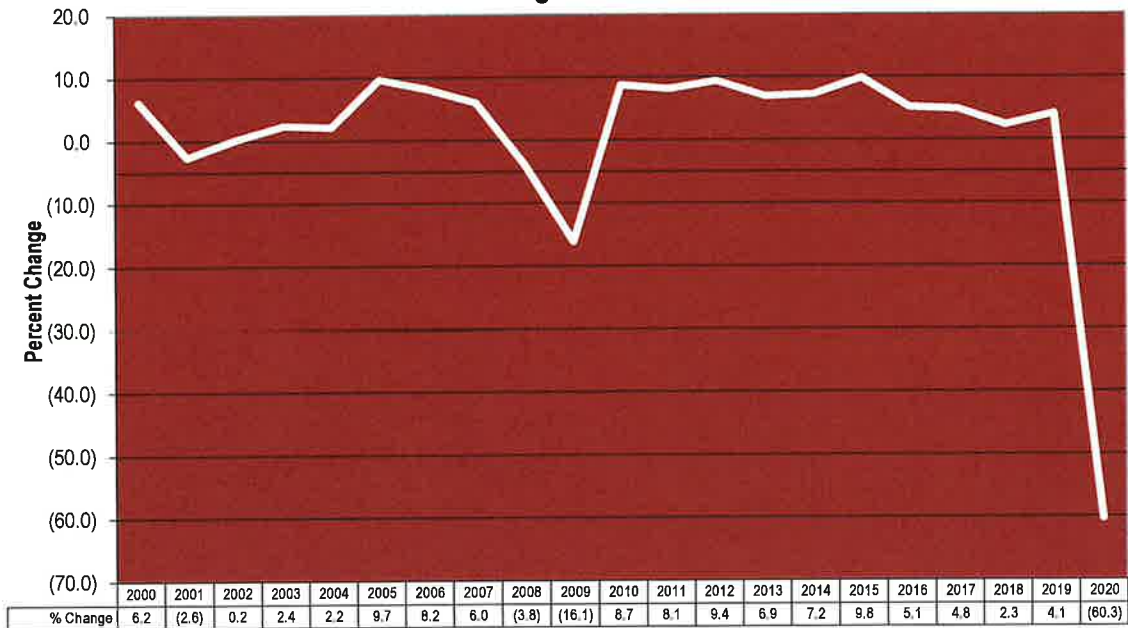
In July 1988, the Franklin County Commissioners established the CFA consistent with requirements provided for within Chapter 351 of the Ohio Revised Code. As a political subdivision of the State of Ohio, the CFA was given the authority to levy excise taxes on lodging transactions to pay for costs associated with constructing, operating, maintaining, expanding and administering a convention center. Two taxes were levied by the CFA. The first excise tax levied by the CFA in October 1988 was a 4.0 percent countywide bed tax on occupied hotel rooms. This bed tax was in addition to other bed taxes levied by municipalities within the county. In addition to this tax, in January 1989 the CFA, with the approval of the City of Columbus, levied a second tax of 0.9 percent on occupied hotel rooms in the City of Columbus. This tax was not an additional tax for hotels within Columbus but was in lieu of taxes already collected for use by the City of Columbus.

Both taxes collected by the CFA are still in effect. Revenues generated through the bed tax must first be used to pay principal and interest on funds borrowed to construct and improve the Greater Columbus Convention Center. If money is left over after meeting debt obligations, these balances can be used to pay for the operation, maintenance and improvement of the convention center as well as other financing needs of the CFA.

The following graph (Graph 2-1) illustrates the percentage growth in hotel tax revenues received by the CFA over the past twenty years. During this period, bed tax revenue experienced mostly positive growth with negative growth mainly in years impacted by world events, economic pressures and more recently, COVID-19. The past twenty year period was not an easy one. The period started with the terrorism attacks of September 11th and ended with a world wide pandemic. Excluding 2020, the period did pretty well despite the challenges; with tax revenue growth averaging approximately 4.0 percent a year. In 2001, tax revenue experienced the first true decline in tax growth since the 1991 recession. This decline was due to an overall economy that was showing signs of slowing even prior to September 11th and world events that negatively impacted the hotel industry. After 2001, tax revenues remained sluggish, with minor growth in revenue through 2004. This pattern changed in 2005, when tax growth improved significantly as the travel industry seemed to gain strength after several years of uncertainty. During 2008 and 2009, hotel tax collections again dropped in response to a recessive national economy. Fortunately, this decline in revenues was short term as tax collections improved significantly in 2010 and continued to improve through 2019.

Graph 2-1

Historical Hotel Tax Revenue Growth Percent Change Year over Year



Unfortunately, growth in hotel tax collections altered drastically in 2020 with the on-set of COVID -19 and related restrictions on group gatherings and travel as individuals locally as well as world-wide tried to manage through the pandemic. In 2020, hotel tax revenue (on an accrual basis) dropped by 60.3 percent below 2019 revenue levels. During 2020, tax revenues were only \$10.3 million; almost equal to revenue levels experienced in 1997.

Chart 2-2

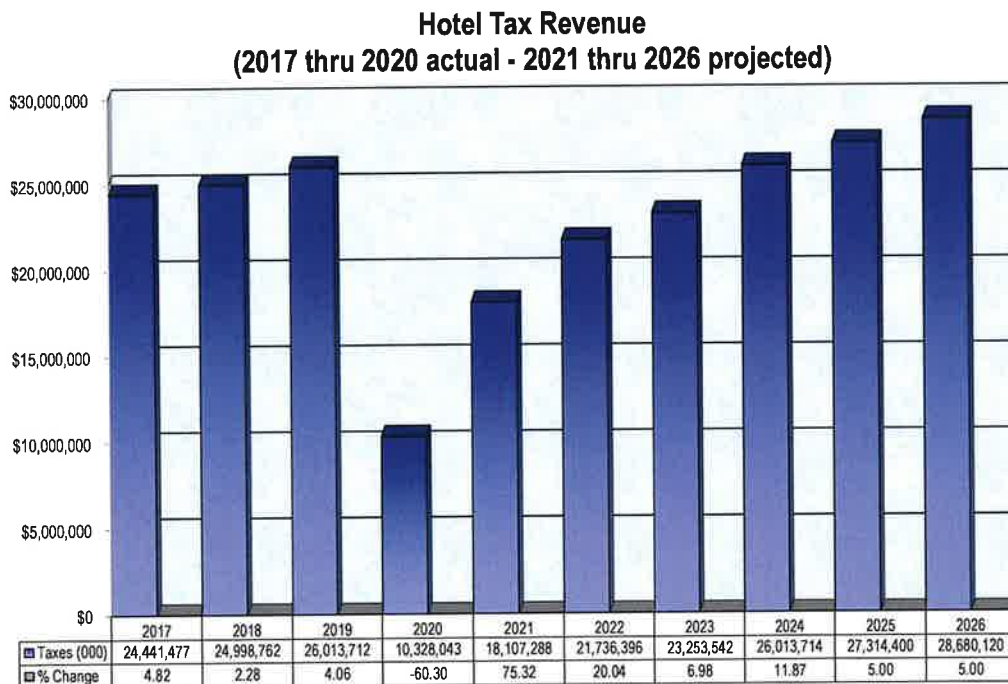


2021 is proving to be a slightly different year for hotel tax revenues as the hotel market begins to recover from 2020. While hotel tax revenues through September are 60.0 percent above tax revenues in 2020; tax revenues are still 33.6 percent below 2019 levels. Overall, hotel occupancy is averaging 51.5 percent within the Columbus market, a 24.0 percent improvement over prior year.

With the market shock of the pandemic occurring in 2020; the focus in 2021 and continuing into 2022 is recovery. The 2022 budget has made several assumptions regarding recovery not dissimilar to assumptions made by industry experts. The core assumption is that recovery may slow the first quarter of the year due to the potential spread of COVID-19 during the winter months but will regain traction in the spring and will continue to improve as the year progresses. As in 2021, the thought is that leisure travel will continue to lead recovery with corporate business travel only occurring as work from home restrictions are lifted. The number of large conventions and city-wide events will increase in 2022; again with the majority of large conventions currently booked during the second half of 2022. Growth in small to mid-size meetings is expected as well as individuals begin to gain confidence in the ability to meet safely. In addition, professional and collegian sporting events, concerts, local festivals and other entertainment options will help drive hotel business. Given the assumption that activity within the community does expand in 2022, the overall number of stays within the local hotel market is projected to correspondingly increase. The impact of these assumptions on tax revenues in 2022 is that revenues will improve year over year by approximately 20.1 percent. Total collections in 2022 are projected to be \$21.7 million (as accrued); 84.0 percent of 2019 collection levels.

Moving forward, the 2022 budget projects a sustained pattern of growth for hotel tax revenue through the period. According to national projections prepared by Smith Travel Research and CBRE, the expectation is that the hotel industry will get back to pre-pandemic levels by 2024. This budget assumes the same for the local hotel market.

Chart 2-3



Detailed in Table 2-4 are the 2020 actual, 2021 projected and 2022 budget for the CFA's revenue fund. The revenue fund is used to collect monthly hotel receipts before they are subsequently distributed to the debt service fund, rental reserve fund (when applicable), and the CFA's operating fund. Monies deposited into the revenue fund must first be used to pay principal and interest on funds borrowed to construct and improve the convention center. Remaining balances are

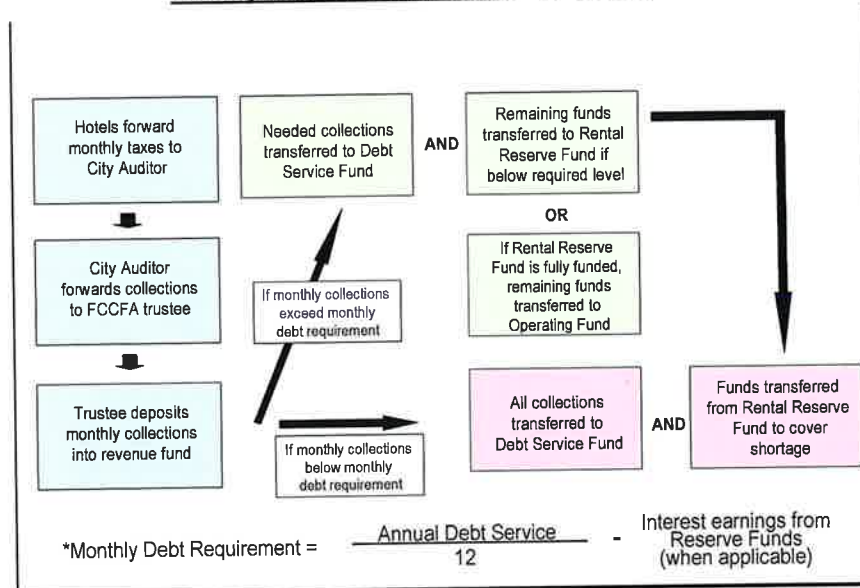
available first, to repay any monies previously drawn from the rental reserve fund and, second, to support the operation of or improvements to the facility. Chart 2-5 illustrates this flow of funds.

Table 2-4

Revenue Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Hotel Taxes (cash basis)	\$ 12,499,663	\$ 16,309,042	\$ 21,562,493
Interest Earnings	3,981	600	600
Total Sources of Funds	12,503,644	16,309,642	21,563,093
Uses of Funds:			
Debt Service	8,962,663	6,924,651	6,589,551
Debt Service - Interest	-	600	600
Rental Reserve Fund	1,106,347	-	-
Operating Fund	2,326,515	9,384,991	14,972,942
Total Use of Funds	12,395,525	16,310,242	21,563,093
Current Year Balance	108,119	(600)	-
Add: prior year balance	2,155	110,274	109,674
Year End Fund Balance:	\$110,274	\$109,674	\$109,674

Chart 2-5

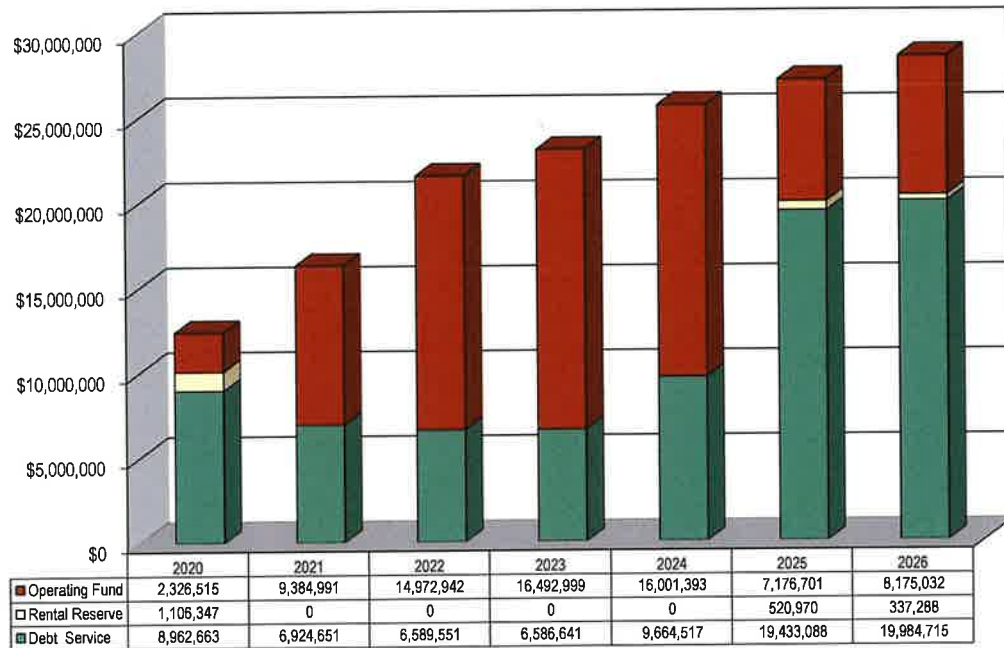
Monthly Flow of Hotel/Motel Tax Collections



Projected distribution of bed tax revenue is illustrated in Chart 2-6. As shown, when coupled with interest earnings from the reserve funds, bed taxes will exceed debt service requirements each year of the projection period. The ability of the CFA to cover annual debt service on convention center bonds during this period of low tax collections is due to the restructuring of bonds as completed in the 2020 bond issue. This issue restructured existing bonds such that obligations due in the short term were shifted to outer years. This shift reduced debt service due in years 2020 through 2024 to a level well below projected hotel tax revenues thus allowing for substantial deposit of excess tax revenue into the operating fund. Deposits into the operating fund will begin to decline in 2025 as annual debt service returns to pre-pandemic levels of payment.

Chart 2-6

Distribution of Annual Hotel Tax Revenue



With respect to the rental reserve fund, disbursements shown are repayments to that fund for the months during each calendar year when new monthly bed taxes dip below monthly obligations for debt service. The use of rental reserve funds to supplement monthly debt service payments is linked to changes in hotel tax revenue growth. As taxes decrease, the use of rental reserve funds during certain months of the year to cover debt service obligations increases. As tax revenue improves, the reliance on the rental reserve fund to cover monthly shortages declines, as is projected to occur through the projection period. In 2020, rental reserve funds were used to meet monthly debt service obligations during the earlier part of the year as tax collections dropped significantly due to the market impact of COVID-19. Rental reserve funds used to meet debt service in 2020 were fully refunded with proceeds from the 2020 bond issue. At year end 2020, the rental reserve fund requirement was met in full and remains fully funded thereafter.

Debt Service – Convention Center

On June 21, 1990 the CFA sold \$98.0 million in serial, term and zero coupon tax and lease revenue anticipation bonds for the construction of a new convention center in downtown Columbus. Those bonds, with a thirty-year term, were issued at an average interest cost of 7.18 percent. In addition to funding the construction of the original facility, the issue set aside \$8.5 million, equivalent to the highest annual debt service obligation, to create a debt service reserve fund. Debt service reserve funds are typical of public borrowings and are established for the protection of bondholders should other indentured resources be insufficient to fully pay debt obligations when due.

Structured within the original issue was a lease arrangement with the City of Columbus and Franklin County which provided credit support for the bonds. The city and county agreed to lease the facility from the CFA on an annual basis, subject to appropriation. In turn the CFA established a sublease with the city and county, pledging a payment of hotel tax revenues and corresponding interest earnings equal to annual debt service obligations. Per these lease agreements, the city and county would be asked to cover outstanding debt obligations in equal shares if all indentured lease revenues prove insufficient to cover debt costs. It is essential to note that monies from monthly hotel tax collections, interest earned on debt related funds, and the rental reserve fund (discussed below), must be exhausted before the city and county would be asked to share in debt expenses.

Another requirement of the original debt issue was the creation of a rental reserve fund. Because bond proceeds were used to capitalize first year interest costs, bed tax receipts were available to produce a rental reserve fund equal to one half of the highest annual debt service obligation. Unlike the debt service reserve fund which would be tapped only if tax revenues plummeted for extended periods, the rental reserve fund was expected to cover fluctuations in monthly tax collections. Because debt obligations are paid in equal monthly installments and tax collections follow seasonal patterns of hotel usage, the rental reserve fund was designed to cover monthly debt payments when taxes run below the monthly debt obligation. The fund is then replenished during months where tax revenues exceed monthly debt obligations.

In 1992, the CFA advance refunded \$52.15 million in term bonds payable in 2019. Serial and term bonds totaling \$59.235 million with a true interest cost of 6.23 percent were sold to accomplish the refunding. The refunding produced an economic gain of \$1.2 million.

Given the health of its hotel tax base the CFA was well positioned to issue additional debt in 1997 in response to the apparent need for additional and renovated space within the convention center. The CFA issued \$84 million tax and lease revenue anticipation bonds in December 1997. The proceeds of the bonds and interest earned from those bonds contributed \$72 million toward the first expansion and renovation of the center and increased the debt service reserve fund balance by \$5.1 million to equal the new highest annual debt service payment. In addition, the CFA also advance refunded \$8.0 million in bonds from the 1990 issue in order to achieve interest cost savings. Given an interest rate of 5.2 percent, this refunding saved approximately \$500,000 over the term of the bonds. As in the original issue, credit support was extended by the city and county through an amendment to the previously established lease agreement. In addition, the initial year's interest obligations were capitalized thereby enabling the CFA to deposit an additional \$2.5 million of hotel tax revenues into the rental reserve fund, once again establishing a reserve balance equal to one half of the highest annual debt service obligation.

The CFA took advantage of low interest rates and in the fall of 2002 refunded bonds sold in 1992. The benefits from this refunding were significant with savings exceeding \$10.7 million over the term of the bonds. Furthermore, the refunding reduced annual debt service obligations to a level that ensured debt service coverage during 2002 and 2003 despite low growth in hotel tax revenues and interest earnings.

During 2005, market conditions provided an excellent opportunity for the CFA to again complete a refinancing of prior year bonds. This refinancing took advantage of lower interest rates to not only refund a portion of the 1997 bond series but to restructure debt service thus equalizing debt service payments through 2027. This restructuring reduced debt service in the near term and increased slightly debt service in outer years. Short term, the benefits of the refunding were significant. The refunding reduced annual debt service; thus increasing the margin between tax collections, interest earnings and debt service payments. Another impact of the 2005 refunding and the resulting restructuring of debt was the corresponding release of reserve funds due to a decrease in required reserve levels for the rental reserve fund and debt service reserve fund. This reduction in reserve requirements released over \$1.1 million in reserve funds at year end 2005. These funds were transferred to the debt service fund and were used to meet debt service obligations for the year.

Taking advantage of the benefits from the 2005 refunding, the CFA was again well positioned to issue additional debt in October 2007 to finance the renovation of the Battelle Grand Hall. The CFA issued \$47.5 million in tax and lease revenue anticipation bonds. The proceeds of the bonds contributed \$38 million toward the renovation project and increased the debt service reserve fund and the rental reserve fund balances by \$1.2 million and \$600,000 respectively to equal new reserve requirements. In addition, the CFA placed \$9.0 million in a bond retirement fund for the defeasance of outstanding series 1997 bonds (to be called December 1, 2007). With an interest rate of 4.4 percent, this refunding saved

approximately \$346,000 over the term of the remaining 1997 bonds. As in the original issue, credit support was extended by the city and county through an amendment to the previously established lease agreement.

During May of 2012, the CFA signed a forward purchase agreement to refund remaining bonds associated with the 2002 issue. By entering into a forward purchase agreement, the CFA and participating bank agreed to refund bonds on September 4th (the earliest date that the 2002 bonds could be refunded) at the current market rate as of May 3rd. As a result, the Authority was able to refund the 2002 bonds on September 4th at the "locked in" interest rate of 1.65 percent. This rate compares to the interest rate of 4.18 percent on the original 2002 bond series. The refunding saved the Authority \$6.25 million over the remaining term of the bond issue. Annual total debt service for the convention center as a result of this refunding dropped from \$14.02 million to \$13.13 million; saving approximately \$895,000 a year in debt service. This savings began in 2013 and continued through 2019.

During October 2014, the CFA again signed a forward purchase agreement to refund remaining bonds associated with the 2005 issue. By entering into a forward purchase agreement, the CFA and participating bank agreed to refund bonds in October 2015 (the earliest date the 2005 bonds could be refunded) at the current market rate as of October 2nd, 2014. As a result, the FCCFA was able to refund the 2005 bonds in October 2015 at the "locked in" interest rate of 2.95 percent. The refunding saved the FCCFA \$9.48 million over twelve years. Annual total debt service for the convention center as a result of this refunding decreased by approximately \$800,000 a year.

The CFA signed yet another bank forward purchase agreement in October 2016 to refund remaining bonds associated with the 2007 issue (\$4.7 million). Structured almost identical to previous bond purchase agreements, the CFA refunded the 2007 bonds in October 2017 at an interest rate of 2.05 percent. The refunding saved the CFA \$777,000 over the remaining term of the bonds. Annual total debt service for the convention center as a result of this refunding decreased by approximately \$78,000 a year.

In 2017, the CFA completed the second convention center renovation and expansion project that significantly upgraded the interior of the facility as well as expanded the facility on the north end of the center. To support this project, the CFA issued \$184.8 million in tax and lease revenue anticipation bonds in December 2014. The proceeds of the bonds contributed \$125.0 million toward the project, capitalized approximately \$9.0 million in interest and provided funds to increase reserve fund balances by \$9.0 million to equal new funding requirements. In addition, the CFA advance refunded \$40.6 million in bonds from the 2007 issue in order to achieve interest cost savings. Given an interest rate of 2.6 percent, this refunding saved approximately \$2.8 million over the term of the bonds. As in the original issue, credit support was extended by the city and county through an amendment to the previously established lease agreement.

