


# 2024 Operating & Capital Budget

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# FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
# 2024 OPERATING and CAPITAL BUDGET

# EXECUTIVE SUMMARY

The 2024 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.

With the achievement of full recovery from the pandemic in 2023, the 2024 budget is based upon optimism and market growth as the CFA's financial position will continue to improve. Financial goals for the year include equity/reserve replacement and development, continued support of sales and marketing initiatives to ensure future convention activity within the community, and enhancement of operating efficiencies to improve bottom line performance in all facilities. Overall, the long-term forecast does project that the CFA will maintain financial stability in 2024 and that by the end of the five-year projection period, all reserves depleted during the pandemic will be fully restored. The forecast also suggests that the CFA will remain self-sustaining, will meet all debt obligations during the period, and will protect and improve all facilities through the continued investment in capital improvements. The 2024 CFA budget is summarized in the following:

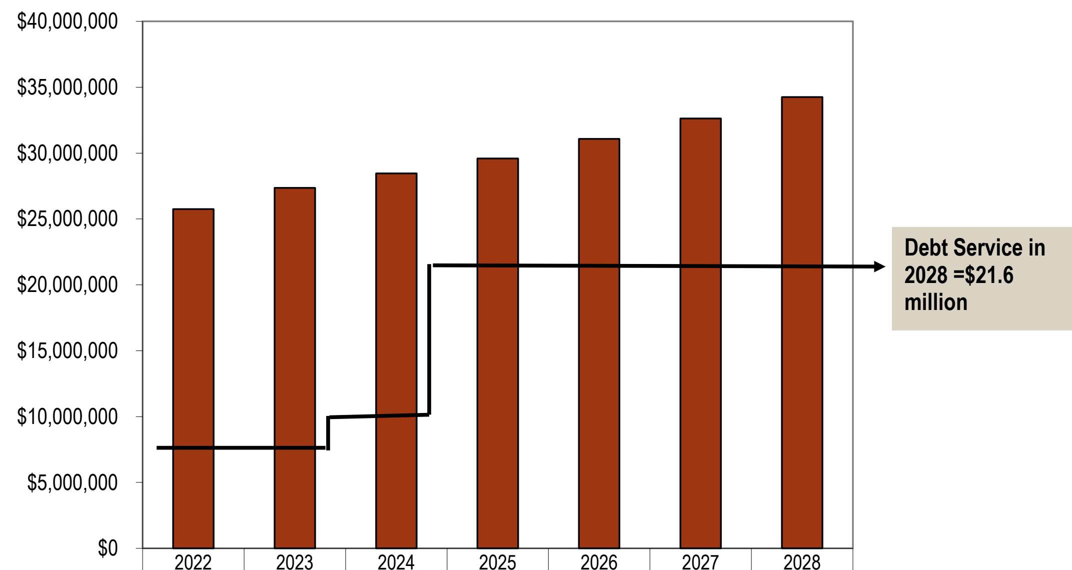
## 2024 Budget - Greater Columbus Convention Center

⇨ The 2024 budget assumes that hotel tax revenue will increase in 2024 and will continue to improve through the period. Consistent with patterns of growth proposed by industry experts, the budget assumes tax revenue in 2024 (on an accrual basis) will be 4.0 percent above 2023 collection levels. Assuming the economy continues to move forward; tax revenues will improve throughout the period. By 2028, hotel tax revenue distributed to the CFA is projected to be approximately $34.3 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 2024 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 2024, approximately $18.4 million in hotel tax revenue will be deposited into the operating fund. Deposits will continue throughout the projection period.

## Convention Center Debt Service Coverage Projections

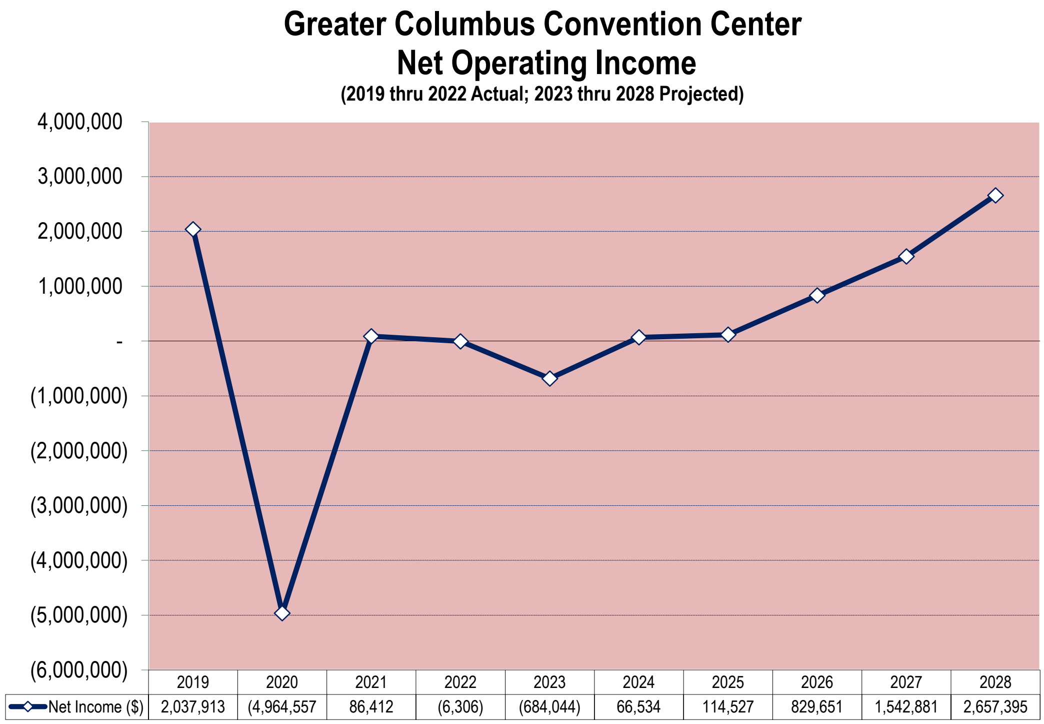



| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| Hotel Taxes as Accrued ($) | 25,750,222 | 27,362,001 | 28,456,481 | 29,594,740 | 31,074,477 | 32,628,201 | 34,259,611 |

- ⇨ 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, payment of annual parking facility debt service is included as an expense within the operating budget of the convention center. 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 began to increase and continues to escalate until 2025 where annual debt obligations will plateau at $4.9 million.

- ⇨ Prior to the pandemic, the convention center was self-sustaining. 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 and of course, during the pandemic. 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. In 2024, 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 were 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 as well as deficits reported in the years since 2020. The good news is that operations began to improve in 2023 despite the reported deficit. The 2023 deficit is attributed to increased payment of parking garage debt service as the debt program returns to payment levels experienced prior to the pandemic levels.

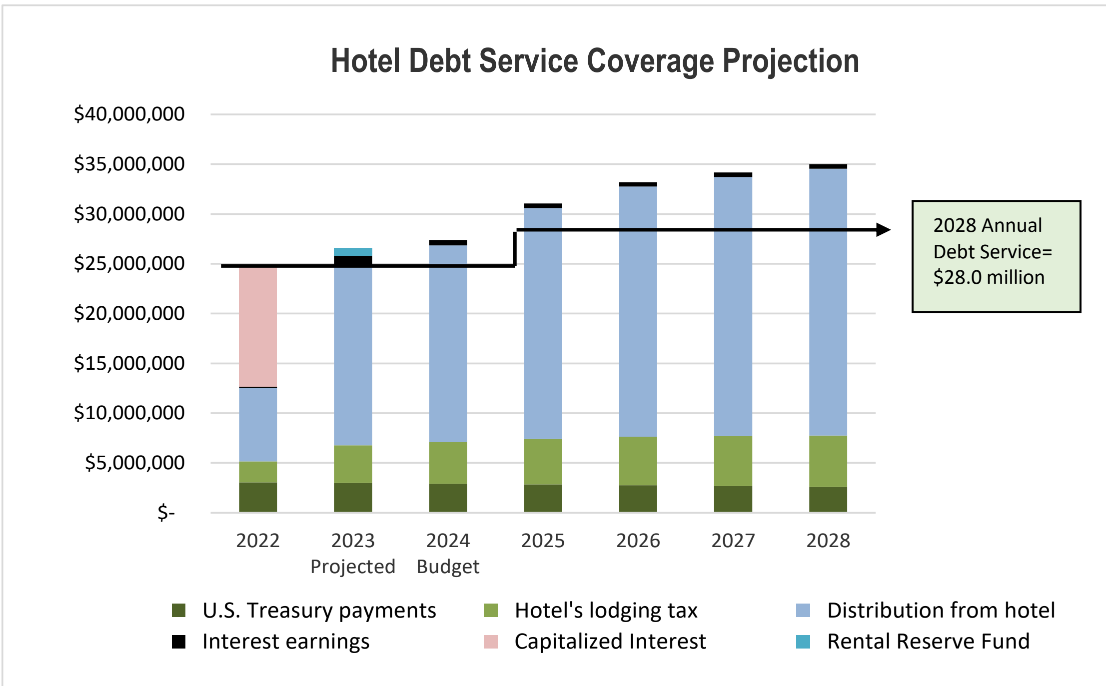



Budget projections assume that the center will continue to operate well in 2024. Event bookings for the year are higher than 2023 and the quality of bookings year over year has improved. Currently there are 139 events booked for the year of which 35 are citywide events. Attendance is also up for the year. Moving forward, center operations are positive. Event bookings remain strong in the outer years of the forecast as the community continues to focus on attracting large, national events. Beginning in 2024, projections assume that the center will again be self-sustaining and will remain self-sustaining through the forecast period.

⇨ In 2024, the CFA will have sufficient equity resources to invest in a capital improvements program for the convention center. The program will cost approximately $10.5 million. Projects to be accomplished during the year will address major maintenance initiatives such as HVAC system upgrades; indoor air quality improvements; west connector joint restoration; elevator/escalator refurbishment; furniture, door, technology upgrades and replacement; and installation of a media screen on the Ohio Center Garage.

## 2024 Budget – Hilton Columbus Downtown

⇨ 2024 will be the second full year the Hilton Columbus Downtown will operate as a 1,000 room hotel. Opened in September 2022, the new hotel tower not only increased room inventory but also added substantial meeting room and ballroom space to the campus. A new upscale restaurant as well as a rooftop bar/restaurant are also featured in the new tower. With the addition of a new tower, the hotel is expected to operate at a level that will produce significant net operating income. Such income will cover debt service obligations associated with the construction of the original and expanded hotel. This proves true in 2024 and throughout the projection period. The good news is that net income will be available to not only meet debt obligations during the period but will be available to fully replenish the 2010 rental reserve fund and the 2010 bond fund both depleted as a result of debt service payment difficulties during the pandemic.




⇨ 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. These include the 2010 and 2019 debt service reserve funds, the ground lease fund and the operating reserve fund. In addition, the consolidated bond fund is projected to have a balance of $24.3 million and the hotel residuals fund is projected to have a balance of $2.2 million by year end 2024.

## 2024 Budget – Nationwide Arena

⇨ During 2024, the CFA is projected to receive approximately $7.7 million in casino tax revenue. This revenue will be distributed as follows: $5.8 million to CAM for arena operations, $165,000 to the CFA for the land lease, $395,000 to the CFA to help cover property tax obligations and $1.3 million to the arena's capital improvements fund.

⇨ The CFA is also projected to receive approximately $2.5 million in admission tax revenue. This revenue will be held in the arena capital improvements fund and will be used to support arena capital improvement projects.

## 2024 Budget – Summary:

⇨ The CFA manages several funds that account for all the 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 and trust indenture 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 the expenses of the CFA. At year-end 2024, such funds will equal $3.4 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

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Non-discretionary Funds - Greater Columbus Convention Center:** | | | | | | | |
| Debt Service Fund | $ 580,673 | $ 794,848 | $ 1,725,727 | $ 1,775,599 | $ 1,785,455 | $ 1,806,662 | $ 1,838,996 |
| Debt Service Reserve Fund | 25,639,098 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 |
| Rental Reserve Fund | 12,855,790 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 |
| **Non-discretionary Funds - Parking Facilities:** | | | | | | | |
| Sinking Fund - Parking Facility Development | 1,855,624 | 3,446,323 | 5,839,412 | 8,989,094 | 9,610,767 | 6,989,790 | 6,316,383 |
| **Non-discretionary Funds - Hilton Columbus Downtown:** | | | | | | | |
| 2010 Bond Payment Fund | 672,107 | 967,162 | 1,233,725 | 1,977,224 | 2,190,235 | 1,896,614 | 4,197,990 |
| 2019 Bond Payment Fund | 511,651 | 1,272,367 | 1,374,157 | 1,429,123 | 1,471,996 | 1,516,156 | 1,561,641 |
| 2010 Debt Service Reserve Fund | 6,510,779 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 |
| 2019 Debt Service Reserve Fund | 15,804,233 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 |
| 2010 Rental Reserve Fund | 1,274,226 | 570,332 | 598,849 | 1,528,791 | 3,839,943 | 7,055,141 | 8,066,795 |
| 2010 Ground Lease Rents Fund | 1,019,322 | 1,073,419 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 |
| Consolidated Hotel Bond Fund | 25,229,704 | 23,345,549 | 24,257,944 | 25,065,852 | 25,062,158 | 25,089,407 | 25,055,126 |
| Hotel Residuals Fund | 1,950,592 | 2,054,915 | 2,159,915 | 2,267,911 | 4,281,306 | 5,895,372 | 7,990,140 |
| Reserve Funds for Operations ** | 1,931,473 | 2,398,346 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| Reserve Fund for FF&E ** | 821,907 | 2,482,612 | 3,293,089 | 2,478,097 | 2,218,262 | 6,834,557 | 11,589,341 |
| ** (Funds held by Hotel Manager) | | | | | | | |
| **Non-discretionary Funds - Nationwide Arena:** | | | | | | | |
| Real Estate Reserve Fund | 368,777 | 381,684 | 395,043 | 408,869 | 423,180 | 437,991 | 453,321 |
| Capital Improvements Fund | 8,213,635 | 6,575,185 | 2,812,924 | 2,700,481 | 2,620,213 | 2,624,707 | 2,717,967 |
| **Discretionary Funds:** | | | | | | | |
| Capital Improvements Fund | 8,211,551 | 4,362 | 587,815 | 389,485 | 780,732 | 827,100 | 22,041 |
| Operating Fund | 10,104,346 | 2,042,709 | 2,855,992 | 1,547,675 | 2,100,409 | 2,789,290 | 5,549,824 |
| **Total:** | **$ 18,315,897** | **$ 2,047,071** | **$ 3,443,807** | **$ 1,937,160** | **$ 2,881,141** | **$ 3,616,390** | **$ 5,571,865** |

2024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2024 OPERATING and CAPITAL BUDGET

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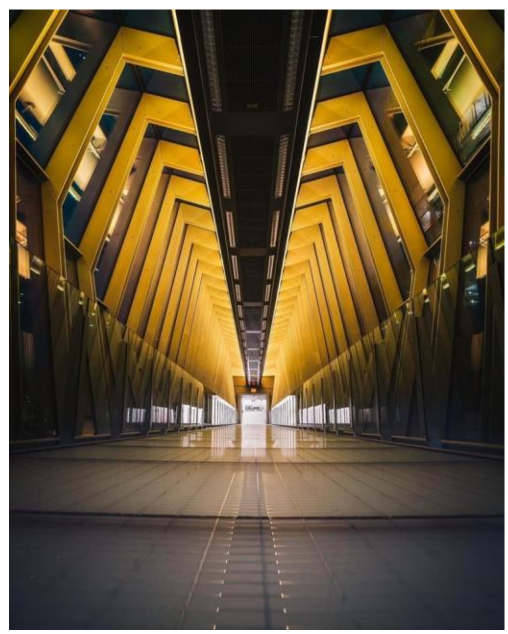
# Section 1: **Overview**

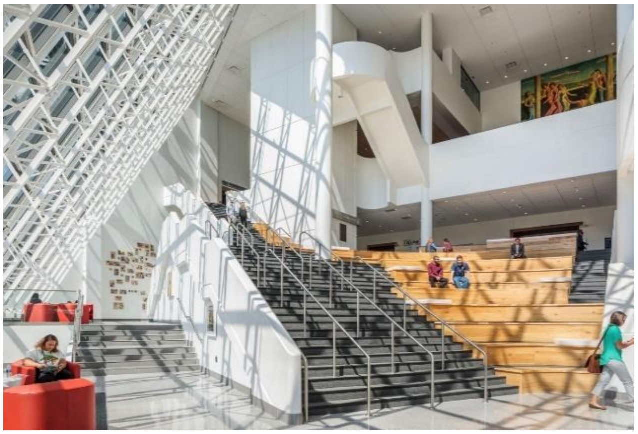
# Overview

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-five 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.

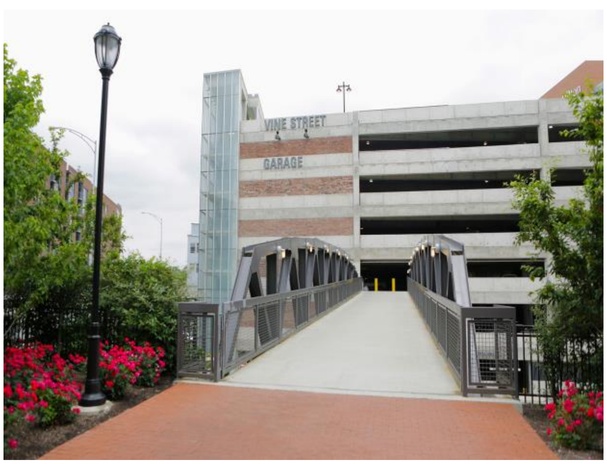
First and foremost, the CFA is the owner and developer of the Greater Columbus Convention Center. As owner/developer of the convention center, the CFA is responsible for the improvement, management and successful operation of the facility. In addition, the CFA is responsible for ensuring the continued 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 now has over 372,000 square feet of contiguous exhibit hall space; 114,000 square feet of ballroom space consisting of a 25,000 square foot Union Station Ballroom, a 15,000 square foot Short North Ballroom, and a 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.

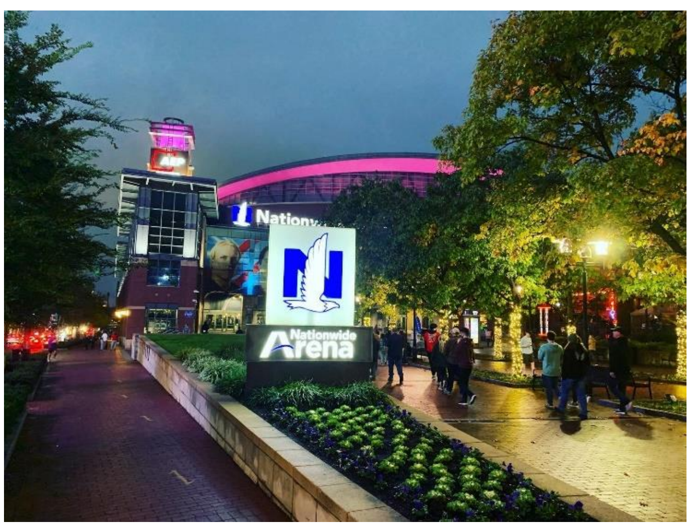


In addition to the convention center, the CFA also owns and operates several parking facilities located near and around the convention center. Parking resources owned by the CFA includes four parking facilities and two surface parking lots totaling approximately 4,700 individual parking spaces.




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 original hotel contains 537 guest rooms (five rooms to be added in 2024), of which 48 are suites, and over 32,000 square feet of meeting space, including 12,000 square feet of ballroom space. The original Hilton Columbus Downtown tower 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 five 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 expanded the hotel through the construction of a new 28-story tower. The new tower opened in September 2022 and added 463 guest rooms to the property plus new ballroom space (including a 15,000 square foot grand ballroom and a 10,000 square foot junior ballroom), meeting rooms, a lobby, two restaurants (an up-scale restaurant located on the first floor and a restaurant/bar located on the 28th floor), a lobby bar and lounge, a fitness center and connections to the existing hotel and the convention center. As in the first tower, the new tower includes an extensive collection of local art. The tower is also in the process of seeking LEED gold certification. With the opening of the new tower, the expanded hotel now operates and functions as a single enterprise under common management. The Hilton Columbus Downtown is currently the only 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. While Nationwide Arena is owned by the CFA, Columbus Arena Management LLC or "CAM" is responsible for managing the daily operations of the arena and establishing a capital improvements program for the facility. CFA operating and capital expenses associated with the arena are funded solely through City of Columbus and Franklin County casino tax revenue and admission tax revenue.

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 $5.7 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.

