

OPERATING & CAPITAL BUDGET



2026



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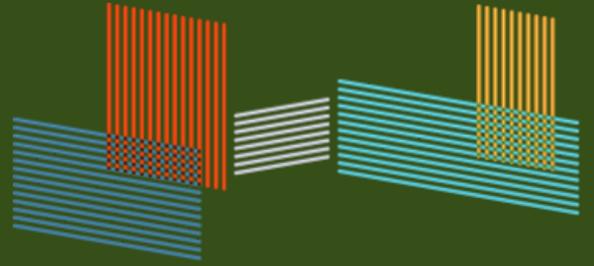


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FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY 2026 OPERATING and CAPITAL BUDGET

EXECUTIVE SUMMARY

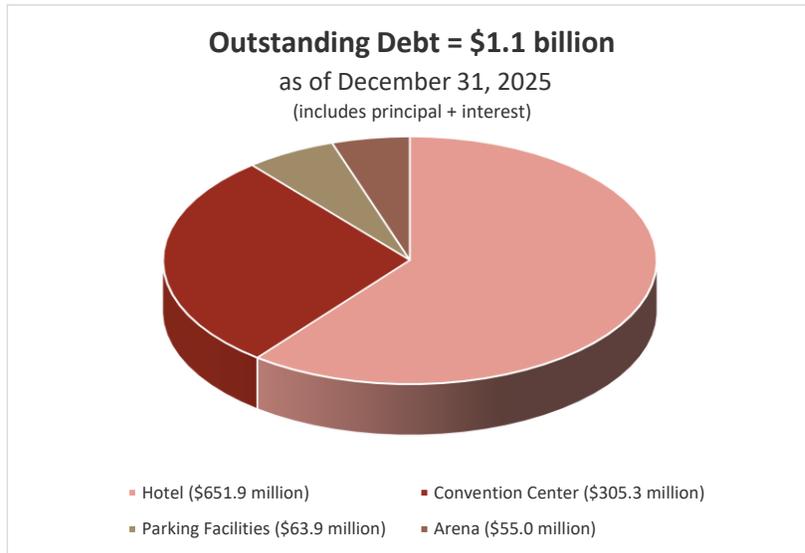
The 2026 operating and capital budget for the Franklin County Convention Facilities Authority (CFA) is presented in the following document. The budget reflects the CFA's commitment to responsible stewardship of public resources while also continuing to invest in facilities that fuel the region's convention, tourism and entertainment economy. The 2026 budget is a good news budget. Resource projections are realistic but not too aggressive. Fund balances are planned and purposeful. Program funding supports priorities and initiatives of the CFA Board. At the core, the CFA remains strong with all reserves fully funded and debt obligations met. The budget is balanced; equally planning for financial stability and forward-looking investments that continue to strengthen CFA's mission and purpose.



As growth in the convention, travel, and entertainment market continues to stabilize in 2025, the CFA now has the resources to support a budget in 2026 that can invest in strengths of the organization (i.e., buildings, services, people) while also planning for the future. Financial investment for the year will again focus on renewed commitment to purpose and the development of aspirations. Through funding initiatives included within the budget, the CFA will continue to improve and update all facilities through an aggressive capital improvements program to keep pace with aging facilities, client expectations and market demands; engage in master plan development that will align CFA growth with that of the market, community and region; strive for service levels that are best in class; enhance organizational capacity and strength through investment in the workforce; generate additional revenue through asset maximization; and support sales and marketing initiatives to ensure on-going convention/event business growth that is right for the community.

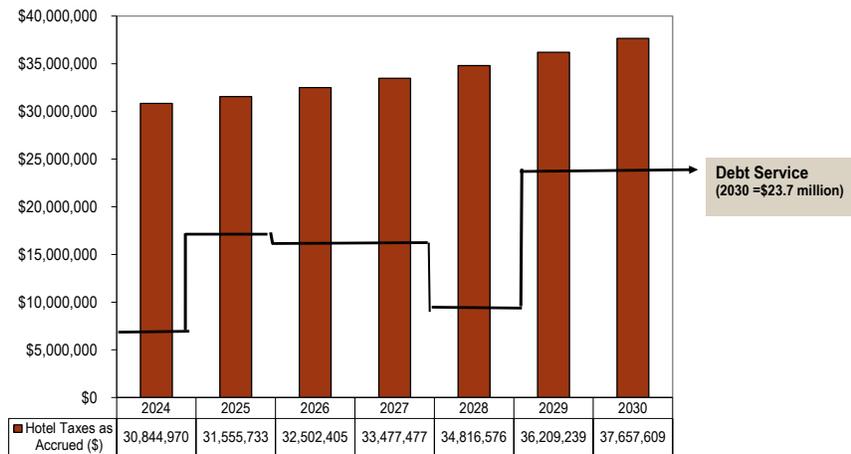
The 2026 CFA budget is summarized as follows:

- At year end 2025, outstanding debt obligations of CFA are \$1.1 billion.



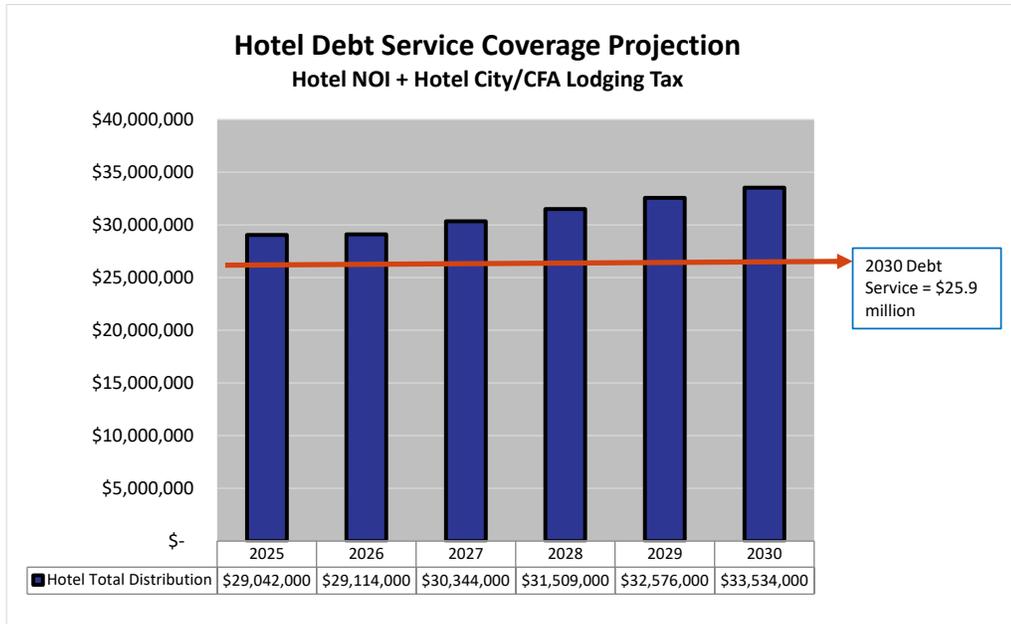
- Hotel tax revenue (4% countywide plus an additional .9% citywide) covers annual debt service due on the bonds issued for development, expansion and improvement of the Greater Columbus Convention Center. In 2026, hotel tax revenue is projected to increase by 3.0 percent slightly better than industry projections due to strong regional convention/event activity. In 2026, hotel tax revenue paid to the CFA is projected to be \$32.5 million. By 2030, annual hotel tax revenue is projected to reach \$37.7 million.