In September 2020, the CFA sold bonds to restructure the convention center's debt program thereby providing the CFA with the resources to sustain and recover from the drastic impact of COVID-19 on hotel tax collections and the corresponding ability to pay debt service. The 2020 bond issue consisted of a taxable advance refunding of 2014 bonds (with savings of approximately \$7.2 million), a tax exempt refunding of all 2020 maturities for the 2014, 2015 and 2017 bonds and a taxable restructuring of 2021 through 2024 maturities for 2014, 2015 and 2017 bonds. Savings from the advance refunding were "front loaded" such that debt service was significantly reduced in the near term. In addition, maturities in the near term were also shifted to outer years through the tax exempt/taxable restructuring process. This shift in maturities added interest and principal to debt service due in outer years beginning in 2025. The 2020 bond issue extended the years of repayment for some bonds from 30 years to 40 years. Previously, the debt program for the convention center ended by 2035. It will now end in 2047. The 2020 bond issue also included new money to fully fund both the rental reserve fund and the debt service reserve fund at new required levels.

As of December 31, 2020, the CFA had \$255.4 million in outstanding bonds due on series issued for convention center development. Bonds outstanding will remain the same at year end 2021.

Historically, the CFA has easily met its convention center annual debt obligations. In fact, tax revenues and interest earned on debt related funds exceeded debt requirements each year since the December 1997 bonds were issued. This proved true even during 2001 and 2002 when revenue from hotel taxes and interest earnings dipped amid a weakening economy and the events of September 11, 2001. This also proved true during 2008 and 2009 when hotel tax revenues declined due to a decimated economy and struggling travel and tourism market. Now with the 2020 bond refunding; the CFA is also well positioned to cover debt service through this epic time despite historic lows in hotel tax collections.

As indicated in Table 2-7, annual debt service remains below anticipated hotel tax revenue and interest earnings for all years of the projection period as well. Hotel tax revenue plus interest earnings will provide resources that can accommodate annual debt obligations in 2021 and beyond. After such obligations are met and any funds borrowed from the rental reserve fund are wholly replenished, excess funds will be deposited into the CFA's operating fund and will be used to support the CFA office, finance capital improvement projects for the convention center and in 2022 pay for the CFA's equity contribution towards the Hilton Columbus Downtown hotel expansion project. Given current projections of revenue from hotel taxes and interest earnings, deposits to the operating fund are expected in all years of the forecast period.

Table 2-7

2021 - 2047 Debt Service Coverage Analysis for Convention Center

Year	REVENUE		DEBT SERVICE PAYMENTS					Revenue less Debt Service	Coverage Ratio
	Hotel Tax Collections (cash basis)		Series 2014	Series 2015	Series 2017	Series 2020	Total Debt Service		
2021	\$ 16,309,042	\$	1,145,650	\$ 671,524	\$ 29,329	\$ 6,090,783	\$ 7,937,286	\$ 8,371,756	2.05
2022	21,562,493		1,145,650	671,524	29,329	5,111,147	6,957,650	14,604,843	3.10
2023	23,079,639		1,145,650	671,524	29,329	5,111,147	6,957,650	16,121,989	3.32
2024	25,665,909		1,145,650	671,524	29,329	7,661,147	9,507,650	16,158,259	2.70
2025	27,130,758		4,995,650	8,026,524	509,329	7,146,695	20,678,198	6,452,560	1.31
2026	28,497,035		4,998,150	8,029,184	504,485	7,744,843	21,276,661	7,220,374	1.34
2027	29,351,946		5,030,900	8,025,342	474,537	7,864,171	21,394,950	7,956,996	1.37
2028	30,232,504		13,752,500	-	-	7,896,930	21,649,430	8,583,074	1.40
2029	31,139,480		-	-	-	22,037,433	22,037,433	9,102,047	1.41
2030	32,073,664		-	-	-	23,252,213	23,252,213	8,821,451	1.38
2031	33,035,874		-	-	-	23,723,664	23,723,664	9,312,210	1.39
2032	34,026,950		-	-	-	3,779,689	3,779,689	30,247,261	9.00
2033	35,047,759		-	-	-	25,194,689	25,194,689	9,853,070	1.39
2034	36,099,191		-	-	-	25,371,725	25,371,725	10,727,466	1.42
2035	37,182,167		-	-	-	25,400,413	25,400,413	11,781,754	1.46
2036	38,297,632		-	-	-	15,532,212	15,532,212	22,765,420	2.47
2037	39,446,561		-	-	-	15,525,336	15,525,336	23,921,225	2.54
2038	40,629,958		-	-	-	7,441,002	7,441,002	33,188,956	5.46
2039	41,848,857		-	-	-	7,431,956	7,431,956	34,416,901	5.63
2040	43,104,322		-	-	-	7,437,610	7,437,610	35,666,712	5.80
2041	44,397,452		-	-	-	3,577,390	3,577,390	40,820,062	12.41
2042	45,729,376		-	-	-	3,577,206	3,577,206	42,152,170	12.78
2043	47,101,257		-	-	-	3,573,799	3,573,799	43,527,458	13.18
2044	48,514,295		-	-	-	3,577,210	3,577,210	44,937,085	13.56
2045	49,969,723		-	-	-	3,572,040	3,572,040	46,397,683	13.99
2046	51,468,815		-	-	-	3,573,487	3,573,487	47,895,328	14.40
2047	53,012,880		-	-	-	3,576,193	3,576,193	49,436,687	14.82

Note:

Hotel tax revenues on a cash basis are projected to grow by 30.5 percent in 2021 over 2020; 32.2 percent in 2022; 7.0 percent in 2023; 11.2 percent in 2024; 5.7 percent in 2025; 5.0 percent in 2026 and 3.0 percent growth thereafter.

Debt service payments on outstanding bonds related to the convention center are made through the convention center debt service fund. Payments are made with revenues collected from hotel taxes and with revenues received from interest earnings generated mainly through investment of reserve funds. In 2020 when hotel tax revenues were below debt service obligations, monies within the rental reserve fund were transferred into the debt service fund to help pay for outstanding debt obligations. While interest and principal expenses are accrued on a monthly basis, actual interest payments on outstanding bonds are made twice a year and the principal payment is made once a year. The 2022 budget (cash basis) for the convention center debt service fund is provided in Table 2-8.

Table 2-8

Debt Service Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Hotel/Motel Taxes	\$ 8,962,663	\$ 6,924,651	\$ 6,589,551
Interest Earnings/Other	36,239	1,500	12,000
Transfers from Debt Reserve/Revenue	169,793	298,355	243,111
Transfers from Rental Reserve	5,841,210	124,470	112,988
Total Sources of Funds	15,009,905	7,348,976	6,957,650
Uses of Funds:			
2020 Bond Issue	4,500,000	-	-
Transfer to CFA Operating Fund	4,934,299	-	-
Debt Payment June 2020	4,716,727	-	-
Series 2014	572,825	1,145,650	1,145,650
Series 2015	335,762	671,524	671,524
Series 2017	14,665	29,329	29,329
Series 2020	-	6,090,784	5,111,147
Total Use of Funds	15,074,278	7,937,287	6,957,650
Current Year Balance	(64,373)	(588,311)	-
Add: prior year balance	1,595,687	1,531,314	943,003
Year End Fund Balance:	\$ 1,531,314	\$ 943,003	\$ 943,003

A standard requirement of public borrowing is the establishment and preservation of a debt service reserve fund. This fund reserves monies for the payment of principal and interest in the event that the borrower is unable to do so. Requirements for the debt service reserve fund are established in the bond documents. For debt series associated with the construction, renovation and expansion of the convention center; debt service reserve requirements mandate that the debt service reserve fund balance equals or exceeds the highest outstanding annual principal and interest payment. The current reserve requirement for the debt service reserve fund is \$25.4 million. The debt service reserve fund has been and remains fully funded.

The 2022 budget for the convention center debt service reserve fund is provided in Table 2-9. Shown is a balance equal to the reserve requirement. Also shown is the annual transfer out of interest earnings. Since the debt service reserve fund is fully funded, all interest earnings are transferred from the reserve fund to the debt service fund for payment of debt obligations. Interest earning projections for 2022 are based upon yields provided for in the investments listed in Table 2-10.

Table 2-9

Debt Service Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Interest Earnings	\$ 333,262	\$ 298,355	\$ 243,111
2020 Bond Proceeds	6,046,413	-	-
Total Sources of Funds	6,379,675	298,355	243,111
Uses of Funds:			
Transfer to Debt Service - Earnings	169,793	298,355	243,111
Total Use of Funds	169,793	298,355	243,111
Current Year Balance	6,209,882	-	-
Add: prior year balance	19,354,532	25,564,414	25,564,414
Year End Fund Balance:	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414
Required Balance:	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413

Table 2-10

Current Investment Portfolio for Convention Center Reserve Funds				
Investment	Amount Invested		Yield to	
	Debt Reserve	Rental Reserve	Maturity	Maturity
Fannie Mae	\$ 2,593,084	\$ 1,097,074.00	2.06	10/5/2022
Federal Farm Credit Bank	1,192,920	596,460	2.15	10/17/2022
Freddie Mac	375,000	-	0.40	6/30/2023
Fannie Mae	-	1,225,000	0.25	7/10/2023
Treasury Coupon	998,906	499,453	0.30	9/30/2023
Federal Farm Credit Bank	998,190	998,190	0.26	10/2/2023
Freddie Mac	1,348,988	-	0.33	11/13/2023
Federal Farm Credit Bank	999,000	949,050	0.24	12/21/2023
Federal Home Loan Bank	998,850	998,850	0.42	9/23/2024
Treasury Coupon	990,625	-	1.71	9/30/2024
Treasury Coupon	1,199,156	-	0.65	10/15/2024
Federal Farm Credit Bank	2,686,392	1,226,786	1.76	11/1/2024
Federal Farm Credit Bank	1,173,531	-	0.76	5/29/2025
CD	247,755	-	0.82	6/10/2025
Federal Farm Credit Bank	1,623,375	-	0.59	8/12/2025
Federal Farm Credit Bank	998,750	1,498,125	0.55	10/14/2025
Fannie Mae	592,050	444,038	0.92	10/20/2025
Freddie Mac	594,000	371,250	0.90	10/22/2025
Freddie Mac	1,499,850	-	0.62	12/1/2025
Freddie Mac	150,199	-	0.77	6/12/2026
Treasury Coupon	1,490,098	993,398	1.01	9/30/2026
Federal Home Loan Bank	1,196,833	822,823	1.16	10/13/2026
Total Invested	\$ 23,947,553	\$ 11,720,497		

Currently the CFA has invested most funds held in reserve in five-year U.S. Agency Securities or Treasuries. Investments are staggered throughout the five-year investment period such that interest earnings can be maximized given the current market. As investments mature, principal will be re-invested per requirements of the investment policy. Table 2-10 summarizes held investments for the debt service and rental reserve funds as of October 2021. Current average yield to maturity on the investment portfolio for the debt service reserve fund is .96 percent and the rental reserve fund in .84 percent. Most funds within the debt service reserve fund and the rental reserve fund are invested. Funds not invested are held in STAR Ohio.

In addition to the debt service reserve fund which is in place to protect bond holders, a rental reserve fund has also been established as additional reserve protection. The reserve fund is the first source of funding for CFA lease payments when hotel tax revenues and bond related investment earnings are below what is needed to cover monthly debt service fund deposits. Prior to 2020, the reserve fund was most commonly used in the early months of the year to complete the monthly principal and interest deposits to the debt service fund. Later in the year when bed taxes increase, these funds were replaced if the rental reserve fund fell below the required reserve level. During 2020 and for the first time since the original convention center bonds were issued, rental reserve funds were used to cover actual debt service as tax collections were well below monthly debt obligation requirements. Significant withdrawals from the rental reserve fund occurred during the initial months of the pandemic. The good news is that with the 2020 bond refunding/restructuring issue, funds withdrawn from the rental reserve fund during the year were replaced and added funds were deposited into the fund with bond proceeds such that the rental reserve fund at year end 2020 was fully funded. Projections suggest that despite minor withdrawals as occurred prior to 2020, the rental reserve will remain fully funded in 2022 and throughout the projection period.

The 2022 budget for the convention center rental reserve fund is provided in the following table. As in the debt service reserve fund, interest earnings in the fund are annually transferred to the debt service fund to meet annual debt service obligations. Notwithstanding temporary advances to the debt service fund (which are completely replenished), the rental reserve fund is fully funded at \$12.7 million.

Table 2-11

Rental Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Hotel/Motel Taxes	\$ 1,106,347	\$ -	\$ -
Transfer from Capital Improvements Fund	665,000	-	-
2020 Bond Proceeds	6,987,342	-	-
Interest Earnings	135,788	124,470	112,988
Total Sources of Funds	8,894,477	124,470	112,988
Uses of Funds:			
Transfer to Debt Service/coverage	5,705,422	-	-
Transfer to Debt Service/interest	135,788	124,470	112,988
Total Use of Funds	5,841,210	124,470	112,988
Current Year Balance	3,053,267	-	-
Add: prior year balance	9,693,139	12,746,406	12,746,406
Year End Fund Balance:	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406
Required Balance	\$12,700,207	\$12,700,207	\$12,700,207

Pursuant to requirements detailed in the trust agreement and supporting documentation associated with each bond issue, the CFA is required to prepare an arbitrage rebate calculation report to determine if the particular bonds in review have earned more in interest earnings than allowed under the yield established at the time of the bond sale. Any earnings above and beyond what is allowable (rebate liability) must be paid to the United States government. The report has to be completed every five years and, if a rebate liability is determined by the calculations in the report, payment is due to the Internal Revenue Service (IRS) sixty days after the completion of the five-year period. This report must be prepared by a "rebate analyst" such as bond counsel or nationally recognized accounting firm.

Currently, the CFA has no outstanding liabilities as they relate to arbitrage rebate calculations. A rebate calculation for the 2014 bond series was completed in 2019 and a calculation for the 2015 bond series was completed in 2020.

Debt Service – Parking Facilities

In December 2011, the CFA issued \$16.0 million in parking garage improvement revenue bonds to finance the expansion of the Vine Street parking facility. These bonds were purchased by the Franklin County Treasurer. Bonds were issued as taxable revenue bonds at a negotiated rate of approximately 200 basis points over the corresponding treasury bond or note maturities. Payments were extended over a thirty-year period, with principal payments due every five years and interest paid annually. Funding to meet debt service obligations is generated through a long-term agreement with Nationwide Realty Investors (NRI) for a license to use parking spaces within the expanded garage. Annual payments from NRI will cover the majority of annual debt. The remaining portion of annual debt service not covered through this license agreement will be paid for from daily parking revenue received through the operation of the Vine Street garage. At year-end 2021, the CFA will have \$14.6 million in bonds outstanding for the Vine Street Garage.

In July 2014, May 2018 and again in July 2019, the CFA issued \$18.0 million in parking garage improvement revenue bonds (July 2014) to finance the construction of the Goodale Street parking facility and \$24.0 million parking garage improvement revenue bonds (\$18.0 million in 2018 and \$6.0 million in 2019) for the new Ohio Center parking facility. These bonds were also purchased by the Franklin County Treasurer. Structured almost identical to the 2011 series, debt service associated with these bonds is paid through parking revenue from garage operations. At year-end 2021, the CFA will have \$15.0 million in Goodale Garage bonds outstanding and all \$24.0 million in Ohio Center garage bonds outstanding.

Table 2-12 provides the 2022 budget for the parking facility debt service fund. Parking revenue from the operation of all CFA owned parking facilities is the funding source for debt service due on the parking garages. Transfers into the sinking fund from convention operations are made quarterly and are equal to total debt service due. In regards to principal and interest, actual principal payments are made every five years with interest payments made every year. Deposits into the fund from convention center operations are equal to interest for the year plus the value of the principal payment annualized over the five-year period. Cash accumulates in the debt service fund until the actual principal payment is made.

As with all activity in and around the convention center, COVID-19 and related restrictions on public gatherings as well as social distancing requirements impact parking usage in 2020. Because of these restrictions, use or visits to the convention center as well as to surrounding destinations such as Nationwide Arena, Short North District and Arena District, dropped significantly. So too, many businesses within the community were quiet as employers required or allowed employees to work from home. 2021 is proving to be a better year for parking although levels still remain well below parking levels experienced prior to the pandemic. Parking revenue has increased in 2021 as activity in the convention center and the community begin to rebound. With the return of hockey games and concerts within the arena, meetings and conventions within the convention center and the opening of the new Hilton Columbus Downtown tower, growth in parking revenue is expected to accelerate in 2022.

To mitigate the impact of the pandemic on debt service obligations for the garages, the CFA along with the Franklin County Treasurer restructured the garage debt program in 2020. The restructuring allowed the CFA to use sinking fund monies already on deposit to pay debt obligations in 2020 and 2021 thereby reducing required CFA payments during those two years. Moving into 2022 and beyond, CFA payments into the sinking fund will increase thus replenishing the fund back up to required levels.

Table 2-12

Debt Service (Sinking) Fund - Parking Facility Development			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Parking Revenue - Convention Center	\$ 1,125,376	\$ -	\$ 811,457
Transfer in: CFA Equity Contribution	89,250	263,249	800,000
Remaining Funds - Ohio Center Garage Project	-	723,541	-
Interest Earnings	86,910	50,000	50,000
Total Sources of Funds	1,301,536	1,036,790	1,661,457
Uses of Funds:			
Principal Payment - Vine Street Garage	-	-	-
Interest Expense - Vine Street Garage	443,380	443,380	515,082
Principal Payment - Goodale Street Garage	-	-	-
Interest Expense - Goodale Street Garage	520,500	520,500	520,500
Principal Payment - Ohio Center Garage	-	-	-
Interest Expense - Ohio Center Garage	841,800	841,800	841,800
Total Use of Funds	1,805,680	1,805,680	1,877,382
Current Year Balance	(504,144)	(768,890)	(215,925)
Add: prior year balance	3,307,308	2,803,164	2,034,274
Year End Fund Balance:	\$ 2,803,164	\$ 2,034,274	\$ 1,818,349

All parking revenue is pledged towards the payment of debt service associated with the garages. The following table provides information on revenues, operating expenses and the required sinking fund deposit for each of the facilities as well as all facilities combined. In 2022, the sinking fund deposit for the year will be met through a combination of operating income and CFA equity reserves. Parking revenues in 2022 not used for debt service coverage will help off-set convention center operating expenses.

Table 2-13

Total Net Parking Income											
	Parking Spaces	2021 Projected				2022 Budget					
		Revenue	Operating Expenses	Sinking Fund Deposit	Net Parking Income	Net Parking Income per Space	Revenue	Operating Expenses	Sinking Fund Deposit	Net Operating Income	Net Operating Income per Space
South Garage	549	\$ 500,750	\$ 76,430	\$ -	\$ 424,320	\$ 773	\$ 897,334	\$ 136,905	\$ -	\$ 760,429	\$ 1,385
Vine St. Garage	1778	1,566,311	247,528	-	1,318,783	742	2,610,673	443,382	1,039,582	1,127,709	634
Goodale Garage	800	611,880	111,373	129,375	371,131	464	1,024,712	199,497	517,500	307,715	385
East Lot	875	534,741	121,815	-	412,926	472	992,654	218,200	-	774,454	885
North Lot	61	65,159	8,492	-	56,667	929	95,259	15,212	-	80,048	1,312
Ohio Center Garage	650	371,156	90,491	133,875	146,790	226	688,829	162,091	54,375	472,362	727
All Facilities	4713	\$ 3,649,997	\$ 656,129	\$ 263,250	\$ 2,730,618	\$ 672	\$ 6,309,460	\$ 1,175,286	\$ 1,611,457	\$ 3,522,717	\$ 867
Coverage Ratio (%)					13.87					3.92	

Operations - Convention Center

With respect to convention center operations, revenues collected from events within the convention center are used to offset expenses associated with the actual operation of the facility. These resources are managed by ASM Global, operator of the Greater Columbus Convention Center, with final review and approval provided by the CFA staff and Board. Any required support of convention center operations is incorporated into the CFA's operating budget.



Historically, financial results from convention center operations have been positive. In most years since the opening of the north facility of the convention center, the operation of the center has been successful. While there are a few years when the CFA has had to subsidize operations (all during years of renovation and expansion), most years the convention center has been self-sustaining with positive net income. In recent years prior to 2020, the convention center was doing extremely well. The successful performance of the center was predicated upon enhanced city-wide event bookings, active short-term business, strong ancillary income and added revenue from parking due to the expansion of the Vine Street garage and the opening of the Goodale Street garage.

Initially, 2020 was on track to out-perform the success of the past. Over 180 events were scheduled for the year with attendance of approximately 667,000 and room nights of 228,000. Overall, the center was projected to end the year with over \$1.0 million in net operating income.



Unfortunately, this all changed drastically with the outbreak and spread of COVID-19. Because of the pandemic, the center suspended its operations on March 16th, furloughed and laid off over 200 employees and remained under public health order restrictions until June 2021. Almost all events scheduled during the months of March 2020 through mid-year 2021 either cancelled or moved to future years.

During 2021, the convention center explored alternative uses for the center as the ability to host mass gatherings remain limited, at least during the first half of the year. The center remained the site for a potential surge hospital although fortunately such resource was not needed. The center also served as home to the Franklin County municipal and traffic courts. So too, several sporting events did occur during the first half of the year although attendance was limited due to health restrictions. With the lifting of restrictions and the roll-out of COVID-19 vaccines, the center did see activity increase. While several events rescheduled, some did occur during the second half of the year such as Cultivate, the National Emergency Number Association and Ohio Healthcare Association to name a few. Revenue from held events plus well managed spending resulted in the center reporting positive net income during several months of the year. Overall, the center is projected to end the year with an operating deficit of approximately \$342,000; a \$1.7 million improvement over original budget projections for the year. The deficit will be covered with CFA equity reserves.

The ability to successfully maneuver through the unknowns of recovering from the pandemic will continue to be the focus of convention center operations in 2022. Overall, the budget for convention center operations during 2022 is optimistic and very positive. Event bookings for the year are up and the 2022 calendar does include several large citywide conventions, especially during the latter part of the year (see Table 2-14 for additional information on 2022 events). As the world learns to live with the COVID, challenges from the pandemic remain and are reflected in the 2022 budget as well. While events are expected to return during the year, attendance is still questionable as potential virus change is unknown. Economic fallout from the pandemic is also problematic as expenses are projected to increase due to inflation and salaries are projected to increase due to labor shortages.