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# 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

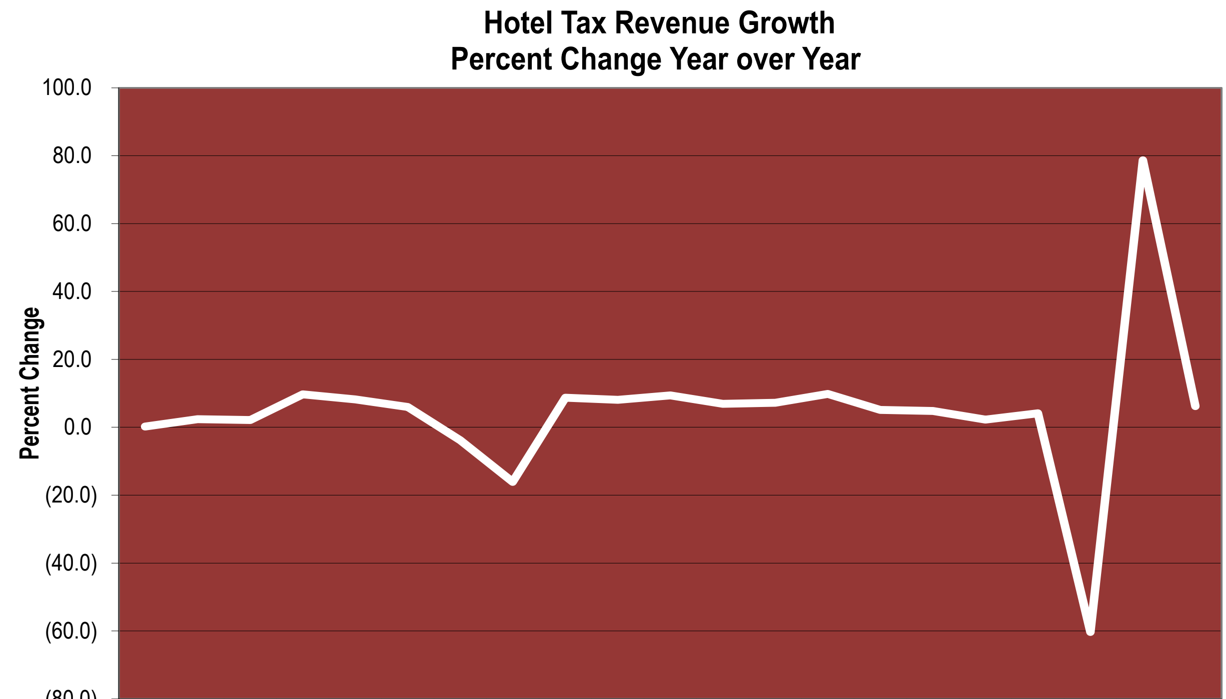
In July 1988, the Franklin County Commissioners established the CFA consistent with requirements provided for within Chapter 351 of the Ohio Revised Code. As a political subdivision of the State of Ohio, the CFA was given the authority to levy excise taxes on lodging transactions to pay for costs associated with constructing, operating, maintaining, expanding and managing 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 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 funds can be used to pay for the operation, maintenance and improvement of the convention center as well as other financing needs of the CFA.

Graph 2-1, following page, 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 recovery from the terrorist attacks of September 11, 2001 and ended with a world-wide pandemic. Excluding 2020 and 2021, the period did well despite the challenges; with tax revenue growth averaging approximately 4.3 percent a year. In 2001, tax revenue experienced the first true decline (negative 2.6 percent) 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 11$^{th}$ 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.

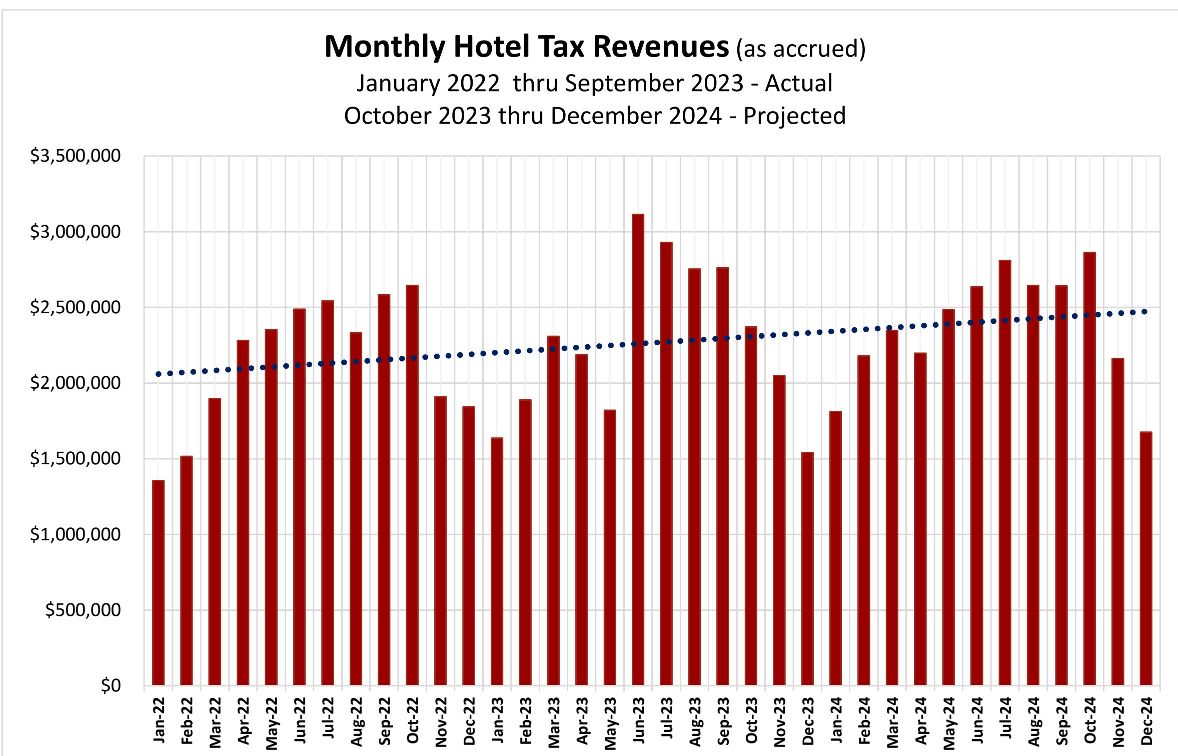
Unfortunately, growth in hotel tax collections altered drastically in 2020 with the on-set of COVID-19 and related restrictions on group gatherings and travel as individuals locally as well as world-wide tried to manage through the pandemic. In 2020, hotel tax revenue (on an accrual basis) dropped by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

Graph 2-1




| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| % Change | 0.2 | 2.4 | 2.2 | 9.7 | 8.2 | 6.0 | (3.8) | (16.1) | 8.7 | 8.1 | 9.4 | 6.9 | 7.2 | 9.8 | 5.1 | 4.8 | 2.3 | 4.1 | (60.3) | 78.7 | 6.3 |

Chart 2-2

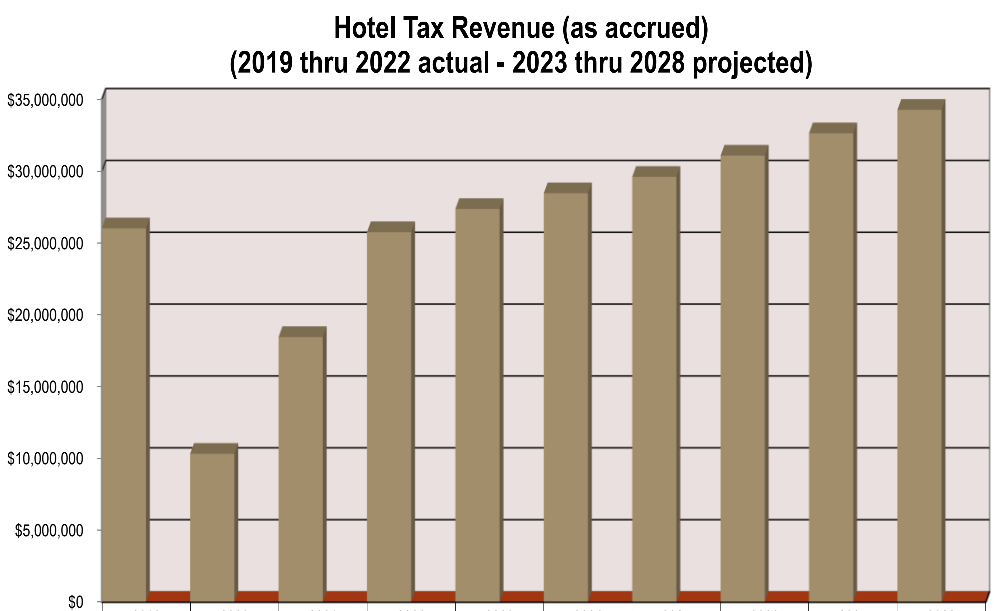


2021 and 2022 proved better years for hotel tax revenues as the hotel market began to recover from 2020. While hotel tax revenues in 2021 were almost 79.0 percent above tax revenues in 2020; tax revenues were still 13.8 percent below 2019 levels. In 2022, industry growth continued as tax collections improved by approximately 39.6 percent over 2021 collection levels. By year end, 2022 hotel collections were just 1.0 percent below collection levels experienced prior to the pandemic.

In 2023, tax collections continue to improve. Year to date, taxes are 10.6 percent above 2022 taxes. Overall, hotel occupancy is averaging 60.2 percent within the Columbus market, a 3.8 percent improvement over prior year. Average daily rate is up 8.4 percent when compared to 2022. Supply is up 1.2 percent.

While the focus in 2021 and 2022 was recovery from the pandemic, the expectation in 2023 and 2024 is full market recovery and growth. The 2024 budget has made several assumptions regarding growth not dissimilar to assumptions made by industry experts. While demand for in person meetings will continue to increase in 2024, growth in the market may be muted as increases in room rates slow due to economic pressure. As in 2023, the expectation is that leisure and group travel will lead market growth with corporate business travel lagging behind. The number of large conventions and city-wide events in the Columbus community during 2024 will be greater than prior year (35 citywide events compared to 26). In addition, professional and collegiate 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 2024, the overall number of stays within the local hotel market is projected to correspondingly increase. The impact of these assumptions on tax revenues in 2024 is that revenues will improve year over year by approximately 4.0 percent. Total collections in 2024 are projected to be $28.5 million (as accrued). Moving forward, the 2024 budget projects a sustained pattern of growth for hotel tax revenue through the forecast period.

Chart 2-3




| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| Taxes ($) | 26,013,712 | 10,328,043 | 18,451,848 | 25,750,222 | 27,362,001 | 28,456,481 | 29,594,740 | 31,074,477 | 32,628,201 | 34,259,611 |
| % Change | 4.06 | -60.30 | 78.66 | 39.55 | 6.26 | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 |

Detailed in Table 2-4 are the 2022 actual, 2023 projected and 2024 budget for the CFA's revenue fund. Hotel tax revenues are deposited within the revenue fund 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 for the construction and improvement of 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 the CFA and the improvement of the convention center. Chart 2-5 illustrates this flow of funds.

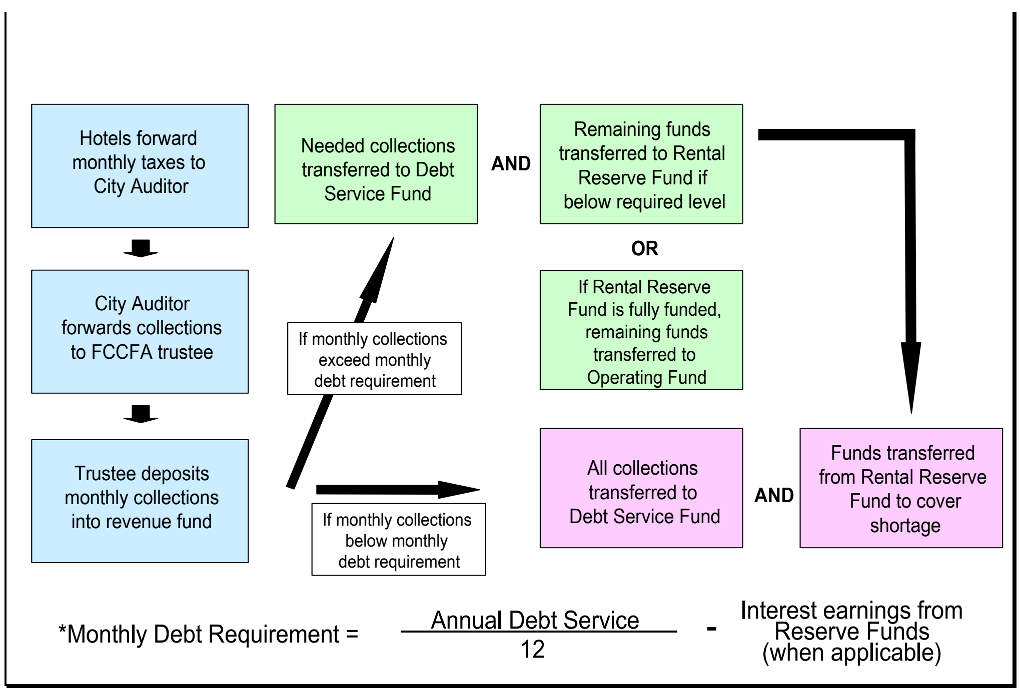
Table 2-4

## Revenue Fund

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Hotel Taxes (cash basis) | $ 24,851,088 | $ 27,523,493 | $ 28,210,349 |
| Interest Earnings | 22,167 | 57,000 | 36,000 |
| **Total Sources of Funds** | 24,873,255 | 27,580,493 | 28,246,349 |
| **Uses of Funds:** | | | |
| Transfer To: Debt Service Fund | 6,893,393 | 6,522,601 | 9,819,020 |
| Transfer To: Operating Fund | 17,974,257 | 21,057,892 | 18,427,329 |
| **Total Use of Funds** | 24,867,650 | 27,580,493 | 28,246,349 |
| **Current Year Balance** | 5,605 | - | - |
| **Add: prior year balance** | 154 | 5,759 | 5,759 |
| **Year End Fund Balance:** | **$5,759** | **$5,759** | **$5,759** |

Chart 2-5

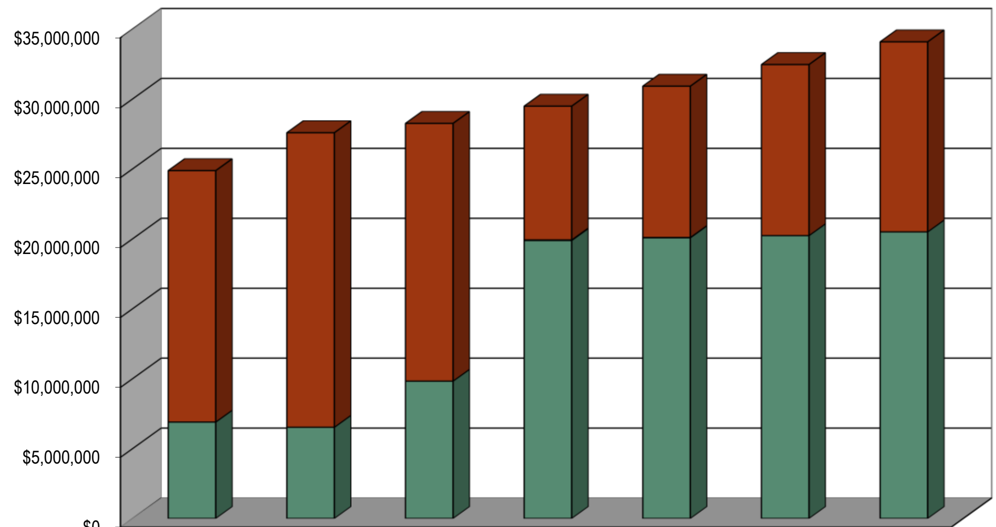
**Monthly Flow of Hotel/Motel Tax Collections**



Projected distribution of bed tax revenue (on a cash basis) 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. A bond restructuring in 2020 provided the CFA with the ability to cover convention center debt service during low years of tax collections caused by the pandemic. The restructuring also provided the CFA with monies to rebuild equity reserves. As such, the 2020 bond issue restructured existing bond shifting obligations due in the short term to outer years. This shift reduced debt service due in the 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**




| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| Operating Fund | 17,974,257 | 21,057,892 | 18,427,329 | 9,559,175 | 10,815,418 | 12,229,526 | 13,584,851 |
| Rental Reserve | - | - | - | 40,960 | 23,374 | - | - |
| Debt Service | 6,893,393 | 6,522,601 | 9,819,020 | 19,877,098 | 20,069,126 | 20,225,137 | 20,490,745 |

With respect to the rental reserve fund, minor disbursements shown are repayments to that fund for the months during each calendar year when monthly bed taxes dip below monthly obligations for debt service. Through the projection period, reliance on the rental reserve fund to make up for monthly tax collection shortages is minor. If any rental reserve funds are used, such use is easily replenished during the course of the year.

## 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, 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 when 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 debt service slightly 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 CFA 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 CFA $6.25 million over the remaining term of the bond issue. Annual total debt service for the convention center because of this refunding dropped from $14.02 million to $13.13 million, saving approximately $895,000 a year in debt service. These 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 CFA was able to refund the 2005 bonds in October 2015 at the "locked in" interest rate of 2.95 percent. The refunding saved the CFA $9.48 million over twelve years. The 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. The annual total debt service for the convention center because 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 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, 2022, the CFA had $254.7 million in outstanding bonds due on series issued for convention center development. Bonds outstanding will remain the same at year end 2023.

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. Given the 2020 bond refunding; the CFA was also well positioned to cover debt service through historic lows in hotel tax collections caused by the disruption of the pandemic.

As indicated in Table 2-7, annual debt service remains below anticipated hotel tax revenue for all years of the projection period. Hotel tax revenue has and will provide resources needed to accommodate annual debt obligations in 2022 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, 2023 and 2024 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

## Franklin County Convention Facilities Authority

# 2022 - 2047 Coverage Analysis for Convention Center Debt Program

**(2022 actual, 2023-2047 estimated)**

| | REVENUE | DEBT SERVICE PAYMENTS | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | Hotel Tax Collections (as accrued) | Series 2014 | Series 2015 | Series 2017 | Series 2020 | Total Debt Service | Revenue less Debt Service | Coverage Ratio |
| 2022 | $ 25,750,221 | $ 1,145,650 | $ 671,524 | $ 29,329 | $ 5,111,147 | $ 6,957,650 | $ 18,792,571 | 3.70 |
| 2023 | 27,362,001 | 1,145,650 | 671,524 | 29,329 | 5,111,147 | 6,957,650 | 20,404,351 | 3.93 |
| 2024 | 28,456,481 | 1,145,650 | 671,524 | 29,329 | 7,661,147 | 9,507,650 | 18,948,831 | 2.99 |
| 2025 | 29,594,740 | 4,995,650 | 8,026,524 | 509,329 | 7,146,695 | 20,678,198 | 8,916,542 | 1.43 |
| 2026 | 31,074,477 | 4,998,150 | 8,029,184 | 504,485 | 7,744,843 | 21,276,661 | 9,797,816 | 1.46 |
| 2027 | 32,628,201 | 5,030,900 | 8,025,342 | 474,537 | 7,864,171 | 21,394,950 | 11,233,251 | 1.53 |
| 2028 | 34,259,611 | 13,752,500 | - | - | 7,896,930 | 21,649,430 | 12,610,181 | 1.58 |
| 2029 | 35,287,400 | - | - | - | 22,037,433 | 22,037,433 | 13,249,967 | 1.60 |
| 2030 | 36,346,022 | - | - | - | 23,252,213 | 23,252,213 | 13,093,809 | 1.56 |
| 2031 | 37,436,402 | - | - | - | 23,723,664 | 23,723,664 | 13,712,738 | 1.58 |
| 2032 | 38,559,494 | - | - | - | 3,779,689 | 3,779,689 | 34,779,805 | 10.20 |
| 2033 | 39,716,279 | - | - | - | 25,194,689 | 25,194,689 | 14,521,590 | 1.58 |
| 2034 | 40,907,767 | - | - | - | 25,371,725 | 25,371,725 | 15,536,042 | 1.61 |
| 2035 | 42,135,000 | - | - | - | 25,400,413 | 25,400,413 | 16,734,587 | 1.66 |
| 2036 | 43,399,050 | - | - | - | 15,532,212 | 15,532,212 | 27,866,838 | 2.79 |
| 2037 | 44,701,022 | - | - | - | 15,525,336 | 15,525,336 | 29,175,686 | 2.88 |
| 2038 | 46,042,053 | - | - | - | 7,441,002 | 7,441,002 | 38,601,051 | 6.19 |
| 2039 | 47,423,314 | - | - | - | 7,431,956 | 7,431,956 | 39,991,358 | 6.38 |
| 2040 | 48,846,014 | - | - | - | 7,437,610 | 7,437,610 | 41,408,404 | 6.57 |
| 2041 | 50,311,394 | - | - | - | 3,577,390 | 3,577,390 | 46,734,004 | 14.06 |
| 2042 | 51,820,736 | - | - | - | 3,577,206 | 3,577,206 | 48,243,530 | 14.49 |
| 2043 | 53,375,358 | - | - | - | 3,573,799 | 3,573,799 | 49,801,559 | 14.94 |
| 2044 | 54,976,619 | - | - | - | 3,577,210 | 3,577,210 | 51,399,409 | 15.37 |
| 2045 | 56,625,917 | - | - | - | 3,572,040 | 3,572,040 | 53,053,877 | 15.85 |
| 2046 | 58,324,695 | - | - | - | 3,573,487 | 3,573,487 | 54,751,208 | 16.32 |
| 2047 | 60,074,436 | - | - | - | 3,576,193 | 3,576,193 | 56,498,243 | 16.80 |

**Note:**
Hotel tax revenues (as accrued) are projected to grow by 6.3 percent in 2023; 4.0 percent in 2024 and 2025; 5.0 percent in 2026 thru 2028; and 3.0 percent 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. While interest and principal expenses are accrued monthly, actual interest payments on outstanding bonds are made twice a year and the principal payment is made once a year. The 2023 budget (cash basis) for the convention center debt service fund is provided in Table 2-8.

Table 2-8

## Debt Service Fund

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Hotel/Motel Taxes | $ 6,893,393 | $ 6,522,601 | $ 9,819,020 |
| Interest Earnings/Other | 28,615 | 74,000 | 48,000 |
| Transfers In: Debt Reserve (earnings) | - | 370,661 | 381,006 |
| Transfers In: Rental Reserve (earnings) | - | 204,563 | 190,503 |
| **Total Sources of Funds** | 6,922,008 | 7,171,825 | 10,438,529 |
| **Uses of Funds:** | | | |
| Debt Service Series 2014 | 1,145,650 | 1,145,650 | 1,145,650 |
| Debt Service Series 2015 | 671,524 | 671,524 | 671,524 |
| Debt Service Series 2017 | 29,329 | 29,329 | 29,329 |
| Debt Service Series 2020 | 5,111,147 | 5,111,147 | 7,661,147 |
| **Total Use of Funds** | 6,957,650 | 6,957,650 | 9,507,650 |
| **Current Year Balance** | (35,642) | 214,175 | 930,879 |
| **Add: prior year balance** | 616,315 | 580,673 | 794,848 |
| **Year End Fund Balance:** | **$ 580,673** | **$ 794,848** | **$ 1,725,727** |

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 if 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 2024 budget for the convention center debt service reserve fund is provided in Table 2-9 (following page). 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 2024 are based upon yields provided for in the investments as listed in Table 2-11.