Convention Center Debt Service Coverage Projections

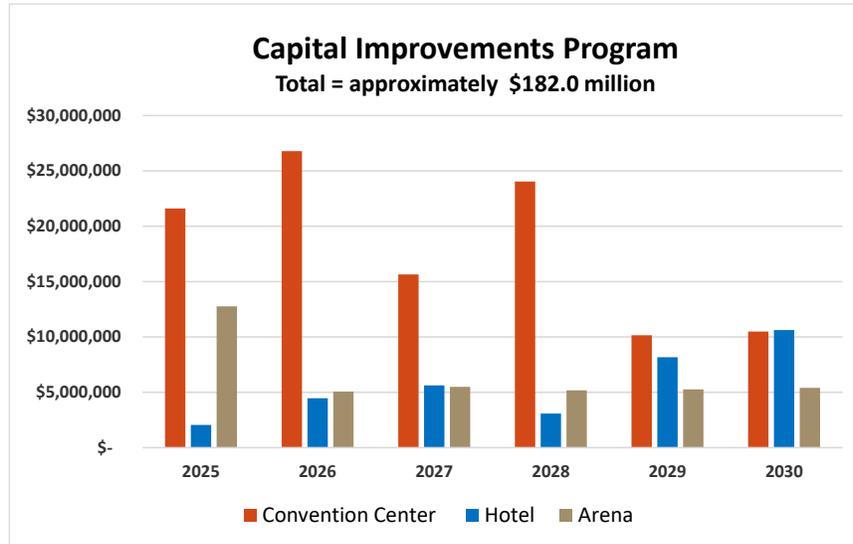


- After debt payments, an estimated \$17.9 million in hotel tax revenue will flow into the CFA operating fund in 2026 to support capital improvements and CFA services.
- CFA parking facilities will generate \$11.8 million in parking revenue during 2026. After \$4.5 million in parking-related debt service, the remaining balance – approximately \$7.3 million - will offset convention center operating costs.

- The Hilton Columbus Downtown’s operating income and the hotel’s lodging tax revenue are used to pay debt service due on bonds issued for the development of the Hilton Columbus Downtown. In 2026, \$29.1 million (income + lodging tax) will be distributed from the hotel to the CFA for hotel debt service.



- Distribution from the hotel is projected to cover annual hotel debt obligations through the period. Resources exceeding debt service are first used to pay the secondary management fee and FF&E funding requirement. After secondary payments are made, remaining hotel distribution is deposited into the hotel residual fund and is reserved for payment of the Nationwide Arena loan in 2029. By year end 2026, the hotel residuals fund will have a projected balance of \$ 10.9 million. By 2029, this balance will be \$27.5 million.
- In 2026, hotel operating performance is expected to be consistent with 2025 as the convention and hospitality market continues to perform well. Room nights generated from group will remain the primary driver of occupancy; positively impacted by both city-wide and in-house events. The hotel’s continued focus on business diversification and segmentation mix will generate revenue opportunity and growth. Food and beverage is also expected to drive revenue in 2026 as outlets will be re-launched and banquets see increased volume. Overall, hotel occupancy is projected to be 67.3 percent for the year (on par with 2025). Average daily rate will increase by 2.0 percent. Food and beverage revenue will increase by 4.0 percent.
- The convention center’s operating goal is to be the “best in class”; 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 2026, convention center operations will focus efforts on facility cleanliness; customer service; work force enhancements through pay equity, training and development; revenue generation; business development and facility maintenance. Convention center operations remain self-sustaining in 2026 and will end the year with an operating balance of \$90,000.
- Approximately \$182.0 million in available resources will be invested in capital improvement projects for the convention center, hotel and arena during the projection period. Capital program is driven by aging facilities and increasing client demands and expectations.



- Over \$26.7 million is budgeted for convention center capital improvement projects during 2026. The budget has incorporated recommendations of the facility assessment completed in 2025. Major projects include roof replacement, parking equipment modernization, elevator/escalator improvements and west connector joint restoration. CFA equity will be used to cover convention center capital improvement expenses.
- Hotel capital improvements will equal \$4.5 million in 2026. Significant projects include elevator upgrades in 401, pool renovation, soft good replacement in Gallerie Bar/Atrium, door replacement and equipment purchases. A percentage of operating revenue is deposited annually into an FF&E reserve account for capital improvements. Funding not used in any given year is reserved for future investment.
- Capital investment into Nationwide Arena will total \$5.1 million in 2026. Projects include fire alarm system replacement, various HVAC system upgrades and elevator/escalator improvements. Revenues from the arena's admission tax and city/county casino tax are funding sources for the arena's capital program.
- While the CFA budget has invested in ongoing maintenance, repair and replacement of capital assets within Nationwide Arena, significant additional improvement to critical infrastructure and guest amenities are necessary to maintain and modernize the arena, to improve guest experience and to host world-class sports and entertainment events. The CFA is currently leading efforts to implement a multi-year project that would invest approximately \$400.0 million in the arena for these improvements. Funding for the project would be generated from both public and private sources. Since the arena modernization project is still in development and financing decisions have yet to be made, the 2026 budget includes reference to the project but does not include an actual financing plan for the project. Once the project moves forward, the budget will be adjusted accordingly.
- CFA master plan development will begin in 2026. The budget includes \$1.0 million for this initiative.
- In 2025, the CFA Board approved the CFA's participation in the Short North Community Improvement Program; a program designed to enhance community services within the Short North District such as security/safety, trash removal, landscaping and sidewalk maintenance. Regarding the CFA, the short north community development fee (1.0 percent fee on lodging stays and retail food/beverage sales) will only apply to the Hilton Columbus Downtown. The CFA has agreed to remit the first \$300,000 collected each year from the fee to the Short North New Community Authority for program support. Collections exceeding this payment will remain with the CFA and can be used to pay for expenses of the convention center. Such expenses include but are not

limited to operations, maintenance, repair, marketing, advertising and business development. Current estimates suggest that monies remaining with the CFA will equal approximately \$350,000 in 2026. These monies will be deposited into a reserve account until the CFA Board has determined an appropriate use for the funds.

- The CFA manages several funds that account for all the financial activity of the Authority. Funds that are established to meet debt service requirements or contractual obligations are considered non-discretionary because resources within these funds can only be used for specified reasons as outlined in bond documents or contract agreements. Funds that are free from obligation (available) can be used by the CFA in any manner deemed appropriate. Currently, the CFA maintains two discretionary 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 2026, such funds will equal \$3.7 million. Discretionary funds do decline through the period as an enhanced convention center capital improvements program is fully implemented. A summary of year end balances for all current funds of the CFA is provided in the below table.

	2024	2025	2026	2027	2028	2029	2030
Long-term Forecast							
Summary of Projected Fund Balances at Year End							
Non-discretionary Funds - Greater Columbus Convention Center:							
Debt Service Fund	\$ 7,193,673	\$ 1,338,299	\$ 1,335,338	\$ 626,869	\$ 1,998,390	\$ 1,997,347	\$ 1,997,347
Debt Service Reserve Fund	24,011,855	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255
Rental Reserve Fund	12,021,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210
Non-discretionary Funds - Parking Facilities:							
Sinking Fund - Parking Facility Development	5,868,328	8,515,552	8,645,743	5,949,107	5,692,080	6,569,417	9,934,399
Non-discretionary Funds - Hilton Columbus Downtown:							
2024 Bond Payment Fund	2,876,162	5,121,875	6,000,000	6,000,540	6,007,230	6,029,107	6,000,670
2024 Rental Reserve Fund	8,094,456	8,321,456	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2024 Ground Lease Rents Fund	1,132,343	1,184,096	1,050,000	1,040,000	1,040,000	1,040,000	1,040,000
2019 Debt Service Reserve Fund	15,394,576	15,821,056	15,194,576	15,194,576	15,194,576	15,194,576	15,194,576
2019 Bond Payment Fund	3,874,959	1,504,967	1,539,007	1,539,007	1,531,628	1,636,266	1,591,964
Consolidated Hotel Bond Fund	25,076,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741
Hotel Residuals Fund	2,166,845	6,312,992	10,910,273	15,512,785	21,098,221	-	-
Reserve Funds for Operations **	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E **	3,842,261	5,576,058	5,484,880	5,256,295	7,776,629	5,418,648	767,684
** (Funds held by Hotel Manager)							
Non-discretionary Funds - Nationwide Arena:							
Real Estate Reserve Fund	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Capital Improvements Fund	6,617,800	821,273	923,895	159,486	159,486	159,486	159,486
Non-Discretionary Funds Total:	\$ 120,966,252	\$117,910,699	\$122,491,096	\$122,700,862	\$131,935,766	\$109,498,239	\$108,155,940
Discretionary Funds:							
Capital Improvements Fund	\$ 3,214,032	\$ 176,654	\$ 249,988	\$ 1,757,961	\$ 1,031,038	\$ 791,114	\$ 825,166
Operating Fund	11,780,532	14,653,507	3,475,595	1,116,593	657,104	30,302	623,693
Discretionary Funds Total:	\$ 14,994,564	\$ 14,830,162	\$ 3,725,583	\$ 2,874,554	\$ 1,688,142	\$ 821,416	\$ 1,448,859