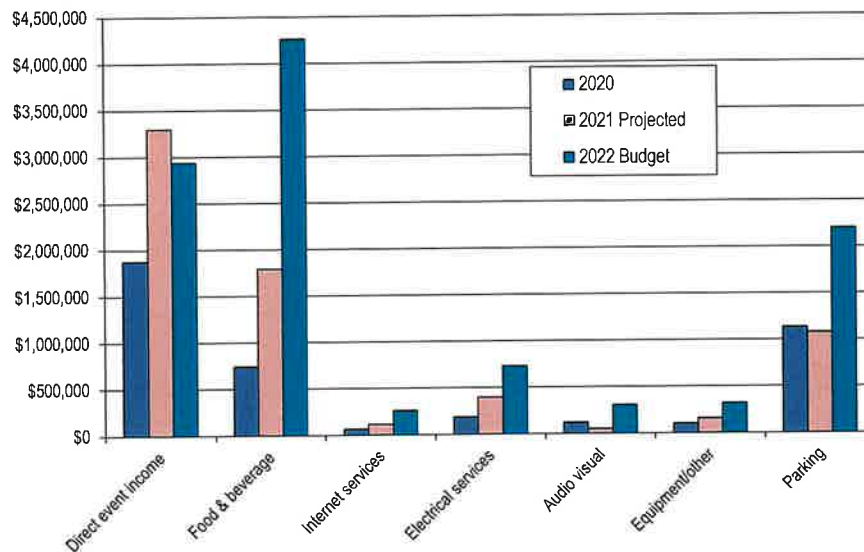
Table 2-14

Greater Columbus Convention Center Summary of 2022 Events (as booked November 2021)	
Total Events	118
Total Attendance	668,178
Total Room Nights	249,172
Total Citywide Events	23
Total New Events	38
Total Events with 5,000+ in Attendance	38
Total Events with 1,000+ Room Nights	45
Percent of Event Income that is based on Short-term Business (yet to be booked)	17%

Income from events consists of both direct event income and ancillary income. Direct event income includes rental income or payment for actual space used and net service income i.e., payment for direct event services such as security, rigging, traffic control/police, and changeover labor less the cost of providing those services. In 2022, direct event income will actually decrease, not because the number of events is decreasing, but because the cost of labor providing direct event

services is increasing at a higher than normal rate and 2022 does not include storage rental for the surge hospital. Regarding ancillary income which includes income from catering, food and beverage, technical services, booth cleaning, parking, equipment rental, and concessions; the budget assumes that this income will increase significantly in 2022 mostly due to increases in revenue from food/beverage services and parking. Combined, total event income in 2022 is projected to be \$11.0 million; a \$4.1 million increase over 2021 event income. Total event income is generated from a variety of revenue sources as illustrated in Chart 2-15.

Chart 2-15
2022 Event Income by Source



As expected, the largest source of event income to the center is from food and beverage services. Levy Premium Foodservice Limited Partnership is the food service provider for the center. Under Levy's management, emphasis has been placed on providing a hotel level of food quality and service in the convention center. This is being accomplished through implementation of new creative menus, the addition of in-house pastry services, improved food presentation and better use of local food sources. In 2022, income from food services is expected to increase significantly as the number of events in the center increase and the opportunity for banquet/catering services improve. As food and beverage services are used more during the course of the year, expenses will also increase as staff are re-hired and food inventories are replaced. As a result, the profit margin for food services in 2022 will be 22.0 percent; well above the 7.0 percent profit margin experienced during 2021 but still below the 33.0 percent margin experienced prior to the pandemic. Overall, food and beverage net revenue in 2022 will equal \$4.3 million. Net income which is net revenue less indirect expenses will equal approximately \$2.0 million; a \$1.7 million improvement over 2021.

Income received from parking is another important source of revenue for the convention center. The center operates several parking facilities to include the South parking garage with approximately 550 spaces, the Vine Street parking garage with approximately 1800 spaces, the Goodale Street parking garage with 800 parking spaces, the Ohio Center parking garage with 650 parking spaces, an east parking lot with approximately 875 spaces and a north parking lot with approximately 61 spaces. Overall, the CFA has available over 4700 parking spaces in facilities located around the convention center.

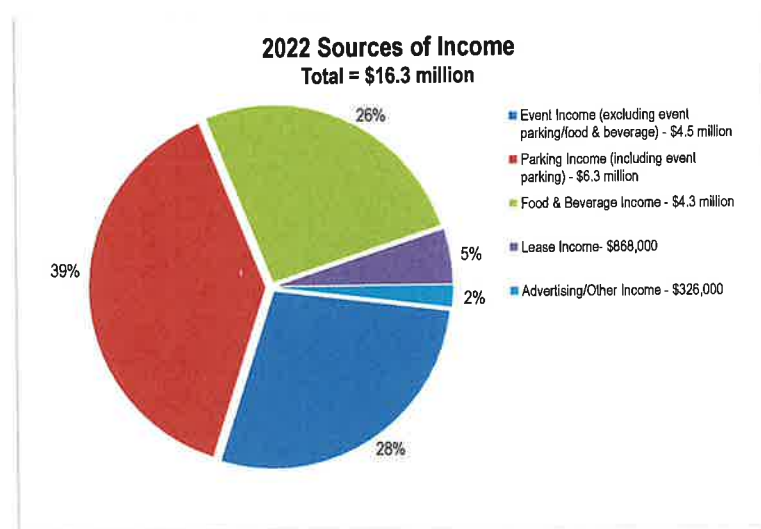
Total parking revenue is comprised of parking revenue from events held within the convention center (considered ancillary income, unless otherwise noted), non-event parking or general parking and parking revenue from monthly parkers. As with all revenue, parking revenue has been significantly impacted by COVID-19 as use of CFA parking facilities has declined well below pre-pandemic levels. However, 2022 is expected to be a growth year as activity within the community continues to improve, more events are held in the center, hotel business increases and local workers return to surrounding

offices. In 2022, parking revenue is projected to be \$6.3 million, \$2.7 million above prior year. In 2019, total parking revenue was \$9.0 million.

Incorporated into the recent renovation of the convention center was the installation of several new resources for events to use as platforms for marketing and promotion. The new large LED screen in the convention center connector and updated directories throughout the facility now provide the center with modern venues that can be used for sponsorship and advertising. While still a minor source of income to the center, the hope is that advertising income will continue to increase as new advertising opportunities develop. In addition to advertising, the center also receives lease revenue from tenants located on the first floor of the convention center's south facility. These tenants are mainly food service vendors but also include some retail tenants as well.

2022 convention center income is illustrated in Chart 2-16. Total income for the year is projected to be \$16.3 million, 54.6 percent above prior year. For comparison, total income in 2019 prior to the pandemic was \$25.8 million.

Chart 2-16



Convention center expenses for 2022 are also projected to increase as the convention center begins to ramp up services in support of event growth. Operations in 2022 will continue to invest in initiatives that further center cleanliness and health safety. In addition, efforts in 2022 will focus on customer service; food service innovation; employee training, development and retention; revenue enhancement and event generation. To accomplish these goals, the budget will include funding for 113 full-time staff members (a 32 position increase over currently filled positions). In 2022, the budget provides additional monies for supplies and maintenance services needed to support an aggressive cleaning program and additional funding for utility expenses reflective of an active center. Also included within the budget is the annual contribution of \$300,000 to the Greater Columbus Sports Commission for marketing. The budget also provides for a contribution of \$360,000 to the business development fund.

Overall, the center is projected to do better in 2022 than 2021; although projections suggest that the center will record a deficit for the year with the inclusion of payments for garage debt service. CFA equity reserves will cover the projected deficit. Convention center revenue and expenses for 2021 and 2022 are summarized in the following table.

Table 2-17

Greater Columbus Convention Center Revenues and Expenses

	2021 Projected	2022 Budget	Variance	% Change
Sources of Income				
Direct Event Income	\$ 3,208,273	\$ 2,936,827	\$ (271,446)	(8.46)
Food and Beverage	2,150,350	4,260,723	2,110,373	98.14
Parking (event + non-event)	3,973,701	6,309,460	2,335,759	58.78
Ancillary Income	862,793	1,611,568	748,775	86.79
Lease Income	699,019	867,702	168,683	24.13
Other	211,534	326,300	114,766	54.25
Total Source of Income	\$ 11,105,670	\$ 16,312,580	\$ 5,206,910	46.89
Uses of Income				
Employee Wages/Benefits	4,235,752	6,348,669	2,112,917	49.88
Food Service Expenses	1,501,929	2,257,096	755,167	50.28
General and Administrative	1,869,004	2,361,151	492,147	26.33
Operations/Repairs/Supplies	1,546,421	2,054,223	507,802	32.84
Utilities/Utility Recovery	2,049,976	2,340,000	290,024	14.15
Insurance/Other	244,845	231,077	(13,768)	(5.62)
Total Uses of Income	\$ 11,447,927	\$ 15,592,216	\$ 4,144,289	36.20
Net Income from Operations	\$ (342,257)	\$ 720,364	\$ 1,062,621	310.47
Less: Garage Debt Service Payment	\$ -	\$ (1,611,457)	(1,611,457)	n/a
Total Net Income	\$ (342,257)	\$ (891,093)	\$ (548,836)	(160.36)

While 2020 and 2021 have been difficult years for the convention center, initiatives to improve convention center operations and to prepare the convention center for the future are on-going. During 2020, the convention center received \$700,000 in CARES Act grants from the city and county to improve health safety within the center. With this funding, the center invested in hospital grade air filters, elevator air sanitizers; escalator handrail UV light sanitizers, and health check/temperature check equipment and monitors. In addition to improving health safety equipment within the facility, the convention center also implemented a comprehensive and sustainable cleaning, training and safety program focusing on new hygiene protocols and standards. In 2021, the CFA received a \$1.25 million American Rescue Plan grant from the County for HVAC system upgrades that will better clean air within the convention center. The CFA is expected to receive a similar grant from the City in 2022. Overall, the HVAC system upgrade is expected to cost \$2.2 million and is included within the convention center's 2022 capital improvement program.

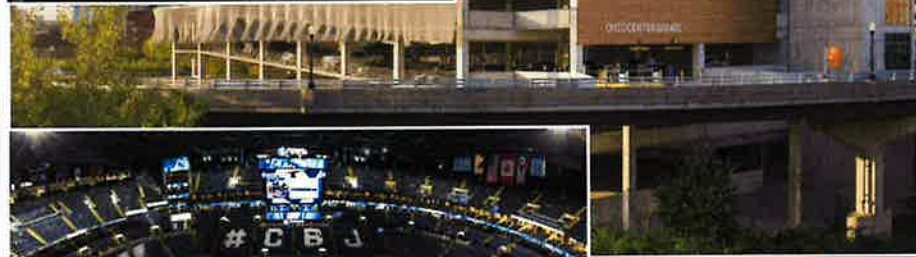
Capital Improvements - Convention Center

In addition to operating the convention center the CFA is also responsible for managing an on-going capital improvement program for the facility. Every year, CFA and ASM Global staff members review and develop a five year capital

improvement program for the center based upon needs of the facility. In 2020 and continuing into 2021 the CFA placed all non-emergency capital projects on hold to better manage cash flow during the pandemic. Investment in capital projects was limited. As the CFA's financial position improves in 2022, financial support of convention center capital improvement projects will again take priority. During 2022, the capital improvements program for the convention center includes funding to renovate the Hyatt Regency Ballroom, upgrade HVAC controls throughout the facility, replace carpet in Battelle Hall, and refurbish elevators and escalators. A complete list of facility improvements and capital expenditures planned for 2022 is provided in Table 2-19. The total cost of capital improvements for the convention center in 2022 will be \$8.7 million.

Table 2-18

2022 Capital Improvements Program Greater Columbus Convention Center		
Regency Ballroom Renovation	\$	2,450,000
North Bldg Air Handler Fan Upgrades		260,000
Elevator/Escalator Refurbishment		500,000
West Connector Joint Restoration		750,000
Phone System Replacement		250,000
HVAC Control Upgrade		1,000,000
Battelle Grand Carpet Replacement		600,000
Door Replacement		100,000
Tables, Stages, Cleaning Equipment		150,000
Waste and Recycling Equipment		150,000
Garage Improvements		100,000
Vine Street Garage Rooftop HVAC Units		90,000
Miscellaneous		100,000
HVAC Upgrades: American Rescue Plan Grant		2,200,000
Total: 2022 Capital Projects	\$	8,700,000



SECTION 3: HILTON COLUMBUS DOWNTOWN

Hilton Columbus Downtown Hotel

In March 2009, the CFA in partnership with the City of Columbus and Franklin County signed a memorandum of understanding agreeing to the development of a convention hotel on property adjacent to the Greater Columbus Convention Center. The hotel was constructed as an answer to increasing market demand for more convention quality hotel rooms near the center.

Opened in October 2012, the hotel has been well received within the community and is proving to be very successful. The hotel includes 532 current guest rooms (five more rooms will be added upon completion of the hotel expansion project) of which 48 are suites. The hotel has 12,000 square feet of ballroom space, 10,800 square feet of meeting/banquet rooms, lobby, a three-meal bistro restaurant, bar/lounge area, coffee bar and "grab-n-go", indoor pool and whirlpool, fitness center and walkway to the convention center. Parking for the hotel is provided by the Vine Street parking garage located next to the hotel site. The hotel has 14 floors with over 429,600 square feet of usable space. The hotel's overall design is contemporary and features an atrium with a 15,000 square foot glass ceiling. The hotel includes an art collection of over 150 original pieces by central Ohio artists. Development cost of the hotel was \$142.0 million and, after adding in reserve funds, issuance cost, and capitalized interest, the total cost of the project was \$180 million. The hotel is branded and managed by Hilton Worldwide.

Because the hotel has done extremely well; the CFA in partnership with the City and County is expanding and improving the Hilton Columbus Downtown by constructing a new 28-story tower. The new tower will include 463 guest rooms, two ballrooms, significant meeting room space, a lobby, two restaurants, a lobby bar and lounge, a fitness center and connections to the existing hotel and the convention center. One of the restaurants in the new tower will be located on the top level of the hotel. Art will continue to be a prominent feature of the new tower. Opening of the new tower is scheduled for August 2022. Once opened the expanded hotel will operate and function as a single enterprise of 1,000 rooms under common management. As such, the Hilton Columbus Downtown will be the first 1,000 room hotel in Ohio.



Debt Service – Hilton Columbus Downtown Hotel

On February 10, 2010 the CFA sold \$160.0 million in lease revenue anticipation bonds to finance the construction of the original Hilton Columbus Downtown Hotel. Bonds issued were Build America Bonds, with a thirty-year term, and escalating net debt service beginning with the start of principal payments in 2016. Bonds are backed by Franklin County, subject to appropriation. Beginning in 2013, revenue from the operation of the hotel has been used to meet annual debt service obligations. Prior to hotel opening, interest was capitalized and bond proceeds were used to pay debt service.

Structured similar to the original debt issue completed for the convention center, the 2010 hotel bond issue was based upon a cooperative agreement between the CFA, the City of Columbus and Franklin County. Within this agreement, the County agreed to lease the facility from the CFA on an annual basis, subject to appropriation. In turn the CFA established a sublease with the County, pledging to meet debt service obligations for the hotel through use of proceeds from hotel operating income as well as other sources identified in the agreement. In addition to owning, constructing and managing the hotel; the CFA also agreed to provide \$15 million in equity towards the project, contribute the CFA's portion of annual hotel tax revenue received from the hotel towards the payment of debt service and provide revenue from land leases as added coverage for debt service if other income sources prove to be insufficient. The City of Columbus agreed to contribute the City's portion of annual hotel tax revenue received from the new hotel towards the payment of debt service as well as agreed to provide \$1.4 million in parking meter revenue as an added reserve to cover debt service obligations if other sources should prove to be insufficient.

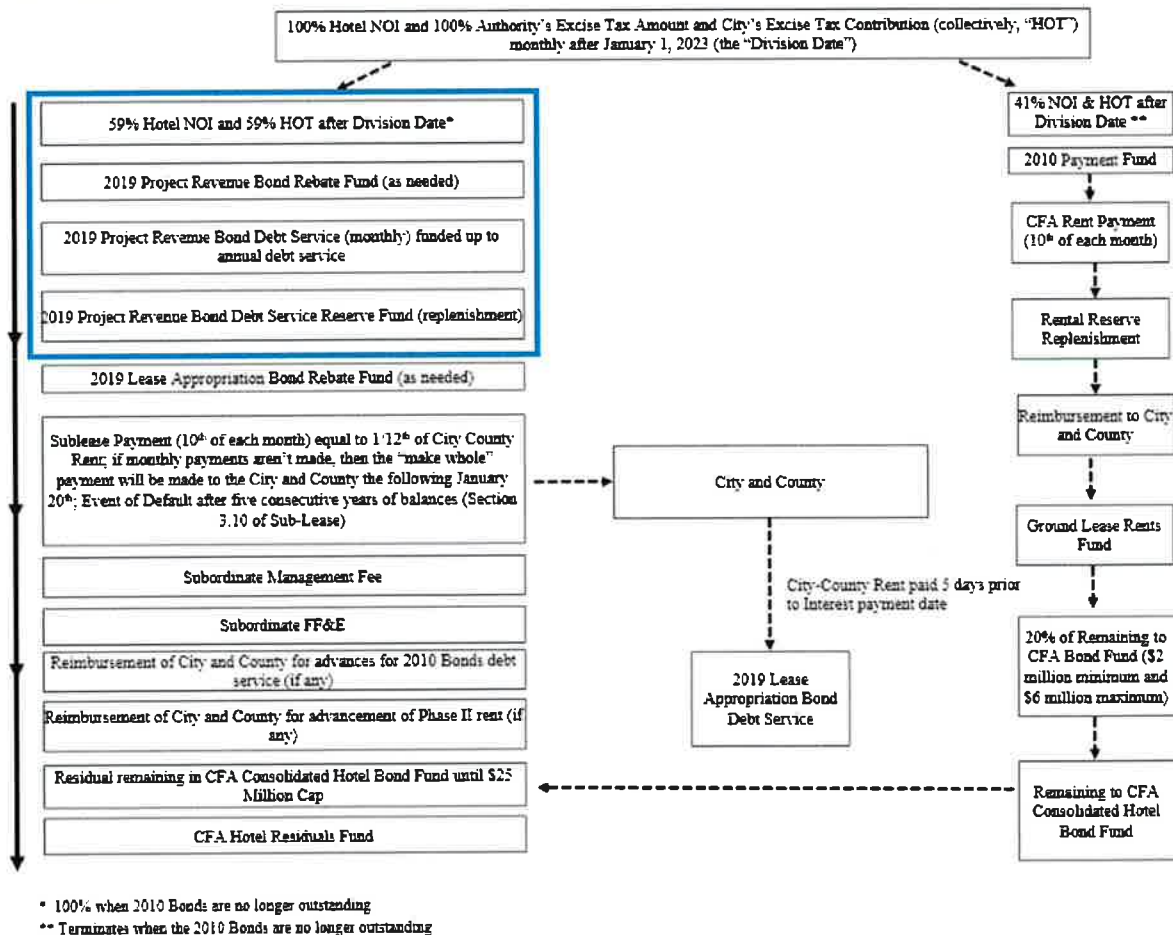
Upon issuance, bond proceeds were distributed into several accounts per indenture requirements. Of the \$160 million received, \$1.4 million covered costs associated with issuance and underwriter's discount, \$6.4 million was deposited into a debt service reserve fund, \$16.1 million was placed in a capitalized interest fund and \$136.1 was deposited into a construction fund to support project development and construction.

Issued as Build American Bonds (BABs), the CFA receives subsidy payments from the U.S. Treasury for support of annual debt service pursuant to BABs funding requirements. This subsidy support coupled with hotel net income and hotel generated lodging taxes provide the revenue support needed to cover on-going debt obligations.

To provide the financing structure for the development of the hotel's new tower; the City, County and CFA agreed to amend the original cooperative agreement. Through this amendment, it was determined that the new tower would be financed through the issue of two series of bonds. Series A bonds were project revenue bonds backed only by the Hilton's net income and lodging tax revenue. Series B bonds were lease appropriation bonds backed equally by the appropriation of the City and County. Series B bonds are subordinate to Series A. Total net operating income from hotel operations plus hotel tax revenue generated from the hotel itself will be split; with 41.0 percent of such revenues used to pay debt service on the 2010 bonds and 59.0 percent of revenues used to pay debt service (both series) on the new 2019 bonds. Bond proceeds from the sale financed the project (\$233.50 million) as well as provided for a new debt service reserve fund, paid issuance costs and capitalized interest through opening of the hotel addition. The CFA used the available balance in the current 2010 bond payment fund to fully fund (\$25.0 million) a new hotel consolidated bond fund which serves as security for all bond issues. 2019 bonds were sold on December 4, 2019.

The following diagram illustrates the flow of funds and the corresponding payment of debt service under the new structure for hotel bonds. This new flow will not actually begin until January 2023. In the interim, capitalized interest will be used to pay for debt service due on the 2019 bond issue. Hotel net operating income, lodging tax from the hotel itself and US Treasury subsidy payments will continue to pay for debt service due on the 2010 bonds.

Flow of Funds – Hotel Project Revenue Bonds



Preliminary, subject to change

* 100% when 2010 Bonds no longer outstanding

** Terminates when the 2010 Bonds are no longer outstanding

Prior to 2020, the hotel had been very successful. Since opening, strong occupancy and high average daily rates have provided the CFA with the resources needed to cover annual debt service obligations and to build up healthy operating and debt related reserves. This all changed in 2020. With the on-set of COVID-19, the hotel experienced a draconian decline in hotel occupancy. With health restrictions and stay-at-home orders limiting travel and group gatherings, the hotel experienced over 60.0 percent in room cancellations for the year resulting in a loss of \$47,000 room nights. Overall REVPar in 2020 dropped by approximately 67.0 percent below 2019. Because hotel operations were significantly reduced during the course of the year with little revenue flowing to the bottom-line, net operating income available in 2020 for debt service was negligible. As a result, the CFA for the first time, had to draw on reserve funds to cover annual debt obligations associated with the 2010 bond issue.

Hotel operations in 2021 showed improvement in net operating income although the year remained challenging. Similar to patterns experienced in the hotel market overall, hotel operations during the first half of the year remained low as health restrictions due to COVID continued. Second half of the year proved different, as hotel occupancy began to climb as travel returned; although returned travel was still below levels experienced prior to the pandemic. While operations in 2021 will result in some net operating income flowing to the CFA for debt coverage, the amount received will be below operating income needed to cover all debt obligations for the year. As a result, the CFA will again draw

from 2010 reserve funds to cover debt service. The good news is that as travel is expected to continue its return in 2022, hotel operations will see more positive flow to the bottom-line. As a result, projections suggest that 2022 will be the last year the CFA will need to draw on reserves for debt coverage (and such draw will be minor). In fact, by the end of the five year projection period, the CFA will again cover all debt obligations with hotel net operating income and will have replenished all reserve funds used to cover debt service during 2020, 2021 and 2022.

Chart 3-1 illustrates the sources of funds used to cover debt service for the years 2020, 2021 and 2022. Because net operating income from hotel operations in 2020, 2021 and 2022 are projected to be below levels needed to cover debt service, the CFA has and will continue to make draws on the 2010 bond related reserve funds to cover the projected shortfall.