Table 2-9

| Debt Service Reserve Fund | | | |
|---|---|---|---|
| | **2022 Actual** | **2023 Projected** | **2024 Budget** |
| **Sources of Funds:** | | | |
| Interest Earnings | $ 246,364 | $ 227,078 | $ 381,006 |
| | - | - | - |
| **Total Sources of Funds** | 246,364 | 227,078 | 381,006 |
| **Uses of Funds:** | | | |
| Transfer to: Debt Service (Earnings) | - | 370,661 | 381,006 |
| **Total Use of Funds** | 0 | 370,661 | 381,006 |
| **Current Year Balance** | 246,364 | (143,583) | - |
| **Add: prior year balance** | 25,392,734 | 25,639,098 | 25,495,515 |
| **Year End Fund Balance:** | **$ 25,639,098** | **$ 25,495,515** | **$ 25,495,515** |
| **Required Balance:** | $ 25,400,413 | $ 25,400,413 | $ 25,400,413 |

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 additional deposits were made with bond proceeds such that the rental reserve fund balance at year end 2020 was fully replenished. Projections suggest that the rental reserve will remain fully funded in 2024 and throughout the projection period.

The 2024 budget for the convention center rental reserve fund is provided in Table 2-10. 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 is fully funded at $12.7 million.

Table 2-10

| Rental Reserve Fund | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Hotel Taxes | $ - | $ - | $ - |
| Interest Earnings | 113,614 | 124,470 | 190,503 |
| **Total Sources of Funds** | 113,614 | 124,470 | 190,503 |
| **Uses of Funds:** | | | |
| Transfer to: Debt Service Fund | - | 204,563 | 190,503 |
| **Total Use of Funds** | - | 204,563 | 190,503 |
| **Current Year Balance** | 113,614 | (80,093) | - |
| **Add: prior year balance** | 12,742,176 | 12,855,790 | 12,775,697 |
| **Year End Fund Balance:** | **$ 12,855,790** | **$ 12,775,697** | **$ 12,775,697** |
| **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 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 must be completed every five years and, if 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. The rebate calculation must be prepared by a "rebate analyst" such as bond counsel or nationally recognized accounting firm.

The CFA has no outstanding liabilities as they relate to arbitrage rebate calculations. A rebate calculation for the 2017 bond series was completed in 2022. A rebate calculation for the 2014 bond series will be completed in 2024. All rebate calculations are up to date.

Currently the CFA has invested most fund reserves 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 2-11 summarizes held investments for the debt service and rental reserve funds as of October 2023. The current average yield to maturity on the investment portfolio for the debt service reserve fund is 1.89 percent and the rental reserve fund is 2.29 percent. Most debt service reserves and rental reserves are invested. Funds not invested are held either in the trustee's short term investment account or in STAR Ohio.

Table 2-11

## Current Investment Portfolio for Convention Center Reserve Funds

| Investment | Amount Invested Debt Reserve | Amount Invested Rental Reserve | Yield to Maturity | Maturity |
|---|---|---|---|---|
| To invest/cash | $ 2,728,319 | $ 370,701 | 2.06 | |
| Star Ohio | 7,515 | - | 3.13 | |
| 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 |
| US Treasury Note | 990,625 | - | 1.71 | 9/30/2024 |
| US Treasury Note | 1,199,156 | - | 0.65 | 10/15/2024 |
| Federal Farm Credit Bank | 2,686,392 | 1,226,786 | 1.76 | 11/1/2024 |
| US Treasury Note | 492,539 | - | 0.95 | 3/31/2025 |
| 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 |
| US Treasury Note | 466,780 | - | 1.16 | 3/31/2026 |
| US Treasury Note | - | 493,398 | 1.05 | 5/31/2026 |
| Federal Home Loan Bank | 149,868 | - | 0.77 | 6/12/2026 |
| US Treasury Note | 1,490,098 | 993,398 | 1.01 | 9/30/2026 |
| Federal Home Loan Bank | 1,196,760 | 822,772 | 1.16 | 10/13/2026 |
| Federal Home Loan Bank | 223,193 | 133,916 | 4.12 | 12/21/2026 |
| US Treasury Note | 225,488 | 135,293 | 4.06 | 1/31/2027 |
| US Treasury Note | - | 45,199 | 4.85 | 1/31/2027 |
| US Treasury Note | 232,139 | 139,588 | 4.04 | 2/15/2027 |
| US Treasury Note | - | 46,331 | 4.84 | 2/15/2027 |
| Federal Home Loan Bank | 216,375 | - | 4.32 | 2/26/2027 |
| US Treasury Note | 234,824 | 140,895 | 4.03 | 3/31/2027 |
| US Treasury Note | | 46,473 | 4.83 | 3/31/2027 |
| US Treasury Note | 237,207 | 142,324 | 4.01 | 4/30/2027 |
| US Treasury Note | | 46,850 | 4.69 | 4/30/2027 |
| US Treasury Note | 223,922 | 139,951 | 4.02 | 5/15/2027 |
| US Treasury Note | | 46,557 | 4.85 | 5/15/2027 |
| US Treasury Note | 310,129 | 145,318 | 3.99 | 6/30/2027 |
| US Treasury Note | | 48,035 | 4.68 | 6/30/2027 |
| US Treasury Note | 308,286 | 142,072 | 3.99 | 7/31/2027 |
| US Treasury Note | | 46,931 | 4.69 | 7/31/2027 |
| US Treasury Note | 301,431 | 138,803 | 3.99 | 8/15/2027 |
| US Treasury Note | | 45,790 | 4.84 | 8/15/2027 |
| US Treasury Note | 327,365 | 151,061 | 3.96 | 9/30/2027 |
| US Treasury Note | | 49,091 | 4.67 | 9/30/2027 |
| US Treasury Note | 321,938 | 150,867 | 3.99 | 10/31/2027 |
| Federal Farm Credit Bank | 199,620 | - | 3.79 | 12/7/2027 |
| US Treasury Note | - | 144,281 | 3.99 | 12/31/2027 |
| US Treasury Note | - | 216,574 | 4.65 | 1/31/2028 |
| Freddie Mac | - | 199,643 | 4.94 | 2/11/2028 |
| US Treasury Note | - | 198,867 | 4.41 | 2/29/2028 |
| US Treasury Note | 201,094 | - | 3.87 | 2/29/2028 |
| US Treasury Note | - | 195,711 | 4.13 | 3/31/2028 |
| US Treasury Note | 296,684 | - | 3.88 | 3/31/2028 |
| Federal Home Loan Bank | 200,006 | - | 3.75 | 4/6/2028 |
| US Treasury Note | - | 194,672 | 4.12 | 4/30/2028 |
| US Treasury Note | - | 190,148 | 4.13 | 5/15/2028 |
| Federal Home Loan Bank | - | 202,714 | 4.09 | 6/9/2028 |
| Federal Farm Credit Bank | - | 201,617 | 4.07 | 7/17/2028 |
| Federal Home Loan Bank | - | 190,137 | 4.90 | 8/24/2028 |
| US Treasury Note | - | 223,912 | 4.60 | 8/31/2028 |
| Federal Farm Credit Bank | - | 223,552 | 4.70 | 9/22/2028 |
| Farmer Mac | - | 225,000 | 5.00 | 10/23/2028 |
| **Total Invested** | **$ 25,543,900** | **$ 12,756,542** | | |

## 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. Revenue 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 most of the 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 2023, 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 identically to the 2011 series, debt service associated with these bonds is paid through parking revenue from garage operations. At year-end 2023, 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 2024 budget for the parking facility debt service fund. Parking revenue from the operation of all CFA owned parking facilities is the funding source for payment of debt service due on the parking garages. Transfers into the sinking fund from convention operations are made quarterly and when combined are equal to total debt service due for the year. Regarding 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.

Table 2-12

**Debt Service (Sinking) Fund - Parking Facility Development**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Parking Revenue - Convention Center | $ 1,611,457 | $ 3,442,882 | $ 4,246,882 |
| Interest Earnings | 36,188 | 54,000 | 103,390 |
| **Total Sources of Funds** | 1,647,645 | 3,496,882 | 4,350,272 |
| **Uses of Funds:** | | | |
| Principal Payment - Vine Street Garage | - | - | - |
| Interest Expense - Vine Street Garage | 515,082 | 515,082 | 515,082 |
| Principal Payment - Goodale Street Garage | - | | - |
| Interest Expense - Goodale Street Garage | 520,500 | 520,500 | 571,500 |
| Principal Payment - Ohio Center Garage | - | - | - |
| Interest Expense - Ohio Center Garage | 841,800 | 870,600 | 870,600 |
| **Total Use of Funds** | 1,877,382 | 1,906,182 | 1,957,182 |
| **Current Year Balance** | (229,737) | 1,590,700 | 2,393,090 |
| **Add: prior year balance** | 2,085,361 | 1,855,624 | 3,446,324 |
| **Year End Fund Balance:** | **$ 1,855,624** | **$ 3,446,324** | **$ 5,839,414** |

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 2023 and beyond, CFA deposits into the sinking fund return to pre-pandemic levels as the debt service fund is replenished.

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. Parking revenues that exceed debt service obligations will help off-set convention center operating expenses.

Table 2-13

**Total Net Parking Income**

| | | 2023 Projected | | | | | 2024 Budget | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Parking Spaces | Revenue | Operating Expenses | Debt Service | Net Parking Income | Net Parking Income per Space | Revenue | Operating Expenses | Debt Service | Net Parking Income | Net Parking Income per Space |
| South Garage | 549 | $ 1,328,420 | $ 176,421 | $ - | $ 1,151,999 | $ 2,098 | $ 1,638,172 | $ 228,919 | $ - | $ 1,409,253 | $ 2,567 |
| Vine St. Garage | 1778 | 5,472,658 | 726,798 | 1,039,582 | 3,706,278 | 2,085 | 5,832,698 | 815,066 | 1,039,582 | 3,978,050 | 2,237 |
| Goodale Garage | 800 | 2,215,975 | 294,293 | 517,500 | 1,404,182 | 1,755 | 2,340,486 | 327,061 | 1,321,500 | 691,925 | 865 |
| East Lot | 875 | 595,011 | 79,021 | - | 515,990 | 590 | 614,555 | 85,878 | - | 528,677 | 604 |
| North Lot | 61 | 339,193 | 45,047 | - | 294,146 | 4,822 | 355,794 | 49,719 | - | 306,075 | 5,018 |
| Ohio Center Garage | 650 | 512,454 | 68,057 | 1,885,800 | (1,441,403) | (2,218) | 532,171 | 74,366 | 1,885,800 | (1,427,995) | (2,197) |
| All Facilities | 4713 | $ 10,463,711 | $ 1,389,636 | $ 3,442,882 | **$ 5,631,193** | $ 1,386 | $ 11,313,876 | $ 1,581,010 | $ 4,246,882 | **$ 5,485,984** | $ 1,350 |
| Coverage Ratio (%) | | | | | 3.04 | | | | | 2.66 | |

## 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 equity 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 self-sustaining. 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 ended the year 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. With the outbreak and spread of COVID-19 in 2020 the financial position of the convention center changed drastically. 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 were either cancelled or moved to future years.

After successfully maneuvering through the unknowns of the pandemic, convention center operations returned to normal in 2023. Overall, the center is doing well. Event activity is rebounding as the center will host 26 citywide events during the year. Short-term business for the year is also proving to be strong and event attendance is up. Through September the center has hosted 200 events within the center, 40 events above budget. Income from food/beverage services, parking and ancillary services are also helping drive resources to the bottom line. Unfortunately, while revenues are doing well, operating expenses are proving to be a challenge as labor, utilities and maintenance costs are above budget. Overall, the center is expected to end 2023 with negative net income of approximately $700,000; an income number that is approximately $300,000 below budget. The 2023 operating deficit will be paid for with convention center cash reserves.

2024 will be another growth year for the center. In 2024, the number and size of events is expected to increase (see Table 2-14 for comparison of 2023 and 2024 events). While revenue generation and growth will be the focus of operating efforts in 2024, the center will also strive to improve overall visitor and guest experience, enhance operating efficiencies and improve workforce retention and development.

Table 2-14

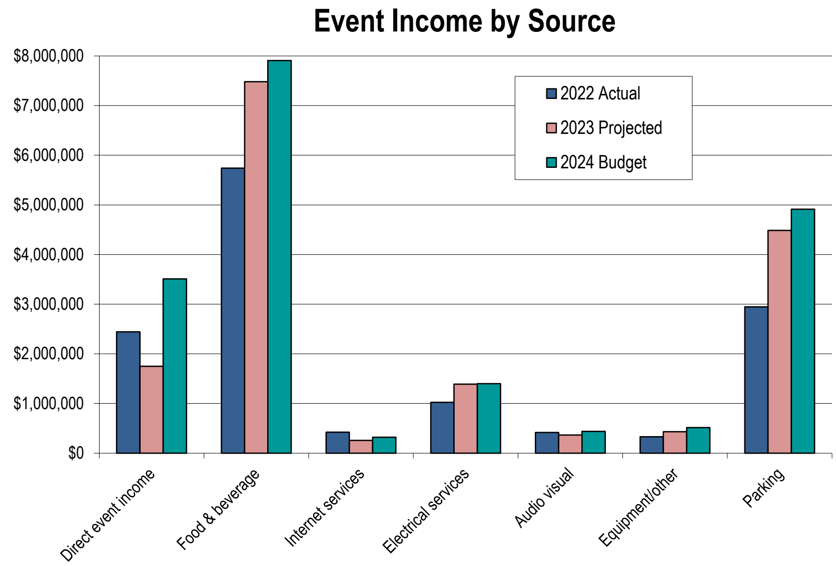
| Greater Columbus Convention Center Summary of 2023 Events (as booked November 2022) | |
|---|---|
| Total Confirmed Events | 121 |
| Total Attendance | 520,575 |
| Total Room Nights | 257,827 |
| Total Citywide Events | 26 |
| Total New Events | 29 |
| Total Events with 5,000+ in Attendance | 26 |
| Total Events with 1,000+ Room Nights | 53 |
| Percent of Event Income that is based on Short-term Business (yet to be booked) | 22% |

| Greater Columbus Convention Center Summary of 2024 Events (as booked November 2023) | |
|---|---|
| Total Confirmed Events (now includes tentative) | 139 |
| Total Attendance | 744,805 |
| Total Room Nights | 298,912 |
| Total Citywide Events | 35 |
| Total New Events | 40 |
| Total Events with 5,000+ in Attendance | 37 |
| Total Events with 1,000+ Room Nights | 57 |
| Percent of Event Income that is based on Short-term Business (yet to be booked) | 13% |

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 2024, direct event income will increase due to added events and improved use of contracted labor. Added events as well as increased attendance will also impact ancillary income which includes income from catering, food and beverage, technical services, booth cleaning, parking, equipment rental, and concessions. Combined, total event income in 2024 is projected to be $19.0 million; a $2.8 million increase over 2023 event income.

Total event income is generated from a variety of revenue sources as illustrated in Chart 2-15 (following page). As expected, the largest source of event income for 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 the implementation of new creative menus, improved food presentation and better use of local food sources. In 2024, income from food services is expected to increase due to added events and improved attendance. Unfortunately, labor and food costs will continue to negatively impact the bottom-line. Overall, the profit margin from food service operations is expected to be 32 percent for the year; 1.0 percent better than 2023 but below the 33.0 percent margin experienced prior to the pandemic. Overall, food and beverage net revenue in 2024 will equal $7.9 million. Net income which is net revenue less indirect expenses will equal $4.8 million; approximately $300,000 higher than net income expected in 2023.

Chart 2-15




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. Overall, 2024 is expected to be another growth year for parking revenue as activity within the convention center and surrounding community continues to improve. In 2024, parking revenue is projected to be $11.3 million, $800,000 above prior year. Of parking revenue earned during the year, $4.2 million will be used to pay garage debt service in 2024.

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.

2024 convention center income is illustrated in Chart 2-16 (following page). Total income for the year is projected to be $26.3 million, 14.9 percent above prior year.

Convention center operations in 2024 will continue to invest in initiatives that further center cleanliness and health safety. In addition, efforts in 2024 will focus on improving the visitor/guest experience; reducing contracted labor through employee recruitment, training and retention; food service innovation; and event generation. To accomplish these goals, the budget includes funding for 129 full-time ASM Global staff members and 22 Levy full-time staff members. In 2024, the budget provides monies for 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 $350,000 to the Greater Columbus Sports Commission for marketing. The budget also provides for a contribution of $360,000 to the business development fund. Convention center revenue and expenses for 2023 and 2024 are summarized in Table 2-17.

Chart 2-16

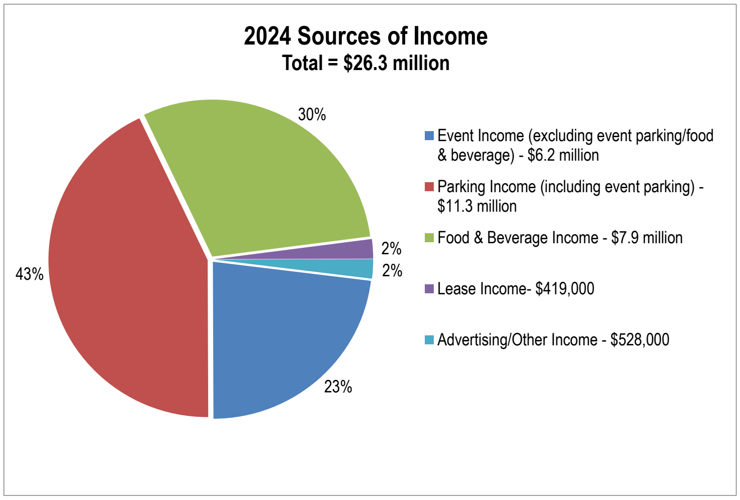



Table 2-17

## Greater Columbus Convention Center
## Revenues and Expenses

| | 2023 Projected | 2024 Budget | Variance | % Change |
|---|---|---|---|---|
| **Sources of Income** | | | | |
| Direct Event Income | $ 1,749,502 | $ 3,507,782 | $ 1,758,280 | 100.50 |
| Food and Beverage | 7,479,582 | 7,907,759 | 428,177 | 5.72 |
| Parking (event + non-event) | 10,463,711 | 11,313,876 | 850,165 | 8.12 |
| Ancillary Income | 2,442,713 | 2,669,396 | 226,683 | 9.28 |
| Lease Income | 403,866 | 419,386 | 15,520 | 3.84 |
| Other | 474,033 | 527,800 | 53,767 | 11.34 |
| **Total Source of Income** | **$ 23,013,407** | **$ 26,345,999** | **$ 3,332,592** | **14.48** |
| **Uses of Income** | | | | |
| Employee Wages/Benefits | 6,935,609 | 8,679,292 | 1,743,683 | 25.14 |
| Contracted Labor | 352,111 | 1,975 | (350,136) | (99.44) |
| Food Service Expenses | 2,981,133 | 3,115,299 | 134,166 | 4.50 |
| General and Administrative | 2,754,542 | 3,000,911 | 246,369 | 8.94 |
| Operations/Repairs/Supplies | 2,907,462 | 2,565,048 | (342,414) | (11.78) |
| Utilities/Utility Recovery | 3,610,057 | 3,609,787 | (270) | (0.01) |
| Insurance/Other | 713,655 | 1,060,271 | 346,616 | 48.57 |
| **Total Uses of Income** | **$ 20,254,569** | **$ 22,032,583** | **$ 1,778,014** | **8.78** |
| **Net Income from Operations** | **$ 2,758,838** | **$ 4,313,416** | **$ 1,554,578** | **56.35** |
| Less: Garage Debt Service Payment | $ (3,442,882) | $ (4,246,882) | (804,000) | **23.35** |
| **Total Net Income** | **$ (684,044)** | **$ 66,534** | **$ 750,578** | **109.73** |

Overall, the center is projected to do better in 2024 than it will in 2023. While the center is expected to drive revenues during the year; expense increases due to staffing, insurance and garage debt service will negatively impact the bottom line. Despite the projected increase in expenses, the convention center is expected to be self-sustaining and will end the year with net income of approximately $67,000.

## 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 the needs of the facility. During 2024, the capital improvements program for the convention center will accelerate with significant investment of resources. Of focus will be improvement of HVAC systems throughout the facility. In 2024, the CFA will also prepare for the north building roof replacement which will occur in 2025 and 2026. A complete list of facility improvements and capital expenditures planned for 2024 is provided in Table 2-18. The total cost of capital improvements for the convention center in 2024 will be $10.45 million.

Table 2-18

**2024 Capital Improvements Program**

**Greater Columbus Convention Center & Related Projects**

| | | |
|---|---|---|
| North Building Chiller Replacement | $ | 2,500,000 |
| North Building Air Handler Fan Upgrades | | 450,000 |
| North Building Roof Engineering/ Design | | 100,000 |
| Elevator/Escalator Refurbishment | | 500,000 |
| South Building Boiler Replacement | | 1,500,000 |
| West Connector Joint Restoration | | 750,000 |
| Technology and Infrastructure Upgrades | | 250,000 |
| HVAC Control Upgrade | | 1,000,000 |
| Back of House Restrooms & Service Hall | | 200,000 |
| Ohio Center Garage Media Screen | | 750,000 |
| Replacement FF&E | | 100,000 |
| Door Replacement | | 200,000 |
| Miscellaneous Projects | | 200,000 |
| High Street Traffic Signal | | 250,000 |
| Air Quality Improvements: South Facility | | 1,700,000 |
| **Total: 2024 Capital Projects** | **$** | **10,450,000** |

In 2021 and 2022, the CFA was the beneficiary of a $1.25 million American Rescue Plan grant from the county and a $900,000 American Rescue Plan grant form the city for continued improvement of air quality within the convention center ($1.85 million) and purchase of health supplies for Nationwide Arena ($300,000). With proceeds from these grants, CFA is investing in the purchase and installation of new air handling units for Battelle Hall. While purchase of the new units was made in 2023, actual installation of the units will not be completed until 2024.