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ENERGY



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2026 OPERATING and CAPITAL BUDGET

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SECTION ONE
Overview

OVERVIEW

The CFA is a body corporate and politic in and of the State of Ohio missioned to finance, develop and manage world-class facilities positioning Columbus as a premier destination for conventions and other events while strengthening the region's travel economy. Established by the Franklin County Commissioners in July 1988 under the authority of Chapter 351 of the Ohio Revised Code, the CFA is an independent governmental entity 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-seven years the CFA has developed, expanded, improved and operated several 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. The CFA is committed to financial stewardship, operational excellence and strategic facility development. While a public entity, the CFA operates much like a private enterprise. The CFA is largely self-sustaining.

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 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 include 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 542 guest rooms, 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 six Connie Awards (Hilton Worldwide brand’s prestigious recognition for service and quality) since opening in 2012.



Leveraging the success of the original Hilton hotel; the CFA in partnership with the County and City expanded the hotel through the addition of a new 28-story tower. The new tower opened in September 2022 and added 463 guest rooms to the property plus new ballrooms (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 LEED gold certified. 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; the 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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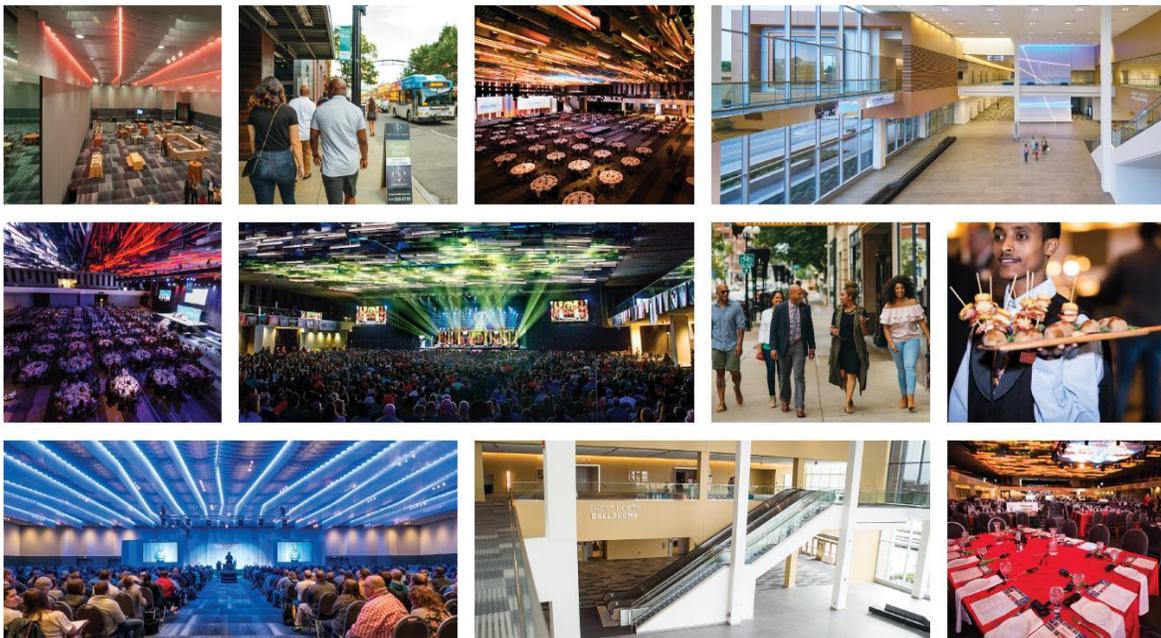
SECTION TWO

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 Legends Global, operator of the Greater Columbus Convention Center, with final review and approval provided by the CFA Board and staff. Any support required 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 hotel rooms occupied 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 illustrates the percentage growth in hotel tax revenues received by the CFA over the past ten years. The past decade was a tumultuous one. The period started with a stable hotel market that was experiencing significant growth. Between the years 2015 and 2019, hotel tax growth averaged 5.2 percent a year. Unfortunately, growth in hotel tax collections altered drastically in 2020 with the on-set of COVID-19 and related restrictions on group gatherings and travel as individuals locally as well as world-wide tried to manage through the pandemic. In 2020, hotel tax revenue (on an accrual basis) dropped by 60.3 percent below 2019 revenue levels. During 2020, tax revenues were only \$10.3 million; almost equal to revenue levels experienced in 1997. Luckily, 2021, 2022 and 2023 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 revenues surpassed 2019 tax collection levels with a growth rate of 8.5 percent. Strong hotel growth continued in 2024 as well.

Graph 2-1
 Hotel Tax Revenue Growth
 Percent Change Year over Year

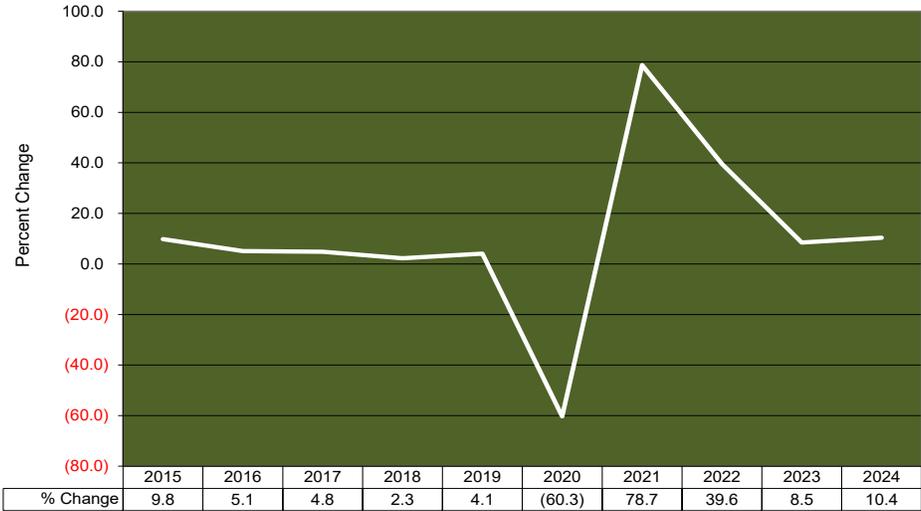
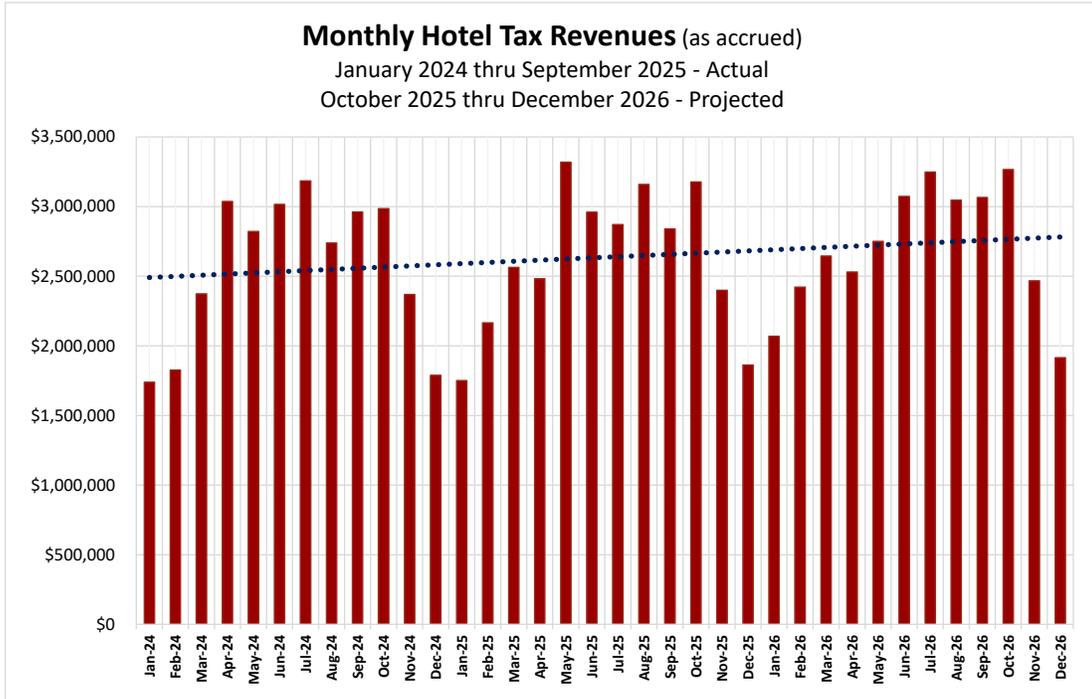