Chart 3-1

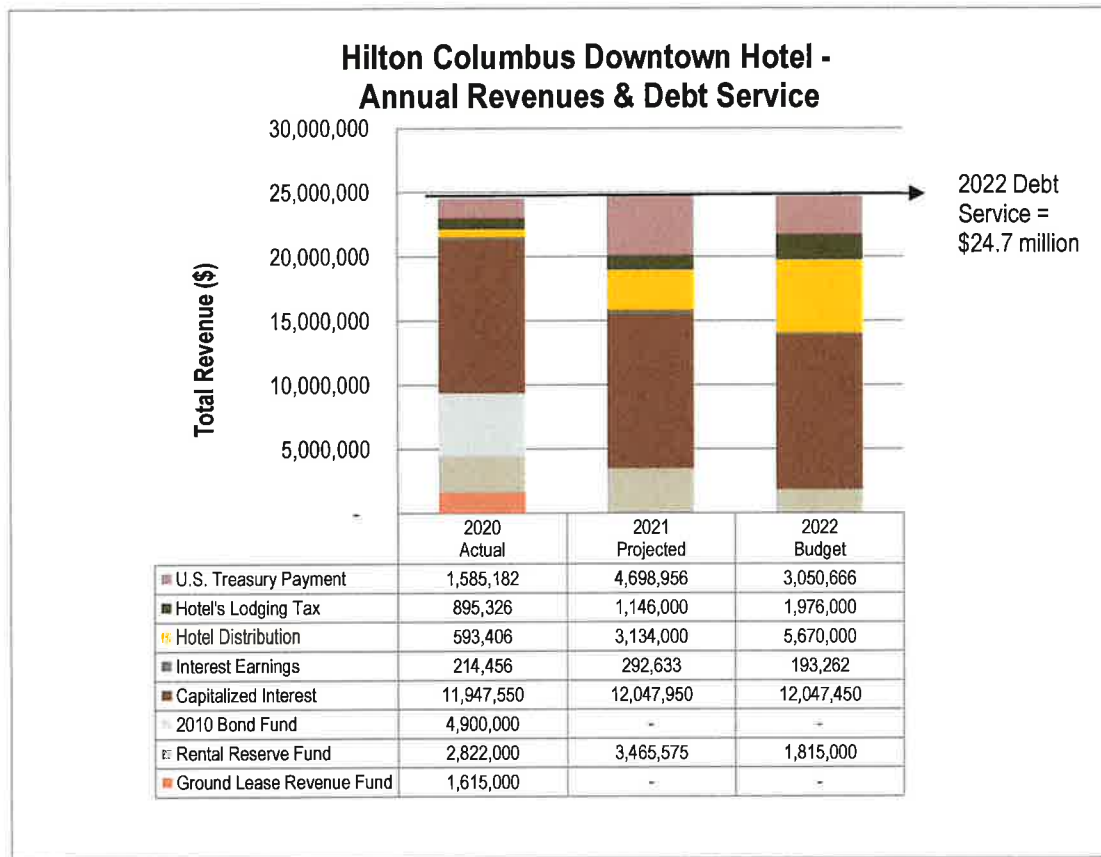


Table 3-2 provides information on the 2010 hotel debt service or bond payment fund. Again, the table shows the reliance on the reserve funds to provide the resources to cover debt service obligations as the distribution from the hotel plummeted due to reduced hotel occupancy caused by the pandemic. The US Treasury payment is also down in 2020 as distribution of the second semester payment from the IRS was not made until 2021. With the conclusion of the 2019 bond issue; a balance of \$6.0 million is to remain in the fund as added security for debt service coverage. Because of the challenges posed by the pandemic, the balance in the 2010 bond fund at year 2021 will be much less than the required balance. All reserves in this fund have been used to pay debt service in 2020. However, the five year projection for the fund does suggest that although the balance will be below required levels during the short term; such balance will increase over the period and by 2025, the bond payment fund will have a balance of \$6.0 million in reserve as required in the 2019 bond documents.

Table 3-2

Hotel - 2010 Bond Payment Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Distribution from Hotel	\$ 593,406	\$ 3,134,000	\$ 5,629,000
U.S. Treasury Payments	1,585,182	4,698,956	3,050,666
Hotel Lodging Tax	895,326	1,146,000	1,976,000
Interest Earnings	214,456	292,633	193,262
Transfer In: Rental Reserve Fund	2,822,000	3,465,575	1,815,000
Transfer In: Ground Lease Fund	1,615,000	-	-
Total Sources of Funds	7,725,370	12,737,164	12,663,928
Uses of Funds:			
Principal Payment	3,055,000	3,250,000	3,455,000
Interest Expense	9,572,746	9,413,886	9,240,011
Total Use of Funds	12,627,746	12,663,886	12,695,011
Current Year Balance	(4,902,376)	73,278	(31,083)
Add: prior year balance	4,954,508	52,132	125,410
Year End Fund Balance:	\$ 52,132	\$ 125,410	\$ 94,327
Required Balance:			\$ 6,000,000

Table 3-3 summarizes the financial position of the 2019 hotel debt service or bond payment fund. Because interest on the 2019 bonds was capitalized through to 2023, funds from the 2019 bond issue were deposited into the bond payment fund where they remain until monies are used for payment of debt service.

Table 3-3

Hotel - 2019 Bond Payment Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Distribution from Hotel	\$ -	\$ -	\$ -
Hotel Lodging Tax	-	-	-
Interest Earnings	447,000	250,000	100,000
Total Sources of Funds	447,000	250,000	100,000
Uses of Funds:			
Debt Service: Project Revenue Bonds	7,527,494	7,590,750	7,590,250
Debt Service: Lease Appropriation Bonds	4,420,056	4,457,200	4,457,200
Total Use of Funds	11,947,550	12,047,950	12,047,450
Current Year Balance	(11,500,550)	(11,797,950)	(11,947,450)
Add: prior year balance	36,043,450	24,542,900	12,744,950
Year End Fund Balance:	\$ 24,542,900	\$ 12,744,950	\$ 797,500

The hotel consolidated bond fund is a new fund established as part of the financing structure for the Hilton expansion project. This fund serves as an additional source of monies available for debt service coverage on any of the hotel bond issues if revenues and other reserves prove to be insufficient. Monies flow into the consolidated bond fund annually only after all debt obligations have been met and other reserve funds have been fully funded. Once a balance of \$25.0 million is achieved within the consolidated bond fund, monies in excess of \$25.0 million can flow out of this fund to the hotel residuals fund. The hotel residuals fund is a new fund that will serve as the holding place for all excess monies once all debt obligations have been met and all reserve funds are fully funded. The budget assumes that the hotel consolidated bond fund will remain fully funded in 2021 and 2022; however there will not be any excess funds available for deposit into the hotel residuals fund as excess funds that are available will be transferred to the 2010 bond payment fund. Tables 3-4 and 3-5 provides information on the budget for both the consolidated bond fund and the residuals fund.

Table 3-4

Hotel Consolidated Bond Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Interest Earnings	\$ 61,040	\$ 193,697	\$ 125,000
Total Sources of Funds	61,040	193,697	125,000
Uses of Funds:			
Transfer to 2010 Bond Fund	-	200,000	125,000
Total Uses of Funds	-	200,000	125,000
Current Year Balance	61,040	(6,303)	-
Add: prior year balance	25,000,000	25,061,040	25,054,737
Year End Fund Balance:	\$ 25,061,040	\$ 25,054,737	\$ 25,054,737
Required Balance:			<u>\$25,000,000</u>

Table 3-5

Hotel Residuals Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Transfer in from Consolidated Bond Fund	\$ -	\$ -	\$ -
Interest Earnings	13,528	14,000	14,000
Total Sources of Funds	13,528	14,000	14,000
Use of Funds	-	-	-
Current Year Balance	13,528	14,000	14,000
Add: prior year balance	1,902,687	1,916,215	1,930,215
Year End Fund Balance:	\$ 1,916,215	\$ 1,930,215	\$ 1,944,215

A standard requirement of public borrowing is that a debt service reserve fund equal to maximum annual debt service be established to reserve moneys for the payment of principal and interest in the event that all other resources have been depleted. This reserve fund is in place to protect the bond holders. Consistent with this requirement, \$6.4 million in bond proceeds were set aside in a debt service reserve fund to support the 2010 bond issue for the hotel. Since establishment, the debt service reserve fund has remained fully funded and will remain fully funded through the projection period. The fund is fully invested, mostly in U.S. agency securities. Interest earnings from these investments are transferred to the bond payment fund to help pay for annual debt obligations. Table 3-6 summarizes the 2022 budget for the 2010 debt service reserve fund.

Table 3-6

Hotel - 2010 Debt Service Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Interest Earnings	\$ 98,646	\$ 89,233	\$ 65,754
Total Sources of Funds	98,646	89,233	65,754
Uses of Funds:			
Transfer to Bond Payment Fund - Earnings	73,950	89,233	65,754
Total Use of Funds	73,950	89,233	65,754
Current Year Balance	24,696	-	-
Add: prior year balance	6,413,124	6,437,820	6,437,820
Year End Fund Balance:	\$ 6,437,820	\$ 6,437,820	\$ 6,437,820
Required Balance:			\$6,391,264

A new debt service reserve fund has been established for the 2019 bond issue as well. Approximately \$15.2 million in bond proceeds were deposited into this fund upon close of the 2019 bond issue and is held as security for the 2019 project revenue bonds only. As with the 2010 debt service reserve, funds held in this account are fully invested.

Table 3-7

Hotel - 2019 Debt Service Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Interest Earnings	\$ 196,255	\$ 140,000	\$ 150,000
Total Sources of Funds	196,255	140,000	150,000
Uses of Funds:			
Transfer to 2019 Bond Payment Fund	-	-	-
Total Use of Funds	-	-	-
Current Year Balance	196,255	140,000	150,000
Add: prior year balance	15,183,218	15,379,473	15,519,473
Year End Fund Balance:	\$ 15,379,473	\$ 15,519,473	\$ 15,669,473
Required Balance:			\$15,181,500

Pursuant to the original cooperative agreement (and unchanged in the amended agreement), the CFA has established and will continue to maintain a rental reserve fund for the 2010 debt service associated with the hotel. This fund is the first source of reserve monies used to meet 2010 debt service obligations if net income from the hotel and related bed taxes proves to be less than annual debt requirements. If money within the rental reserve fund is used to meet debt service obligations, the rental reserve fund will subsequently be replenished up to the required reserve balance with future hotel income as well as with funds from the ground lease rent fund and the City of Columbus (if needed). Money in excess of the required balance is transferred to the 2010 hotel bond fund. Table 3-8 summarizes the 2022 budget for the hotel rental reserve fund.

In 2020, 2021 and again in 2022, funds from the rental reserve fund will be drawn to help pay for debt service due on the 2010 bonds. While the rental reserve fund will be nearly depleted by year end 2022, projections suggest that as hotel performance rebounds from the pandemic, sufficient revenues will be available to replenish the rental reserve fund by year end 2026.

Table 3-8

Hotel - 2010 Rental Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Interest Earnings	\$ 122,616	\$ 45,780	\$ 10,000
Total Sources of Funds	122,616	45,780	10,000
Uses of Funds:			
Transfer to Bond Payment Fund - coverage	2,699,384	3,419,795	1,805,000
Transfer to Bond Payment Fund - interest	122,616	45,780	10,000
Total Use of Funds	2,822,000	3,465,575	1,815,000
Current Year Balance	(2,699,384)	(3,419,795)	(1,805,000)
Add: prior year balance	8,334,246	5,634,862	2,215,067
Year End Fund Balance:	\$ 5,634,862	\$ 2,215,067	\$ 410,067
Required Balance			<u>\$8,000,000</u>

Also consistent with the requirements of the original cooperative agreement, the CFA established a ground lease rents fund to serve as an additional reserve fund for 2010 debt service. Historically, the balance in the ground lease rents fund was equal to the value of lease revenue received by the CFA for use of property during the preceding calendar year. However; the amended cooperative agreement changed this requirement such that the fund is only required to keep a balance of \$1.0 million. In 2020 money within the ground lease rents fund was used to cover debt service payments as due. In 2021, the CFA will deposit available equity into the fund to replenish the reserve. Table 3-9 (following page) summarizes the budget for this fund.

Table 3-9

Hotel - Ground Lease Rents Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Transfer In: CFA Capital Improvements Fund	\$ -	\$ 1,000,000	\$ -
Interest Earnings	5,819	-	500
Total Sources of Funds	5,819	1,000,000	500
Uses of Funds:			
Transfer to 2010 Bond Fund	1,615,000	-	-
Total Use of Funds	1,615,000	-	-
Current Year Balance	(1,609,181)	1,000,000	500
Add: prior year balance	1,611,327	2,146	1,002,146
Year End Fund Balance:	\$ 2,146	\$ 1,002,146	\$ 1,002,646
Required Balance			\$ 1,000,000

Pursuant to requirements detailed in the trust agreement and supporting documentation associated with each bond issue, the CFA is required to prepare an arbitrage rebate calculation report to determine if the particular bonds in review have earned more in interest earnings than allowed under the yield established at the time of the bond sale. Any earnings above and beyond what is allowable (rebate liability) must be paid to the United States government. The report has to be completed every five years and, if a rebate liability is determined by the calculations in the report, payment is due to the Internal Revenue Service (IRS) sixty days after the completion of the five year period. This report must be prepared by a "rebate analyst" such as bond counsel or nationally recognized accounting firm.

Currently, the Authority has no outstanding liabilities as they relate to arbitrage rebate calculations. Rebate calculations for the 2010 bond series were completed in 2020.

Operations and Capital Improvements – Hilton Columbus Downtown Hotel

The Hilton Columbus Downtown Hotel is branded, managed and operated by Hilton Management, LLC per terms of a management agreement entered into July, 2010 and amended/ restated on December 4, 2019. As manager of the hotel, Hilton is responsible for booking room nights for both group and transient business in the long and short term, establishing rates, developing and implementing sales/marketing initiatives, providing restaurant, guest and housekeeping services, maintaining building systems and resources, and coordinating banquet and catering events. Hilton is also responsible for managing and implementing a capital improvements program for the hotel per review of the CFA board.

Operationally, the hotel has done extremely well and has exceeded expectations. Not only has the hotel been well received by the community but response and input from guests suggest that most are pleased with the accommodations of the hotel as well as the services provided by staff of the hotel. This positive response to the hotel has impacted financial performance. Since opening, the hotel has been able to achieve and maintain an average daily room rate that is well above market. Room rates when coupled with strong occupancy, has resulted in very positive revenues for the hotel through 2019.

2020 proved to be a completely different year for the hotel. With the convention and travel industry brought to a complete standstill as the world dealt with COVID-19 through travel restrictions, stay at home orders, and gathering limitations; occupancy within the hotel dropped from 75.0 percent in 2019 to 24.0 percent in 2020. Corresponding

hotel revenue declined sharply from \$36.8 million in 2019 to \$10.2 million in 2020. To control and protect the bottom line, 2020 expenses were severely reduced with most staff being either laid off or furloughed. Services within the hotel were also limited as restaurant hours were significantly reduced and valet support limited. During 2020, room revenue was derived mainly from transient guests with added revenue from airlines and college/professional sport teams. Very little if any room revenue came from group business.

During 2021, the hotel did begin to recover from the pandemic. As expected, the first couple of months of the year were difficult as health restrictions were still in place and COVID-19 vaccination programs were just getting started. But as the year progressed and COVID infections dropped, travel improved. Hotel occupancy in January was 16.8 percent but escalated quickly and by September 2021 hotel occupancy was 65.0 percent. Average daily rate also rebounded. As expected, leisure business pushed the recovery with added business from contracted accounts, sport teams and a few meetings/conventions that began to occur during the third quarter of the year.

Post pandemic recovery will continue into 2022 as the hotel is again expected to surpass the market in occupancy and room revenue. While major citywide conventions are not expected to ramp up until 2023, pent up demand for corporate meetings, more normal schedules for youth sports, NCAA and professional teams as well as smaller association events will drive group demand. Transient business will be positively impacted by the return of OSU Football, NHL Hockey, MLS Soccer, Nationwide Arena concerts and other community events. Overall, average hotel occupancy for the year is expected to exceed 55.0 percent. As in 2021, the first quarter of the year is expected to be slower months, with acceleration beginning in March. Impacting hotel occupancy during the first half of 2022 will be the removal of approximately 106 rooms at a time from inventory as the soft goods renovation of the original Hilton is implemented. Also impacting hotel occupancy during the last trimester of the year will be the opening of the new tower which will increase room inventory to 1,000 rooms. In 2022 the hotel will continue to implement a new cleaning and sanitation program called CleanStay by Hilton. Staffing will increase as the hotel prepares for the opening of the new tower. During 2022 focus will be given to the implementation of strategies to drive group business and improve food and beverage sales through the launch of a new hotel restaurant and roof-top bar. Table 3-10 summarized the operating budget for the hotel.

Table 3-10

Hilton Columbus Downtown Hotel Revenues and Expenses				
	2021 Projected	2022 Budget	Variance	% Change
Departmental Revenues				
Gross Revenues	\$ 17,843,000	\$ 32,037,000	\$ 14,194,000	79.55
Less: Departmental Expenses	7,341,000	13,481,000	6,140,000	83.64
Total Department Revenue	10,502,000	18,556,000	8,054,000	76.69
Undistributed Expenses				
General & Administrative	2,533,000	4,478,000	1,945,000	76.79
Sales & Marketing	1,506,000	3,085,000	1,579,000	104.85
Property Operations	981,000	1,538,000	557,000	56.78
IT	341,000	658,000	317,000	92.96
Utilities	545,000	763,000	218,000	40.00
Subtotal - Undistributed Expenses	5,906,000	10,522,000	4,616,000	78.16
Fixed Charges				
Other Non-operating Expense	213,000	431,000	218,000	102.35
FF&E Reserve Deposit	714,000	1,049,000	335,000	46.92
Management Fee	535,000	845,000	310,000	57.94
Subtotal - Fixed Charges	1,462,000	2,325,000	863,000	59.03
Net Operating Income (as accrued)	\$ 3,134,000	\$ 5,709,000	\$ 2,575,000	82.16
Distribution to Owner (cash basis)	\$ 3,134,000	\$ 5,628,000	\$ 2,495,000	79.61

In addition to direct expenses and revenues associated with the actual operation of the hotel, the budget includes fixed charges that are part of the calculation of net operating income. The first fixed charge is the management fee as established in the management agreement. The management fee is comprised of a base fee (currently 3.0 percent of gross revenue) and a subordinate fee (currently 1.0 percent of gross revenue). The subordinate fee is paid after debt service obligations for the year have been met. The second fixed charge is the annual deposit into the primary/secondary FF&E reserve account that is used to support the capital improvements program for the hotel. Deposits into the FF&E fund are based upon a percentage of gross revenue from hotel operations as defined in the management agreement. As with the management fee, the FF&E reserve fund deposit is split between a base deposit (currently 4.0 percent of gross revenue) and subordinate deposit (currently 2.0 percent of gross revenue). The subordinate deposit is made after debt service obligations have been met and the subordinate fee has been paid. Because net operating income from hotel operations will not be enough to cover debt service in 2021 and 2022; both the subordinate management fee payment and the subordinate FF&E deposit will not be made during those years but will accrue accordingly and will be paid once net operating income covers annual debt service.

The hotel manager on behalf of the CFA is responsible for maintaining two reserve funds for operations. The first is a working capital fund of \$1.5 million. These reserves are used and replenished on a monthly basis as monies are available to address cash flow. The second is an operating reserve fund of \$2.4 million. This fund was established as part of the original hotel development project and is used as a reserve to help meet operating expenses if revenues should prove to be insufficient. During 2021 and continuing into 2022, the hotel has and will continue to rely on both of these funds to sustain hotel operations during months of low occupancy. At year end 2021, the hotel is projected to have approximately \$1.2 million in the working capital fund and \$1.9 million in the operating reserve. By year end 2022, these funds will have a fund balance of approximately \$1.5 million and \$1.9 million respectively. Both funds will be replenished as the hotel recovers from the pandemic.

The capital reserve or primary/secondary FF&E reserve is established as a funding source to pay for capital improvements and FF&E purchases needed to support the hotel. During 2022, approximately \$1.0 million will be deposited into the reserve account. These funds along with monies already in the account will be used to finance improvement projects for the year. Table 3-11 lists the capital projects planned for 2022. The major project to be completed will be the "soft goods" renovation project. This project will replace carpeting, wall coverings (as needed) and bedding; reupholster seating; clean draperies; and replace small FF&E items in all rooms within the original Hilton tower. The renovation project will start November 2021 and will conclude June 2022.

Table 3-11

2022 Capital Improvement Projects - Hotel		
Hilton 401 Soft Goods Renovation	\$	5,596,588
High Speed Internet Access Upgrade		162,500
Discretionary		50,000
Total: 2022 Capital Projects	\$	5,809,088

Table 3-12 provides a summary of the capital reserve fund. In 2022, the CFA will transfer \$750,000 from equity funds to the Hotel's capital improvements fund to cover costs associated with the renovation project. The CFA will be reimbursed for this deposit in 2023 as funds within the capital improvements fund again begin to accumulate. At year end 2022, the capital improvements fund will have a balance of approximately \$93,000.

Table 3-12

Hotel Capital or FF&E Reserve Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Transfer in: Hotel Operations	\$ 415,502	\$ 731,983	\$ 1,049,291
Transfer in: CFA equity contribution	-	-	750,000
Interest earnings	811	614	250
Total Sources of Funds	416,313	732,597	1,799,541
Uses of Funds:			
Capital project expenses	1,539,612	3,168,278	5,809,088
Total Use of Funds	1,539,612	3,168,278	5,809,088
Current Year Balance	(1,123,299)	(2,435,681)	(4,009,547)
Add: prior year balance	7,661,647	6,538,348	4,102,667
Year End Fund Balance:	\$ 6,538,348	\$ 4,102,667	\$ 93,120

Hilton Columbus Downtown Hotel Expansion

In 2018, the CFA began implementation of a development project that will expand the Hilton Columbus Downtown Hotel into a 1,000 room convention center hotel complex. Upon completion of this project, the Hilton will be the first 1,000 room hotel in the Columbus community and as such, will provide the community with a hotel package that will be attractive to national conventions, trade shows and meetings. The addition to the current hotel will be achieved through the development of a new hotel tower located on property adjacent to the current hotel and right next to the Greater Columbus Convention Center. The new tower will have 468 rooms, two restaurants (one located on the roof of the tower, the other located on street level); approximately 70,000 square feet of meeting room space, a 15,000 square foot ballroom, a junior ballroom, and a new lobby.

Construction of the hotel expansion project is currently underway. Cooper Carry is the designer for the project and Turner/Smoot is the construction manager. The new tower is scheduled to open August 2022.

The hotel expansion project was financed through bond proceeds acquired through the issuance of hotel lease and revenue bonds in 2019. In addition to bond proceeds, the CFA will contribute \$11.5 million in equity towards the project. Hilton Management LLC will also contribute \$5.0 million in key money towards the project; all of which will be amortized and repaid from hotel operations over a ten-year period beginning in 2023.