2024


# Section 3:
# **Hilton Columbus Downtown**

# Hilton Columbus Downtown Hotel

In answer to market demand for convention quality hotel rooms near the center; the CFA in partnership with the City of Columbus and Franklin County opened the Hilton Columbus Downtown in October 2012. Located on property adjacent to the convention center, the original hotel includes 532 guest rooms (five more rooms will be added in 2024 with the renovation of the executive suite) 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. The 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 been well received within the community and has been very successful, the CFA again in partnership with the City and County, expanded and improved the Hilton Columbus Downtown. In September 2022, the CFA opened a new 28 floor tower for the hotel. The new tower is 461,529 square feet in size and includes 463 new rooms, two restaurants (one located on the top floor of the tower, the other located on street level); approximately 70,000 square feet of meeting room space, a 15,000 square foot grand ballroom, a junior ballroom, and a new lobby. As with the original tower, art is a prominent feature of the new tower. The new tower cost approximately $291.2 million and, after adding in reserve funds, issuance cost, underwriter's discount, and capitalized interest, the total cost of the hotel expansion project was approximately $345.5 million. With the opening of the new tower, the hotel now operates and functions as a single enterprise of 1,000 rooms under common management. As such, the Hilton Columbus Downtown is the only 1,000 room hotel in Ohio.

## Debt Service – Hilton Columbus Downtown Hotel

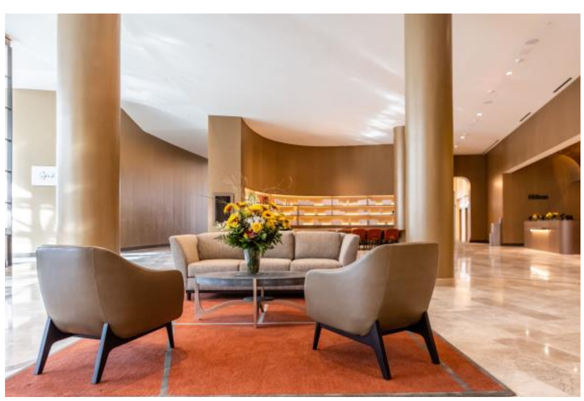
On February 10, 2010 the CFA sold $160.0 million in lease revenue anticipation bonds to finance the construction of the original Hilton Columbus Downtown Hotel. Bonds issued were Build America Bonds, with a thirty-year term, and escalating net debt service beginning with the start of principal payments 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.

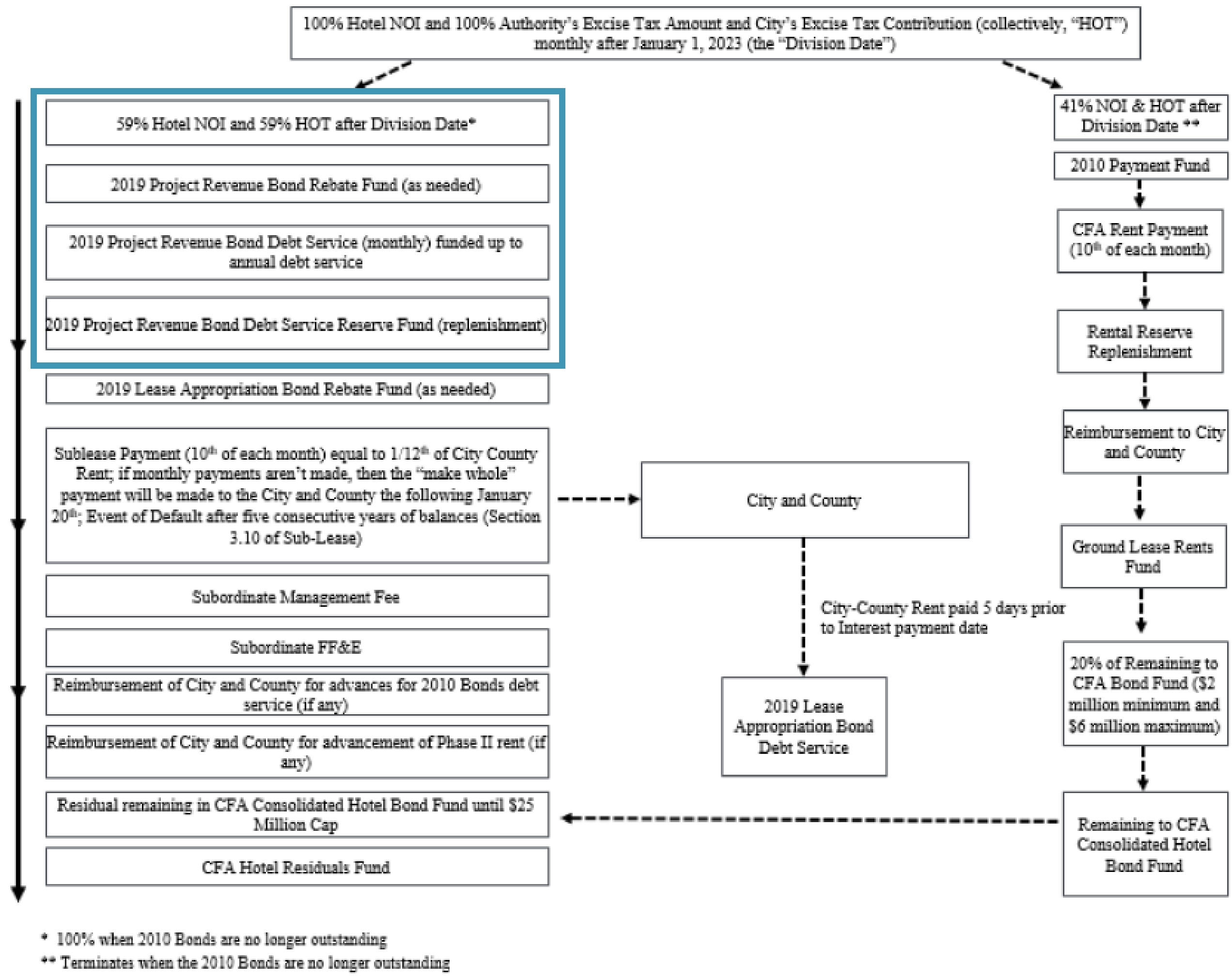
Issued as Build American Bonds (BABs), the CFA receives subsidy payments from the U.S. Treasury for support of annual debt service pursuant to BABs funding requirements. This subsidy support coupled with hotel net income and hotel generated lodging taxes provide the revenue support needed to cover on-going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

To provide the financing structure for the development of the hotel's new tower, the City, County and CFA amended the original cooperative agreement with a revised financing plan for the hotel. Per the new plan, the hotel expansion was financed through the issue of two series of bonds, both issued in 2019. Series A bonds are project revenue bonds backed only by the Hilton's net income and lodging tax revenue. Series B bonds are 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 are now 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. At the time of the 2019 issue, the CFA used funds within the 2010 bond payment fund to fully fund ($25.0 million) a new hotel consolidated bond fund to serve as security for the new bonds. 2019 bonds were sold on December 4, 2019.



The below diagram illustrates the flow of funds and the corresponding payment of debt service under the new structure for hotel bonds. This new flow began in January 2023. For the years prior to 2023, capitalized interest was 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 were used to 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 endured 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. Overall REVPar in 2020 dropped by approximately 67.0 percent below 2019. Because hotel operations were significantly reduced during 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 rental reserve funds to cover annual debt obligations associated with the 2010 bond issue.

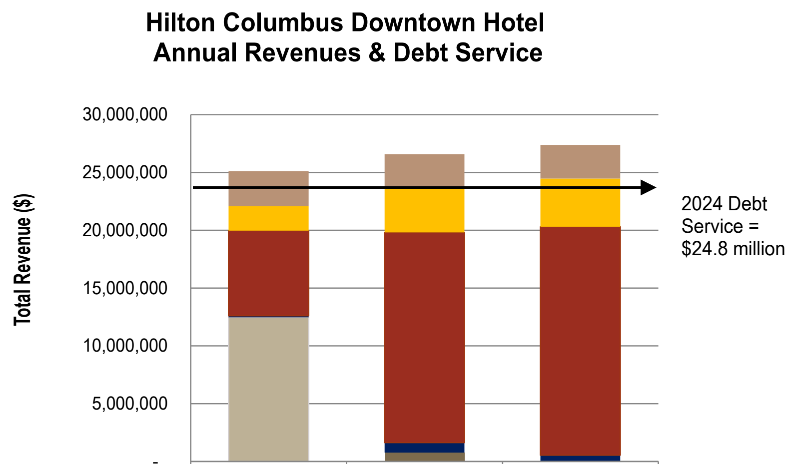
Hotel operations in 2021 showed improvement in net operating income although the year remained challenging. Similar to patterns experienced in the hotel market overall, hotel operations during the first half of the year were low as health restrictions due to COVID continued. The second half of the year proved different, as hotel occupancy began to climb with the return of travel; although returned travel was still below levels experienced prior to the pandemic. While operations in 2021 did result in some net operating income flowing to the CFA for debt coverage, the amount received was still below operating income needed to cover all debt obligations for the year. As a result, the CFA again drew from the 2010 rental reserve fund to cover debt service.

Fortunately, travel and group business continued to rebound in 2022, growing hotel income and increasing flow to the bottom-line. As a result of this growth, 2022 net operating income, hotel tax revenue and US Treasury payments fully covered debt obligations for the year and the CFA did not draw on rental reserve funds during the year to cover debt service. During 2022, capitalized interest was used to cover debt service due on 2019 bonds.

2023 is also proving to be a good year for the hotel as the market returns to pre-covid levels of activity. Occupancy within the Hilton Columbus Downtown Hotel has progressively improved during the year despite the added room inventory of the new tower. Strong room rates as well as income from the food/beverage outlets have increased net income to a level that is needed to cover debt service. Despite strong hotel performance in 2023, revenues will be slightly below what is needed to fully pay debt service due on the 2010 issue. As a result, rental reserve funds will be used to cover the minor shortfall. The good news is revenues will be sufficient to cover debt service due on the 2019 issue. Moving forward, hotel operations are expected to produce enough income to fully cover debt service for both the 2010 and 2019 bond issues. In fact, by the end of the five-year projection period, the CFA will not only cover all debt obligations with hotel net operating income but will have replenished all rental reserve funds used to cover debt service during 2020, 2021 and 2023. It is important to note that while rental reserve funds were used during the pandemic for debt service; the CFA did not draw on any funds reserved in the 2010 debt service reserve fund. Throughout the term of the pandemic the debt service reserve fund for both the 2010 bond issue and the 2019 bond issue remained fully funded.

Chart 3-1 (following page) illustrates the sources of funds used to cover debt service for the years 2022, 2023 and 2024. Because net operating income from hotel operations in 2023 are below levels needed to cover debt service due on the 2010 bonds, the CFA will use rental reserve funds to cover the projected shortfall. Beginning in 2024, the hotel is expected to generate net operating income sufficient enough to cover all debt service due for the year.

Chart 3-1




| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| U.S. Treasury Payment | 3,049,666 | 2,992,091 | 2,920,897 |
| Hotel's Lodging Tax | 2,097,134 | 3,781,000 | 4,161,000 |
| Hotel Distribution | 7,365,727 | 18,182,000 | 19,763,000 |
| Interest Earnings (all) | 136,409 | 862,853 | 541,688 |
| Capitalized Interest | 12,470,416 | - | - |
| Rental Reserve Fund | - | 765,134 | - |

Table 3-2

## Hotel - 2010 Bond Payment Fund

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Distribution from Hotel | $ 7,365,727 | $ 7,454,620 | $ 8,102,830 |
| U.S. Treasury Payments | 3,049,666 | 2,992,091 | 2,920,897 |
| Hotel Lodging Tax | 2,097,134 | 1,550,210 | 1,706,010 |
| Interest Earnings | 47,224 | 99,630 | 100,000 |
| Transfer In: Debt Reserve Fund (Earnings) | - | 155,083 | 67,519 |
| Transfer In: Ground Lease Fund (Earnings) | - | - | 114,169 |
| Transfer In: Rental Reserve Fund | - | 765,134 | - |
| Transfer In: Consolidated Bond Fund | 200,000 | - | - |
| **Total Sources of Funds** | 12,759,751 | 13,016,768 | 13,011,425 |
| **Uses of Funds:** | | | |
| Principal Payment | 3,455,000 | 3,670,000 | 3,895,000 |
| Interest Expense | 9,240,011 | 9,051,713 | 8,849,863 |
| **Total Use of Funds** | 12,695,011 | 12,721,713 | 12,744,863 |
| **Current Year Balance** | 64,740 | 295,055 | 266,562 |
| **Add: prior year balance** | 607,367 | 672,107 | 967,162 |
| **Year End Fund Balance:** | $ 672,107 | $ 967,162 | $ 1,233,724 |
| **Required Minimum Balance:** | | | **$ 2,000,000** |

Table 3-2 (previous page) provides information on the 2010 hotel debt service or bond payment fund. Beginning in 2023, distribution of hotel income as well as the hotel's lodging tax was split between the 2010 and 2019 bond funds to pay for debt service due on both issues. Because 2023 was the first year of such split and because 2023 was also the first year of the hotel operating as one 1,000 room property, actual revenue flow into the 2010 bond fund proved to be slightly less than needed to cover debt service. This is short term. Hotel operations in 2024 is expected to improve as hotel occupancy continues to increase and as operations become more efficient. As a result, debt service due on 2010 bonds will be paid in full during 2024.

Per terms of the 2019 bond issue; the 2010 bond fund is required to maintain a minimum balance of $2.0 million and/or a maximum balance of $6.0 million as added security for 2010 debt service coverage. Because of the challenges posed by the pandemic, the balance in the 2010 bond fund at year 2024 will be less than the required minimum balance. 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 meet the minimum balance requirement beginning in 2025.

Table 3-3 summarizes the financial position of the 2019 hotel debt service or bond payment fund. Initially, interest on the 2019 bonds was capitalized through to 2023. As such, funds from the 2019 bond issue equal to the value of debt service due for the years 2020 through 2022 were deposited into the 2019 bond payment fund where they were subsequently used by the trustee to pay debt service through 2022. Beginning in 2023, 59.0 percent of the hotel's net operating income and lodging tax has been deposited into the fund to cover 2019 debt service costs. Such costs will be fully covered in 2023.

Table 3-3

**Hotel - 2019 Bond Payment Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Distribution from Hotel | $ - | $ 10,727,380 | $ 11,660,170 |
| Hotel Lodging Tax | - | 2,230,790 | 2,454,990 |
| Transfer From: Consolidated Bond Fund | - | 2,046,790 | 2,228,600 |
| Transfer From: Debt Reserve Fund Earnings | - | 500,000 | 150,000 |
| Interest Earnings | 89,185 | 108,140 | 110,000 |
| **Total Sources of Funds** | 89,185 | 15,613,100 | 16,603,760 |
| **Uses of Funds:** | | | |
| Debt Service: Project Revenue Bonds | 7,590,750 | 7,590,750 | 7,590,250 |
| Debt Service: Lease Appropriation Bonds | 4,457,200 | 4,457,200 | 4,457,200 |
| Transfer To: Consolidated Bond Fund | - | - | 2,740,995 |
| Transfer To: Hotel (management fee/FF&E) | - | 2,804,433 | 1,713,526 |
| **Total Use of Funds** | 12,047,950 | 14,852,383 | 16,501,971 |
| **Current Year Balance** | (11,958,765) | 760,717 | 101,789 |
| **Add: prior year balance** | 12,470,416 | 511,651 | 1,272,368 |
| **Year End Fund Balance:** | $ 511,651 | $ 1,272,368 | $ 1,374,157 |

The hotel consolidated bond fund serves as an additional source of monies available for debt service coverage related to 2019 hotel bonds. Because revenues into the 2019 bond fund must first be used to pay all debt service due on the project revenue bonds prior to being used to pay debt service due on the lease appropriation bonds, monies available to meet debt service payment due on June 1st are not sufficient enough to cover all of the annual debt service due on the project revenue bonds plus the first semester payment of debt service due on the lease appropriation bonds. As a result, consolidated bond funds are used to cover the shortfall. However, this use is temporary as the consolidated bond fund is subsequently replenished prior to year end when there are sufficient monies within the bond fund to cover debt service due on both series.

Per terms of the 2019 bond indenture, net operating income from hotel operations must first be available for payment of debt service prior to payment of the subordinate management fee and the secondary deposit in the hotel's FF&E fund. Net operating income flows to the trustee monthly whereby it is held in the bond payment fund until payment of debt service is made. Upon full payment of debt service at year end, any remaining funds are transferred back to the hotel for payment of the subordinate management fee and for deposit of monies into the FF&E reserve. Once this commitment is met, the remaining monies in the bond fund are transferred to the consolidated bond fund. Table 3-4 provides information on the budget for the consolidated bond fund.

Table 3-4

**Hotel Consolidated Bond Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Transfer From: 2019 Bond Fund | $ - | $ - | $ 2,740,995 |
| Interest Earnings | 216,655 | 395,000 | 400,000 |
| **Total Sources of Funds** | 216,655 | 395,000 | 3,140,995 |
| **Uses of Funds:** | | | |
| Transfer To: 2019 Debt Reserve Fund | - | 232,365 | - |
| Transfer To: 2010 Bond Fund | 200,000 | - | - |
| Transfer To: 2019 Bond Fund | - | 2,046,790 | 2,228,600 |
| **Total Uses of Funds** | 200,000 | 2,279,155 | 2,228,600 |
| **Current Year Balance** | 16,655 | (1,884,155) | 912,395 |
| **Add: prior year balance** | 25,213,049 | 25,229,704 | 23,345,549 |
| **Year End Fund Balance:** | $ 25,229,704 | $ 23,345,549 | $ 24,257,944 |
| **Maximum Balance:** | | | $25,000,000 |

The hotel residuals fund serves as the depository for excess hotel monies available after all hotel debt obligations have been met and all reserve funds are fully funded; to include the hotel consolidated bond fund. Monies within the residuals fund are currently earmarked for payment of Nationwide Arena debt due in 2029. Until that time, monies within the residual fund will remain in the fund as required. While the pandemic impacted flow of funds into the residual fund during the past few years, the long-term forecast does anticipate that monies will be deposited into the fund beginning in 2026. By 2028, the residuals fund is projected to have a balance of approximately $8.0 million.

Table 3-5

| Hotel Residuals Fund | | | |
|---|---|---|---|
| | 2022 Actual | 2023 Projected | 2024 Budget |
| **Sources of Funds:** | | | |
| Transfer in: Consolidated Bond Fund | $ - | $ - | $ - |
| Interest Earnings | 32,810 | 104,323 | 105,000 |
| **Total Sources of Funds** | 32,810 | 104,323 | 105,000 |
| **Use of Funds** | - | - | - |
| **Current Year Balance** | 32,810 | 104,323 | 105,000 |
| **Add: prior year balance** | 1,917,782 | 1,950,592 | 2,054,915 |
| **Year End Fund Balance:** | $ 1,950,592 | $ 2,054,915 | $ 2,159,915 |

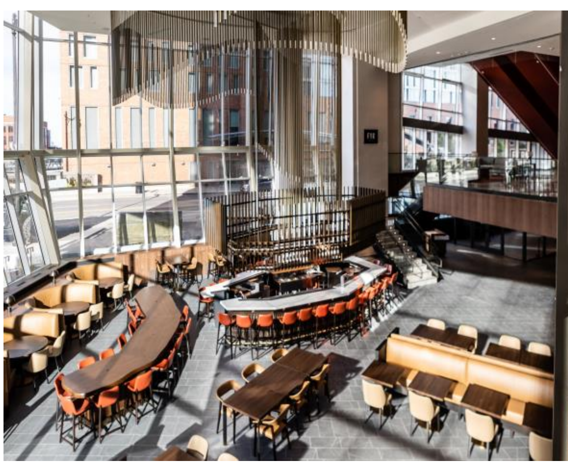
A standard requirement of public borrowing is that a debt service reserve fund equal to maximum annual debt service be established to reserve monies for the payment of principal and interest in the event that all other resources have been depleted. This reserve fund is in place to protect the bond holders. Consistent with this requirement, $6.4 million in bond proceeds were set aside in a debt service reserve fund in support of the 2010 hotel bond issue and $15.2 million in bond proceeds were set aside in a debt service reserve fund for the 2019 bond issue. Since establishment, both debt service reserve funds have remained fully funded and will remain fully funded through the projection period. Both funds are invested, mostly in U.S. agency securities. Interest earnings from these investments are transferred to the corresponding bond payment fund to help pay for annual debt obligations. Balances within the hotel debt service reserve funds are summarized in Table 3-6 and Table 3-7 (following page).

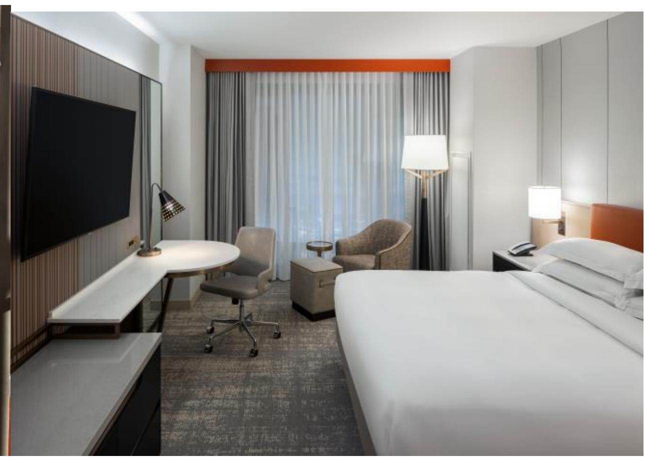
Table 3-6

| Hotel - 2010 Debt Service Reserve Fund | | | |
|---|---|---|---|
| | 2022 Actual | 2023 Projected | 2024 Budget |
| **Sources of Funds:** | | | |
| Interest Earnings | $ 70,469 | $ 64,304 | $ 67,519 |
| **Total Sources of Funds** | 70,469 | 64,304 | 67,519 |
| **Uses of Funds:** | | | |
| Transfer to Bond Payment Fund - Earnings | - | 155,083 | 67,519 |
| **Total Use of Funds** | - | 155,083 | 67,519 |
| **Current Year Balance** | 70,469 | (90,779) | - |
| **Add: prior year balance** | 6,440,310 | 6,510,779 | 6,420,000 |
| **Year End Fund Balance:** | $ 6,510,779 | $ 6,420,000 | $ 6,420,000 |
| **Required Balance:** | | | $6,391,264 |

Table 3-7

| Hotel - 2019 Debt Service Reserve Fund | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Interest Earnings | $ 164,383 | $ 140,000 | $ 150,000 |
| Tranfer in: Consolidated Bond Fund | - | 232,365 | - |
| Tranfer in: CFA Operating Fund | 125,000 | - | - |
| **Total Sources of Funds** | 289,383 | 372,365 | 150,000 |
| **Uses of Funds:** | | | |
| Transfer to: 2019 Bond Payment Fund | 22,513 | 500,000 | 150,000 |
| **Total Use of Funds** | 22,513 | 500,000 | 150,000 |
| **Current Year Balance** | 266,870 | (127,635) | - |
| **Add: prior year balance** | 15,537,363 | 15,804,233 | 15,676,598 |
| **Year End Fund Balance:** | $ 15,804,233 | $ 15,676,598 | $ 15,676,598 |
| **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. Money in excess of the required balance is transferred to the 2010 hotel bond fund. Table 3-8 summarizes the 2024 budget for the hotel rental reserve fund.