Chart 2-2

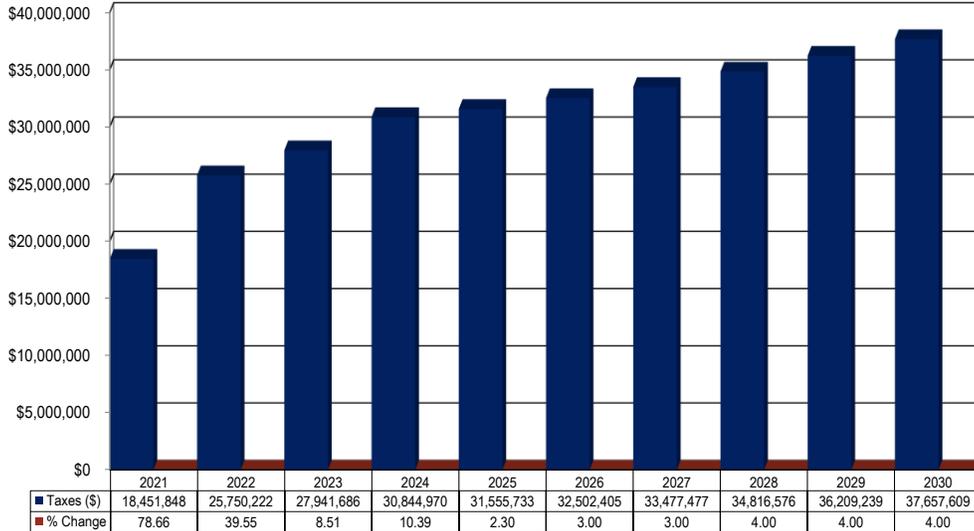


In 2025, tax collection growth has slowed in part due to economic uncertainty and also due to changes in event mix within the community. Through September, taxes are 1.8 percent above 2024 taxes. Overall, hotel occupancy is averaging 65.6 percent within the Columbus market, a 2.6 percent improvement over prior year. Average daily rate is up 3.7 percent when compared to 2024. Supply remains on par with prior year. In total, hotel tax revenue is expected to increase by 2.3 percent for the year.

While the focus in recent years was full recovery from the pandemic, the expectation in 2026 is market stability and continued growth. According to industry experts, the hotel industry is expected to see little to any growth due to economic uncertainty, inflation and changing travel patterns. Locally, the hotel market is expected to fair better as the community has limited exposure to international and governmental travel. The expectation is that group travel will continue to sustain market growth. While the number of large conventions and city-wide events in the Columbus community during 2026 will remain flat with prior year (26 citywide events), the events that are booked are expected to be larger. In addition, professional and collegiate sporting events, concerts, local festivals and other entertainment options will also continue to drive hotel business. Given the assumption that activity within the community will be on par with prior year, if not slightly better, the overall number of stays within the local hotel market during 2026 is projected to remain fairly equal to prior year with increase in the market driven mostly by rate. The impact of these assumptions on tax revenues in 2026 is that revenues will improve year over year by approximately 3.0 percent. Total collections in 2026 are projected to be \$32.5 million (as accrued). Moving forward, the 2026 budget projects a sustained pattern of growth for hotel tax revenue through the forecast period.

Chart 2-3

Hotel Tax Revenue - as accrued
(2021 thru 2024 actual - 2025 thru 2030 projected)



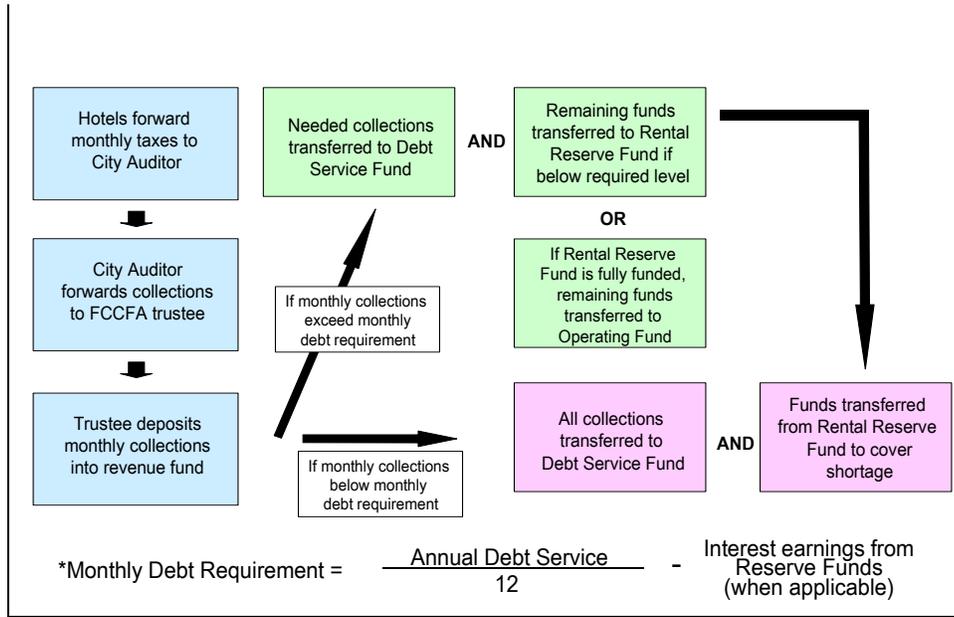
Detailed in Table 2-4 are the 2024 actual, 2025 projected and 2026 budget for the CFA’s revenue fund. Hotel tax revenues are deposited into the revenue fund before they are subsequently distributed to the debt service fund, rental reserve fund (when applicable), and the CFA’s operating fund. Monies deposited 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, following page, illustrates this flow of funds.