SECTION 4: NATIONWIDE ARENA

Nationwide Arena

In March 2012, the City of Columbus, Franklin County, Nationwide Realty Investors, Columbus Blue Jackets, The Ohio State University (OSU) and the CFA agreed upon a plan for Nationwide Arena that was designed to strengthen the facility's financial position thus ensuring that the building remained a valuable asset within the community for years to come. Key terms of this agreement are as follows:

- Since the CFA already owned the land under Nationwide Arena, it was determined that the CFA was in the best position to purchase the physical facilities of the arena including the Ice Haus, parking garage, restaurant space and offices for \$42.5 million. To do so, the CFA borrowed \$32.5 million from Nationwide Insurance and \$10 million from the State of Ohio. The CFA also borrowed an additional \$11.7 million from Nationwide to support an initial capital improvements program for the arena and pay for arena operations in 2012.
- The Columbus Blue Jackets agreed to make Nationwide Arena their home until September 15, 2039. Should the Columbus Blue Jackets breach this home ice covenant then the team would be liable for liquidated damages. When not in use by the Columbus Blue Jackets, the arena can be used for concerts, family shows, conventions and other events.
- The arena is managed by Columbus Arena Management LLC or CAM. CAM consists of representatives from the CFA, Columbus Blue Jackets, OSU and Nationwide. Under terms of the agreement, CAM approves the operating and capital budgets for the facility and provides oversight of arena operations. CFA administers the capital improvements program and OSU provides day to day management services for the arena.
- Since 2013, the city and county have forwarded to the CFA a portion of casino tax collections as lease/sublease payments for the arena. These payments are used to cover the arena's operating, capital, debt service and related expenses.
- Casino tax revenue received by the CFA is first used to pay for operating, land lease, real estate tax obligations and capital expenses associated with the arena (in that order). If casino revenues should exceed operating, land lease, real estate and capital expenses, excess revenues are used to cover debt service obligations in any given year.
- If casino lease/sublease payments prove to be less than what may be needed to cover the operating and capital programs for the arena; Nationwide, the Columbus Blue Jackets and OSU have agreed to cover operating and capital shortfalls per a funding process outlined in the transaction documents. OSU has a \$7.0 million cap on its funding obligation. Should OSU reach this cap, the CFA will be required to step in and help cover shortfalls.

Currently Nationwide Arena is operating under the terms of this agreement. Despite the fact that casino tax revenues have proven to be much less than originally anticipated, the arena has been very successful from an operational standpoint. The venue hosts many concerts and supports a professional hockey team. As a result, the venue has ended each fiscal year with a positive balance that has been used to finance the implementation of much needed capital improvement projects.

Casino Tax Collections

In 2009, Ohio voters approved the operation of four Ohio casino facilities located in Cincinnati, Cleveland, Toledo and Columbus. Along with this approval, the State of Ohio levied a thirty-three percent tax on all gross casino revenue received by the casino operators of these four facilities. Such taxes are administered and collected by the State of Ohio and are distributed quarterly as follows: 51.0 percent to all counties based upon respective populations with 50.0 percent of such distribution going to a county's most populated city (the city must exceed population by 80,000); 34.0 percent to all public school districts in support of primary and secondary education; 5.0 percent to host cities (i.e.,

Cleveland, Toledo, Cincinnati and Columbus); 3.0 percent to the Ohio state racing commission; 2.0 percent to the Ohio law enforcement training fund; 2.0 percent to casino gambling and addictions fund and 3.0 percent to the casino control commission fund.

As part of the Nationwide Arena transaction, the City of Columbus and Franklin County through a lease/sublease agreement with the CFA, agreed to provide a certain percentage of casino tax revenue as received from the State of Ohio to the CFA for support of the arena. Beginning in 2013 and continuing through 2015, such payment was equal to 25.0 percent of casino tax revenue received by the county and the city. In 2016, this payment increased by one percent and continued to increase by one percent annually until 2022 when it will reach 32.0 percent. The lease/sublease payment will remain at 32.0 percent of city/county casino tax revenue thereafter. Casino tax revenue is distributed from the City and County to the CFA on a quarterly basis. Revenue received during a quarter is based upon casino activity of the prior three months. For example, casino taxes received by the CFA during the first quarter of the year are based upon actual gaming activity during October, November and December of the prior year.

Since inception, growth in casino tax revenue as received by the CFA has been minor when excluding the planned one percent annual increase in casino tax distribution from the City and County that began in 2016. In fact, growth in revenue from 2013 when the tax was implemented through 2015 was virtually non-existent. Beginning in 2016 and continuing through 2019, tax revenues received by the CFA did begin to improve due to the annual one percent increase in the casino tax payment from the City and the County and increased casino activity within the market. In 2020 collections declined as casinos were shut down during the second quarter of the year due to COVID-19 restrictions. Interestingly, when casinos did open after initial shut down, revenues jumped back up to pre-pandemic levels despite continued health limitations on operations. This rebound in casino activity continued through 2021 as casino revenue for the year was 48.2 percent above 2020 levels and 20.0 percent above 2019 levels. In 2022, while revenue growth is expected to continue, the rate of growth is projected to return to normal levels. Given this assumption, casino tax revenue for 2022 is projected to be approximately \$7.3 million. Table 4-1 provides a summary of casino tax revenue distributions to the CFA.

Table 4-1

Casino Tax Revenue						
	Actual Distribution to CFA					Estimate
	2017	2018	2019	2020	2021	2022
City (county fund)	1,985,725	2,151,400	2,305,306	1,878,605	2,773,705	2,940,127
City (host city fund)	974,884	1,033,395	1,093,534	844,276	1,275,377	1,351,900
Total City	2,960,608	3,184,795	3,398,840	2,722,881	4,049,082	4,292,027
County (county fund)	1,985,725	2,151,400	2,305,306	1,878,605	2,773,705	2,940,127
Total	\$ 4,946,333	\$ 5,336,195	\$ 5,704,145	\$ 4,601,486	\$ 6,822,786	\$ 7,232,154
Change over Prior Year		7.88%	6.90%	-19.33%	48.27%	6.00%

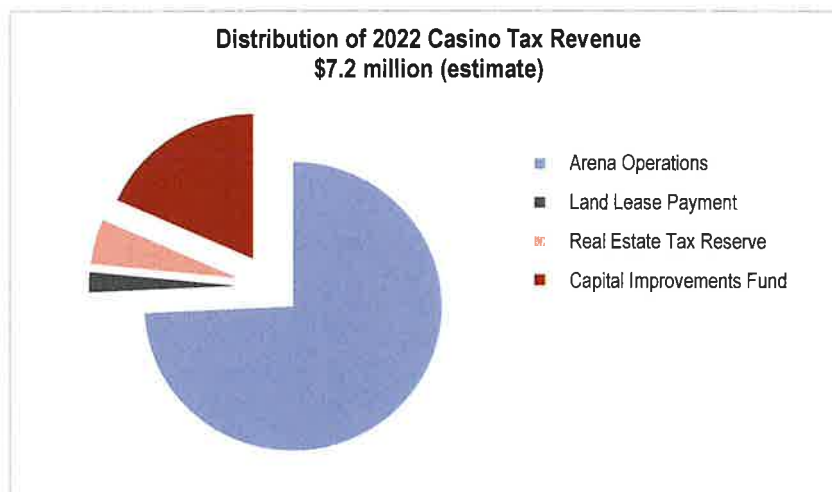
The following table (Table 4-2) provides the 2022 budget for the arena lease payments fund. Revenues into the fund equal casino tax payments from both the City and County. **All 2022 expenses for which the CFA is responsible with respect to Nationwide Arena, except for real estate taxes and some State of Ohio loan requirements, are funded solely from, and only to the extent of, the CFA's receipt of casino tax revenue from the City and County.** Since county casino tax money cannot be used to fund operating expenses, monies from the CFA operating fund will be transferred into the lease payments fund during 2022 to help cover operating obligations for the arena. In reimbursement, casino tax revenue received from the county will be transferred to the CFA's capital improvements fund in an amount equal to the transfer made from the operating fund.

Table 4-2

Arena Lease Payments Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Casino Tax Revenue: City	\$ 2,722,880	\$ 4,049,082	\$ 4,292,027
Casino Tax Revenue: County	1,878,605	2,773,705	2,940,127
Transfer In: FCCFA Operating Fund	1,878,605	2,773,705	2,940,127
Total Sources of Funds	6,480,090	9,596,492	10,172,281
Uses of Funds:			
Arena Operations	4,601,485	5,190,955	5,372,638
Land Lease Payment	-	165,000	165,000
Real Estate Tax Reserve	-	356,307	368,777
Arena Capital Improvements	-	1,110,525	1,325,739
Transfer Out: FCCFA Cap Ex. Fund	1,878,605	2,773,705	2,940,127
Transfer Out: Debt Service	-	-	-
Total Use of Funds	6,480,090	9,596,492	10,172,281
Year End Fund Balance:	\$ -	\$ -	\$ -

Revenues into the arena lease payment fund must first be used to pay for arena operations. Funding for this line item was pre-determined as part of the arena transaction process. In 2022, the funding commitment for arena operations is \$5,372,638. Funding for operations will be forwarded to CAM and disbursed per CAM approved operating budget. In addition to operating expenses, funds will also be used to make a land lease payment (per terms of the original arena lease agreement between the CFA and Nationwide) and will also be reserved for the real estate property tax obligations (as defined in the transaction document). Remaining funds after all operating, land lease and real property tax commitments have been met, will be deposited into a capital improvements fund for support of capital improvement projects as determined by CAM. 2022 casino tax revenue projections suggest that deposit into the capital improvements fund could equal \$1.3 million (see Graph 4-3).

Graph 4-3



Debt Service – Nationwide Arena

In March of 2012, the CFA received a loan from the State of Ohio, Department of Development to finance a portion of the purchase of Nationwide Arena. The loan equaled \$10.0 million; \$5.0 million forgiven over a ten year period if certain economic development incentive targets are met. The original loan was for a ten year period with interest rate of 1.0 percent. The obligation to pay interest and principal on the State of Ohio loan is contingent on casino tax revenues exceeding annual operating, land lease and capital improvement funding requirements. There is no obligation on the part of the CFA to cover outstanding interest and principal on the State of Ohio loan if casino tax revenues prove to be inadequate. Per terms of the loan, the State of Ohio has forgiven \$4.5 million of total principal due based upon the CFA's achievement of economic development incentive targets as established in 2012. Application for forgiveness of an addition \$500,000 will be made at year end for achievement of these targets in 2021.

In 2018, the CFA and State of Ohio amended the loan agreement to change payment terms. Under the new amendment, the State of Ohio has been granted advertising rights within the convention center and the new Ohio Center Garage. In addition, the CFA agreed to pay the State of Ohio \$1.0 million; \$200,000 a year beginning in 2017 and extending through 2021. The payment is made from CFA equity reserves and is included within the CFA operating budget. This payment, coupled with the value of advertising rights, will be used to off-set outstanding principal due on the loan. In return, the State of Ohio agreed to forgive all interest due on the loan and agreed to terminate the loan ten years after the installation of a new exterior sign on the Ohio Center Garage (to be installed in 2023) or when the loan is paid in full; whichever happens first.

The estimated balance due on the State of Ohio loan as of December 31, 2021 is \$3.9 million.

In addition to the State of Ohio loan, the CFA issued \$44.2 million in second lien arena lease revenue bonds to finance the remaining portion needed for the purchase of Nationwide Arena and to finance other related capital and operating activity. The original arena lease revenue bonds were purchased by Nationwide Arena LLC. As with the State of Ohio loan, the obligation to pay interest and principal on the arena lease revenue bonds only became relevant if casino tax revenues exceeded annual operating, land lease, real property tax and capital improvement funding requirements. Because casino tax collections have not exceeded these expenses since inception, the CFA has not made any payment on the Nationwide loan. Since the CFA has not made any payment on the loan and because casino tax revenue projection suggested that it was very unlikely that the CFA would be in a position to make payments on the loan in the future; the CFA and Nationwide Arena LLC agreed to restructure the original loan. Such restructuring was completed in January 2020. Through the restructuring, the original bonds and interest accrued to date were paid off through the issue of \$51,500,000 in non-interest bearing bonds purchased by Nationwide. These bonds are payable in one lump sum payment on December 15, 2029. Any amount not paid in 2029 will accrue with an interest rate of 4.0 percent thereafter. The CFA pledged monies held in the hotel residual fund as the source of payment for these bonds. To date, the hotel residual fund has a balance of approximately \$1.9 million.



Capital Improvements – Nationwide Arena

The capital improvements program for Nationwide Arena is prepared and established by Columbus Arena Management LLC (CAM) per terms of the arena management agreement and CAM operating agreement. Funding for the capital improvements program was originally thought to come from casino tax revenues but because revenues have been low, very little funding from tax revenue has been available for improvements. As a result, CAM has decided to use operating reserves to pay for much needed improvements. While the capital improvements program for the arena is designed to stay within available funds received from casino tax revenues and operating reserves: if CAM should choose to support projects that exceed available resources, funding parties of CAM would be required to provide monies to cover the difference. Contributions for capital improvements are capped at \$250,000 a year per funding party. Current funding parties or funding managers of CAM include the Columbus Blue Jackets, Nationwide Realty Investors and OSU. While the CFA is a manager of CAM, the CFA is not a current funding party or funding manager of CAM.

During the past couple of years, CAM has used very little of CapEx funds to support capital improvement projects for the arena. Investment in projects has been minimal as deposits into the fund were limited due to the availability of revenues from casino taxes. However, beginning in 2021 and continuing into 2022 casino tax revenue has increased to a level that will allow for substantial deposit into the capital improvements fund.

In 2021 the CFA was awarded a Shuttered Venue Operators Grant (SVOG) for the arena. The grant, totaling \$10.0 million, will be used to reimburse the arena for ticket revenue lost during 2020 due COVID-19 and the corresponding shutdown of the arena due to health regulations. Funds will also be used to reimburse the CFA for 2020 and 2021 depreciation costs, State of Ohio loan payments and arena property tax in lieu payments. In turn, the CFA will forward proceeds from these reimbursements to the arena in 2022 to further support the arena's capital improvements program.

Table 4-4

Arena Capital Improvements Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds			
Transfer In: Arena Lease Payment Fund	\$ -	\$ 1,110,525	\$ 1,325,738
Transfer In: CFA Payment (SVOG)	-	-	5,100,000
Admission Fee	598,578	450,000	1,250,000
Interest Earnings	4,190	420	1,000
Total Sources of Funds	602,768	1,560,945	7,676,738
Uses of Funds:			
Payment to CAM: Arena CapEx	560,447	153,953	7,766,639
Total Use of Funds	560,447	153,953	7,766,639
Current Year Balance	42,321	1,406,992	(89,901)
Add: prior year balance	566,326	608,647	2,015,639
Year End Fund Balance:	\$ 608,647	\$ 2,015,639	\$ 1,925,738

Admissions Tax

Effective July 1, 2019, the City of Columbus imposed a 5.0 percent tax on ticketed admission to any venue in the city. Revenue generated from this admissions tax supports the arts community. Regarding Nationwide Arena, revenue generated from admission tax on arena events is split with 80.0 percent of the revenue going back to the arena for capital improvements and 20.0 percent of the revenue going to the arts community. The City of Columbus is responsible for the collection of the tax revenue and distributes collections to the CFA whereby such revenue is deposited into the arena's capital improvements fund. The CFA forwards this revenue to the arena for capital improvement projects as requested by CAM. While implementation of the admissions tax began in 2019, the City of Columbus did not begin distribution of the tax proceeds until 2020. Just as the program started, distributions to the arena stopped as ticketed events were canceled due to COVID-19 and the related health restrictions of public/social gatherings. During 2021, ticketed events within the arena were limited at year start but have increased in number during the 3rd and 4th quarters of the year as the 2021- 2022 NHL hockey season has gotten underway and concerts have begun to fill the arena again. As a result, admission tax revenue is expected to increase with most growth occurring in 2022.

Real Estate Tax Reserve Fund

Beginning in 2016, casino tax revenues remaining after funding arena operations and the land lease obligation are deposited into a real estate tax reserve fund that is used to help pay for arena property taxes. Annual deposits into the fund are set per the 2012 transaction documents.

Prior to the CFA's acquisition of Nationwide Arena, the arena received a fifteen year property tax abatement per terms of a Community Reinvestment Agreement established at the time the arena was constructed. This abatement expired December 31, 2015. With the expiration, the CFA as owner of the arena became responsible for property taxes; however, because the arena was the only publicly owned arena in the State of Ohio that was not already tax-exempt, the Ohio General Assembly granted property tax exemption for Nationwide Arena in 2016. As part of the exemption process and in an effort to be fair to the Columbus City Schools, the CFA entered into a payment in lieu of tax agreement with the schools whereby the CFA agreed to pay \$586,000 to the schools per year as long as the arena remained tax exempt. Funds within the real estate tax reserve fund (to the extent they are available) are transferred to the CFA's operating fund to help pay for this tax obligation. In years where no funds are available, the CFA is obligated to pay the property tax obligation with CFA equity reserves.

Table 4-5

Real Estate Tax Reserve Fund			
	2020 Actual	2021 Projected	2021 Budget
Sources of Funds			
Transfer In: Arena Lease Payment Fund	\$ -	\$ 356,306	\$ 368,777
Total Sources of Funds	-	356,306	368,777
Uses of Funds:			
Transfer to: Operating Fund	332,615	-	356,306
Total Use of Funds	332,615	-	356,306
Current Year Balance	(332,615)	356,306	12,471
Add; prior year balance	332,615	-	356,306
Year End Fund Balance:	\$ -	\$ 356,306	\$ 368,777



SECTION 5: CFA OFFICE

CFA Office

Established by the Franklin County Commissioners in July 1988 pursuant to Chapter 351 of the Ohio Revised Code, the CFA is a public authority governed by an eleven-member board whose main responsibility is to construct, manage and operate a convention center and related facilities for the Columbus community. The eleven member board consists of six members appointed by the Board of County Commissioners, three members appointed by the Mayor of Columbus (subject to the approval of a majority of City Council), and two members appointed by agreement of the mayors of the remaining municipal corporations in the county. As owner/developer of the Greater Columbus Convention Center, the Hilton Columbus Downtown, Nationwide Arena and several parking facilities; the CFA is responsible for the improvement, management and successful operation of all owned facilities. In addition, the CFA is responsible for ensuring the continued success and growth of the convention business within the Greater Columbus community.

To assist with the implementation of its mission, the CFA Board operates and staffs an office that serves as the conduit through which the Board directs, manages and implements activities and functions associated with the management, development and improvement of owned facilities. The office is financially supported through equity funds of the CFA. Equity monies of the CFA reside in two funds; the CFA operating fund and CFA capital improvements fund. Through the use of such monies, the CFA sets priorities and financially supports projects and initiatives deemed critical to the mission of the Board.

CFA Operating Fund

The CFA operating fund is the primary equity fund of the Authority. The major revenue source into the operating fund is revenue received from hotel tax collections. Deposits of this revenue are made into the operating fund only after all convention center debt service obligations are met. In 2022, hotel tax revenues deposited into the fund are projected to be \$15.0 million.

In addition to hotel tax revenue, the CFA receives reimbursement from Nationwide Arena operations and Hilton Columbus Downtown Hotel operations for the payment of property insurance. As owner, the CFA is responsible for purchasing property insurance for both facilities. Such reimbursement is deposited into the operating fund.

The CFA also receives net operating income from convention center operations. This transfer is made only when income from center activity exceeds all convention center funding obligations. For the past several years, transfers from convention center operations have exceeded \$1.0 million. Unfortunately, this pattern of positive cash flow was disrupted in 2020. For the first time in its history, the convention center required subsidy support due to loss in revenue from event cancellations and center non-performance due to health restrictions related to COVID-19. While convention center expenses have been reduced accordingly to accommodate revenue loss, the center still requires financial support to help cover core operations. In 2020 and 2021, the CFA transferred \$2.0 million and \$1.0 million respectively to the center to help with cash flow. In 2022 such transfer will equal \$500,000.

Uses of funds within the operating fund include costs associated with operating the CFA office. Such costs include personnel expenses; insurances; professional contracts for legal, public relations, audit, asset management, credit ratings, trustee and accounting services; and basic office support services.

Table 5-1 provides information on the CFA's office budget.

Table 5-1

**Franklin County Convention Facilities Authority
2021 - 2022 Operating Budget**

	2021 Projected	2022 Budget	2021-2022 Variance	% Change
FCCFA Office Expenses:				
Personnel	1,219,992	1,305,546	85,554	7.01
Materials and Supplies	25,000	25,000	-	0.00
Legal Services	100,000	100,000	-	0.00
Financial Services (accounting, audit, trustee, advisory)	198,250	204,000	5,750	2.90
PR Services	71,450	75,000	3,550	4.97
Other Professional Services	170,000	300,000	130,000	76.47
General Services	<u>100,000</u>	<u>130,000</u>	<u>30,000</u>	<u>30.00</u>
Total FCCFA Office Expenses	1,884,692	2,139,546	254,854	13.52
Other Operating Expenses (Support of Facilities):				
Insurance	940,256	987,269	47,013	5.00
Property Tax - SID Payments	199,132	200,000	868	0.44
Arena: State of Ohio Loan	400,000	-	(400,000)	(100.00)
Arena: Property Tax in Lieu of Payment	586,000	586,000	-	-
Maintenance & Repair	<u>30,000</u>	<u>100,000</u>	<u>70,000</u>	<u>233.33</u>
Total Support of Facilities	2,155,388	1,873,269	(282,119)	(13.09)
Total Operating Expenses	\$4,040,080	\$4,012,815	(\$27,265)	(0.67)

Prior to the CFA's acquisition of Nationwide Arena, the arena received a fifteen year property tax abatement per terms of a Community Reinvestment Agreement established at the time the arena was constructed. This abatement expired December 31, 2015. With the expiration, the CFA, as the current owner of the arena, assumed responsibility for the facility's property taxes. Because the arena was the only publicly owned arena in the State of Ohio that paid property tax, the Ohio General Assembly granted property tax exemption for Nationwide Arena in 2016. As part of the exemption process and to be fair to the Columbus City Schools, the CFA entered into a payment in lieu of tax agreement with the schools whereby the CFA agreed to pay \$586,000 to the schools per year as long as the arena remained tax exempt. In turn, the schools agreed to support the arena's tax exemption. The CFA is required to meet the arena's property tax obligation regardless of the availability of casino tax revenues. As a result, the property tax in lieu of payment to the schools is now part of the CFA's annual budget. Available monies from casino tax revenues up to the amount provided for in the arena transaction documents, are transferred from the real estate tax reserve fund to the operating fund as partial reimbursement for this payment.

In 2018, the CFA and State of Ohio reached an agreement that amended payment terms for the State of Ohio loan associated with CFA's purchase of Nationwide Arena. Under the new amendment, the CFA provided the State of Ohio advertising rights within the convention center and the new Ohio Center Garage. The CFA also agreed to pay the State of Ohio \$1.0 million; \$200,000 a year beginning in 2017 (with actual payment in 2018) and extending through 2021. Such payment was made from CFA equity reserves and was included within the CFA operating budget.