Table 3-8

| Hotel - 2010 Rental Reserve Fund | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Interest Earnings | $ 20,878 | $ 61,240 | $ 28,517 |
| **Total Sources of Funds** | 20,878 | 61,240 | 28,517 |
| **Uses of Funds:** | | | |
| Transfer Out: 2010 Bond Fund | - | 765,134 | - |
| **Total Use of Funds** | - | 765,134 | - |
| **Current Year Balance** | 20,878 | (703,894) | 28,517 |
| **Add: prior year balance** | 1,253,348 | 1,274,226 | 570,332 |
| **Year End Fund Balance:** | $ 1,274,226 | $ 570,332 | $ 598,849 |
| **Required Balance** | | | $8,000,000 |

As also required in the original cooperative agreement, the CFA established a ground lease rents fund to serve as an additional reserve fund for 2010 debt service. The required balance for this fund is $1.0 million. Currently, the ground lease fund is fully funded. Monies in excess of the reserve balance are transferred to the 2010 bond fund.

Table 3-9

| Hotel - Ground Lease Rents Fund | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Interest Earnings | $ 17,136 | $ 54,097 | $ 42,937 |
| **Total Sources of Funds** | 17,136 | 54,097 | 42,937 |
| **Uses of Funds:** | | | |
| Transfer Out: 2010 Bond Fund | - | - | 114,169 |
| **Total Use of Funds** | - | - | 114,169 |
| **Current Year Balance** | 17,136 | 54,097 | (71,232) |
| **Add: prior year balance** | 1,002,186 | 1,019,322 | 1,073,419 |
| **Year End Fund Balance:** | $ 1,019,322 | $ 1,073,419 | $ 1,002,187 |
| **Required Balance** | | | $ 1,000,000 |

Consistent with requirements detailed in the trust agreement and supporting documentation associated with each bond issue, the CFA periodically prepares an arbitrage rebate calculation report to determine if 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 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 for hotel related bonds. Rebate calculations for the 2010 bond series were completed in 2020. Rebate calculations for the 2019 bond series will be completed in 2024.

## 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 group, transient and 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 exceeded expectations. Not only has the hotel been well received by the community but the response and input from guests suggest that most are pleased with the accommodation at the hotel as well as the services provided by the 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 (2020 and 2021 being the exception due to COVID and related travel restrictions, stay at home orders and gathering limitations).

2024 is expected to be a year of continued growth for the hotel. With the opening of the new tower in September 2022; the hotel has focused efforts on increasing group/transient business and improving food and beverage sales through the new hotel restaurant (Fyr) and the launch of the new roof-top bar (Stories on High). While market demand for group rooms has returned to 2019 levels, the challenge remains with transient as mid-week transient demand struggles. Luckly, the hotel's group demand as well as permanent business has been able to fill the gap as evidenced by the projected 53/47 split between group and transient/permanent business in 2024. The hotel will host 22 city-wide events in 2024 compared to the 13 city-wide events in 2023. Occupancy for the year is projected to be approximately 63.0 percent; an 8.0 percent increase over 2023. The average daily rate will also increase by 1.5 percent in 2024. Regarding food and beverage, overall revenue from banquets is increasing by 14.2 percent. Revenues from outlets are projected to increase by 13.8 percent. Overall, gross revenues are expected to increase by approximately 11.7 percent in 2024.

Although projected growth in revenues for 2024 is strong, flow to the bottom line will be impacted by growth in expenses. While hotel operations will continue to improve operating efficiencies in 2024; inflationary growth in labor, utilities and supplies will detract from savings due to efficiencies. Changes in brand standards, such as a return to daily housekeeping services or stayover services, will also contribute to expense growth. Table 3-10 (following page) provides a summary of the operating budget for the hotel.

Table 3-10

## Hilton Columbus Downtown Hotel
## Revenues and Expenses

| | 2023 Projected | 2024 Budget | Variance | % Change |
|---|---|---|---|---|
| **Departmental Revenues** | | | | |
| Gross Revenues | $ 68,338,162 | $ 76,308,992 | $ 7,970,830 | 11.66 |
| Less: Departmental Expenses | 29,376,286 | 32,706,025 | 3,329,739 | 11.33 |
| **Total Department Revenue** | **38,961,876** | **43,602,967** | **4,641,091** | **11.91** |
| **Undistributed Expenses** | | | | |
| General & Administrative | 5,129,866 | 5,643,569 | 513,703 | 10.01 |
| Sales & Marketing | 6,423,565 | 6,988,232 | 564,667 | 8.79 |
| Property Operations | 2,417,874 | 3,054,059 | 636,185 | 26.31 |
| IT | 992,344 | 1,047,492 | 55,148 | 5.56 |
| Utilities | 1,829,202 | 1,938,718 | 109,516 | 5.99 |
| **Subtotal - Undistributed Expenses** | **16,792,851** | **18,672,070** | **1,879,219** | **11.19** |
| **Fixed Charges** | | | | |
| Other Non-operating Expense | 569,925 | 779,804 | 209,879 | 36.83 |
| FF&E Reserve Deposit | 2,391,873 | 3,052,360 | 660,487 | 27.61 |
| Management Fee | 2,050,177 | 2,670,815 | 620,638 | 30.27 |
| **Subtotal - Fixed Charges** | **5,011,975** | **6,502,979** | **1,491,004** | **29.75** |
| **Net Operating Income (as accrued)** | **$ 17,157,050** | **$ 18,427,918** | **$ 1,270,868** | **7.41** |
| **Distribution to Owner** (cash basis - excluding subordinate fee/FF&E distribution) | **$ 18,182,050** | **$ 19,762,918** | **$ 1,580,868** | **8.69** |

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 (2.75 percent of gross revenue in 2024) and a subordinate fee (.75 percent of gross revenue in 2024). The subordinate fee is paid after debt service obligations for the year have been met. The second fixed fee 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 (3.00 percent of gross revenue in 2024) and subordinate deposit (currently 1.0 percent of gross revenue). The subordinate deposit is made after debt service obligations have been met and the subordinate fee has been paid.

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. This reserve is used to manage cash flow and replenished on a monthly basis as monies are used. 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. At year-end 2023, the hotel is projected to have approximately $2.0 million in the working capital fund and $2.4 million in the operating reserve.

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 2024, approximately $3.1 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 2024. The major project to be completed in 2024 will be renovation of the executive and presidential suites in the original tower.

Table 3-11

| 2024 Capital Improvement Projects - Hotel | |
|---|---|
| Hilton 401 execuitve/presidentail suite renovation | $ 1,000,000 |
| Mechanical repairs/improvements | 338,300 |
| 401 renovation projects | 143,493 |
| Furniture (banquet chairs, tables, carts, banquet bars) | 300,000 |
| Safety and security projects | 151,000 |
| IT projects | 75,000 |
| Discretionary/miscellaneous | 234,000 |
| **Total: 2024 Capital Projects** | $ 2,241,793 |

Table 3-12 provides a summary of the capital reserve fund. At year-end 2024, the capital improvements fund will have a balance of approximately $3.3 million. While monies within the fund will be used for on-going capital improvements, most deposits into the fund will be reserved for future hotel renovation projects.

Table 3-12

**Hotel Capital or FF&E Reserve Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Primary reserve deposit | $ 1,372,018 | $ 1,708,491 | $ 2,289,270 |
| Secondary reserve deposit | | 1,962,433 | 763,000 |
| **Total Sources of Funds** | 1,372,018 | 3,670,924 | 3,052,270 |
| **Uses of Funds:** | | | |
| Capital project expenses | 4,461,075 | 2,010,219 | 2,241,793 |
| **Total Use of Funds** | 4,461,075 | 2,010,219 | 2,241,793 |
| **Current Year Balance** | (3,089,057) | 1,660,705 | 810,477 |
| **Add: prior year balance** | 3,910,964 | 821,907 | 2,482,612 |
| **Year End Fund Balance:** | $ 821,907 | $ 2,482,612 | $ 3,293,089 |


2024

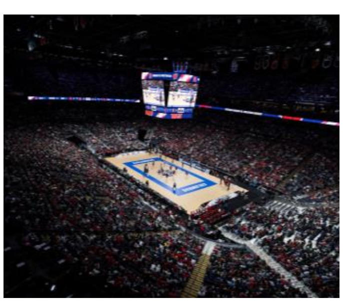
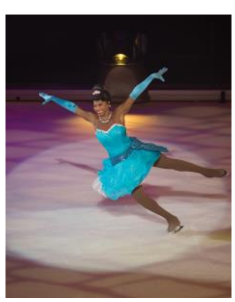
# Section 4: **Nationwide Arena**

# 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 to ensure that the building remained a valuable asset within the community for years to come. Key terms of this agreement were 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.
- Beginning in 2013 and continuing through to today, the city and county forwards 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 have a population of at least 80,000); 34.0 percent to all public school districts in support of primary and secondary education; 5.0 percent to casino 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 the payment reached 32.0 percent of City/County casino tax collection revenues. The lease/sublease payment remains at 32.0 percent moving forward. 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 2022. In 2023, revenue growth is minor as the percent distribution of taxes from the City and County has now plateaued at 32.0 percent. Revenue growth in 2024 is expected to be moderate as well. Casino tax revenue for 2024 is projected to be approximately $7.7 million. Table 4-1 provides a summary of casino tax revenue distributions to the CFA over the past five year period.

Table 4-1

**Casino Tax Revenue**

| | Actual Distribution to CFA | | | | | Estimate |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| City (county fund) | 2,305,306 | 1,878,605 | 2,773,705 | 3,035,545 | 3,041,826 | 3,102,663 |
| City (host city fund) | 1,093,534 | 844,276 | 1,275,377 | 1,374,454 | 1,427,491 | 1,456,041 |
| Total City | 3,398,840 | 2,722,881 | 4,049,082 | 4,409,999 | 4,469,317 | 4,558,704 |
| County (county fund) | 2,305,306 | 1,878,605 | 2,773,705 | 3,035,545 | 3,041,826 | 3,102,663 |
| **Total** | $ 5,704,145 | $ 4,601,486 | $ 6,822,786 | $ 7,445,543 | $ 7,511,144 | **$ 7,661,367** |
| **Change over Prior Year** | | -19.33% | 48.27% | 9.13% | 0.88% | 2.00% |

The following table (Table 4-2) provides the 2024 budget for the arena lease payments fund. Revenues into the fund equal casino tax payments from both the City and County. **All 2024 expenses for which the CFA is responsible with respect to Nationwide Arena, except for real estate taxes, Nationwide loan repayment 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 2024 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.

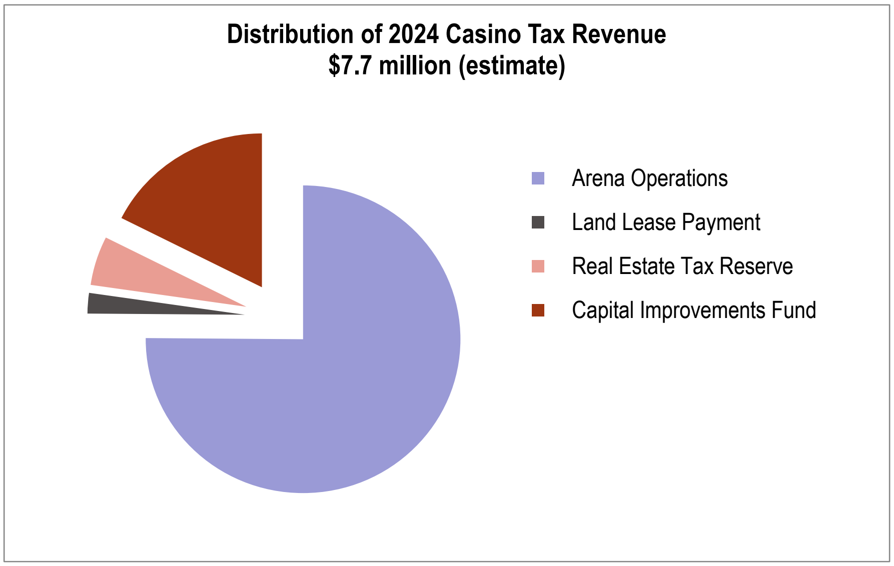
Table 4-2

**Arena Lease Payments Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Casino Tax Revenue: City | $ 4,409,999 | $ 4,469,318 | $ 4,558,704 |
| Casino Tax Revenue: County | 3,035,545 | 3,041,826 | 3,102,663 |
| Transfer From: FCCFA Operating Fund | 3,035,545 | 3,041,826 | 3,102,663 |
| **Total Sources of Funds** | 10,481,089 | 10,552,970 | 10,764,030 |
| **Uses of Funds:** | | | |
| Arena Operations | 5,372,638 | 5,560,680 | 5,755,304 |
| Land Lease Payment | 165,000 | 165,000 | 165,000 |
| Real Estate Tax Reserve | 368,777 | 381,684 | 395,043 |
| Arena Capital Improvements | 1,539,129 | 1,403,780 | 1,346,020 |
| Transfer To: FCCFA Cap Ex. Fund | 3,035,545 | 3,041,826 | 3,102,663 |
| Transfer To: Debt Service | - | - | - |
| **Total Use of Funds** | 10,481,089 | 10,552,970 | 10,764,030 |
| **Year End Fund Balance:** | **$ -** | **$ -** | **$ -** |

Revenues from 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 2024, the funding commitment for arena operations is $5,755,304. 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. 2024 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 original State of Ohio loan if casino tax revenues prove to be inadequate. Per terms of the loan, the State of Ohio has forgiven $5.0 million of total principal due based upon the CFA's achievement of economic development incentive targets as established in 2012.

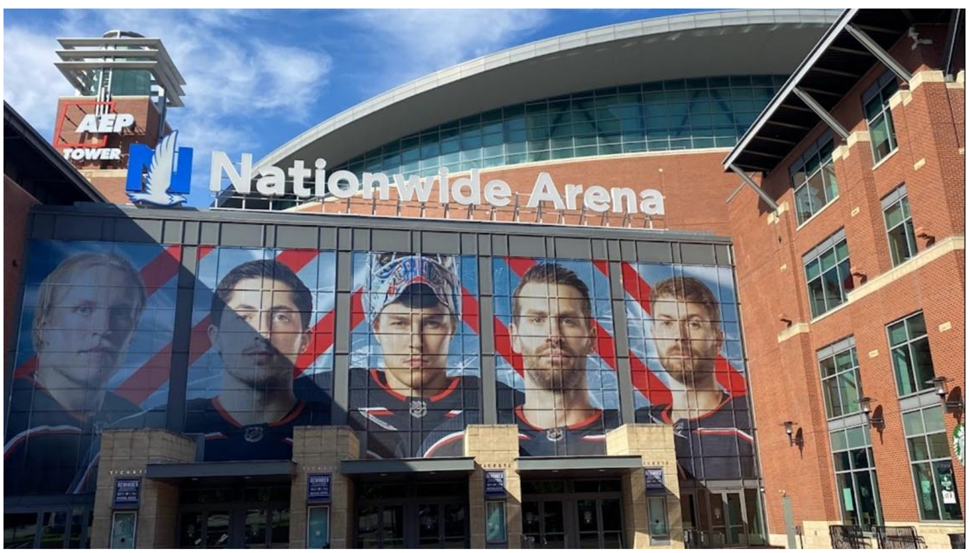
In 2018, the CFA and State of Ohio amended the loan agreement to change payment terms. Under the new amendment, the CFA has granted the State of Ohio advertising rights within the convention center and the new Ohio Center Garage. In addition, the CFA agreed to pay the State of Ohio $1.0 million; $200,000 a year beginning in 2017 and extending through 2021. This payment (paid in full), coupled with the value of advertising rights, has and 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 2024) 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, 2023 is $3.5 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. The 2020 bonds are payable in one lump sum payment due 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 $2.1 million.

## 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 increased in number during the second half of the year with the start of the 2021- 2022 NHL hockey season. This year, arena activity is not only back to levels experienced prior to the pandemic but is exceeding prior levels. As a result, admission tax revenue deposits into the capex fund are now tracking at levels slightly above projected when the tax was implemented. In 2024, approximately $2.5 million in admission tax revenue will be deposited into the capex fund for arena capital improvement projects.




## Capital Improvements – Nationwide Arena

The capital improvements program for Nationwide Arena is determined by Columbus Arena Management LLC (CAM) per terms of the arena management agreement and CAM operating agreement. Funding for the capital improvements program comes from casino tax and admission tax revenues. Operating reserves have also been used to support the arena's capital improvements program. 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.

Table 4-4

| Arena Capital Improvements Fund | | | |
|---|---|---|---|
| | **2022 Actual** | **2023 Projected** | **2024 Budget** |
| **Sources of Funds** | | | |
| Transfer In: Arena Lease Payment Fund | $ 1,539,128 | $ 1,403,780 | $ 1,346,020 |
| Transfer In: CFA Payment (SVOG) | 3,361,032 | - | - |
| Admission Fee | 2,633,415 | 2,601,280 | 2,469,789 |
| Interest Earnings | 106,684 | 300,000 | 197,256 |
| **Total Sources of Funds** | 7,640,259 | 4,305,060 | 4,013,065 |
| **Uses of Funds:** | | | |
| Payment to CAM: Arena CapEx | 1,779,311 | 5,943,510 | 7,775,326 |
| **Total Use of Funds** | 1,779,311 | 5,943,510 | 7,775,326 |
| **Current Year Balance** | 5,860,948 | (1,638,450) | (3,762,261) |
| **Add; prior year balance** | 2,352,687 | 8,213,635 | 6,575,185 |
| **Year End Fund Balance:** | **$ 8,213,635** | **$ 6,575,185** | **$ 2,812,924** |

With the increase in resources available for capital improvements in recent years, the arena has been investing resources into the upgrade of the facility. During 2023, capital investment in the arena included ice plant and cooling tower replacement (phase 1), bowl isle lighting, event projection equipment upgrade, domestic water boilers, suite renovation, and exterior door replacement. Such investment in projects will continue in 2024. Table 4-5 provides a list of planned projects for the year. All projects have been approved or are in the process of being approved by the CAM Board.

Table 4-5

| Nationwide Arena<br>2024 Capital Improvements Program | |
|---|---|
| Boiler replacement | $ 3,313,067 |
| Event production equipment | 1,159,279 |
| Zamboni | 112,000 |
| Parking garage updates | 486,980 |
| Fire alarm system replacement | 1,500,000 |
| Gas chiller | 350,000 |
| Ice plant and coooling tower replacement (phase 2) | 854,000 |
| **Total: 2024 Capital Projects** | **$ 7,775,326** |

## 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 4-6

**Real Estate Tax Reserve Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds** | | | |
| Transfer In: Arena Lease Payment Fund | $ 368,777 | $ 381,684 | $ 395,043 |
| **Total Sources of Funds** | 368,777 | 381,684 | 395,043 |
| **Uses of Funds:** | | | |
| Transfer to: Operating Fund | 356,306 | 368,777 | 381,684 |
| **Total Use of Funds** | 356,306 | 368,777 | 381,684 |
| **Current Year Balance** | 12,471 | 12,907 | 13,359 |
| **Add; prior year balance** | 356,306 | 368,777 | 381,684 |
| **Year End Fund Balance:** | **$ 368,777** | **$ 381,684** | **$ 395,043** |


2024

# 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 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 or working capital of the CFA. Equity monies of the CFA reside in two funds: the CFA operating fund and the CFA capital improvements fund. Using 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 supporting the operating fund is hotel tax collections. Deposit of this revenue is made into the operating fund on a monthly basis only after all convention center debt service obligations are met. In 2024, hotel tax revenues deposited into the fund are projected to be $18.4 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.

Historically, the CFA has received net operating income from convention center operations. This payment or transfer is made only when income from center activity exceeds all convention center funding obligations. Prior to the pandemic, transfers from convention center operations had exceeded $1.0 million annually. 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. In 2020 and 2021, the CFA transferred $2.0 million and $1.0 million respectively to the center to help with cash flow. Fortunately, in 2022 and again in 2023, with the return of events to the convention center, such subsidy support was and is no longer needed as the convention center is once again self-sustaining (despite the reported convention center operating deficit in 2023 – convention center cash reserves will be used to offset this deficit). The convention center is projected to not need subsidy support in 2024 as well. While the center is expected to remain self-sustaining, it is not expected to operate with much of a profit during the projection period. As a result, transfers to the CFA of net operating income from convention center operations will not occur during the near term.

Uses of funds within the operating fund include costs associated with operating the CFA office. Such costs include personnel expenses, insurance, legal, public relations, audit, asset management, credit ratings, trustee services, accounting services and basic office support services. In 2024 such expenses are expected to increase due to costs associated with the transition of the executive director position and expected increases to the insurance program. All other costs are expected to remain on par with 2023 expenses. Table 5-1 provides information on the CFA's office budget.