Table 2-4

Revenue Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Hotel Taxes (cash basis)	\$ 30,250,389	\$ 31,452,214	\$ 32,381,190
Interest Earnings	77,256	75,698	36,000
Total Sources of Funds	30,327,645	31,527,912	32,417,190
Uses of Funds:			
Transfer To: Debt Service Fund	9,668,771	12,549,794	14,477,715
Transfer To: Operating Fund	20,652,196	18,978,118	17,939,475
Total Use of Funds	30,320,967	31,527,912	32,417,190
Current Year Balance	6,678	-	-
Add: prior year balance	1,466	8,144	8,144
Year End Fund Balance:	\$8,144	\$8,144	\$8,144

Chart 2-5

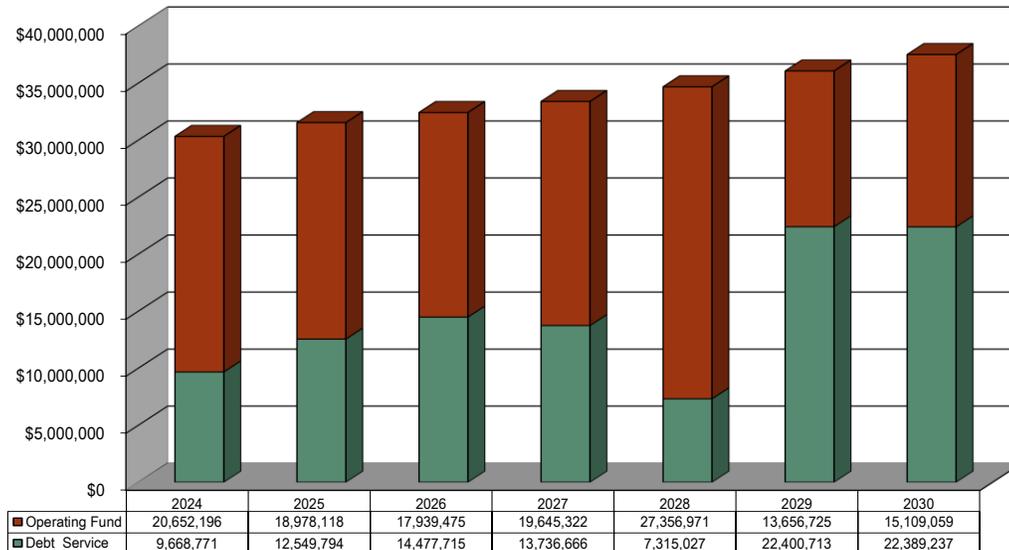
Monthly Flow of Hotel/Motel Tax Collections



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 2024 did reduce debt service due in the years 2024 through 2028 to a level well below projected hotel tax revenues thus allowing for substantial deposit of excess tax revenue into the operating fund. This added flow to the operating fund will be used to support an aggressive capital improvements program for the convention center.

Chart 2-6

Distribution of Annual Hotel Tax Revenue



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 not only used to construct the original facility but were used 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.

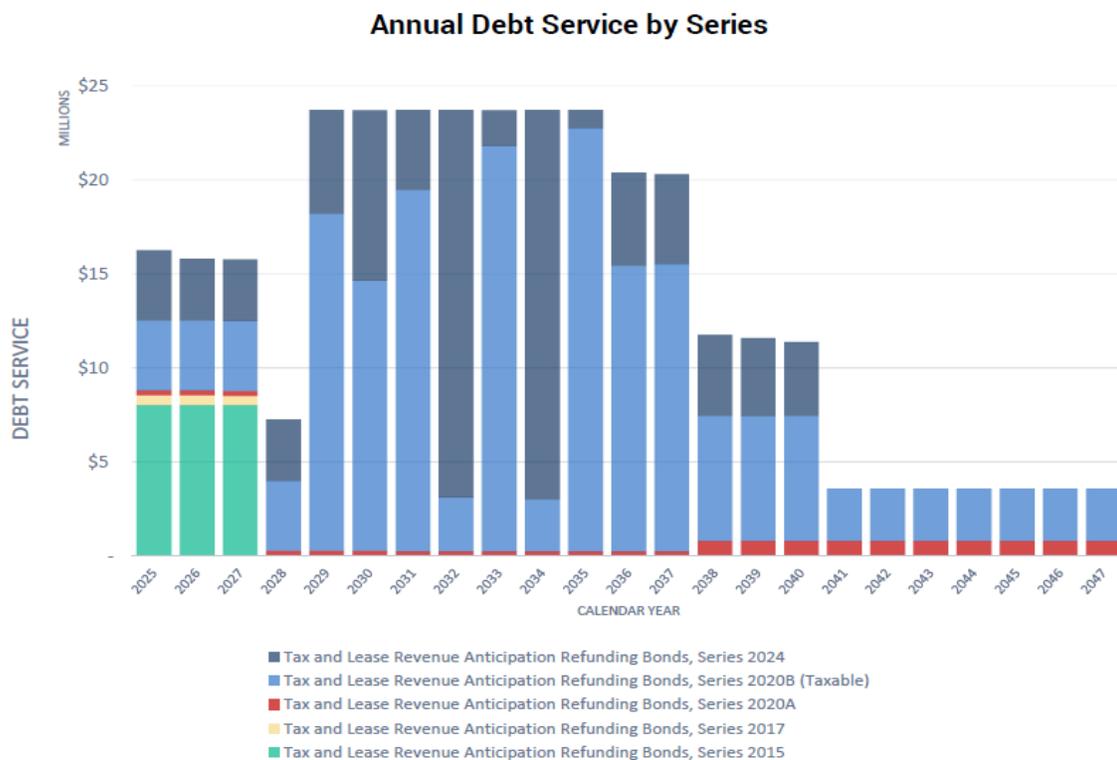
Another requirement of the original debt issue was the creation of a rental reserve fund. Because bond proceeds were used to capitalize first year interest costs, bed tax receipts were available to produce a rental reserve fund equal to one half of the highest annual debt service obligation. Unlike the 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.

During the past 34 years since the original issue, the CFA has completed several bond issues that have restructured, refinanced and added to the convention center debt program. All convention center bond issues completed to date are based upon a financing program identical to the original 1990 bond issue. All issues have been and currently are incorporated into the lease arrangement with the City of Columbus and Franklin County. All issues are secured by the City and County through appropriation. Refinancings completed to date have been done to recognize financial benefits. Restructurings have been done to allow for financial flexibility. Bond issues that have resulted in new money for the CFA have supported the 1997 and 2017 expansion/renovation of the center as well as the 2007 renovation of Battelle Hall.

Most recently, the CFA sold bonds to restructure the convention center's debt program thereby providing the CFA with the resources to support an aggressive capital improvements program for the convention center. The 2024 bond issue (completed October 2024) consisted of a refunding of 2014 bonds, the purchase pursuant to tender of a portion of the 2020 bonds, series B and the refunding of a portion of 2020 bonds not tendered for purchase. Overall, the issue resulted in net present value savings of \$1.8 million. Furthermore, the CFA was able to shift approximately \$30.0 million in debt service to future years within the current debt program for the convention center without significantly changing debt obligations in outer years, extending the debt program nor impacting the CFA's ability to issue additional bonds. The restructuring also reduced funding requirements for both the rental reserve fund and the debt service reserve fund thereby allowing for the release of approximately \$2.5 million in funds currently held within these reserves.

As of December 31, 2025, the CFA will have a par value of \$230.2 million in convention center bonds outstanding. When combined with interest, total due will be \$305.3 million. The convention center bond program extends through December 1, 2047.