In addition to funding the CFA operating budget, monies in the operating fund will be transferred in 2022 to several funds in support of CFA Board initiatives. The first transfer will occur between the operating fund and the hotel bond payment fund to pay for debt service associated with the development of the Hilton Columbus Downtown Hotel. As

part of the financing program for the hotel, the CFA agreed to use the CFA's allocation of lodging taxes from the Hilton as a resource to help pay for annual debt service associated with the hotel. These funds are transferred monthly to the hotel's bond payment fund per requirements of the indenture.

The second transfer will occur between the operating fund and the arena lease payment fund to help cover expenses associated with the operations of the arena. These funds will be reimbursed back to the CFA with a transfer from the arena lease payment fund to the capital improvements fund. Because casino tax revenue from the County cannot be used to pay for operating costs of the arena; the CFA must use its resources to pay for this obligation. In turn, the County's casino tax revenue is used to help support the CFA's capital improvement program; thus off-setting this contribution.

Finally, the last transfer will occur between the operating fund and the capital improvements fund. Most of the funds included in the transfer will be used to support the CFA's equity contribution towards completion of the Hilton Columbus Downtown Hotel new tower development project.

Table 5-2 summarizes the 2022 budget for the operating fund.

Table 5-2

Operating Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Hotel taxes	\$ 2,326,515	\$ 9,384,991	\$ 14,972,942
Transfer in: Debt Service Fund (2020 Bond Fund)	4,934,299	-	-
Transfer in: Arena CapEX (arena assessment)	214,526	-	-
Arena state loan reimbursement (SVOG)	-	-	350,000
Franklin County Surge Hospital Funding	1,787,200	-	-
ASM Contract Extension	1,000,000	-	-
Transfer from arena real estate tax reserve	332,615	-	356,306
Reimbursement: property insurance	258,182	262,568	275,696
Interest earnings/misc.	83,085	52,643	52,644
Total Sources of Funds:	10,936,422	9,700,202	16,007,588
Uses of Funds:			
FCCFA office	2,054,383	2,113,824	2,439,546
Support of facilities - insurances	821,538	940,256	987,269
Arena in lieu of payment	586,000	586,000	586,000
Arena State of Ohio loan payment	-	400,000	-
Transfer to Hotel Bond Payment Fund	438,710	550,080	948,480
Transfer to Arena Lease Payment Fund	1,878,605	2,773,705	2,940,127
Transfer to Convention Center for Operations	2,000,000	1,000,000	500,000
Transfer to Convention Center for Surge Hospital	1,787,200	-	-
Transfer to Capital Improvements Fund	-	-	11,500,000
Total Uses of Funds:	9,566,436	8,363,865	19,901,422
Current Year Balance	1,369,986	1,336,337	(3,893,834)
Add; prior year balance	5,958,004	7,327,990	8,664,327
Year End Fund Balance:	\$ 7,327,990	\$ 8,664,327	\$ 4,770,493

CFA Capital Improvements Fund

The capital improvements program for the CFA includes all initiatives associated with the development and improvement of facilities owned and managed by the CFA. Such programs may include the improvement and renovation of current facilities as well as the development of new facilities that support convention business within the community. Currently, most on-going capital improvement projects for the convention center are financed through the CFA's capital improvements fund. Arena capital expenses are funded through the arena capital improvement fund as discussed in section four. Capital improvements for the hotel are funded through revenues set-aside from hotel operations. The capital improvements program for the hotel is managed through the hotel manager and is not included within the CFA's capital improvements fund.

Table 5-3 delineates the expenses and revenues associated with the capital improvements fund. As in prior years, the CFA will continue to invest in capital improvement and development projects that extend the useful life of facilities, improve efficiency within those facilities, and enhance revenue opportunity from the facilities. During 2020 and 2021, capital projects planned for facilities had been placed on hold to preserve cash as the CFA managed through the pandemic. In 2022, the CFA will again begin to invest in capital improvement projects for its facilities.

Table 5-3

Capital Improvements Fund			
	2020 Actual	2021 Projected	2022 Budget
Sources of Funds:			
Transfer in: Arena Lease Payment Fund	\$ 1,878,605	\$ 2,773,705	\$ 2,940,127
Transfer in: Operating Fund	-	-	11,500,000
Hyatt lease revenue	1,790,598	125,000	125,000
Arena lease revenue	-	165,000	165,000
Reimbursement: lease of RR property	17,500	17,500	17,500
Reimbursement: Hotel development project	-	-	-
Recovery Act Funding	-	625,000	1,875,000
Cares Act Funding	500,000	-	-
Drury Inn lease	103,292	153,000	175,000
Interest earnings/misc.	124,260	2,500	3,000
Total Sources of Funds:	4,414,255	3,861,705	16,800,627
Uses of Funds:			
Facility improvements: Convention Center	1,623,140	1,164,936	6,500,000
Facility improvements: Convention Center air filtration	-	-	2,200,000
Garage debt service payment	89,250	263,249	800,000
Lease of RR property	35,000	35,000	35,000
Hotel expansion project: equity contribution	397,847	1,000,000	9,889,451
Transfer to Arena: Recovery Act Funding	-	300,000	-
Transfer out: Hotel soft goods renovation	-	-	750,000
Transfer out: Rental Reserve Fund	665,000	-	-
Transfer out: Hotel Ground Lease Fund	-	1,000,000	-
Total Uses of Funds:	2,810,237	3,763,185	20,174,451
Current Year Balance	1,604,018	98,520	(3,373,824)
Add: prior year balance	3,410,435	5,014,453	5,112,973
Year End Fund Balance:	\$ 5,014,453	\$ 5,112,973	\$ 1,739,149

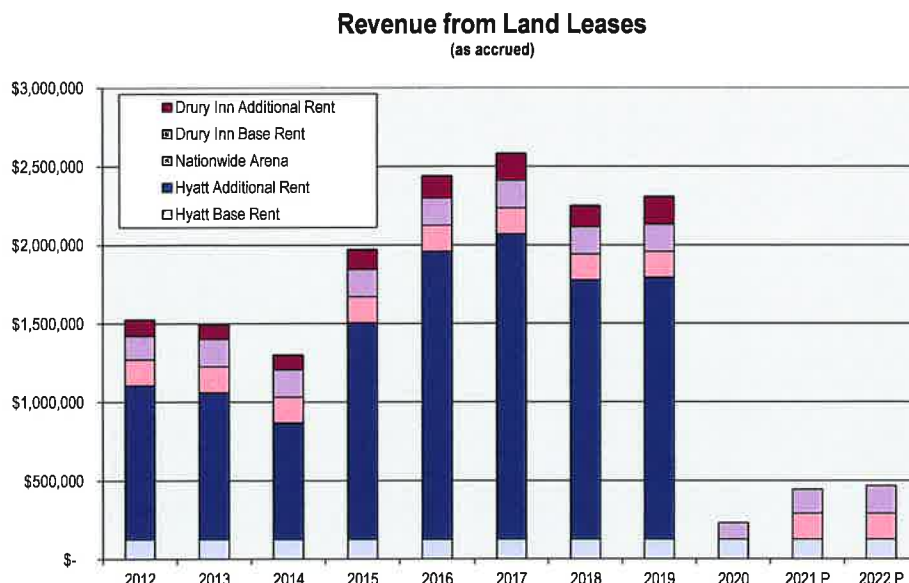
Revenue for the capital improvements fund is generated through interest earnings; property lease payments from the Hyatt Regency Hotel, Drury Inn, and Nationwide Arena; and, if necessary, an annual transfer of cash from the operating fund as will occur in 2022. Projects requiring more substantial resources, such as the Hilton Columbus Downtown expansion project, are financed in the capital markets through the issuance of bonds.

In 1997 the former Greater Columbus Convention Center for Community Urban Redevelopment transferred the south portion of the facility, formerly known as the Ohio Center, to the CFA. That facility sits upon land that is owned by the City of Columbus and leased to the CFA. Certain property interests of the south facility are licensed to the Hyatt Regency Hotel. Such license includes the priority use of the second floor meeting rooms and the third floor ballroom. In 2021, the original Hyatt Regency Hotel license agreement was amended and restated to update license terms and to extend the license period. Under the new agreement, the Hyatt will make an annual lease payment of \$2.19 million (beginning in 2023) for space leased within the convention center. Such payment will increase by 1.75 percent a year thereafter. Prior to 2023, the Hyatt lease payment will be based upon terms included in the previous lease agreement. The annual lease payment from the Hyatt is deposited into the capital improvements fund and is used for the maintenance and improvement of the convention center.

Other lease revenue to the capital improvements fund includes annual payments for use of CFA owned or leased property. Currently, the CFA receives payments for two property leases that are in addition to the Hyatt lease. The first is associated with Nationwide Arena. Prior to the CFA owning the arena, Nationwide leased from the CFA property upon which the arena was constructed for an annual payment of \$165,000. While the original lease between the CFA and Nationwide was dissolved when the arena was purchased by the CFA; the payment terms of the original lease remain. The second lease payment is associated with Drury Inns, Inc. for property just east of the convention center. Drury Inn lease payments consist of an annual base fee payment of \$175,000 and a variable payment based upon hotel performance.

Chart 5-4 summarizes these lease payments and illustrates the change in lease revenue experienced by the CFA during the past several years. Because a large portion of these payments are based upon hotel performance, lease revenue is impacted by market conditions and, as a result, is sensitive to economic trends. This especially proved true in 2020 and 2021 as land lease revenue experiences a drastic decline due to the pandemic's impact on the travel industry.

Chart 5-4



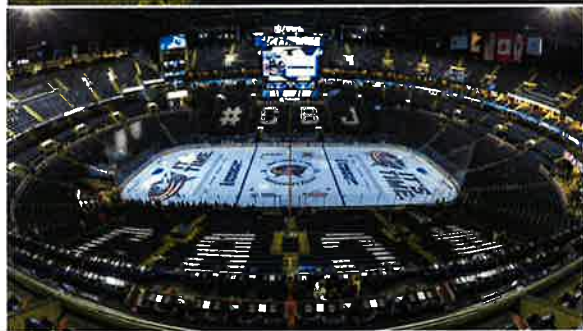
As part of the financing plan for the Hilton Columbus Downtown expansion project, the CFA was required to set aside \$1.5 million in an equity reserve for the project. This reserve is held by the trustee and will be used only if the project needs additional funds due to a delay in schedule. If these reserve contributions are not needed for the hotel project,

they will be returned to the CFA upon project completion. In addition to this contribution, the capital improvements budget includes additional funds in 2022 for support of the project. These monies, when added to what has already been spent on the project from equity reserves will increase the CFA's contribution towards the hotel development project to \$11.5 million. In addition to this equity contribution, the CFA will also transfer \$750,000 to the hotel capital improvements fund to help support the renovation of soft goods within the original tower. Most of the renovation will be funded through monies already available within the hotel's capital improvements fund. The CFA's contribution towards the renovation project will be fully reimbursed in 2023.



In 2012, the CFA entered a 40-year lease agreement with Norfolk Southern Railroad Company for property just south of the Hilton Columbus Downtown Hotel. The CFA also entered a cost sharing arrangement with Nationwide Realty Investors for this same property. Nationwide agreed to pay the costs of developing the property into a plaza/park, to maintain the property and to pay half of the lease cost. This payment from Nationwide is included as revenue to the capital improvements fund.

In 2020, the CFA received \$1.0 million in CARES Act grants from the City and County to pay for health safety improvements to both the arena and the convention center. In 2021 and 2022, the CFA has received from the County and could potentially receive from the City American Rescue Plan grants equaling \$2.5 million. These funds will be used to purchase additional health safety equipment for the arena and to upgrade indoor air quality within the convention center.



SECTION 6: LONG-TERM FORECAST

Long-Term Forecast

The following long-term financial forecast has been developed to effectively analyze and project the on-going financial strength of the CFA. The forecast incorporates projections for all categories of funding with all anticipated expenses (to include operations, planned capital improvement projects, and debt service) into a forecast of CFA's on-going financial position. Designed as a tool to help with financial planning, the forecast does identify potential flow of funds and the impact of given revenue and expenditure assumptions on equity reserves.

As in all financial forecasts, the first twelve to eighteen months of projections have the highest probability of accuracy. Outer years typically have reduced accuracy but should reflect trends and planned financial and operational activities. The following pro forma remains conservative.

The 2020 to 2026 Long-term Forecast is presented in several sections:

Summary Information provides a quick look at the long-range forecast for all financial activity of the CFA including all revenue funds, debt service funds, debt reserve funds, capital improvements funds and operating funds.

Section One provides a detailed long-term forecast of all financial activity associated with the convention center to include a projection of hotel tax revenues, debt service activity and convention center operations.

Section Two projects the financial status of funds associated with the Hilton Columbus Downtown Hotel. Included are all debt service funds as required by the 2010 and the 2019 bond issues.

Section Three provides information on the financial status of funds associated with Nationwide Arena. Included is a projection of casino tax revenues and an estimate of resource distribution.

OVERVIEW LONG-TERM FORECAST
as of November 2021

Summary Information - Debt Obligations & Related Information

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Greater Columbus Convention Center Debt Obligations							
Hotel/Motel Taxes: (cash basis)	\$12,499,663	\$16,309,042	\$21,562,493	\$23,079,639	\$25,665,909	\$27,130,758	\$28,497,035
Increase over Prior Year		30.48%	32.21%	7.04%	11.21%	5.71%	5.04%
Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):	505,289	424,325	368,099	583,509	774,012	774,012	964,515
Debt Service Obligation:	15,074,278	7,937,287	6,957,650	6,957,650	9,507,650	20,678,198	21,276,662
Debt Service Coverage Ratio: with earnings	0.86	2.11	3.15	3.40	2.78	1.35	1.38
Parking Facilities Debt Obligation							
Parking Revenue in Sinking Fund	4,608,844	3,839,954	3,695,731	5,311,231	7,701,931	10,737,831	13,762,331
Debt Service Obligation	1,805,680	1,805,680	1,877,382	1,906,182	1,957,182	1,968,582	4,591,082
Hilton Columbus Downtown Debt Obligations							
Hilton Distribution from Operations	593,406	3,134,000	5,629,000	18,876,000	23,172,000	26,629,000	27,427,870
Increase over Prior Year		428.14%	79.61%	235.33%	22.76%	14.92%	3.00%
Hilton Hotel Taxes	895,326	1,146,000	1,976,000	3,543,000	4,097,000	4,631,000	4,769,930
Debt Service Obligation (less BABS) (2019 debt service paid for with capitalized interest thru 2022)	9,451,251	9,556,243	9,644,345	24,769,163	24,792,313	24,746,091	25,001,895
Debt Service Coverage Ratio: with Hilton hotel taxes	0.16	0.45	0.79	0.91	1.10	1.26	1.29
Nationwide Arena Debt Obligations							
Casino Tax Revenue	4,601,485	6,822,786	7,232,154	7,449,118	7,672,592	7,902,769	8,139,853
		48.27%	6.00%	3.00%	3.00%	3.00%	3.00%
Distribution to Operating Expenses	4,601,485	5,190,955	5,372,638	5,560,681	5,755,305	5,956,740	6,165,226
Distribution to CFA - Land Lease	-	165,000	165,000	165,000	165,000	165,000	165,000
Distribution to CFA - Real Estate Tax Reserve	-	356,306	368,777	381,684	395,043	408,869	423,180
Distribution to CFA - Capital Improvements	-	1,110,525	1,325,738	1,341,753	1,357,244	1,372,160	1,386,446
Total Distribution	4,601,485	6,822,786	7,232,154	7,449,118	7,672,592	7,902,769	8,139,853

Summary Information - Fund Balances @ Year End

	2020	2021	2022	2023	2024	2025	2026
Non-discretionary Funds - Greater Columbus Convention Center:							
Debt Service Fund	\$ 1,531,314	\$ 943,003	\$ 943,003	\$ 1,155,503	\$ 2,086,382	\$ 2,136,254	\$ 2,146,110
Debt Service Reserve Fund	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414
Rental Reserve Fund	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406
Non-discretionary Funds - Parking Facilities:							
Sinking Fund - Parking Facilities	2,803,164	2,034,274	1,818,349	3,405,049	5,744,749	8,769,249	9,171,249
Non-discretionary Funds - Nationwide Arena:							
Real Estate Tax Reserve Fund	-	356,306	368,777	381,684	395,043	408,869	423,180
Capital Improvements Fund	608,647	2,015,639	1,925,738	1,941,753	1,373,759	1,435,541	1,498,333
Non-discretionary Funds - Hilton Columbus Downtown:							
2010 Bond Fund	52,132	125,410	94,327	916,028	5,351,423	6,142,669	6,022,155
2010 Debt Service Reserve Fund	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820
2010 Rental Reserve Fund	5,634,862	2,215,067	410,067	410,067	410,067	6,361,311	8,000,000
2010 Ground Lease Fund	2,147	1,002,147	1,002,647	1,003,147	1,003,647	1,004,147	1,004,647
2019 Debt Service Reserve Fund	15,379,473	15,519,473	15,669,473	15,181,500	15,181,500	15,181,500	15,181,500
2019 Bond Fund	24,542,900	12,744,950	797,500	797,500	797,500	797,500	797,500
Consolidated Hotel Bond Fund	25,061,040	25,054,737	25,054,737	25,054,737	25,054,737	25,354,737	25,000,000
Hotel Residuals Fund	1,916,215	1,930,215	1,944,215	1,958,915	1,974,350	2,004,350	8,704,514
Hotel Construction Fund	182,314,168	89,004,776	-	-	-	-	-
Reserve Fund for Operations ***	1,931,473	1,931,680	1,931,680	1,931,680	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E ***	6,538,348	4,102,667	93,120	1,818,348	726,156	2,822,634	4,981,976
*** (Funds held by Hotel Manager)							
Discretionary Funds							
Capital Improvements Fund	\$ 5,014,453	\$ 5,112,973	\$ 1,739,148	\$ 3,104,979	\$ 2,372,922	\$ 1,777,562	\$ 1,823,306
Operating Fund	\$ 7,327,990	\$ 8,664,327	\$ 4,770,493	\$ 6,010,058	\$ 6,718,414	\$ 4,846,583	\$ 4,250,548
Total:	\$ 12,342,443	\$ 13,777,300	\$ 6,509,642	\$ 9,115,037	\$ 9,091,336	\$ 6,624,144	\$ 6,073,854

FCCFA Operating Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer in: Revenue Fund	\$ 2,326,515	\$ 9,384,991	\$ 14,972,942	\$ 16,492,999	\$ 16,001,393	\$ 7,176,701	\$ 8,175,032
Transfer in: Debt Service Fund	4,934,299	-	-	-	-	-	-
Transfer in: Arena CapEx (arena assessment)	214,526	-	-	-	-	-	-
Arena state loan reimbursement (SVOG)	-	-	350,000	-	-	-	-
Franklin County Surge Hospital/CARES Act	1,787,200	-	-	-	-	-	-
ASM contract extension	1,000,000	-	-	-	-	-	-
Reimbursements from arena/hotel - insurance	258,182	262,568	275,696	289,481	353,955	421,653	442,736
Transfer in: Convention center operations	-	-	-	-	400,000	100,000	650,000
Transfer in: Arena Real Estate Reserve Fund	332,615	-	356,306	368,777	381,684	395,043	408,869
Interest earnings + misc.	83,085	52,643	52,643	52,643	52,643	52,643	52,643
Total Sources of Funds:	10,936,422	9,700,202	16,007,588	17,203,900	17,189,675	8,146,040	9,729,280
Uses of Funds:							
1. CFA Expenses							
Insurances	821,538	940,256	987,269	1,036,632	1,118,464	1,224,387	1,285,606
Arena - in lieu of payment for property tax	586,000	586,000	586,000	586,000	586,000	586,000	586,000
Arena - State loan settlement	-	400,000	-	-	-	-	-
CFA Office	2,054,383	2,113,824	2,439,546	2,612,733	2,691,115	2,771,848	2,855,003
Total FCCFA Expenses	3,461,921	4,040,080	4,012,815	4,235,365	4,395,578	4,582,235	4,726,610
2. Transfer to Capital Improvements Fund	-	-	11,500,000	7,000,000	7,000,000	-	-
3. Transfer to Hotel Bond Payment Fund	438,710	550,080	948,480	1,700,640	1,966,560	2,222,880	2,289,566
4. Transfer to Arena Lease Payment Fund	1,878,605	2,773,705	2,940,127	3,028,331	3,119,181	3,212,756	3,309,139
5. Transfer to convention center for surge hospital/CA	1,787,200	-	-	-	-	-	-
6. Transfer to convention center for operations	2,000,000	1,000,000	500,000	-	-	-	-
Total Uses of Funds:	9,566,436	8,363,865	19,901,422	15,964,335	16,481,319	10,017,871	10,325,315
Current Year Balance:	1,369,986	1,336,337	(3,893,834)	1,239,564	708,356	(1,871,831)	(596,035)
Add: prior year balance	5,958,004	7,327,990	8,664,327	4,770,493	6,010,058	6,718,414	4,846,583
Total Fund Balance @ Year-end:	\$ 7,327,990	\$ 8,664,327	\$ 4,770,493	\$ 6,010,058	\$ 6,718,414	\$ 4,846,583	\$ 4,250,548

Capital Improvements Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer in: Operating Fund	\$ -	\$ -	\$ 11,500,000	\$ 7,000,000	\$ 7,000,000	\$ -	\$ -
Transfer in: Arena Lease Payment Fund	1,878,605	2,773,705	2,940,127	3,028,331	3,119,181	3,212,756	3,309,139
Transfer in: Hotel soft goods reimbursement	-	-	-	750,000	-	-	-
Cares Act Funding	500,000	-	-	-	-	-	-
Recovery Act Funding (from city/county)	-	625,000	1,875,000	-	-	-	-
Hyatt lease revenue	1,790,598	125,000	125,000	2,185,000	2,223,238	2,262,144	2,301,732
Arena lease revenue	-	165,000	165,000	165,000	165,000	165,000	165,000
Reimbursement : Lease of RR property	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Release of escrow - Hotel Project	-	-	-	1,500,000	-	-	-
Drury Inns lease	103,292	153,000	175,000	250,000	262,500	270,375	278,486
Interest earnings/misc.	124,260	2,500	3,000	5,000	15,525	11,865	8,888
Total Sources of Funds	4,414,255	3,861,705	16,800,627	14,900,831	12,802,943	5,939,640	6,080,744
Uses of Funds:							
Facility improvements - convention center	1,623,140	1,164,936	6,500,000	13,500,000	13,500,000	6,500,000	6,000,000
Convention center air quality improvement (Recovery	-	-	2,200,000	-	-	-	-
Payment to arena: (Recovery Act)	-	300,000	-	-	-	-	-
Transfer to Rental Reserve Fund (2020 Bond Issue)	665,000	-	-	-	-	-	-
Garage debt service payments	89,250	263,249	800,000	-	-	-	-
Lease of RR property	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Hotel 2.0 - Equity contribution	397,847	1,000,000	9,889,451	-	-	-	-
Transfer to: Ground Lease Fund (hotel)	-	1,000,000	-	-	-	-	-
Transfer to: Hotel soft goods renovation	-	-	750,000	-	-	-	-
Total Use of Funds	2,810,237	3,763,185	20,174,451	13,535,000	13,535,000	6,535,000	6,035,000
Current Year Balance:	1,604,018	98,520	(3,373,824)	1,365,831	(732,057)	(595,360)	45,744
Add: prior year fund balance	3,410,435	5,014,453	5,112,973	1,739,148	3,104,979	2,372,922	1,777,562
Accumulated Fund Balance @ Year End:	\$ 5,014,453	\$ 5,112,973	\$ 1,739,148	\$ 3,104,979	\$ 2,372,922	\$ 1,777,562	\$ 1,823,306

SECTION ONE
CONVENTION CENTER LONG-TERM FORECAST
as of November, 2021

Convention Center - Summary Information

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Hotel/Motel Taxes: (cash basis)	\$ 12,499,663	\$ 16,309,042	\$ 21,562,493	\$ 23,079,639	\$ 25,665,909	\$ 27,130,758	\$ 28,497,035
Increase over Prior Year		30.48%	32.21%	7.04%	11.21%	5.71%	5.04%
Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):	341,820	424,325	368,099	583,509	774,012	774,012	964,515
Debt Service Obligation:	15,074,278	7,937,287	6,957,650	6,957,650	9,507,650	20,678,198	21,276,662
Debt Service Coverage Ratios:							
with earnings	0.85	2.11	3.15	3.40	2.78	1.35	1.38
without earnings	0.83	2.05	3.10	3.32	2.70	1.31	1.34
Fund Balances @ Year End:							
Revenue Fund	110,274	109,674	109,674	109,674	109,674	109,674	109,674
Debt Service Fund	1,531,314	943,003	943,003	1,155,503	2,086,382	2,136,254	2,146,110
Debt Service Reserve Fund	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414
Rental Reserve Fund	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406
Sinking Fund - Garage Development	2,803,164	2,034,274	1,818,349	3,405,049	5,744,749	8,769,249	9,171,249
Convention Center Operations (NOI):	(\$4,964,557)	(\$342,257)	(\$891,093)	\$426,716	\$254,005	\$95,840	\$669,046

Notes:

1. Hotel tax revenue and interest revenues are conservatively estimated.
2. Projections for interest earnings are based upon yields achieved through current investments.
3. Convention center operations for 2022 are based upon the operator's (ASM Global) financial projections.