Table 5-1

**Franklin County Convention Facilities Authority**
**2023 - 2024 Operating Budget**

| | 2023 Projected | 2024 Budget | 2023-2024 Variance | % Change |
|---|---|---|---|---|
| **FCCFA Office Expenses:** | | | | |
| Personnel | 1,237,391 | 1,370,471 | 133,080 | 10.75 |
| Materials and Supplies | 25,000 | 25,000 | - | 0.00 |
| Legal Services | 250,000 | 250,000 | - | 0.00 |
| Financial Services (accounting, audit, trustee,advisory) | 240,000 | 244,000 | 4,000 | 1.67 |
| Professional Services | 508,854 | 520,000 | 11,146 | 2.19 |
| Experience Columbus | - | 125,000 | 125,000 | 100.00 |
| General Services | 172,027 | 160,000 | (12,027) | (6.99) |
| **Total FCCFA Office Expenses** | **2,433,272** | **2,694,471** | **261,199** | **10.73** |
| **Other Operating Expenses (Support of Facilities):** | | | | |
| Insurance | 1,464,747 | 1,537,985 | 73,238 | 5.00 |
| Property Tax - SID Payments | 319,673 | 268,000 | (51,673) | (16.16) |
| Arena: Property Tax in Lieu of Payment | 586,000 | 586,000 | - | 0.00 |
| Maintenance & Repair | 124,000 | 200,000 | 76,000 | 61.29 |
| Total Support of Facilities | 2,494,420 | 2,591,985 | 97,565 | 3.91 |

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 addition to funding the CFA operating budget, monies in the operating fund will be transferred in 2024 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 new tower development project and to support capital improvement projects within the convention center.

Table 5-2

**Operating Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Hotel taxes | $17,974,257 | $ 21,057,892 | $ 18,427,329 |
| Transfer In: Arena real estate tax reserve | 356,306 | 368,777 | 381,684 |
| Reimbursement: property insurance | 290,722 | 665,770 | 699,059 |
| Interest earnings/misc. | 295,924 | 192,513 | 150,000 |
| **Total Sources of Funds:** | 18,917,209 | 22,284,952 | 19,658,072 |
| **Uses of Funds:** | | | |
| CFA office | 2,457,943 | 2,876,946 | 3,037,472 |
| Support of facilities - insurances | 940,256 | 1,464,747 | 1,537,984 |
| Arena in lieu of payment | 586,000 | 586,000 | 586,000 |
| Experience Columbus: PCMA/US Figure Skating | 650,000 | - | 125,000 |
| Transfer To: Hotel Bond Payment Fund | 974,832 | 1,777,070 | 1,955,670 |
| Transfer To: Arena Lease Payment Fund | 3,035,545 | 3,041,826 | 3,102,663 |
| Transfer To: 2019 Hotel Debt Service Reserve Fund | 125,000 | - | |
| Transfer To: Capital Improvements Fund | 10,625,000 | 20,600,000 | 8,500,000 |
| **Total Uses of Funds:** | 19,394,576 | 30,346,589 | 18,844,789 |
| **Current Year Balance** | (477,367) | (8,061,637) | 813,283 |
| **Add; prior year balance** | 10,581,713 | 10,104,346 | 2,042,709 |
| **Year End Fund Balance:** | **$10,104,346** | **$ 2,042,709** | **$ 2,855,992** |

## 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 (as referenced in section three). 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.

Table 5-3

**Capital Improvements Fund**

| | 2022 Actual | 2023 Projected | 2024 Budget |
|---|---|---|---|
| **Sources of Funds:** | | | |
| Transfer In: Arena Lease Payment Fund | $ 3,035,545 | $ 3,041,826 | $ 3,102,663 |
| Transfer In: Operating Fund | 10,625,000 | 20,600,000 | 8,500,000 |
| Hyatt lease revenue | 2,200,750 | 908,645 | 2,223,238 |
| Arena lease revenue | 165,000 | 165,000 | 165,000 |
| Reimbursement: lease of RR property | 19,000 | 19,000 | 19,000 |
| Reimbursement: insurance claims | 75,096 | 1,350,000 | 500,000 |
| Reimbursement: Levy equipment | - | 579,913 | - |
| Reimbursement: Hilton softgoods renovation | - | 839,060 | - |
| Federal/State grant funding | 832,122 | 125,000 | 775,000 |
| Release of escrow - hotel project | - | 1,500,000 | - |
| Drury Inn lease | 199,167 | 175,000 | 175,000 |
| Interest earnings/misc. | 116,387 | 140,000 | 75,000 |
| **Total Sources of Funds:** | 17,268,067 | 29,443,444 | 15,534,901 |
| **Uses of Funds:** | | | |
| Facility improvements: convention center | 3,777,059 | 3,756,535 | 8,750,000 |
| Facility improvements: convention center air filtration | 37,300 | 68,880 | 1,700,000 |
| Vehicle/center collision costs | 78,652 | 526,240 | - |
| Lease of RR/State property | 42,941 | 42,942 | 42,941 |
| Hotel expansion project: equity contribution | 8,084,456 | 33,256,038 | 4,458,507 |
| Hotel soft goods renovation | 839,060 | - | - |
| Transfer To Arena: Recovery Act Funding | 300,000 | - | - |
| **Total Uses of Funds:** | 13,159,468 | 37,650,635 | 14,951,448 |
| **Current Year Balance** | 4,108,599 | (8,207,191) | 583,453 |
| **Add; prior year balance** | 4,102,953 | 8,211,552 | 4,361 |
| **Year End Fund Balance:** | **$ 8,211,552** | **$ 4,361** | **$ 587,814** |

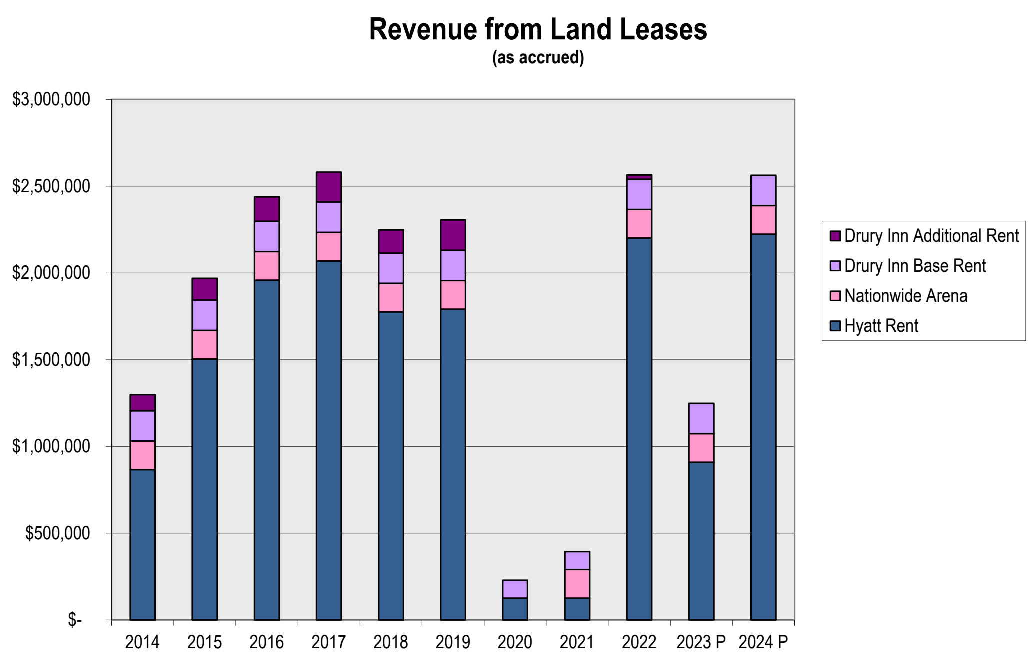
Revenue for the capital improvements fund is generated through interest earnings; property lease payments from the Hyatt Regency Hotel, Drury Inn, and Nationwide Arena; and, if necessary, an annual transfer of cash from the operating fund as will occur in 2023 and 2024. Projects requiring more substantial 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 on 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, Hyatt will make an annual lease payment for space leased within the convention center. The first of such payments equals $2.19 million and will increase by 1.75 percent a year thereafter. While the new payment structure was to begin in 2023; per terms of a short-term early payment agreement between Hyatt and CFA, the Hyatt forwarded the 2023 payment to the CFA in 2022. The Hyatt will resume contractual payments in 2024. 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.

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 CFA lease payments and illustrates the change in lease revenue experienced by the CFA during the past several years. Because historically these payments have been based upon hotel performance, lease revenue has been impacted by market conditions and, as a result, was sensitive to economic trends. This especially proved true in 2020 and 2021 as land lease revenue experienced a drastic decline due to the pandemic's impact on the travel industry. With the revision to the Hyatt agreement in 2021, annual lease payments from the Hyatt will not be impacted by market conditions in the future as payments are now guaranteed.

Chart 5-4



The CFA capital improvements budget includes additional funds in 2023 and 2024 for support of the Hilton Columbus Downtown expansion project. Such funds will be used to close out 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 approximately $47.3 million. The CFA's contribution to the project increased over the term of the project due to delays in equipment delivery; damage due to water pipe breaks and cold weather; schedule adjustments; and design clarifications and/or corrections. The CFA has submitted insurance claims for additional expense that was caused by water damage and cold weather.

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 into 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 in the capital improvements fund.

In 2021 and 2022, the CFA was the beneficiary of American Rescue Plan grant funds from the City and County equaling $2.2 million. These funds were used to purchase additional health safety equipment for the arena ($300,000) and will be used to upgrade indoor air quality within the convention center ($1.9 million). Engineering work on the upgrade of air quality in the center was completed during 2022. New air handler units needed to improve air quality were ordered in 2023. Because delivery of equipment takes a year; actual system installation will be accomplished in spring 2024.


2024

# 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 2022 to 2028 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. 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/admission tax revenues and an estimate of resource distribution.

# OVERVIEW LONG-TERM FORECAST
as of November 2023

# Summary Information - Debt Obligations & Related Information

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Greater Columbus Convention Center Debt Obligations** | | | | | | | |
| **Hotel/Motel Taxes: (accrual basis)** | $25,750,222 | $27,362,001 | $28,456,481 | $29,594,740 | $31,074,477 | $32,628,201 | $34,259,611 |
| Increase over Prior Year | | 6.26% | 4.00% | 4.00% | 5.00% | 5.00% | 5.00% |
| **Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):** | 388,593 | 425,548 | 619,509 | 810,012 | 1,191,019 | 1,191,019 | 1,191,019 |
| **Debt Service Obligation:** | 6,957,650 | 6,957,650 | 9,507,650 | 20,678,198 | 21,276,662 | 21,394,949 | 21,649,430 |
| **Debt Service Coverage Ratio:** with earnings | 3.76 | 3.99 | 3.06 | 1.47 | 1.52 | 1.58 | 1.64 |
| **Parking Facilities Debt Obligation** | | | | | | | |
| **Parking Revenue in Sinking Fund** | 3,733,006 | 5,352,505 | 7,796,594 | 10,957,676 | 14,201,849 | 14,888,880 | 11,965,473 |
| **Debt Service Obligation** | 1,877,382 | 1,906,182 | 1,957,182 | 1,968,582 | 4,591,082 | 7,899,090 | 5,649,090 |
| **Hilton Columbus Downtown Debt Obligations** | | | | | | | |
| **Hilton Distribution from Operations** | 7,365,727 | 18,182,000 | 19,763,000 | 23,199,000 | 25,096,000 | 26,004,000 | 26,784,120 |
| Increase over Prior Year | | 146.85% | 8.70% | 17.39% | 8.18% | 3.62% | 3.00% |
| **Hilton Hotel Taxes** | 2,097,134 | 1,976,000 | 3,926,000 | 4,318,000 | 4,728,000 | 5,065,000 | 5,216,950 |
| **Debt Service Obligation (less BABS)** (2019 debt service paid with capitalized interest thru 2022) | 9,645,345 | 21,777,572 | 21,871,416 | 24,747,091 | 25,002,895 | 25,226,138 | 25,453,144 |
| **Debt Service Coverage Ratio:** with Hilton hotel taxes | 0.98 | 0.93 | 1.08 | 1.11 | 1.19 | 1.23 | 1.26 |
| **Nationwide Arena Debt Obligations** | | | | | | | |
| **Casino Tax Revenue** | 7,445,543 | 7,511,144 | 7,661,367 | 7,814,594 | 8,009,959 | 8,250,258 | 8,497,765 |
| | | 0.88% | 2.00% | 2.00% | 2.50% | 3.00% | 3.00% |
| **Distribution to CAM - Operating Expenses** | 5,372,638 | 5,560,680 | 5,755,304 | 5,956,740 | 6,165,226 | 6,381,009 | 6,604,344 |
| **Distribution to CFA - Land Lease** | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 |
| **Distribution to CFA - Real Estate Tax Rese** | 368,777 | 381,684 | 395,043 | 408,870 | 423,180 | 437,991 | 453,321 |
| **Distribution to CFA - Capital Improvements** | 1,539,128 | 1,403,780 | 1,346,020 | 1,283,985 | 1,256,553 | 1,266,258 | 1,275,101 |
| **Total Distribution** | 7,445,543 | 7,511,144 | 7,661,367 | 7,814,594 | 8,009,959 | 8,250,258 | 8,497,765 |

# Summary Information - Fund Balances @ Year End

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Non-discretionary Funds - Greater Columbus Convention Center:** | | | | | | | |
| Debt Service Fund | $ 580,673 | $ 794,848 | $ 1,725,727 | $ 1,775,599 | $ 1,785,455 | $ 1,806,662 | $ 1,838,996 |
| Debt Service Reserve Fund | 25,639,098 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 |
| Rental Reserve Fund | 12,855,790 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 |
| **Non-discretionary Funds - Parking Facilities:** | | | | | | | |
| Sinking Fund - Parking Facilities | 1,855,624 | 3,446,323 | 5,839,412 | 8,989,094 | 9,610,767 | 6,989,790 | 6,316,383 |
| **Non-discretionary Funds - Nationwide Arena:** | | | | | | | |
| Real Estate Tax Reserve Fund | 368,777 | 381,684 | 395,043 | 408,870 | 423,180 | 437,991 | 453,321 |
| Capital Improvements Fund | 8,213,635 | 6,575,185 | 2,812,924 | 2,700,481 | 2,620,213 | 2,624,707 | 2,717,967 |
| **Non-discretionary Funds - Hilton Columbus Downtown:** | | | | | | | |
| 2010 Bond Fund | 672,107 | 967,162 | 1,233,725 | 1,977,224 | 2,190,235 | 1,896,614 | 4,197,990 |
| 2010 Debt Service Reserve Fund | 6,510,779 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 |
| 2010 Rental Reserve Fund | 1,274,226 | 570,332 | 598,849 | 1,528,791 | 3,839,943 | 7,055,141 | 8,066,795 |
| 2010 Ground Lease Fund | 1,019,322 | 1,073,419 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 |
| 2019 Debt Service Reserve Fund | 15,804,233 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 |
| 2019 Bond Fund | 511,651 | 1,272,367 | 1,374,157 | 1,429,123 | 1,471,996 | 1,516,156 | 1,561,641 |
| Consolidated Hotel Bond Fund | 25,229,704 | 23,345,549 | 24,257,944 | 25,065,852 | 25,062,158 | 25,089,407 | 25,055,126 |
| Hotel Residuals Fund | 1,950,592 | 2,054,915 | 2,159,915 | 2,267,911 | 4,281,306 | 5,895,372 | 7,990,140 |
| Reserve Fund for Operations *** | 1,931,473 | 2,398,346 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| Reserve Fund for FF&E *** | 821,907 | 2,482,612 | 3,293,089 | 2,478,097 | 2,218,262 | 6,834,557 | 11,589,341 |
| ***(Funds held by Hotel Manager) | | | | | | | |
| **Discretionary Funds** | | | | | | | |
| Capital Improvements Fund | $ 8,211,551 | $ 4,362 | $ 587,815 | $ 389,485 | $ 780,732 | $ 827,100 | $ 22,041 |
| Operating Fund | $ 10,104,346 | $ 2,042,709 | $ 2,855,992 | $ 1,547,675 | $ 2,100,409 | $ 2,789,290 | $ 5,549,824 |
| **Total:** | **$ 18,315,898** | **$ 2,047,071** | **$ 3,443,807** | **$ 1,937,160** | **$ 2,881,141** | **$ 3,616,390** | **$ 5,571,866** |

# FCCFA Operating Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer in: Revenue Fund | $ 17,974,257 | $ 21,057,892 | $ 18,427,329 | $ 9,559,175 | $ 10,815,418 | $ 12,229,526 | $ 13,584,851 |
| Reimbursements from arena/hotel - insurance | 290,722 | 665,770 | 699,059 | 734,011 | 770,712 | 809,248 | 849,710 |
| Transfer in: Convention center operations | - | - | - | - | 500,000 | 1,500,000 | 2,500,000 |
| Transfer in: Arena Real Estate Reserve Fund | 356,306 | 368,777 | 381,684 | 395,043 | 408,870 | 423,180 | 437,991 |
| Interest earnings + misc. | 295,924 | 192,513 | 150,000 | 135,680 | 96,430 | 113,012 | 133,679 |
| **Total Sources of Funds:** | **18,917,209** | **22,284,952** | **19,658,072** | **10,823,909** | **12,591,429** | **15,074,966** | **17,506,231** |
| **Uses of Funds:** | | | | | | | |
| 1. CFA Expenses | | | | | | | |
| Insurances | 940,256 | 1,464,747 | 1,537,984 | 1,614,884 | 1,695,628 | 1,780,409 | 1,869,430 |
| Arena - in lieu of payment for property tax | 586,000 | 586,000 | 586,000 | 586,000 | 586,000 | 586,000 | 586,000 |
| Experience Columbus - PCMA/US Figure Skating | 650,000 | - | 125,000 | - | - | - | - |
| CFA Office | 2,457,943 | 2,876,946 | 3,037,472 | 3,128,596 | 3,222,454 | 3,319,127 | 3,418,701 |
| Total FCCFA Expenses | 4,634,199 | 4,927,693 | 5,286,456 | 5,329,479 | 5,504,081 | 5,685,536 | 5,874,131 |
| 2. Transfer to Capital Improvements Fund | 10,625,000 | 20,600,000 | 8,500,000 | 1,500,000 | 1,000,000 | 3,000,000 | 3,000,000 |
| 3. Transfer to Hotel Bond Payment Fund | 974,832 | 1,777,070 | 1,955,670 | 2,138,030 | 2,290,780 | 2,359,400 | 2,430,182 |
| 4. Transfer to 2019 Hotel Debt Service Reserve Fund | 125,000 | - | - | - | - | - | - |
| 4. Transfer to Arena Lease Payment Fund | 3,035,545 | 3,041,826 | 3,102,663 | 3,164,716 | 3,243,834 | 3,341,149 | 3,441,384 |
| **Total Uses of Funds:** | **19,394,576** | **30,346,589** | **18,844,789** | **12,132,226** | **12,038,696** | **14,386,086** | **14,745,696** |
| **Current Year Balance:** | **(477,367)** | **(8,061,637)** | **813,283** | **(1,308,316)** | **552,734** | **688,880** | **2,760,535** |
| Add: prior year balance | 10,581,713 | 10,104,346 | 2,042,709 | 2,855,992 | 1,547,675 | 2,100,409 | 2,789,290 |
| **Total Fund Balance @ Year-end:** | **$ 10,104,346** | **$ 2,042,709** | **$ 2,855,992** | **$ 1,547,675** | **$ 2,100,409** | **$ 2,789,290** | **$ 5,549,824** |

# Capital Improvements Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer in: Operating Fund | $ 10,625,000 | $ 20,600,000 | $ 8,500,000 | $ 1,500,000 | $ 1,000,000 | $ 3,000,000 | $ 3,000,000 |
| Transfer in: Arena Lease Payment Fund | 3,035,545 | 3,041,826 | 3,102,663 | 3,164,716 | 3,243,834 | 3,341,149 | 3,441,384 |
| Recovery Act Funding (from city/county) | 625,000 | 125,000 | 775,000 | - | - | - | - |
| SVOG Grant Fund Payment | 207,122 | - | - | - | - | - | - |
| Hyatt lease revenue | 2,200,750 | 908,645 | 2,223,238 | 2,262,145 | 2,301,732 | 2,342,013 | 2,382,998 |
| Arena lease revenue | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 | 165,000 |
| NRI lease payment - RR property | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| Reimbursement: Insurance claims | 75,096 | 1,350,000 | 500,000 | - | - | - | - |
| Reimbursement: Levy equipment | - | 579,913 | - | - | - | - | - |
| Reimbursement: Hilton soft goods renovation | - | 839,060 | - | - | - | - | - |
| Release of escrow - Hotel project | - | 1,500,000 | - | - | - | - | - |
| Drury Inn lease payment | 199,167 | 175,000 | 175,000 | 183,750 | 192,938 | 198,726 | 204,687 |
| Interest earnings/misc. | 116,387 | 140,000 | 75,000 | 50,000 | 11,685 | 23,422 | 24,813 |
| **Total Sources of Funds** | 17,268,067 | 29,443,444 | 15,534,901 | 7,344,611 | 6,934,188 | 9,089,309 | 9,237,882 |
| **Uses of Funds:** | | | | | | | |
| Facility improvements - convention center | 3,777,059 | 3,756,535 | 8,500,000 | 7,500,000 | 6,500,000 | 9,000,000 | 10,000,000 |
| High Street traffic signal | - | - | 250,000 | - | - | - | - |
| Vehicle collision repair | 78,652 | 526,240 | - | - | - | - | - |
| Convention center air quality improvement (Recovery | 37,300 | 68,880 | 1,700,000 | - | - | - | - |
| Payment to arena: (Recovery Act) | 300,000 | - | - | - | - | - | - |
| Lease of RR/state property | 42,941 | 42,941 | 42,941 | 42,941 | 42,941 | 42,941 | 42,941 |
| Hotel 2.0 - Equity contribution | 8,084,456 | 33,256,038 | 4,458,507 | - | - | - | - |
| Transfer: Hotel soft goods renovation | 839,060 | - | - | - | - | - | - |
| **Total Use of Funds** | 13,159,468 | 37,650,634 | 14,951,448 | 7,542,941 | 6,542,941 | 9,042,941 | 10,042,941 |
| **Current Year Balance:** | **4,108,598** | **(8,207,190)** | **583,453** | **(198,330)** | **391,247** | **46,368** | **(805,059)** |
| Add: prior year fund balance | 4,102,953 | 8,211,551 | 4,362 | 587,815 | 389,485 | 780,732 | 827,100 |
| **Accumulated Fund Balance @ Year End:** | **$ 8,211,551** | **$ 4,362** | **$ 587,815** | **$ 389,485** | **$ 780,732** | **$ 827,100** | **$ 22,041** |

SECTION ONE

# CONVENTION CENTER LONG-TERM FORECAST

as of November 2023

# Convention Center - Summary Information

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Hotel/Motel Taxes: (cash basis)** | $ 24,851,088 | $ 27,523,493 | $ 28,210,349 | $ 29,441,233 | $ 30,874,917 | $ 32,418,663 | $ 34,039,596 |
| Increase over Prior Year | | 10.75% | 2.50% | 4.36% | 4.87% | 5.00% | 5.00% |
| **Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):** | 28,615 | 649,224 | 619,509 | 810,012 | 1,191,019 | 1,191,019 | 1,191,019 |
| **Debt Service Obligation:** | 6,957,650 | 6,957,650 | 9,507,650 | 20,678,198 | 21,276,662 | 21,394,949 | 21,649,430 |
| **Debt Service Coverage Ratios:** | | | | | | | |
| with earnings | 3.58 | 4.05 | 3.03 | 1.46 | 1.51 | 1.57 | 1.63 |
| without earnings | 3.57 | 3.96 | 2.97 | 1.42 | 1.45 | 1.52 | 1.57 |

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Fund Balances @ Year End:** | | | | | | | |
| Revenue Fund | 5,759 | 5,759 | 5,759 | 5,759 | 5,759 | 5,759 | 5,759 |
| Debt Service Fund | 580,673 | 794,848 | 1,725,727 | 1,775,599 | 1,785,455 | 1,806,662 | 1,838,996 |
| Debt Service Reserve Fund | 25,639,098 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 |
| Rental Reserve Fund | 12,855,790 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 |
| Sinking Fund - Garage Development | 1,855,624 | 3,446,323 | 5,839,412 | 8,989,094 | 9,610,767 | 6,989,790 | 6,316,383 |
| **Convention Center Operations (NOI):** | ($6,306) | ($684,044) | $66,534 | $114,527 | $829,651 | $1,542,881 | $2,657,395 |

**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 2024 are based upon the operator's (ASM Global) financial projections.