Chart 2-7



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. The CFA, through a bond restructuring completed in 2020, 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 2-8, 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 2026 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 CFA expenses and provide for additional investment in capital improvement projects for the convention center. 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 2-8

**Franklin County Convention Facilities Authority
2026 - 2047 Debt Service Coverage Analysis for Convention Center**

Year	REVENUE	DEBT SERVICE PAYMENTS (principal + interest)				Total Debt Service	Revenue less Debt Service	Coverage Ratio
	Hotel Tax (Estimated -as accrued)	Series 2015	Series 2017	Series 2020	Series 2024			
2026	32,502,405	8,029,184	504,485	3,993,211	3,273,250	15,800,129	16,702,276	2.06
2027	33,477,477	8,025,342	474,537	3,991,461	3,273,250	15,764,590	17,712,887	2.12
2028	34,816,576	-	-	3,989,711	3,273,250	7,262,961	27,553,615	4.79
2029	35,861,074	-	-	18,192,961	5,528,250	23,721,211	12,139,863	1.51
2030	37,295,517	-	-	14,638,191	9,070,500	23,708,691	13,586,826	1.57
2031	38,414,382	-	-	19,475,537	4,240,000	23,715,537	14,698,845	1.62
2032	39,566,814	-	-	3,107,583	20,611,250	23,718,833	15,847,981	1.67
2033	40,753,818	-	-	21,802,583	1,905,500	23,708,083	17,045,735	1.72
2034	41,976,433	-	-	2,994,137	20,720,500	23,714,637	18,261,796	1.77
2035	43,235,726	-	-	22,750,980	964,750	23,715,730	19,519,996	1.82
2036	44,532,798	-	-	15,429,136	4,964,750	20,393,886	24,138,912	2.18
2037	45,868,782	-	-	15,525,336	4,784,750	20,310,086	25,558,696	2.26
2038	47,244,845	-	-	7,441,002	4,313,750	11,754,752	35,490,093	4.02
2039	48,662,190	-	-	7,431,957	4,151,250	11,583,207	37,078,983	4.20
2040	50,122,056	-	-	7,437,610	3,937,500	11,375,110	38,746,946	4.41
2041	51,625,718	-	-	3,577,390	-	3,577,390	48,048,328	14.43
2042	53,174,489	-	-	3,577,206	-	3,577,206	49,597,283	14.86
2043	54,769,724	-	-	3,573,799	-	3,573,799	51,195,925	15.33
2044	56,412,816	-	-	3,577,210	-	3,577,210	52,835,606	15.77
2045	58,105,200	-	-	3,572,040	-	3,572,040	54,533,160	16.27
2046	59,848,356	-	-	3,573,487	-	3,573,487	56,274,869	16.75
2047	61,643,807	-	-	3,576,193	-	3,576,193	58,067,614	17.24
Total	\$ 1,009,911,004	\$ 16,054,526	\$ 979,022	\$ 193,228,721	\$ 95,012,500	\$ 305,274,768	\$ 704,636,236	3.31

Note:

Hotel tax revenues on a cash basis are projected to grow by 3.0 percent in 2026 and 2027; 4.0 percent in 2028; 3.0 percent in 2029; 4.0 percent in 2030 and 3.0 percent thereafter.

Debt service payments on outstanding bonds related to the convention center are made by the trustee with resources available within the convention center debt service fund. Deposit of revenue into the bond fund are made monthly with monies collected from hotel taxes (via flow through the revenue fund) 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 2026 budget (cash basis) for the convention center debt service fund is provided in Table 2-9.

Table 2-9

Debt Service Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Hotel Taxes	\$ 9,668,771	\$ 12,549,794	\$ 14,477,715
Interest Earnings/Other	150,178	361,199	252,000
Transfer: Operating Fund	-	(3,870,600)	-
Transfer: Debt Reserve	2,100,654	880,600	711,636
Transfer: Rental Reserve	1,039,009	490,000	355,818
Total Sources of Funds	12,958,612	10,410,993	15,797,169
Uses of Funds:			
Debt Service Series 2014	1,145,650	-	-
Debt Service Series 2015	671,524	8,026,524	8,029,184
Debt Service Series 2017	29,329	509,329	504,485
Debt Service Series 2020	7,661,147	3,984,461	3,993,211
Debt Service Series 2024	(3,159,308)	3,746,053	3,273,250
Total Use of Funds	6,348,342	16,266,367	15,800,130
Current Year Balance	6,610,270	(5,855,374)	(2,961)
Add: prior year balance	583,403	7,193,673	1,338,299
Year End Fund Balance:	\$ 7,193,673	\$ 1,338,299	\$ 1,335,338

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. The debt service reserve fund is in place to protect bond holders. Use of the debt service reserve fund would occur only if the City or County did not meet their funding obligation. 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 \$23.7 million. The debt service reserve fund has been and remains fully funded.

The 2026 budget for the convention center debt service reserve fund is provided in Table 2-10 (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.

Table 2-10

Debt Service Reserve Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Interest Earnings	\$ 530,374	\$ 590,000	\$ 711,636
Total Sources of Funds	530,374	590,000	711,636
Uses of Funds:			
Transfer to: Debt Service (Release of Funds)	1,679,203	-	-
Transfer to: Debt Service (Earnings)	421,451	880,600	711,636
Total Use of Funds	2,100,654	880,600	711,636
Current Year Balance	(1,570,280)	(290,600)	-
Add: prior year balance	25,582,135	24,011,855	23,721,255
Year End Fund Balance:	\$ 24,011,855	\$ 23,721,255	\$ 23,721,255
Required Balance:	\$ 23,721,211	\$ 23,721,211	\$ 23,721,211

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 issue of convention center bonds, 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. Funds withdrawn from the rental reserve fund were replenished with proceeds from the 2020 bond issue such that the rental reserve fund balance at year end 2020 was fully replenished. Since 2020, the rental reserve has remained fully funded and will to be fully funded in 2026 and through the projection period.

The 2026 budget for the convention center rental reserve fund is provided in Table 2-11. 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 \$11.9 million.

Table 2-11

Rental Reserve Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Interest Earnings	\$ 285,758	\$ 330,000	\$ 355,818
Total Sources of Funds	285,758	330,000	355,818
Uses of Funds:			
Transfer: Debt Service Fund (Release of Funds)	839,601	-	-
Transfer: Debt Service Fund	199,408	490,000	355,818
Total Use of Funds	1,039,009	490,000	355,818
Current Year Balance	(753,251)	(160,000)	-
Add: prior year balance	12,774,461	12,021,210	11,861,210
Year End Fund Balance:	\$ 12,021,210	\$ 11,861,210	\$ 11,861,210
Required Balance	\$11,860,606	\$11,860,606	\$11,860,606

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 2015 bond issue has been completed in 2025. A rebate calculation for the 2020 bond series will be completed prior to year end 2025. All rebate calculations for convention center bonds are up to date.

Currently the CFA has invested most fund reserves in five-year U.S. Agency Securities or Treasuries. Funds not invested are held either in the trustee’s short term investment account or in STAR Ohio. Investments are staggered throughout the five-year investment period such that interest earnings can be maximized given the current market. As investments mature, principal is re-invested per requirements of the investment policy. The current average yield to maturity on the investment portfolio for the debt service reserve fund is 3.27 percent and the rental reserve fund is 3.93 percent.

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 2025, 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 2025, 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 2026 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			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Parking Revenue - Convention Center	\$ 4,246,884	\$ 4,465,806	\$ 4,465,806
Interest Earnings	112,607	150,000	255,467
Total Sources of Funds	4,359,491	4,615,806	4,721,273
Uses of Funds:			
Principal Payment - Vine Street Garage	-	-	2,622,500
Interest Expense - Vine Street Garage	515,082	515,082	515,082
Principal Payment - Goodale Street Garage	-	-	-
Interest Expense - Goodale Street Garage	571,500	571,500	571,500
Principal Payment - Ohio Center Garage	-	-	-
Interest Expense - Ohio Center Garage	870,600	882,000	882,000
Total Use of Funds	1,957,182	1,968,582	4,591,082
Current Year Balance	2,402,309	2,647,224	130,191
Add: prior year balance	3,466,019	5,868,328	8,515,552
Year End Fund Balance:	\$ 5,868,328	\$ 8,515,552	\$ 8,645,743

All parking revenue is pledged towards the payment of debt service associated with the garages. Parking revenue exceeding debt service obligations must first cover parking operating expenses before excess revenue can be used to support other center operations. In 2026, parking is projected to generate over \$11.7 million in total revenue. Debt ratio is 2.6 times coverage. Net parking revenue available after payment of debt service and parking operating expense is \$5.2 million.