Revenue Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Hotel/Motel Taxes (cash basis)	\$ 12,499,663	\$ 16,309,042	\$ 21,562,493	\$ 23,079,639	\$ 25,665,909	\$ 27,130,758	\$ 28,497,035
Interest Earnings	3,981	600	600	600	600	600	600
Total Sources of Funds	12,503,644	16,309,642	21,563,093	23,080,239	25,666,509	27,131,358	28,497,635
Distribution of Funds:							
Debt Service	8,962,663	6,924,651	6,589,551	6,586,641	9,664,517	19,433,088	19,984,715
Debt Service - Interest	-	600	600	600	600	600	600
Rental Reserve	1,106,347	-	-	-	-	520,970	337,288
Operating Fund	2,326,515	9,384,991	14,972,942	16,492,999	16,001,393	7,176,701	8,175,032
Total Use of Funds	12,395,525	16,310,242	21,563,093	23,080,239	25,666,509	27,131,358	28,497,635
Current Year Balance:	108,119	(600)	-	-	-	-	-
Add: prior year balance	2,155	110,274	109,674	109,674	109,674	109,674	109,674
Total Fund Balance @ Year End:	\$ 110,274	\$ 109,674	\$ 109,674	\$ 109,674	\$ 109,674	\$ 109,674	\$ 109,674

Notes:

- Hotel tax revenue is collected and initially deposited into the revenue fund. Funds are disbursed on a monthly basis from the revenue fund to the debt service fund to meet debt service obligations. If debt service obligations are met and funds are available, revenue is deposited into the rental reserve fund to replace any funds transferred earlier in the year to the debt service fund to help meet debt service monthly obligations when tax revenue was not sufficient. If hotel tax revenue is still available after all debt service obligations are met, available funds are deposited into the operating fund.
- To more accurately calculate the flow of funds, hotel tax collections are recorded on a cash basis.

Debt Service Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Hotel Taxes	8,962,663	6,924,651	6,589,551	6,586,641	9,664,517	19,433,088	19,984,715
Interest Earnings/Revenue Fund Earnings	36,239	1,500	12,000	12,000	12,000	12,000	12,000
Transfers-Debt Reserve	169,793	298,355	243,111	381,006	508,008	508,008	635,010
Transfer-Rental Reserve	5,841,210	124,470	112,988	190,503	254,004	774,974	654,793
Total Sources of Funds:	15,009,905	7,348,976	6,957,650	7,170,150	10,438,529	20,728,070	21,286,518
Use of Funds:							
2020 Bond Issue	4,500,000	-	-	-	-	-	-
Transfer to CFA Operating Fund	4,934,299	-	-	-	-	-	-
Debt Service Payment June 2020	4,716,727	-	-	-	-	-	-
Debt Service - Series 2014	572,825	1,145,650	1,145,650	1,145,650	1,145,650	4,995,650	4,998,150
Debt Service - Series 2015	335,762	671,524	671,524	671,524	671,524	8,026,524	8,029,184
Debt Service - Series 2017	14,665	29,329	29,329	29,329	29,329	509,329	504,485
Debt Service - Series 2020	-	6,090,784	5,111,147	5,111,147	7,661,147	7,146,695	7,744,843
Total Use of Funds:	15,074,278	7,937,287	6,957,650	6,957,650	9,507,650	20,678,198	21,276,662
Current Year Balance:	\$ (64,373)	\$ (588,311)	\$ -	\$ 212,500	\$ 930,879	\$ 49,872	\$ 9,856
Add: prior year balance	1,595,687	1,531,314	943,003	943,003	1,155,503	2,086,382	2,136,254
Total Fund Balance @ Year End:	\$ 1,531,314	\$ 943,003	\$ 943,003	\$ 1,155,503	\$ 2,086,382	\$ 2,136,254	\$ 2,146,110
Required Balance:	661,441	579,804	579,804	792,304	1,723,183	1,773,055	1,782,912

Notes:

- Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2021.
- Rental reserve funds are used to meet debt service obligations when hotel tax collections are not sufficient on a monthly basis to meet debt obligations.
- Principal/interest payments reflect outstanding debt service for all series. Bonds were refinanced/restructured in 2020.
- On a cash basis the fund will have sufficient resources at each year's end to cover debt service obligations for the subsequent month.

Debt Service Reserve Fund

	2020	2021 Budget	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Interest Earnings/misc.	\$ 333,262	\$ 298,355	\$ 243,111	\$ 381,006	\$ 508,008	\$ 508,008	\$ 635,010
Deposit: 2020 Bond Issue	6,046,413	-	-	-	-	-	-
Total Sources of Funds	6,379,675	298,355	243,111	381,006	508,008	508,008	635,010
Uses of Funds:							
Transfer to Debt Service - Earnings	169,793	298,355	243,111	381,006	508,008	508,008	635,010
Total Use of Funds	169,793	298,355	243,111	381,006	508,008	508,008	635,010
Current Year Balance:	\$ 6,209,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: prior year balance	19,354,532	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414	25,564,414
Total Fund Balance @ Year End:	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414	\$ 25,564,414
Required Balance:	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413	\$ 25,400,413

Notes:

1. Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2021.
2. Year end balances are in line with bond indenture requirements.
3. Debt service reserve funds are fully invested.

Rental Reserve Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Hotel Taxes	\$ 1,106,347	\$ -	\$ -	\$ -	\$ -	\$ 520,970	\$ 337,288
Transfer in: Capital Improvements Fund	665,000	-	-	-	-	-	-
2020 Bond Issue	6,987,342	-	-	-	-	-	-
Interest Earnings/misc.	135,788	124,470	112,988	190,503	254,004	254,004	317,505
Total Sources of Funds	8,894,477	124,470	112,988	190,503	254,004	774,974	654,793
Uses of Funds:							
Transfer to Debt Service/coverage	5,705,422	-	-	-	-	520,970	337,288
Transfer to Debt Service/interest	135,788	124,470	112,988	190,503	254,004	254,004	317,505
Total Use of Funds	5,841,210	124,470	112,988	190,503	254,004	774,974	654,793
Current Year Balance:	\$ 3,053,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: prior year balance	9,693,139	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406	12,746,406
Total Fund Balance @ Year End:	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406	\$ 12,746,406
Required Balance	\$12,700,207	\$12,700,207	\$12,700,207	\$12,700,207	\$12,700,207	\$12,700,207	\$12,700,207

Notes:

1. Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2021.
2. Year end balances are in line with bond indenture requirements.
3. Rental reserve funds are fully invested.

Sinking (Debt Service) Fund - Parking Facility Development Projects

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer In - Convention Ctr Operations	\$ 1,125,376	\$ -	\$ 811,457	\$ 3,442,882	\$ 4,246,882	\$ 4,943,082	\$ 4,943,082
Remaining Funds - Ohio Center Garage Proj	-	723,541	-	-	-	-	-
Transfer In - CFA Equity	89,250	263,249	800,000	-	-	-	-
Interest Earnings/misc.	86,910	50,000	50,000	50,000	50,000	50,000	50,000
Total Sources of Funds:	1,301,536	1,036,790	1,661,457	3,492,882	4,296,882	4,993,082	4,993,082
Uses of Funds:							
Principal Payments - Vine Garage	-	-	-	-	-	-	2,622,500
Interest Expenses - Vine Garage	443,380	443,380	515,082	515,082	515,082	515,082	515,082
Principal Payments - Goodale Garage	-	-	-	-	-	-	-
Interest Expenses - Goodale Garage	520,500	520,500	520,500	520,500	571,500	571,500	571,500
Principal Payments - Ohio Center Garage	-	-	-	-	-	-	-
Interest Expenses - Ohio Center Garage	841,800	841,800	841,800	870,600	870,600	882,000	882,000
Total Use of Funds:	1,805,680	1,805,680	1,877,382	1,906,182	1,957,182	1,968,582	4,591,082
Current Year Balance:	\$ (504,144)	\$ (768,890)	\$ (215,925)	\$ 1,586,700	\$ 2,339,700	\$ 3,024,500	\$ 402,000
Add: prior year balance	3,307,308	2,803,164	2,034,274	1,818,349	3,405,049	5,744,749	8,769,249
Total Fund Balance @ Year End:	\$ 2,803,164	\$ 2,034,274	\$ 1,818,349	\$ 3,405,049	\$ 5,744,749	\$ 8,769,249	\$ 9,171,249

Notes:

The CFA issued parking garage improvement revenue bonds in December 2011 to finance the expansion of the Vine Street parking garage. This expansion added approximately 900 spaces to the current parking facility. The CFA also entered into an agreement with Nationwide for a license to use these spaces. Revenue received from this agreement is used as the main revenue source for payment of debt associated with this issue. The remaining funds needed to support debt service comes from parking revenue received through the operation of the garage. Interest payments on debt will be made every year with principal payments due every five years. However, actual annual deposits made into the sinking fund equal annual interest and principal payments.

The CFA again issued additional parking garage improvement revenue bonds during 2014, 2018 and 2019 to finance the construction of the Goodale Garage parking facility and the new Ohio Center Garage. The bonds issued to support these projects are similar in structure to the 2011 issue. Revenue received from parking garage operations is used to pay for debt service due on all parking garage obligations.

Convention Center Operations

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Operating Revenue							
Direct Event Income	\$ 1,877,207	\$ 3,208,273	\$ 2,936,827	\$ 3,544,835	\$ 3,680,210	\$ 3,821,099	\$ 3,967,738
Food and Beverage	740,268	2,150,350	4,260,723	5,965,012	6,382,563	6,829,342	7,307,396
Parking (event + non-event)	3,619,423	3,973,701	6,309,460	9,053,190	9,324,786	9,604,530	9,892,665
Ancillary Income	465,186	862,793	1,611,568	2,377,626	2,532,454	2,638,928	2,747,096
Lease/rental Income	690,545	699,019	867,702	418,772	439,711	461,696	484,781
Other	290,995	211,534	326,300	455,990	546,518	559,992	573,812
Total Revenue:	7,683,624	11,105,670	16,312,580	21,815,425	22,906,242	23,915,587	24,973,488
% change year over year		44.54	46.89	33.73	5.00	4.41	4.42
Operating Expenses:							
Employee Wages/Benefits	4,420,407	4,235,752	6,348,669	7,618,403	7,846,955	8,082,364	8,324,835
Utilities/Utility Recovery	1,627,792	2,049,976	2,340,000	2,527,200	2,577,744	2,629,299	2,681,885
Food Service Expenses	1,510,948	1,501,929	2,257,096	2,482,806	2,557,290	2,634,008	2,713,029
Operations/Maintenance/Supplies	1,812,862	1,546,421	2,054,223	2,416,207	2,464,530	2,513,821	2,564,097
General Admin/Fee/Contracted Services	1,866,060	1,869,004	2,361,151	2,665,668	2,718,981	2,773,360	2,828,827
Insurance/Other	284,736	244,845	231,077	235,546	239,856	243,813	248,688
Total Expenses:	11,522,805	11,447,927	15,592,216	17,945,830	18,405,356	18,876,665	19,361,361
% change year over year		(0.65)	36.20	15.09	2.56	2.56	2.57
Net Income from Operations	\$ (3,839,181)	\$ (342,257)	\$ 720,364	\$ 3,869,595	\$ 4,500,886	\$ 5,038,922	\$ 5,612,127
Less: Garage Debt Service Payment	(1,125,376)	-	(1,611,457)	(3,442,882)	(4,246,882)	(4,943,082)	(4,943,082)
Net Income	\$ (4,964,557)	\$ (342,257)	\$ (891,093)	\$ 426,713	\$ 254,004	\$ 95,840	\$ 669,045

Notes:

- 2022 expenses and revenues are based upon ASM Global's budget as submitted November 2021.
- 2020 deficit reflects the impact of COVID-19 on center operations. While the center did implement several initiatives to scale back expenses during 2020 include employee layoff, such initiatives did not cover the significant loss in revenue due to health restrictions and the subsequent cancellation of events. The reported deficit in 2020 was covered through convention center and CFA equity reserves. The CFA also restructured garage debt service such that debt payments during 2020, 2021 and 2022 were reduced and shifted to outer years thereby providing the convention center some financial relief during the pandemic.
- During 2022, the convention center is expected to continue its recovery from the pandemic. While the first couple of months during the year remain sluggish, the center is expected to experience events returning during the second quarter. Revenue is expected to grow during 2022, offsetting projected expenses except for debt service due on the garages. As a result, the CFA will again contribute equity to cover the projected deficit.

SECTION TWO
HILTON COLUMBUS DOWNTOWN HOTEL LONG-TERM FORECAST
as of November 2021

Summary Information

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Hotel Net Cash Flow	\$ 593,406	\$ 3,134,000	\$ 5,629,000	\$ 18,876,000	\$ 23,172,000	\$ 26,629,000	\$ 27,427,870
Increase over Prior Year		428.14%	79.61%	235.33%	22.76%	14.92%	3.00%
Hilton Hotel Taxes	895,326	1,146,000	1,976,000	3,543,000	4,097,000	4,631,000	4,769,930
Debt Service Obligation (less BABS)	9,451,251	9,556,243	9,644,345	24,769,163	24,792,313	24,746,091	25,001,895
Debt Service Coverage Ratio:	0.16	0.45	0.79	0.91	1.10	1.26	1.29

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Fund Balances @ Year End:							
Non-discretionary Funds:							
2010 Bond Fund	52,132	125,410	94,327	916,028	5,351,423	6,142,669	6,022,155
2010 Debt Service Reserve Fund	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820	6,437,820
2010 Rental Reserve Fund	5,634,862	2,215,067	410,067	410,067	410,067	6,361,311	8,000,000
2010 Ground Lease Rents Fund	2,147	1,002,147	1,002,647	1,003,147	1,003,647	1,004,147	1,004,647
2019 Debt Service Reserve Fund	15,379,473	15,519,473	15,669,473	15,181,500	15,181,500	15,181,500	15,181,500
2019 Bond Fund	24,542,900	12,744,950	797,500	797,500	797,500	797,500	797,500
Consolidated Hotel Bond Fund	25,061,040	25,054,737	25,054,737	25,054,737	25,054,737	25,354,737	25,000,000
Hotel Residuals Fund	1,916,215	1,930,215	1,944,215	1,958,915	1,974,350	2,004,350	8,704,514
Hotel Construction Fund	182,314,168	89,004,776	-	-	-	-	-
Reserve Fund for Operations ***	1,931,473	1,931,680	1,931,680	1,931,680	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E ***	6,538,348	4,102,667	93,120	1,818,348	726,156	2,822,634	4,981,976
*** (Funds held by Hotel Manager)							

Notes:

In February 2010, the FCCFA issued \$160 million in Lease Revenue Anticipation Bonds to finance the construction of the Hilton Columbus Downtown Hotel. These bonds were issued as Build America Bonds. Income from the hotel as well as revenue equivalent to the hotel's lodging taxes cover annual debt service obligations. Payments from the US Treasury are also used to cover debt service.

Based upon a design developed by HOK Architects, the existing hotel consists of 532 rooms (48 suites), a 12,000 square foot ballroom, banquet and meeting rooms, a restaurant, lounge and coffee shop. The hotel is located on property owned by the FCCFA and is connected to the convention center via walkway over High Street. Opened in October 2012, the hotel is branded and managed by Hilton Worldwide.

The CFA is currently implementing a development project that will expand the hotel by 463 rooms through the addition of a new tower. The project is designed by Cooper Carry and is currently under construction with completion scheduled for August 2022. Financing for the project was acquired through bonds issued in December 2019. Bonds were issued in two series with series A bonds issued as project revenue bonds and series B bonds issued as lease appropriation bonds. Series A bonds are priority. As with the original issue; income from the hotel as well as the hotel's lodging taxes will be used to cover debt service.

2010 Bond Payment (Debt Service) Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Distribution from Hotel	\$ 593,406	\$ 3,134,000	\$ 5,629,000	\$ 7,739,160	\$ 9,500,520	\$ 10,917,890	\$ 11,245,427
U.S. Treasury Payments	1,585,182	4,698,956	3,050,666	2,988,518	2,921,897	2,850,550	2,774,216
Hotel related hotel taxes - city	456,616	595,920	1,027,520	755,368	873,480	987,329	1,016,949
Hotel related hotel taxes - CFA	438,710	550,080	948,480	697,262	806,290	911,381	938,722
Interest earnings/Misc.	140,506	3,400	2,508	1,887	2,000	107,028	122,853
Transfer In: Debt Reserve Earnings	73,950	89,233	65,754	69,042	72,494	76,118	79,924
Transfer In: Ground Lease Fund	1,615,000	-	-	-	-	-	-
Transfer In: Consolidated Bond Fund	-	200,000	125,000	1,282,177	2,993,577	3,635,884	-
Transfer In: Rental Reserve Fund	2,822,000	3,465,575	1,815,000	10,000	10,000	20,000	63,613
Total Sources of Funds:	7,725,370	12,737,164	12,663,928	13,543,414	17,180,258	19,506,181	16,241,705
Uses of Funds:							
Debt Service - Principal payments	3,055,000	3,250,000	3,455,000	3,670,000	3,895,000	4,130,000	4,380,000
Debt Service - Interest expenses	9,572,746	9,413,886	9,240,011	9,051,713	8,849,863	8,633,691	8,402,411
Transfer Out: Rental Reserve Fund	-	-	-	-	-	5,951,244	1,638,689
Transfer Out: Consolidated Bond Fund	-	-	-	-	-	-	1,941,118
Total Use of Funds:	12,627,746	12,663,886	12,695,011	12,721,713	12,744,863	18,714,935	16,362,218
Current Year Balance:	(4,902,376)	73,278	(31,083)	821,701	4,435,395	791,246	(120,513)
Add: prior year balance	4,954,508	52,132	125,410	94,327	916,028	5,351,423	6,142,669
Fund Balance @ Year End:	\$ 52,132	\$ 125,410	\$ 94,327	\$ 916,028	\$ 5,351,423	\$ 6,142,669	\$ 6,022,155
Required Balance	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000

Notes:

- In February 2010, the CFA issued Lease Revenue Anticipation Bonds to finance the construction of a new hotel. Bonds were issued as Build America Bonds backed by Franklin County. Interest payments for the hotel were capitalized through construction of the hotel. Principal payments began in 2016; with net debt service escalating one percent annually after that point in time through 2042 when the last debt service payment is due. Originally, 100.0 percent of income from the hotel as well as revenue equivalent to the hotel's hotel taxes covered debt service. Monies exceeding debt service remained in the fund and were available for future debt service needs.
- With the 2019 bond issue and related changes to the cooperative agreement; the 2010 bond fund will operate differently. In 2023 after the opening of Tower 2; hotel operating income and hotel taxes will be split with 41.0 percent of such monies being deposited into the 2010 bond fund for debt service related to the 2010 issue. The 2010 bond fund will maintain a \$6.0 million balance in the fund. Monies remaining after debt service has been met and that exceed the required balance will be transferred to the 2019 bond payment fund to pay debt service on the 2019 issue. Only after all debt service obligations for both issues are met and reserve funds are fully funded will excess revenue be deposited into the consolidated bond fund and/or the hotel residuals fund.

2019 Bond Payment Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Distribution from Hotel	\$ -	\$ -	\$ -	\$ 11,136,840	\$ 13,671,480	\$ 15,711,110	\$ 16,182,443
Hotel related hotel/motel taxes - city	-	-	-	1,086,992	1,256,960	1,420,791	1,463,415
Hotel related hotel/motel taxes - CFA	-	-	-	1,003,378	1,160,270	1,311,499	1,350,844
Interest earnings/Misc.	447,000	250,000	100,000	500	7,975	7,975	7,975
Transfer In: 2019 Debt Reserve Earnings	-	-	-	644,667	164,529	172,756	181,394
Total Sources of Funds:	447,000	250,000	100,000	13,872,377	16,261,214	18,624,131	19,186,071
Uses of Funds:							
Debt Service - Project Revenue	7,527,494	7,590,750	7,590,250	7,590,250	7,590,250	8,655,750	8,817,500
Debt Service - Lease Appropriation	4,420,056	4,457,200	4,457,200	4,457,200	4,457,200	6,177,200	6,176,200
Transfer Out: Consolidated Hotel Bond Fund	-	-	-	1,824,927	4,213,764	3,791,181	4,192,371
Total Use of Funds:	11,947,550	12,047,950	12,047,450	13,872,377	16,261,214	18,624,131	19,186,071
Current Year Balance:	(11,500,550)	(11,797,950)	(11,947,450)	-	-	-	-
Add: prior year balance	36,043,450	24,542,900	12,744,950	797,500	797,500	797,500	797,500
Fund Balance @ Year End:	\$ 24,542,900	\$ 12,744,950	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500	\$ 797,500

Notes:

- Financing for the development of a new tower for the Hilton Columbus Downtown was acquired in December 2019.
The bond issue was completed in two series with the first series issued as project revenue bonds and the second series issued as lease appropriation bonds. As with the 2010 issue; net operating income and the hotel's tax revenue will be used to cover debt service. Interest for the issue will be capitalized through 2022. Payment of debt service with hotel operating income will begin in 2023.
- Hotel operating income and the hotel's tax payment will be split with 59.0 percent deposited into the 2019 bond fund for payment of debt service.
- Funds remaining after debt service will be transferred to either the consolidated hotel bond fund (if balance is below \$25.0 million) or the hotel residuals fund.