# Revenue Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Hotel/Motel Taxes (cash basis) | $ 24,851,088 | $ 27,523,493 | $ 28,210,349 | $ 29,441,233 | $ 30,874,917 | $ 32,418,663 | $ 34,039,596 |
| Interest Earnings | 22,167 | 57,000 | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| **Total Sources of Funds** | 24,873,255 | 27,580,493 | 28,246,349 | 29,477,233 | 30,910,917 | 32,454,663 | 34,075,596 |
| **Distribution of Funds:** | | | | | | | |
| Debt Service | 6,893,393 | 6,522,601 | 9,819,020 | 19,877,098 | 20,069,126 | 20,225,137 | 20,490,745 |
| Rental Reserve | - | - | - | 40,960 | 26,374 | - | - |
| Operating Fund | 17,974,257 | 21,057,892 | 18,427,329 | 9,559,175 | 10,815,418 | 12,229,526 | 13,584,851 |
| **Total Use of Funds** | 24,867,650 | 27,580,493 | 28,246,349 | 29,477,233 | 30,910,917 | 32,454,663 | 34,075,596 |
| **Current Year Balance:** | 5,605 | - | - | - | - | - | - |
| Add: prior year balance | 154 | 5,759 | 5,759 | 5,759 | 5,759 | 5,759 | 5,759 |
| **Total Fund Balance @ Year End:** | **$ 5,759** | **$ 5,759** | **$ 5,759** | **$ 5,759** | **$ 5,759** | **$ 5,759** | **$ 5,759** |

**Notes:**

1. 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.
2. To more accurately calculate the flow of funds, hotel tax collections are recorded on a cash basis.

# Debt Service Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Hotel Taxes | 6,893,393 | 6,522,601 | 9,819,020 | 19,877,098 | 20,069,126 | 20,225,137 | 20,490,745 |
| Interest Earnings | 28,615 | 74,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| Transfers-Debt Reserve | - | 370,661 | 381,006 | 508,008 | 762,012 | 762,012 | 762,012 |
| Transfer-Rental Reserve | - | 204,563 | 190,503 | 294,964 | 407,380 | 381,006 | 381,006 |
| **Total Sources of Funds:** | 6,922,008 | 7,171,825 | 10,438,529 | 20,728,070 | 21,286,518 | 21,416,156 | 21,681,764 |
| **Use of Funds:** | | | | | | | |
| Debt Service - Series 2014 | 1,145,650 | 1,145,650 | 1,145,650 | 4,995,650 | 4,998,150 | 5,030,900 | 13,752,500 |
| Debt Service - Series 2015 | 671,524 | 671,524 | 671,524 | 8,026,524 | 8,029,184 | 8,025,342 | - |
| Debt Servoce - Series 2017 | 29,329 | 29,329 | 29,329 | 509,329 | 504,485 | 474,537 | - |
| Debt Service - Series 2020 | 5,111,147 | 5,111,147 | 7,661,147 | 7,146,695 | 7,744,843 | 7,864,170 | 7,896,930 |
| **Total Use of Funds:** | 6,957,650 | 6,957,650 | 9,507,650 | 20,678,198 | 21,276,662 | 21,394,949 | 21,649,430 |
| **Current Year Balance:** | $ (35,642) | $ 214,175 | $ 930,879 | $ 49,872 | $ 9,856 | $ 21,207 | $ 32,334 |
| Add: prior year balance | 616,315 | 580,673 | 794,848 | 1,725,727 | 1,775,599 | 1,785,455 | 1,806,662 |
| **Total Fund Balance @ Year End:** | **$ 580,673** | **$ 794,848** | **$ 1,725,727** | **$ 1,775,599** | **$ 1,785,455** | **$ 1,806,662** | **$ 1,838,996** |
| **Required Balance:** | 579,804 | 792,304 | 1,723,183 | 1,773,055 | 1,782,912 | 1,804,119 | 1,836,453 |

**Notes:**

1. Interest earnings are based upon current investment rates achieved through purchase of agency securies through 2023.
2. 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.
3. Principal/interest payments reflect outstanding debt service for all series. Bonds were refinanced/restructured in 2020.
4. 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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Interest Earnings/misc. | $ 246,364 | $ 227,078 | $ 381,006 | $ 508,008 | $ 762,012 | $ 762,012 | $ 762,012 |
| **Total Sources of Funds** | 246,364 | 227,078 | 381,006 | 508,008 | 762,012 | 762,012 | 762,012 |
| **Uses of Funds:** | | | | | | | |
| Transfer to Debt Service - Earnings | 0 | 370,661 | 381,006 | 508,008 | 762,012 | 762,012 | 762,012 |
| **Total Use of Funds** | 0 | 370,661 | 381,006 | 508,008 | 762,012 | 762,012 | 762,012 |
| **Current Year Balance:** | $ 246,364 | $ (143,583) | $ - | $ - | $ - | $ - | $ - |
| Add: prior year balance | 25,392,734 | 25,639,098 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 | 25,495,515 |
| **Total Fund Balance @ Year End:** | **$ 25,639,098** | **$ 25,495,515** | **$ 25,495,515** | **$ 25,495,515** | **$ 25,495,515** | **$ 25,495,515** | **$ 25,495,515** |
| **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 securies through 2023.
2. Year end balances are in line with bond indenture requirements.
3. Debt service reserve funds are fully invested.

# Rental Reserve Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Hotel Taxes | $ - | $ - | $ - | $ 40,960 | $ 26,374 | $ - | $ - |
| Interest Earnings/misc. | 113,614 | 124,470 | 190,503 | 254,004 | 381,006 | 381,006 | 381,006 |
| **Total Sources of Funds** | 113,614 | 124,470 | 190,503 | 294,964 | 407,380 | 381,006 | 381,006 |
| **Uses of Funds:** | | | | | | | |
| Transfer to Debt Service/coverage | - | - | - | 40,960 | 26,374 | - | - |
| Transfer to Debt Service/interest | - | 204,563 | 190,503 | 254,004 | 381,006 | 381,006 | 381,006 |
| **Total Use of Funds** | - | 204,563 | 190,503 | 294,964 | 407,380 | 381,006 | 381,006 |
| **Current Year Balance:** | $ 113,614 | $ (80,093) | $ - | $ - | $ - | $ - | $ - |
| Add: prior year balance | 12,742,176 | 12,855,790 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 | 12,775,697 |
| **Total Fund Balance @ Year End:** | **$ 12,855,790** | **$ 12,775,697** | **$ 12,775,697** | **$ 12,775,697** | **$ 12,775,697** | **$12,775,697** | **$ 12,775,697** |
| **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 securies through 2023.
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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer In - Convention Ctr Operations | $ 1,611,457 | $ 3,442,882 | $ 4,246,882 | $ 4,943,082 | $ 4,943,082 | $ 4,989,790 | $ 4,765,990 |
| Transfer In - CFA Equity | - | - | - | - | - | - | - |
| Interest Earnings/misc. | 36,188 | 54,000 | 103,390 | 175,182 | 269,673 | 288,323 | 209,694 |
| **Total Sources of Funds:** | 1,647,645 | 3,496,882 | 4,350,271 | 5,118,264 | 5,212,755 | 5,278,113 | 4,975,683 |
| **Uses of Funds:** | | | | | | | |
| Principal Payments - Vine Garage | - | - | - | - | 2,622,500 | - | - |
| Interest Expenses - Vine Garage | 515,082 | 515,082 | 515,082 | 515,082 | 515,082 | 445,590 | 445,590 |
| Principal Payments - Goodale Garage | - | - | - | - | - | - | 3,750,000 |
| Interest Expenses - Goodale Garage | 520,500 | 520,500 | 571,500 | 571,500 | 571,500 | 571,500 | 571,500 |
| Principal Payments - Ohio Center Garage | - | - | - | - | - | 6,000,000 | - |
| Interest Expenses - Ohio Center Garage | 841,800 | 870,600 | 870,600 | 882,000 | 882,000 | 882,000 | 882,000 |
| **Total Use of Funds:** | 1,877,382 | 1,906,182 | 1,957,182 | 1,968,582 | 4,591,082 | 7,899,090 | 5,649,090 |
| **Current Year Balance:** | $ (229,737) | $ 1,590,700 | $ 2,393,089 | $ 3,149,682 | $ 621,673 | $ (2,620,977) | $ (673,407) |
| Add: prior year balance | 2,085,361 | 1,855,624 | 3,446,323 | 5,839,412 | 8,989,094 | 9,610,767 | 6,989,790 |
| **Total Fund Balance @ Year End:** | **$ 1,855,624** | **$ 3,446,323** | **$ 5,839,412** | **$ 8,989,094** | **$ 9,610,767** | **$ 6,989,790** | **$ 6,316,383** |

**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 project 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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Operating Revenue** | | | | | | | |
| Direct Event Income | $ 2,443,285 | $ 1,749,502 | $ 3,507,782 | $ 3,640,317 | $ 3,701,074 | $ 3,763,545 | $ 3,908,056 |
| Food and Beverage | 5,741,034 | 7,479,582 | 7,907,759 | 8,303,147 | 8,718,304 | 9,154,220 | 9,611,930 |
| Parking (event + non-event) | 7,658,550 | 10,463,711 | 11,313,876 | 11,879,570 | 12,473,548 | 13,097,225 | 13,752,087 |
| Ancillary Income | 2,194,214 | 2,442,713 | 2,669,396 | 2,802,866 | 2,943,010 | 3,090,160 | 3,244,668 |
| Lease/rental Income | 932,495 | 403,866 | 419,386 | 440,355 | 462,373 | 485,492 | 509,766 |
| Other | 432,555 | 474,033 | 527,800 | 554,190 | 581,900 | 610,994 | 641,544 |
| Total Revenue: | 19,402,133 | 23,013,407 | 26,345,999 | 27,620,445 | 28,880,209 | 30,201,636 | 31,668,051 |
| % change year over year | | 18.61 | 14.48 | 4.84 | 4.56 | 4.58 | 4.86 |
| **Operating Expenses:** | | | | | | | |
| Employee Wages/Benefits | 5,422,581 | 6,935,609 | 8,679,292 | 8,939,671 | 9,207,861 | 9,484,097 | 9,768,620 |
| Contracted Services | 891,176 | 352,111 | 1,975 | 2,015 | 2,055 | 2,096 | 2,138 |
| Utilities/Utility Recovery | 3,063,771 | 3,610,057 | 3,609,787 | 3,681,984 | 3,755,623 | 3,830,736 | 3,907,351 |
| Food Service Expenses | 2,566,323 | 2,981,133 | 3,115,299 | 3,177,605 | 3,241,157 | 3,305,980 | 3,372,100 |
| Operations/Maintenance/Supplies | 3,172,002 | 2,907,462 | 2,565,048 | 2,616,349 | 2,668,677 | 2,722,050 | 2,776,491 |
| General Admin/Fee | 2,317,953 | 2,754,542 | 3,000,911 | 3,067,828 | 3,136,292 | 3,206,339 | 3,278,006 |
| Insurance/Other | 363,176 | 713,655 | 1,060,271 | 1,077,384 | 1,095,811 | 1,117,667 | 1,139,961 |
| Total Expenses: | 17,796,982 | 20,254,569 | 22,032,583 | 22,562,836 | 23,107,476 | 23,668,965 | 24,244,667 |
| % change year over year | | 13.81 | 8.78 | 2.41 | 2.41 | 2.43 | 2.43 |
| **Net Income from Operations** | **$ 1,605,151** | **$ 2,758,838** | **$ 4,313,416** | **$ 5,057,609** | **$ 5,772,733** | **$ 6,532,671** | **$ 7,423,384** |
| Less: Garage Debt Service Payment | (1,611,457) | (3,442,882) | (4,246,882) | (4,943,082) | (4,943,082) | (4,989,790) | (4,765,989) |
| **Net Income** | **$ (6,306)** | **$ (684,044)** | **$ 66,534** | **$ 114,527** | **$ 829,651** | **$ 1,542,881** | **$ 2,657,395** |

**Notes:**

1. 2024 expenses and revenues are based upon ASM Global's budget as submitted November 2023.
2. The CFA 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 with some financial relief during the pandemic and the subsequent recovery period. Debt payments return to normal in 2023.
3. During 2024, the convention center is expected to be self-sustaining and end the year with positve net income. Revenues are projected to increase due to an active event schedule for the year. Expenses increase as well due to labor and garage debt service.

SECTION TWO

# HILTON COLUMBUS DOWNTOWN HOTEL LONG-TERM FORECAST

as of November 2023

# Summary Information

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Hotel Net Cash Flow** | $ 7,365,727 | $ 18,182,000 | $ 19,763,000 | $ 23,199,000 | $ 25,096,000 | $ 26,004,000 | $ 26,784,120 |
| Increase over Prior Year | | 146.85% | 8.70% | 17.39% | 8.18% | 3.62% | 3.00% |
| **Hilton Hotel Taxes** | 2,097,134 | 3,781,000 | 4,161,000 | 4,549,000 | 4,874,000 | 5,020,000 | 5,170,600 |
| **Debt Service Obligation (less BABS)** | 9,645,345 | 21,777,572 | 21,871,416 | 24,747,091 | 25,002,895 | 25,226,138 | 25,453,144 |
| **Debt Service Coverage Ratio:** | 0.98 | 1.01 | 1.09 | 1.12 | 1.20 | 1.23 | 1.26 |

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Fund Balances @ Year End:** | | | | | | | |
| **Non-discretionary Funds:** | | | | | | | |
| 2010 Bond Fund | 672,107 | 967,162 | 1,233,725 | 1,977,224 | 2,190,235 | 1,896,614 | 4,197,990 |
| 2010 Debt Service Reserve Fund | 6,510,779 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 |
| 2010 Rental Reserve Fund | 1,274,226 | 570,332 | 598,849 | 1,528,791 | 3,839,943 | 7,055,141 | 8,066,795 |
| 2010 Ground Lease Rents Fund | 1,019,322 | 1,073,419 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 |
| 2019 Debt Service Reserve Fund | 15,804,233 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 |
| 2019 Bond Fund | 511,651 | 1,272,367 | 1,374,157 | 1,429,123 | 1,471,996 | 1,516,156 | 1,561,641 |
| Consolidated Hotel Bond Fund | 25,229,704 | 23,345,549 | 24,257,944 | 25,065,852 | 25,062,158 | 25,089,407 | 25,055,126 |
| Hotel Residuals Fund | 1,950,592 | 2,054,915 | 2,159,915 | 2,267,911 | 4,281,306 | 5,895,372 | 7,990,140 |
| Reserve Fund for Operations *** | 1,931,473 | 2,398,346 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| Reserve Fund for FF&E *** | 821,907 | 2,482,612 | 3,293,089 | 2,478,097 | 2,218,262 | 6,834,557 | 11,589,341 |
| ***(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 tax covers 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 with 5 addiitonal rooms to be added in 2024, a 12,000 square foot ballroom, banquet and meeting rooms, 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.

In September 2022, the CFA completed an expansion project that added a new tower to the original hotel. Designed by Cooper Carry, the new tower consists of 463 new rooms, three ballrooms, meeting rooms, a restaurant on ground level, new lounge and a rooftop restaurant/bar. With the new tower, the Hilton Columbus Downtown is the only 1,000 room hotel in Ohio. Financing for the project was acquired through bonds issued in December 2019. Bonds were issued in two series; 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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Distribution from Hotel | $ 7,365,727 | $ 7,454,620 | $ 8,102,830 | $ 9,511,590 | $ 10,289,360 | $ 10,661,640 | $ 10,981,489 |
| U.S. Treasury Payments | 3,049,666 | 2,992,091 | 2,920,897 | 2,849,550 | 2,773,216 | 2,680,841 | 2,582,560 |
| Hotel related hotel taxes - city | 1,122,302 | 821,611 | 904,185 | 988,498 | 1,059,120 | 1,090,846 | 1,123,571 |
| Hotel related hotel taxes - CFA | 974,832 | 728,599 | 801,825 | 876,592 | 939,220 | 967,354 | 996,375 |
| Interest earnings/Misc. | 47,224 | 99,630 | 100,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Transfer In: Debt Reserve Earnings | - | 155,083 | 67,519 | 70,895 | 74,440 | 78,162 | 82,070 |
| Transfer In: Consolidated Bond Fund | 200,000 | - | - | - | - | - | - |
| Transfer In: Ground Lease Fund | - | - | 114,169 | 30,066 | 30,066 | 30,066 | 30,066 |
| Transfer In: Rental Reserve Fund | - | 765,134 | - | - | - | - | - |
| **Total Sources of Funds:** | 12,759,751 | 13,016,768 | 13,011,426 | 14,407,191 | 15,245,421 | 15,588,908 | 15,876,131 |
| **Uses of Funds:** | | | | | | | |
| Debt Service - Principal payments | 3,455,000 | 3,670,000 | 3,895,000 | 4,130,000 | 4,380,000 | 4,660,000 | 4,950,000 |
| Debt Service - Interest expenses | 9,240,011 | 9,051,713 | 8,849,863 | 8,633,691 | 8,402,411 | 8,122,529 | 7,824,755 |
| Transfer Out: Rental Reserve Fund | - | - | - | 900,000 | 2,250,000 | 3,100,000 | 800,000 |
| Transfer Out: Consolidated Fund | - | - | - | - | - | - | - |
| **Total Use of Funds:** | 12,695,011 | 12,721,713 | 12,744,863 | 13,663,691 | 15,032,411 | 15,882,529 | 13,574,755 |
| **Current Year Balance:** | 64,740 | 295,055 | 266,563 | 743,500 | 213,010 | (293,621) | 2,301,376 |
| Add: prior year balance | 607,367 | 672,107 | 967,162 | 1,233,725 | 1,977,224 | 2,190,235 | 1,896,614 |
| **Fund Balance @ Year End:** | **$ 672,107** | **$ 967,162** | **$ 1,233,725** | **$ 1,977,224** | **$ 2,190,235** | **$ 1,896,614** | **$ 4,197,990** |
| **Required Minimum Balance:** | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 | $ 2,000,000 |

**Notes:**

1. 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.
2. With the 2019 bond issue and related changes to the cooperative agreement; the 2010 bond fund now operates differently. Beginning in 2023 with the opening of the new tower, hotel operating income and hotel taxes are now split with 41.0 percent of such monies being deposited into the 2010 bond fund for payment of debt service due on the 2010 issue. The 2010 bond fund is now required to maintain a minimum balance of $2.0 million. Monies exceeding the minimum balance will first be used to replenish funds within the rental reserve fund and/or ground fund if such funds should be below required funding levels. Upon replenishment of reserve funds and when bond fund balance reaches $6.0 million, excess revenue exceeding debt service will be deposited into the consolidated bond fund and/or the hotel residuals fund.