Chart 2-13



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 Legends 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 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 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. Community efforts supporting convention business development that occurred prior to COVID paid dividends after the pandemic as well. Activity within the convention center has been strong since 2023; as the center has hosted a variety of national conventions and tradeshow. Positive performance in the center continues into 2025 as well. During the year, the center will host 25 citywide events (citywide events are now defined as events with 1,500+ room nights). Short-term business for the year is also proving to be strong and event endance is consistent with budget expectations. Through September the center hosted 191 events within the center, 48 events above budget.

A crucial factor in maintaining the convention center’s financial sustainability is the community’s continued focus on business/destination development. Efforts to streamline marketing, communication, booking practices, incentives and business outreach among entities responsible for bringing in large conventions and tradeshow to the community are ongoing. Current focus has shifted, to not only attract business to the community but to attract the right business to the community. Thoughtful layering of events and added attention to strategic event mix and diversity are beginning to play a role in business development, especially for the convention center.

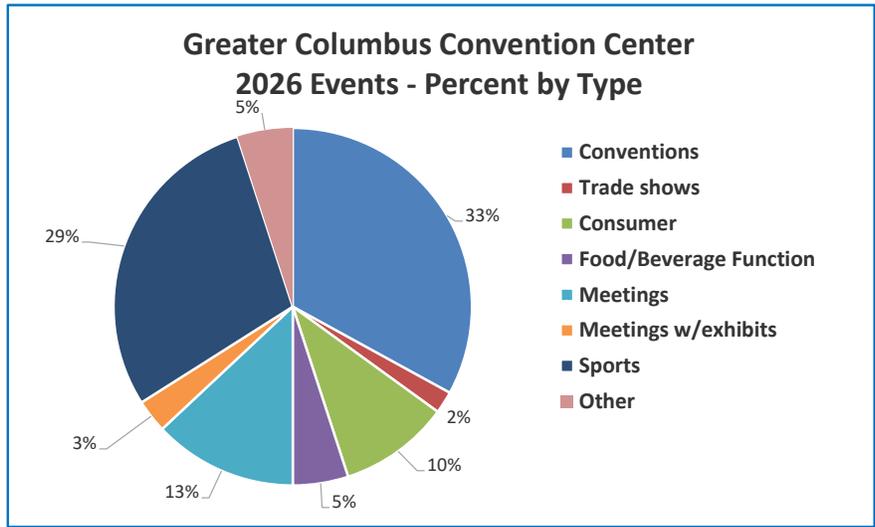
During 2026, scheduling of events will impact center performance as greater event mix will enhance revenue opportunity and better layering of events will streamline service delivery. Projected to be another active year, the convention center will enter the year with 166 contracted events; 9 events below 2025 but with greater expected attendance, i.e., events are larger. Currently there are 26 citywide events in 2026; including notable events as Plexus Convention, Arnold Sports Festival, Blackbaud Customer Conference, Best Buy Holiday Leadership Meeting, SEEK Fellowship of Catholic University Students, and Ohio Technology Education Conference (see Table 2-14 for comparison of 2025 and 2026 events). While business generation and growth will be the focus of operating efforts in 2026, the center will also strive to elevate overall visitor and guest experience, enhance operating efficiencies, increase investment in facility maintenance and improve workforce development, compensation and retention.

Table 2-14

Greater Columbus Convention Center Summary of 2025 Events (as booked November 2024)		Greater Columbus Convention Center Summary of 2026 Events (as booked November 2025)	
Total Confirmed Events (now includes tentative)	175	Total Confirmed Events (now includes tentative)	166
Total Attendance	732,255	Total Attendance	753,757
Total Room Nights	290,664	Total Room Nights	281,498
Total Citywide Events	35	Total Citywide Events (Citywide = \$1,500+ room nights)	26
Total New Events	41	Total New Events	53
Total Events with 5,000+ in Attendance	38	Total Events with 5,000+ in Attendance	34
Total Events with 1,000+ Total Room Nights	62	Total Events with 1,000+ Total Room Nights	69

Graph 2-15 provides a further breakdown of events currently booked for 2026. Conventions and sporting events are the most activity within the center; with meetings adding to the bottom line. Of total events, sporting events have the highest attendance and conventions result in the highest event income. While the goal for the center is to maintain a strong and diverse event mix; the focus for the future is to host larger events that drive revenue opportunity through increased attendance and/or additional spend.

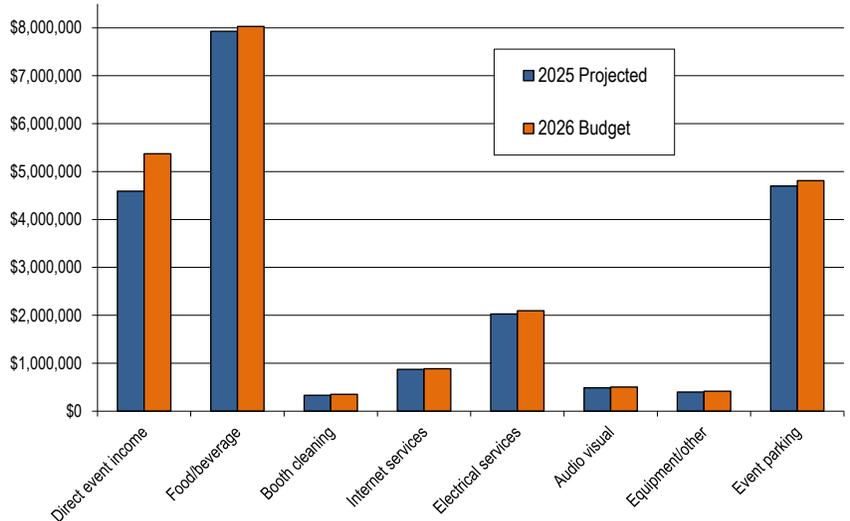
Chart 2-15



Income from events consists of both direct event income and ancillary income. Direct event income includes rental income 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 2026, direct event income will increase due to event mix and improved use of contracted labor. On the other hand, projected revenue from ancillary services including income from catering, food and beverage, technical services, booth cleaning, parking, equipment rental, and concessions, will remain minor in total. Despite conservative growth in ancillary income, total event income in 2026 is projected to be \$22.5 million; a \$1.1 million increase over 2025 event income.

Chart 2-16

Event Income by Source



Total event income is generated from a variety of revenue sources as illustrated in Chart 2-16. 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, more focus on outlets as well as concessions and better use of local food sources. In 2026, income from food services is expected to remain stable. Unfortunately, growth in expenses will continue to negatively impact the bottom line. Overall, the profit margin

from food service operations is expected to be 29.0 percent for the year; on par with the 30.0 percent margin projected for 2025. Food and beverage net revenue in 2026 will equal \$8.7 million. Net income (net revenue less indirect expenses) will equal \$4.8 million; approximately \$100,000 above net income expected in 2025.