2010 Debt Service Reserve Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Interest Earnings	\$ 98,646	\$ 89,233	\$ 65,754	\$ 69,042	\$ 72,494	\$ 76,118	\$ 79,924
Total Sources of Funds	<u>98,646</u>	<u>89,233</u>	<u>65,754</u>	<u>69,042</u>	<u>72,494</u>	<u>76,118</u>	<u>79,924</u>
Uses of Funds:							
Transfer to Debt Service - Earnings	73,950	89,233	65,754	69,042	72,494	76,118	79,924
Total Use of Funds	<u>73,950</u>	<u>89,233</u>	<u>65,754</u>	<u>69,042</u>	<u>72,494</u>	<u>76,118</u>	<u>79,924</u>
Current Year Balance:	24,696	-	-	-	-	-	-
Add: prior year balance	<u>6,413,124</u>	<u>6,437,820</u>	<u>6,437,820</u>	<u>6,437,820</u>	<u>6,437,820</u>	<u>6,437,820</u>	<u>6,437,820</u>
Fund Balance @ Year End:	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>	<u>\$ 6,437,820</u>
Required Balance:	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>	<u>\$ 6,391,264</u>

Notes:

1. Upon issue of the 2010 Lease Revenue Anticipation Bonds, proceeds were deposited into a debt service reserve fund per indenture requirements.
2. Year end balances are in line with reserve requirements.
3. Debt service reserve funds are fully invested.

2019 Debt Service Reserve Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Interest Earnings	\$ 196,255	\$ 140,000	\$ 150,000	\$ 156,695	\$ 164,529	\$ 172,756	\$ 181,394
Total Sources of Funds	196,255	140,000	150,000	156,695	164,529	172,756	181,394
Uses of Funds:							
Transfer to 2019 Bond Fund	-	-	-	644,667	164,529	172,756	181,394
Total Use of Funds	-	-	-	644,667	164,529	172,756	181,394
Current Year Balance:	196,255	140,000	150,000	(487,972)	-	-	-
Add: prior year balance	15,183,218	15,379,473	15,519,473	15,669,473	15,181,500	15,181,500	15,181,500
Fund Balance @ Year End:	\$ 15,379,473	\$ 15,519,473	\$ 15,669,473	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500
Required Balance:	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500	\$ 15,181,500

Notes:

1. Upon issue of the 2019 bonds , proceeds from the sale were deposited into a debt service reserve to provide security for series A project revenue bonds.
2. The reserve fund will remain fully funded as required through the projection period.
3. Monies in the fund are invested as provided for in the bond indenture. Revenue from earnings will be transferred to the 2019 bond fund beginning in 2023. Prior to that date, interest earnings will remain in the fund.

2010 Rental Reserve Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
2010 Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,951,244	\$ 1,638,689
Interest Earnings	122,616	45,780	10,000	10,000	10,000	20,000	63,613
Total Sources of Funds	<u>122,616</u>	<u>45,780</u>	<u>\$ 10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>5,971,244</u>	<u>1,702,302</u>
Uses of Funds:							
Transfer Out: HCD Bond Fund/coverage	2,699,384	3,419,795	1,805,000	-	-	-	-
Transfer Out: HCD Bond Fund/interest	122,616	45,780	10,000	10,000	10,000	20,000	63,613
Total Use of Funds	<u>2,822,000</u>	<u>3,465,575</u>	<u>1,815,000</u>	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>	<u>63,613</u>
Current Year Balance:	(2,699,384)	(3,419,795)	(1,805,000)	-	-	5,951,244	1,638,689
Add: prior year balance	<u>8,334,246</u>	<u>5,634,862</u>	<u>2,215,067</u>	<u>410,067</u>	<u>410,067</u>	<u>410,067</u>	<u>6,361,311</u>
Fund Balance @ Year End:	<u>\$ 5,634,862</u>	<u>\$ 2,215,067</u>	<u>\$ 410,067</u>	<u>\$ 410,067</u>	<u>\$ 410,067</u>	<u>\$ 6,361,311</u>	<u>\$ 8,000,000</u>
Required Balance	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>

Notes:

- Pursuant to the 2010 cooperative agreement between the City of Columbus, Franklin County and the CFA, the CFA has established a rental reserve fund to off-set any shortages in hotel net income should hotel income prove to be less than required debt service obligations. If funds within the rental reserve fund are used to meet debt service obligations, the rental reserve fund will subsequently be replenished up to the required reserve balance with future hotel income as well as funds from the ground lease rent fund and the City of Columbus.
- During years impacted by COVID-19, funds within the rental reserve fund were used to cover debt service obligations. As the economy recovers and hotel operations improve, the rental reserve fund will be replenished back to the required reserve balance. Such replenishment will occur during the proforma period.

Ground Lease Rents Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer In: CFA CapEx Fund	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	5,819	-	500	500	500	500	500
Total Sources of Funds	5,819	1,000,000	500	500	500	500	500
Uses of Funds:							
Transfer Out: 2010 Bond Fund	1,615,000	-	-	-	-	-	-
Total Use of Funds	1,615,000	-	-	-	-	-	-
Current Year Balance:	(1,609,181)	1,000,000	500	500	500	500	500
Add: prior year balance	1,611,327	2,147	1,002,147	1,002,647	1,003,147	1,003,647	1,004,147
Fund Balance @ Year End:	\$ 2,147	\$ 1,002,147	\$ 1,002,647	\$ 1,003,147	\$ 1,003,647	\$ 1,004,147	\$ 1,004,647
Required Balance:	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Notes:

- Pursuant to the 2010 cooperative agreement between the City of Columbus, Franklin County and the CFA, the CFA established a ground lease rents fund to serve as an additional reserve fund for debt service. The balance of this fund equals the value of lease revenue received by the CFA for use of property during the preceding calendar year. Such funds will be reserved for the payment of debt service if rental reserve funds should be depleted or will be used to replenish the rental reserve fund as required.
- Per 2019 amendment to the cooperative agreement, the balance in the ground lease fund is now to be maintained at \$1.0 million.

CFA Hotel Consolidated Bond Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer in: 2010 Bond Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,941,118
Transfer in: 2019 Bond Fund	-	-	-	1,824,927	4,213,764	3,791,181	4,192,371
Interest Earnings	61,040	193,697	125,000	131,250	137,813	144,703	151,938
Total Sources of Funds:	61,040	193,697	125,000	1,956,177	4,351,577	3,935,884	6,285,427
Uses of Funds:							
Transfer Out: 2010 Bond Fund	-	200,000	125,000	1,282,177	2,993,577	3,635,884	-
Transfer Out: Hotel Operations	-	-	-	674,000	1,358,000	-	-
Transfer Out: Hotel Residuals Fund	-	-	-	-	-	-	6,640,164
Total Use of Funds:	-	200,000	125,000	1,956,177	4,351,577	3,635,884	6,640,164
Current Year Balance:	61,040	(6,303)	-	-	-	300,000	(354,737)
Add: prior year balance	25,000,000	25,061,040	25,054,737	25,054,737	25,054,737	25,054,737	25,354,737
Fund Balance @ Year End:	\$ 25,061,040	\$ 25,054,737	\$ 25,054,737	\$ 25,054,737	\$ 25,054,737	\$ 25,354,737	\$ 25,000,000
Required Balance	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000

CFA Hotel Residuals Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer in: Consolidated Bond Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,640,164
Interest Earnings	13,528	14,000	14,000	14,700	15,435	30,000	60,000
Total Sources of Funds:	13,528	14,000	14,000	14,700	15,435	30,000	6,700,164
Uses of Funds:							
Transfer Out (per approval)	-	-	-	-	-	-	-
Total Use of Funds:	-	-	-	-	-	-	-
Current Year Balance:	13,528	14,000	14,000	14,700	15,435	30,000	6,700,164
Add: prior year balance	1,902,687	1,916,215	1,930,215	1,944,215	1,958,915	1,974,350	2,004,350
Fund Balance @ Year End:	\$ 1,916,215	\$ 1,930,215	\$ 1,944,215	\$ 1,958,915	\$ 1,974,350	\$ 2,004,350	\$ 8,704,514

Notes:

1. As part of the 2019 bond issue, the CFA is to maintain a newly established consolidated bond fund. This fund serves as security for all outstanding bond issues for the hotel. The required balance for the fund is \$25.0 million.
2. Any funds remaining after all debt service obligations are met, subordinate costs have been paid and all reserve funds are fully funded are to be deposited into the hotel residual fund. Once deposited into this fund, funds are to remain in the fund until approved for use by the City and County.

BABS Payment Fund

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
U.S. Treasury Payment	\$ 1,582,565	\$ 4,698,366	\$ 3,049,668	\$ 2,987,518	\$ 2,920,897	\$ 2,849,550	\$ 2,773,216
Interest Earnings	1,167	455	1,000	1,000	1,000	1,000	1,000
Total Sources of Funds	1,583,732	4,698,821	3,050,668	2,988,518	2,921,897	2,850,550	2,774,216
Distribution of Funds:							
HCD Debt Service	1,585,182	4,698,956	3,050,668	2,988,518	2,921,897	2,850,550	2,774,216
Total Use of Funds	1,585,182	4,698,956	3,050,668	2,988,518	2,921,897	2,850,550	2,774,216
Current Year Balance:	\$ (1,450)	\$ (135)	\$ -	\$ -	\$ -	\$ -	\$ -
Add: prior year balance	1,585	135	-	-	-	-	-
Fund Balance @ Year End:	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

1. The CFA receives funds twice a year from the US Treasury for debt service associated with the 2010 bond series for the hotel.
All funds received from the US Treasury are transferred to the bond payment fund to cover the cost of annual debt service.
2. Due to sequestration, funds received during 2020, 2021 and 2022 have and will be less than original amounts established at the time of the bond issue.
US Treasury payments in 2020 were delayed due to COVID-19. Such payment was received in 2021.

Capital Improvements and FF&E Reserve

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Reserve Deposit (% of hotel revenue	\$ 415,502	\$ 731,983	\$ 1,049,291	\$ 3,124,228	\$ 3,252,308	\$ 3,787,158	\$ 3,900,773
Transfer In: CFA Equity Contribution	-	-	750,000	-	-	-	-
Interest Earnings	811	614	250	1,000	1,000	1,000	1,000
Total Sources of Funds	416,313	732,597	1,799,541	3,125,228	3,253,308	3,788,158	3,901,773
Uses of Funds:							
Capital Project Expenses	1,539,612	3,168,278	5,809,088	650,000	4,345,500	1,691,680	1,742,430
Transfer Out: CFA Reimbursement	-	-	-	750,000	-	-	-
Total Use of Funds	1,539,612	3,168,278	5,809,088	1,400,000	4,345,500	1,691,680	1,742,430
Current Year Balance:	(1,123,299)	(2,435,681)	(4,009,547)	1,725,228	(1,092,192)	2,096,478	2,159,342
Add: prior year balance	7,661,647	6,538,348	4,102,667	93,120	1,818,348	726,156	2,822,634
Fund Balance @ Year End:	\$ 6,538,348	\$ 4,102,667	\$ 93,120	\$ 1,818,348	\$ 726,156	\$ 2,822,634	\$ 4,981,976

Notes:

1. A percentage of gross revenues (as defined in the management agreement) from hotel operations is deposited annually into a FF&E Primary/Secondary reserve funded used to support capital improvements and FF&E purchases for the hotel, both existing and expanded.
2. Residual funds remaining after payment of annual expenses must remain in the fund. These funds will accumulate over time and will be used to support significant hotel refurbish/refresh projects in the future; as is being done in 2021 and 2022 with the soft goods renovation project.
3. The FF& E reserve fund is managed by the hotel operator.

Hotel Construction Fund

	2019	2020	2021 Projected	2022 Budget	2023	Total
Sources of Funds:						
2019 Bond Proceeds	\$ 233,500,000	\$ -	\$ -	\$ -	\$ -	\$ 233,500,000
Hotel Key Money	-	-	2,500,000	2,500,000	-	5,000,000
CFA Equity - contribution	212,702	397,847	1,000,000	9,889,451	-	11,500,000
Interest Earnings	-	2,935,412	2,063,537	1,051	-	5,000,000
Total Sources of Funds	233,712,702	3,333,259	5,563,537	12,390,502	-	255,000,000
Use of Funds						
Construction Costs	972,176	41,620,095	89,062,039	84,700,950	-	216,355,260
FF&E/OS&E/Equipment/Art	15,006	137,850	7,686,686	10,671,006	-	18,510,548
Design	6,393,497	1,627,270	1,083,874	932,802	-	10,037,443
Other Costs	2,618,159	1,347,740	1,040,330	3,949,271	-	8,955,500
Owner's Contingency	-	-	-	1,141,249	-	1,141,249
Total Use of Funds	9,998,838	44,732,955	98,872,929	101,395,278	-	255,000,000
Current Year Balance:	223,713,864	(41,399,696)	(93,309,392)	(89,004,776)	-	-
Add: prior year balance	-	223,713,864	182,314,168	89,004,776	-	-
Fund Balance @ Year End:	\$ 223,713,864	\$ 182,314,168	\$ 89,004,776	\$ -	\$ -	\$ -

Notes:

1. Proceeds from the 2019 bond issue (both series) were deposited into a construction fund for use in the expansion of the Hilton Columbus Downtown Hotel. Hilton key money, CFA equity as well as interest earnings are also available to fund the project.
2. Use of funds are based upon the current project budget.
3. Construction is well underway and completion of the new tower is scheduled for August 2022.

SECTION THREE
NATIONWIDE ARENA LONG-TERM FORECAST
as of November 2021

Summary Information

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Casino Tax Revenue	\$ 4,601,485	\$ 6,822,786	\$ 7,232,154	\$ 7,449,118	\$ 7,672,592	\$ 7,902,769	\$ 8,139,853
Increase over Prior Year		48.27%	6.00%	3.00%	3.00%	3.00%	3.00%
Distribution of Casino Tax Revenue							
Arena Operating Expenses	4,601,485	5,190,955	5,372,638	5,560,681	5,755,305	5,956,740	6,165,226
Land Lease Payment	-	165,000	165,000	165,000	165,000	165,000	165,000
Real Estate Tax Provision	-	356,306	368,777	381,684	395,043	408,869	423,180
Arena Capital Improvements	-	1,110,525	1,325,738	1,341,753	1,357,244	1,372,160	1,386,446
Nationwide Loan	-	-	-	-	-	-	-
Total Distribution	4,601,485	6,822,786	7,232,154	7,449,118	7,672,592	7,902,769	8,139,853
Admissions Fee Revenue	598,578	450,000	1,250,000	1,293,750	1,339,031	1,385,897	1,434,404
Increase over Prior Year		-24.82%	108.83%	3.50%	3.50%	3.50%	3.50%
Fund Balances @ Year End:							
Lease Payment Fund	-	-	-	-	-	-	-
Real Estate Tax Reserve Fund	-	356,306	368,777	381,684	395,043	408,869	423,180
Capital Improvements Fund	608,647	2,015,639	1,925,738	1,941,753	1,373,759	1,435,541	1,498,333

Notes:

In March 2012, the CFA purchased Nationwide Arena and related buildings/facilities. To facilitate this purchase, the CFA borrowed \$32.5 million from Nationwide Arena LLC and \$10 million from the State of Ohio with the understanding that repayment of such loans is contingent upon the availability of casino tax revenue.

As part of the acquisition process, the City of Columbus and Franklin County agreed to forward a percent of casino tax revenue to the CFA to cover costs associated with operating and maintaining the arena. Once capital and operating expenses have been met, casino tax revenue exceeding such expenses can be used to pay outstanding debt service.

Since 2012 changes have been made to both the State of Ohio and Nationwide loans. The original arena lease revenue bonds purchased by Nationwide have been restructured as non-interest bearing bonds due in 2029. Payment of the bonds is no longer contingent upon casino tax revenues. Instead, revenues available with residuals fund will be used to pay the bonds in 2029. The State of Ohio loan has also been modified to provide additional loan re-payment options.

In 2019, the City of Columbus imposed an admission fee on entertainment/sporting venues within the city. Revenues from this fee are used to support arts within the community. In regards to the admissions fee on events within the arena; 80.0 percent of revenues collected from this fee will be returned to the arena for capital improvements.

ARENA LEASE PAYMENT FUNDS

	2020 Actual	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Casino Tax Revenue: City	\$ 2,722,880	\$ 4,049,082	\$ 4,292,027	\$ 4,420,788	\$ 4,553,411	\$ 4,690,014	\$ 4,830,714
Casino Tax Revenue: County	1,878,605	2,773,705	2,940,127	3,028,331	3,119,181	3,212,756	3,309,139
Transfer In: CFA Operating Fund	1,878,605	2,773,705	2,940,127	3,028,331	3,119,181	3,212,756	3,309,139
Interest Earnings	-	-	-	-	-	-	-
Total Sources of Funds	6,480,090	9,596,491	10,172,280	10,477,449	10,791,772	11,115,525	11,448,991
Uses of Funds:							
Arena Operations	4,601,485	5,190,955	5,372,638	5,560,681	5,755,305	5,956,740	6,165,226
Land Lease Payment	-	165,000	165,000	165,000	165,000	165,000	165,000
Real Estate Tax	-	356,306	368,777	381,684	395,043	408,869	423,180
Arena Capital Improvements	-	1,110,525	1,325,738	1,341,753	1,357,244	1,372,160	1,386,446
Transfer Out: CFA Cap Ex. Fund	1,878,605	2,773,705	2,940,127	3,028,331	3,119,181	3,212,756	3,309,139
Transfer Out: Debt Service	-	-	-	-	-	-	-
Total Use of Funds	6,480,090	9,596,491	10,172,280	10,477,449	10,791,772	11,115,525	11,448,991
Current Year Balance:	-	-	-	-	-	-	-
Add: prior year balance	-	-	-	-	-	-	-
Fund Balance @ Year End:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

The CFA receives a percentage of casino tax revenue from the city and county to cover obligations associated with Nationwide Arena. During 2022, tax revenue will be equal to 32.0 percent of taxes collected by the city and county. The 2022 projection for casino taxes assumes a 6.0 percent increase in revenue; an increase due in part to the 1.0 percent increase in tax distribution from the city and county. 2022 will be the last year for the percentage increase. Moving forward the distribution from the city and county will remain at 32.0 percent.

Upon receipt of the casino taxes, the CFA allocates funds according to a predetermined and agreed upon formula established and outlined in the arena transaction documents. In 2022, funds from casino taxes will first be distributed to CAM for operations, second to the CFA for the land lease payment, third to a reserve for payment of real estate taxes and fourth to the arena CapEx fund.

Maximum funding levels for operations and capital improvements are based upon levels established at the time of the arena acquisition.

Casino tax revenue from the county cannot be used to cover operating expenses. Because city casino tax revenue during 2022 will not completely cover required operating expenses, the CFA will transfer available equity into the fund to make up the difference. Such payment from the CFA will be reimbursed with casino tax revenue received from the county which will be used to support other CFA capital improvement projects.

ARENA CAPITAL IMPROVEMENTS FUND

	2020	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer in: Aena Lease Payment Fund	\$ -	\$ 1,110,525	\$ 1,325,738	\$ 1,341,753	\$ 1,357,244	\$ 1,372,160	\$ 1,386,446
Transfer in : CFA payment (SVOG)		-	5,100,000	-	-	-	-
Admissions Tax	598,578	450,000	1,250,000	1,293,750	1,339,031	1,385,897	1,434,404
Interest Earnings	4,190	420	1,000	500	500	500	500
Total Sources of Funds	602,768	1,560,945	7,676,738	2,636,003	2,696,775	2,758,558	2,821,350
Uses of Funds:							
Payment to CAM - Arena CapEx	560,447	153,953	7,766,639	2,619,989	3,264,769	2,696,775	2,758,558
Total Use of Funds	560,447	153,953	7,766,639	2,619,989	3,264,769	2,696,775	2,758,558
Current Year Balance:	42,321	1,406,992	(89,901)	16,014	(567,994)	61,782	62,793
Add: prior year balance	566,326	608,647	2,015,639	1,925,738	1,941,753	1,373,759	1,435,541
Fund Balance @ Year End:	\$ 608,647	\$ 2,015,639	\$ 1,925,738	\$ 1,941,753	\$ 1,373,759	\$ 1,435,541	\$ 1,498,333

Note:

Casino tax revenue deposited into the arena capital improvements fund is based upon a funding plan agreed to as part of the 2012 arena transaction. Tax revenue is deposited into the fund only to the extent arena OpEx, land lease and real estate tax funding requirements are met.

The City of Columbus began distribution of admission fee revenue in 2020. Such distribution occurs monthly and is based upon 80.0 percent admission fee imposed on ticket sales at the arena. Revenues received as a result of this distribution will support the arena's capital improvements program.

ARENA REAL ESTATE TAX RESERVE FUND

	2020 Actual	2021 Projected	2022 Budget	2023	2024	2025	2026
Sources of Funds:							
Transfer: Arena Lease Payment Fund	\$ -	\$ 356,306	\$ 368,777	\$ 381,684	\$ 395,043	\$ 408,869	\$ 423,180
Interest Earnings	-	-	-	-	-	-	-
Total Sources of Funds	-	356,306	368,777	381,684	395,043	408,869	423,180
Uses of Funds:							
Transfer to Operating Fund	332,615	-	356,306	368,777	381,684	395,043	408,869
Total Use of Funds	332,615	-	356,306	368,777	381,684	395,043	408,869
Current Year Balance:	(332,615)	356,306	12,471	12,907	13,359	13,826	14,311
Add: prior year balance	332,615	-	356,306	368,777	381,684	395,043	408,869
Fund Balance @ Year End:	\$ -	\$ 356,306	\$ 368,777	\$ 381,684	\$ 395,043	\$ 408,869	\$ 423,180

Note:

Beginning in 2016, funds are reserved for the payment of real estate taxes or payments in lieu of taxes due on property associated with the arena. Amount of funds deposited into this reserve fund were established at the time of the original transaction. Deposits are made to the extent casino tax revenues are available. CFA operating funds will be used to make up the difference between casino tax revenues available for real estate payments and the amount due.