# 2019 Bond Payment Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Distribution from Hotel | $ - | $ 10,727,380 | $ 11,660,170 | $ 13,687,410 | $ 14,806,640 | $ 15,342,360 | $ 15,802,631 |
| Hotel related hotel/motel taxes - city | - | 1,182,319 | 1,301,145 | 1,422,472 | 1,524,100 | 1,569,754 | 1,616,847 |
| Hotel related hotel/motel taxes - CFA | - | 1,048,471 | 1,153,845 | 1,261,438 | 1,351,560 | 1,392,046 | 1,433,807 |
| Interest earnings/Misc. | 89,185 | 108,140 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Transfer In: Consolidated Bond Fund | - | 2,046,790 | 2,228,600 | 3,088,600 | 3,088,100 | 3,087,975 | 3,088,100 |
| Transfer In: 2019 Debt Reserve Earnings | - | 500,000 | 150,000 | 156,766 | 164,604 | 172,834 | 181,476 |
| **Total Sources of Funds:** | 89,185 | 15,613,100 | 16,603,760 | 19,726,686 | 21,045,004 | 21,674,969 | 22,232,861 |
| **Uses of Funds:** | | | | | | | |
| Debt Service - Project Revenue | 7,590,750 | 7,590,750 | 7,590,250 | 8,655,750 | 8,817,500 | 8,948,500 | 9,084,750 |
| Debt Service - Lease Appropriation | 4,457,200 | 4,457,200 | 4,457,200 | 6,177,200 | 6,176,200 | 6,175,950 | 6,176,200 |
| Transfer Out: Hotel subordinate mgmt. fee | - | 842,000 | 950,526 | 835,000 | 888,000 | 914,000 | 941,420 |
| Transfer Out: Hotel secondary FF&E deposit | - | 1,962,433 | 763,000 | 835,000 | 888,000 | 1,829,000 | 1,883,870 |
| Transfer Out: Consolidated Bond Fund | - | - | 2,740,995 | 3,168,770 | 4,232,431 | 3,763,360 | 4,101,136 |
| **Total Use of Funds:** | 12,047,950 | 14,852,383 | 16,501,971 | 19,671,720 | 21,002,131 | 21,630,810 | 22,187,376 |
| **Current Year Balance:** | (11,958,765) | 760,717 | 101,789 | 54,966 | 42,874 | 44,160 | 45,485 |
| Add: prior year balance | 12,470,416 | 511,651 | 1,272,367 | 1,374,157 | 1,429,123 | 1,471,996 | 1,516,156 |
| **Fund Balance @ Year End:** | **$ 511,651** | **$ 1,272,367** | **$ 1,374,157** | **$ 1,429,123** | **$ 1,471,996** | **$ 1,516,156** | **$ 1,561,641** |

**Notes:**

1. Financing for the development of Hilton Columbus Downtown 402 was acquired through the issue of bonds 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 lodging tax revenue will be used to cover debt service. Interest for the issue was capitalized through 2022. Payment of debt service with hotel operating income began in 2023.
2. Hotel operating income and the hotel's tax payment are now split with 59.0 percent deposited into the 2019 bond fund for payment of debt service.
3. Funds remaining after debt service will be first used to pay the subordinate management fee and the FF&E payment. Upon payment of these obligations, remaining funds will be transferred to the consolidated hotel bond fund.

# 2010 Debt Service Reserve Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Interest Earnings | $ 70,469 | $ 64,304 | $ 67,519 | $ 70,895 | $ 74,440 | $ 78,162 | $ 82,070 |
| **Total Sources of Funds** | 70,469 | 64,304 | 67,519 | 70,895 | 74,440 | 78,162 | 82,070 |
| **Uses of Funds:** | | | | | | | |
| Transfer to Debt Service - Earnings | - | 155,083 | 67,519 | 70,895 | 74,440 | 78,162 | 82,070 |
| **Total Use of Funds** | 0 | 155,083 | 67,519 | 70,895 | 74,440 | 78,162 | 82,070 |
| **Current Year Balance:** | 70,469 | (90,779) | - | - | - | - | - |
| Add: prior year balance | 6,440,310 | 6,510,779 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 | 6,420,000 |
| **Fund Balance @ Year End:** | $ 6,510,779 | $ 6,420,000 | $ 6,420,000 | $ 6,420,000 | $ 6,420,000 | $ 6,420,000 | $ 6,420,000 |
| **Required Balance:** | $ 6,391,264 | $ 6,391,264 | $ 6,391,264 | $ 6,391,264 | $ 6,391,264 | $ 6,391,264 | $ 6,391,264 |

**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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Interest Earnings | $ 164,383 | $ 140,000 | $ 150,000 | $ 156,766 | $ 164,604 | $ 172,834 | $ 181,476 |
| Transfer in: Consolidated Bond Fund | - | 232,365 | - | - | - | - | - |
| Transfer in: CFA Operating Fund | $ 125,000 | - | - | - | - | - | - |
| **Total Sources of Funds** | 289,383 | 372,365 | 150,000 | 156,766 | 164,604 | 172,834 | 181,476 |
| **Uses of Funds:** | | | | | | | |
| Transfer to 2019 Bond Fund | 22,513 | 500,000 | 150,000 | 156,766 | 164,604 | 172,834 | 181,476 |
| **Total Use of Funds** | 22,513 | 500,000 | 150,000 | 156,766 | 164,604 | 172,834 | 181,476 |
| **Current Year Balance:** | 266,870 | (127,635) | - | - | - | - | - |
| Add: prior year balance | 15,537,363 | 15,804,233 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 | 15,676,598 |
| **Fund Balance @ Year End:** | $ 15,804,233 | $ 15,676,598 | $ 15,676,598 | $ 15,676,598 | $ 15,676,598 | $ 15,676,598 | $ 15,676,598 |
| **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 as required.

# 2010 Rental Reserve Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| 2010 Debt Service Fund | $ - | $ - | $ - | $ 900,000 | $ 2,250,000 | $ 3,100,000 | $ 800,000 |
| Interest Earnings | 20,878 | 61,240 | 28,517 | 29,942 | 61,152 | 115,198 | 211,654 |
| **Total Sources of Funds** | 20,878 | 61,240 | $ 28,517 | 929,942 | 2,311,152 | 3,215,198 | 1,011,654 |
| **Uses of Funds:** | | | | | | | |
| Transfer Out: 2010 Bond Fund | - | 765,134 | - | - | - | - | - |
| **Total Use of Funds** | - | 765,134 | - | - | - | - | - |
| **Current Year Balance:** | 20,878 | (703,894) | 28,517 | 929,942 | 2,311,152 | 3,215,198 | 1,011,654 |
| Add: prior year balance | 1,253,348 | 1,274,226 | 570,332 | 598,849 | 1,528,791 | 3,839,943 | 7,055,141 |
| **Fund Balance @ Year End:** | $ 1,274,226 | $ 570,332 | $ 598,849 | $ 1,528,791 | $ 3,839,943 | $ 7,055,141 | $ 8,066,795 |
| **Required Balance:** | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 |

**Notes:**

1. Pursuent 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.
2. 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 begin to occur during the proforma period.

# Ground Lease Rents Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer In: CFA CapEx Fund | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Interest Earnings | 17,136 | 54,097 | 42,937 | 30,066 | 30,066 | 30,066 | 30,066 |
| **Total Sources of Funds** | 17,136 | 54,097 | 42,937 | 30,066 | 30,066 | 30,066 | 30,066 |
| **Uses of Funds:** | | | | | | | |
| Transfer Out: 2010 Bond Fund | - | - | 114,169 | 30,066 | 30,066 | 30,066 | 30,066 |
| **Total Use of Funds** | - | - | 114,169 | 30,066 | 30,066 | 30,066 | 30,066 |
| **Current Year Balance:** | 17,136 | 54,097 | (71,233) | - | - | - | - |
| Add: prior year balance | 1,002,186 | 1,019,322 | 1,073,419 | 1,002,186 | 1,002,186 | 1,002,186 | 1,002,186 |
| **Fund Balance @ Year End:** | $ 1,019,322 | $ 1,073,419 | $ 1,002,186 | $ 1,002,186 | $ 1,002,186 | $ 1,002,186 | $ 1,002,186 |
| **Required Balance:** | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 | $ 1,000,000 |

**Notes:**

1. Pursuent 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 calandar year. Such funds are reserved for the payment of debt service if rental reserve funds should be depleted or replenish the rental reserve fund as required.
2. Per 2019 amendment to the cooperative agreement, the required balance in the ground lease fund is $1.0 million.

## CFA Hotel Consolidated Bond Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer in: 2019 Bond Fund | $ - | $ - | $ 2,740,995 | $ 3,168,770 | $ 4,232,431 | $ 3,763,360 | $ 4,101,136 |
| Transfer in: 2010 Bond Fund | - | - | - | - | - | - | - |
| Interest Earnings | 216,655 | 395,000 | 400,000 | 727,738 | 751,976 | 751,865 | 752,682 |
| **Total Sources of Funds:** | 216,655 | 395,000 | 3,140,995 | 3,896,508 | 4,984,406 | 4,515,224 | 4,853,819 |
| **Uses of Funds:** | | | | | | | |
| Transfer Out: 2019 Debt Reserve Fund | - | 232,365 | - | - | - | - | - |
| Transfer Out: 2010 Bond Fund | 200,000 | - | - | - | - | - | - |
| Transfer Out: 2019 Bond Fund | - | 2,046,790 | 2,228,600 | 3,088,600 | 3,088,100 | 3,087,975 | 3,088,100 |
| Transfer Out: Residuals Fund | - | - | - | - | 1,900,000 | 1,400,000 | 1,800,000 |
| **Total Use of Funds:** | 200,000 | 2,279,155 | 2,228,600 | 3,088,600 | 4,988,100 | 4,487,975 | 4,888,100 |
| **Current Year Balance:** | 16,655 | (1,884,155) | 912,395 | 807,908 | (3,694) | 27,249 | (34,281) |
| Add: prior year balance | 25,213,049 | 25,229,704 | 23,345,549 | 24,257,944 | 25,065,852 | 25,062,158 | 25,089,407 |
| **Fund Balance @ Year End:** | **$ 25,229,704** | **$ 23,345,549** | **$ 24,257,944** | **$ 25,065,852** | **$ 25,062,158** | **$ 25,089,407** | **$ 25,055,126** |
| **Required Balance** | $ 25,000,000 | $ 25,000,000 | $ 25,000,000 | $ 25,000,000 | $ 25,000,000 | $ 25,000,000 | $ 25,000,000 |

## CFA Residuals Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer in: Consolidated Bond Fund | $ - | $ - | $ - | $ - | $ 1,900,000 | $ 1,400,000 | $ 1,800,000 |
| Interest Earnings | 32,810 | 104,323 | 105,000 | 107,996 | 113,396 | 214,065 | 294,769 |
| **Total Sources of Funds:** | 32,810 | 104,323 | 105,000 | 107,996 | 2,013,396 | 1,614,065 | 2,094,769 |
| **Uses of Funds:** | | | | | | | |
| Transfer Out: Nationwide Loan Payment | - | - | - | - | - | - | - |
| **Total Use of Funds:** | - | - | - | - | - | - | - |
| **Current Year Balance:** | 32,810 | 104,323 | 105,000 | 107,996 | 2,013,396 | 1,614,065 | 2,094,769 |
| Add: prior year balance | 1,917,782 | 1,950,592 | 2,054,915 | 2,159,915 | 2,267,911 | 4,281,306 | 5,895,372 |
| **Fund Balance @ Year End:** | **$ 1,950,592** | **$ 2,054,915** | **$ 2,159,915** | **$ 2,267,911** | **$ 4,281,306** | **$ 5,895,372** | **$ 7,990,140** |

**Notes:**

1. As part of the 2019 bond issue, the CFA reserved $25.0 million in a consolidated bond fund that serves as security for the 2019 bond issue.
   The required maximum balance for the fund is $25.0 million.
2. Funds that exceed the maximum balance in the consolidated bond fund are deposited into the hotel residual fund.
   Monies within the residual reserve fund will accumulate in the fund untill 2029 at which time they will be used to pay the Nationwide Arena loan as due.

# BABS Payment Fund

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| U.S. Treasury Payment | $ 3,049,666 | $ 2,987,518 | $ 2,920,897 | $ 2,849,550 | $ 2,773,216 | $ 2,680,841 | $ 2,582,560 |
| Interest Earnings | 2,045 | 10,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| **Total Sources of Funds** | 3,051,711 | 2,997,518 | 2,922,897 | 2,851,550 | 2,775,216 | 2,682,841 | 2,584,560 |
| **Distribution of Funds:** | | | | | | | |
| 2010 Debt Service | 3,049,666 | 2,992,091 | 2,920,897 | 2,849,550 | 2,773,216 | 2,680,841 | 2,582,560 |
| **Total Use of Funds** | 3,049,666 | 2,992,091 | 2,920,897 | 2,849,550 | 2,773,216 | 2,680,841 | 2,582,560 |
| **Current Year Balance:** | $ 2,045 | $ 5,427 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 |
| Add: prior year balance | - | 2,045 | 7,472 | 9,472 | 11,472 | 13,472 | 15,472 |
| **Fund Balance @ Year End:** | $ 2,045 | $ 7,472 | $ 9,472 | $ 11,472 | $ 13,472 | $ 15,472 | $ 17,472 |

**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 2022, 2023 and 2024 have and will be less than original amounts established at the time of the bond issue.

# Capital Improvements and FF&E Reserve

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Primary Reserve Deposit (% of hotel revenu | $ 1,372,018 | $ 1,708,491 | $ 2,289,270 | $ 2,924,105 | $ 3,055,772 | $ 3,657,295 | $ 3,767,014 |
| Secondary Reserve Deposit | - | 1,962,433 | 763,000 | 835,000 | 888,000 | 1,829,000 | 1,883,870 |
| **Total Sources of Funds** | 1,372,018 | 3,670,924 | 3,052,270 | 3,759,105 | 3,943,772 | 5,486,295 | 5,650,884 |
| **Uses of Funds:** | | | | | | | |
| Capital Project Expenses | 4,461,075 | 2,010,219 | 2,241,793 | 4,574,097 | 4,203,607 | 870,000 | 896,100 |
| **Total Use of Funds** | 4,461,075 | 2,010,219 | 2,241,793 | 4,574,097 | 4,203,607 | 870,000 | 896,100 |
| **Current Year Balance:** | (3,089,057) | 1,660,705 | 810,477 | (814,992) | (259,835) | 4,616,295 | 4,754,784 |
| Add: prior year balance | 3,910,964 | 821,907 | 2,482,612 | 3,293,089 | 2,478,097 | 2,218,262 | 6,834,557 |
| **Fund Balance @ Year End:** | $ 821,907 | $ 2,482,612 | $ 3,293,089 | $ 2,478,097 | $ 2,218,262 | $ 6,834,557 | $ 11,589,341 |

**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 fund used to support capital improvements and FF&E purchases for the hotel.
2. Residual funds remaining after payment of annual capital expenses must remain in the fund. These funds will accummulate over time and will be used to support significant hotel refurbish/refresh projects in the future.
3. The FF& E reserve fund is managed by the hotel operator.

SECTION THREE

# NATIONWIDE ARENA LONG-TERM FORECAST

as of November 2023

# Summary Information

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Casino Tax Revenue** | **$ 7,445,543** | **$ 7,511,144** | **$ 7,661,367** | **$ 7,814,594** | **$ 8,009,959** | **$ 8,250,258** | **$ 8,497,765** |
| Increase over Prior Year | | 0.88% | **2.00%** | 2.00% | 2.50% | 3.00% | 3.00% |
| **Distribution of Casino Tax Revenue** | | | | | | | |
| Arena Operating Expenses | 5,372,638 | 5,560,680 | **5,755,304** | 5,956,740 | 6,165,226 | 6,381,009 | 6,604,344 |
| Land Lease Payment | 165,000 | 165,000 | **165,000** | 165,000 | 165,000 | 165,000 | 165,000 |
| Real Estate Tax Provision | 368,777 | 381,684 | **395,043** | 408,870 | 423,180 | 437,991 | 453,321 |
| Arena Capital Improvements | 1,539,128 | 1,403,780 | **1,346,020** | 1,283,985 | 1,256,553 | 1,266,258 | 1,275,101 |
| State of Ohio Loan | - | - | **-** | - | - | - | - |
| **Total Distribution** | **7,445,543** | **7,511,144** | **7,661,367** | **7,814,594** | **8,009,959** | **8,250,258** | **8,497,765** |
| **Admissions Fee Revenue** | **2,633,415** | **2,601,281** | **2,469,789** | **2,519,185** | **2,582,164** | **2,659,629** | **2,739,418** |
| Increase over Prior Year | | -1.22% | -5.05% | 2.00% | 2.50% | 3.00% | 3.00% |

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Fund Balances @ Year End:** | | | | | | | |
| Lease Payment Fund | - | - | **-** | - | - | - | - |
| Real Estate Tax Reserve Fund | 368,777 | 381,684 | **395,043** | 408,870 | 423,180 | 437,991 | 453,321 |
| Capital Improvements Fund | 8,213,635 | 6,575,185 | **2,812,924** | 2,700,481 | 2,620,213 | 2,624,707 | 2,717,967 |

**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 within the hotel 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 use to support arts within the community. In regards to the admisssions fee on events within the arena; 80.0 percent of revenues collected from this fee are returned to the arena for capital improvements.

# ARENA LEASE PAYMENT FUNDS

| | 2022 Actual | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Casino Tax Revenue: City | $ 4,409,999 | $ 4,469,317 | **$ 4,558,704** | $ 4,649,878 | $ 4,766,125 | $ 4,909,109 | $ 5,056,382 |
| Casino Tax Revenue: County | 3,035,545 | 3,041,826 | **3,102,663** | 3,164,716 | 3,243,834 | 3,341,149 | 3,441,384 |
| Transfer In: CFA Operating Fund | 3,035,545 | 3,041,826 | **3,102,663** | 3,164,716 | 3,243,834 | 3,341,149 | 3,441,384 |
| Interest Earnings | - | - | **-** | - | - | - | - |
| **Total Sources of Funds** | 10,481,088 | 10,552,970 | **10,764,030** | 10,979,310 | 11,253,793 | 11,591,407 | 11,939,149 |
| **Uses of Funds:** | | | | | | | |
| Arena Operations | 5,372,638 | 5,560,680 | **5,755,304** | 5,956,740 | 6,165,226 | 6,381,009 | 6,604,344 |
| Land Lease Payment | 165,000 | 165,000 | **165,000** | 165,000 | 165,000 | 165,000 | 165,000 |
| Real Estate Tax | 368,777 | 381,684 | **395,043** | 408,870 | 423,180 | 437,991 | 453,321 |
| Arena Capital Improvements | 1,539,128 | 1,403,780 | **1,346,020** | 1,283,985 | 1,256,553 | 1,266,258 | 1,275,101 |
| Transfer Out: CFA Cap Ex. Fund | 3,035,545 | 3,041,826 | **3,102,663** | 3,164,716 | 3,243,834 | 3,341,149 | 3,441,384 |
| **Total Use of Funds** | 10,481,088 | 10,552,970 | **10,764,030** | 10,979,310 | 11,253,793 | 11,591,407 | 11,939,149 |
| **Current Year Balance:** | - | - | **-** | - | - | - | - |
| Add: prior year balance | - | - | **-** | - | - | - | - |
| | - | - | **-** | - | - | - | - |
| **Fund Balance @ Year End:** | $ - | $ - | **$ -** | $ - | $ - | $ - | $ - |

**Notes:**

The CFA receives 32.0 percent of casino tax revenue collected by the city and county for payment of obligations associated with Nationwide Arena. The 2024 projection assumes casino taxes will increase by 2.0 percent over collections received in 2023. In 2023 such collections were less than 1.0 percent above prior year collections.

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 2024, 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 2024 will not completely cover required operating expenses, the CFA will transfer available operating 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

| | 2022 | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer in: Arena Lease Payment Fund | $ 1,539,128 | $ 1,403,780 | **$ 1,346,020** | $ 1,283,985 | $ 1,256,553 | $ 1,266,258 | $ 1,275,101 |
| Transfer in : CFA payment (SVOG) | 3,361,032 | - | **-** | - | - | - | - |
| Admissions Tax | 2,633,415 | 2,601,281 | **2,469,789** | 2,519,185 | 2,582,164 | 2,659,629 | 2,739,418 |
| Interest Earnings | 106,684 | 300,000 | **197,256** | 84,388 | 81,014 | 78,606 | 78,741 |
| **Total Sources of Funds** | 7,640,259 | 4,305,061 | **4,013,064** | 3,887,557 | 3,919,732 | 4,004,494 | 4,093,260 |
| **Uses of Funds:** | | | | | | | |
| Payment to CAM - Arena CapEx | 1,779,311 | 5,943,510 | **7,775,326** | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| **Total Use of Funds** | 1,779,311 | 5,943,510 | **7,775,326** | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| **Current Year Balance:** | 5,860,948 | (1,638,449) | **(3,762,262)** | (112,443) | (80,268) | 4,494 | 93,260 |
| Add: prior year balance | 2,352,687 | 8,213,635 | **6,575,185** | 2,812,924 | 2,700,481 | 2,620,213 | 2,624,707 |
| **Fund Balance @ Year End:** | $ 8,213,635 | $ 6,575,185 | **$ 2,812,924** | $ 2,700,481 | $ 2,620,213 | $ 2,624,707 | $ 2,717,967 |

**Note:**

Casino tax revenue deposited into the arena capital improvementsts 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 is deposited into the arena CapEx fund to supprt the arena's capital improvements program.

# ARENA REAL ESTATE TAX RESERVE FUND

| | 2022 Actual | 2023 Projected | 2024 Budget | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|
| **Sources of Funds:** | | | | | | | |
| Transfer: Arena Lease Payment Fund | $ 368,777 | $ 381,684 | **$ 395,043** | $ 408,870 | $ 423,180 | $ 437,991 | $ 453,321 |
| Interest Earnings | - | - | **-** | - | - | - | - |
| **Total Sources of Funds** | 368,777 | 381,684 | **395,043** | 408,870 | 423,180 | 437,991 | 453,321 |
| **Uses of Funds:** | | | | | | | |
| Transfer to Operating Fund | 356,306 | 368,777 | **381,684** | 395,043 | 408,870 | 423,180 | 437,991 |
| **Total Use of Funds** | 356,306 | 368,777 | **381,684** | 395,043 | 408,870 | 423,180 | 437,991 |
| **Current Year Balance:** | 12,471 | 12,907 | **13,359** | 13,827 | 14,310 | 14,811 | 15,330 |
| Add: prior year balance | 356,306 | 368,777 | **381,684** | 395,043 | 408,870 | 423,180 | 437,991 |
| **Fund Balance @ Year End:** | $ 368,777 | $ 381,684 | **$ 395,043** | $ 408,870 | $ 423,180 | $ 437,991 | $ 453,321 |

**Note:**

Per transaction documents, casino tax revenue received by the CFA is reserved for 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 are used to make up the difference between casino tax revenues available for real estate payments and the amount due.