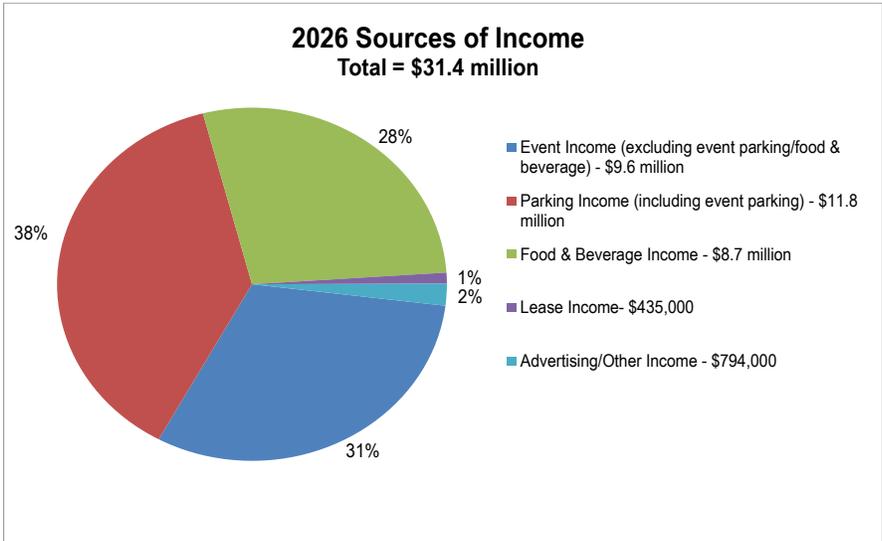
Income received from parking is another important source of revenue for the convention center. The center operates several parking facilities to include the South parking garage with approximately 550 spaces, the Vine Street parking garage with approximately 1800 spaces, the Goodale Street parking garage 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), non-event parking or general parking (including valet parking) and parking revenue from monthly parkers. Parking is impacted by the type and number of events held in the convention center and in Nationwide Arena. Revenue is also impacted by community events and activity within the neighborhood surrounding the garages. In 2026, parking facility operations will focus on increasing service delivery through the installation and implementation of new parking access revenue control system throughout the campus. Overall, 2026 is expected to be another growth year for parking revenue as activity within the convention center and surrounding community remains strong. In 2026, parking revenue is projected to be \$11.8 million, \$656,000 above prior year. Of parking revenue earned during the year, \$4.5 million will be used to pay garage debt service in 2026.

Sponsorship opportunities throughout the convention center provides events with resources for digital messaging, and storytelling. The large LED screen in the convention center connector and updated directories throughout the facility are examples of such resources. While still a minor source of income to the center, the hope is that advertising income will continue to increase as new marketing opportunities develop. Digital marketing and advertising will be another focus of revenue generation in 2026. 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.

2026 convention center income is illustrated in Chart 2-17. Total income for the year is projected to be \$31.4 million, 6.0 percent above prior year.

Chart 2-17



Convention center operations in 2026 will continue to invest in initiatives that further the center’s goal to be the best-in-class. Efforts in 2026 will focus on elevating guest experience through enhanced service delivery; employee recruitment, training and retention; additional investment in operations with the focus on center improvement, cleanliness, energy conservation and sustainability; food service innovation as it relates to banquet services and

outlets; and event generation with focus on community and corporate events. To accomplish these goals, the budget includes funding for 135 full-time and 61 part-time Legends Global staff members and 22 Levy full-time staff members and approximately 130 Levy part-time members. In 2026, the budget provides monies for maintenance services needed to support an aggressive cleaning/painting program and additional funding for utility expenses reflective of rate increases and 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 2025 and 2026 are summarized in Table 2-18.

Table 2-18

Greater Columbus Convention Center Revenues and Expenses				
	2025 Projected	2026 Budget	Variance	% Change
Sources of Income				
Direct Event Income	\$ 4,591,293	\$ 5,370,817	\$ 779,524	16.98
Food and Beverage	8,644,131	8,749,913	105,782	1.22
Parking (event + non-event)	11,142,271	11,797,796	655,525	5.88
Ancillary Income	4,114,529	4,249,136	134,607	3.27
Lease Income	411,845	435,343	23,498	5.71
Other	677,515	793,800	116,285	17.16
Total Sources of Income	\$ 29,581,584	\$ 31,396,805	\$ 1,815,221	6.14
Less: Uses of Income				
Employee Wages/Benefits	11,690,559	13,080,239	1,389,680	11.89
Fixed Costs/Admin Taxes	551,590	593,300	41,710	7.56
Operations	1,159,960	1,155,220	(4,740)	(0.41)
Utilities	4,438,292	4,763,456	325,164	7.33
Repairs and Maintenance	1,084,068	1,136,000	51,932	4.79
IT /Computer	291,940	192,750	(99,190)	(33.98)
Staff Related Costs/Travel/Training	231,231	201,466	(29,765)	(12.87)
Professional Services	1,153,391	1,252,468	99,077	8.59
Service Charges/Fees	563,598	320,125	(243,473)	(43.20)
Supplies	1,069,146	843,780	(225,366)	(21.08)
Insurance	1,098,912	1,055,032	(43,880)	(3.99)
Venue Management Fee	1,238,874	1,224,772	(14,102)	(1.14)
Depreciation/Amortization	216,741	225,162	8,421	3.89
Other	787,504	797,873	10,369	1.32
Total Uses of Income	\$ 25,575,806	\$ 26,841,643	\$ 1,265,837	4.95
Net Income from Operations	\$ 4,005,778	\$ 4,555,162	\$ 549,384	13.71
Add: Employee Retention Tax Credit	1,191,846	-	(1,191,846)	(100.00)
Less: Garage Debt Service Payment	(4,465,806)	(4,465,806)	-	0.00
Total Net Income	\$ 731,818	\$ 89,356	\$ (642,462)	(87.79)

While the center is expected to drive revenues during the year with a growth rate of approximately 6.0 percent; added expenses due to wage growth and new staff, enhanced maintenance and increased utilities will impact the flow of added revenue to the bottom line. Overall, the convention center is expected to end the year with net income of approximately \$90,000.

Capital Improvements - Convention Center

Critical to the sustainability and growth of convention market within the Columbus community is the on-going investment in convention center itself. Projects to maintain and improve the venue’s operating systems, physical appearance and cleanliness as well as building security and safety are critical to the on-going goal of managing the convention center as a world-class facility. The convention center is aging and as a result, original systems are in need of replacement. So to, while the CFA weathered the pandemic, it did so by exhausting reserves and deferring convention center maintenance and capital improvements. Now that the CFA has financially recovered from the impacts of the pandemic, the CFA is investing in an extensive capital improvements program for the convention center. To finance this program, the CFA refinanced convention center bonds in 2024, restructuring the debt program to reduce debt in the near term thereby freeing up resources for capital investment in the convention center. Such added resources now support a \$120.0 + million capital improvements program for the convention center. Such program started in 2025 and will continue through the projection period.

During 2025, the CFA conducted a physical assessment of the convention center. The purpose of this assessment was to review all physical systems within the center to identify critical needs. Overall, the center is doing well. The current capital improvements plan for the venue addresses areas in need of attention to include, HVAC system upgrades, new parking equipment and roof replacement. Needs identified in the assessment that were not fully addressed in the capital plan have now been added. Examples include food service/kitchen area improvements and elevator/escalator maintenance, repair and in some cases, replacement.

In 2026, the CFA will continue implementation of an aggressive capital improvements program for the convention center. Of significance will be the replacement of the north facility roof, purchase and installation of a new parking control system, elevator/escalator refurbishment, kitchen improvements and equipment, south building boiler replacement and west connection joint repair work. A complete list of facility improvements and capital expenditures planned for 2026 is provided in Table 2-19. The total cost of capital improvements for the convention center in 2026 will be \$26.7 million.

Table 2-19

2026 Capital Improvements Program	
Greater Columbus Convention Center & Related Projects	
North Building Roof Replacement	\$ 11,000,000
South Building Boiler Replacement	3,500,000
South Building Electrical/Plumbing/Fire	750,000
West Connector Joint Restoration	1,500,000
Kitchen Improvements	1,600,000
Elevator/Escalator Refurbishments	2,000,000
Parking Control Systems Upgrade	2,500,000
Operable Partitions	1,000,000
High Speed/Regular Door Replacement	500,000
Replacement FF&E	250,000
North Cooling Towers	150,000
Security Upgrades	970,000
Hot Water Heater Replacement	250,000
Garage Improvements	250,000
Miscellaneous	260,000
Long-term Lease Payments	42,941
Technology	250,000
Total: 2026 Capital Projects	\$ 26,772,941

Safelite

Nationwide

Arena

Nationwide

SECTION THREE

Hilton Columbus Downtown

ENERGY



Hilton Columbus Downtown Hotel

In answer to market demand for convention quality hotel rooms near the Greater Columbus Convention 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 537 guest rooms 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 was well received within the community, 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 with 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 coupled with hotel generated lodging tax has been used to meet annual debt service obligations. Prior to the 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.

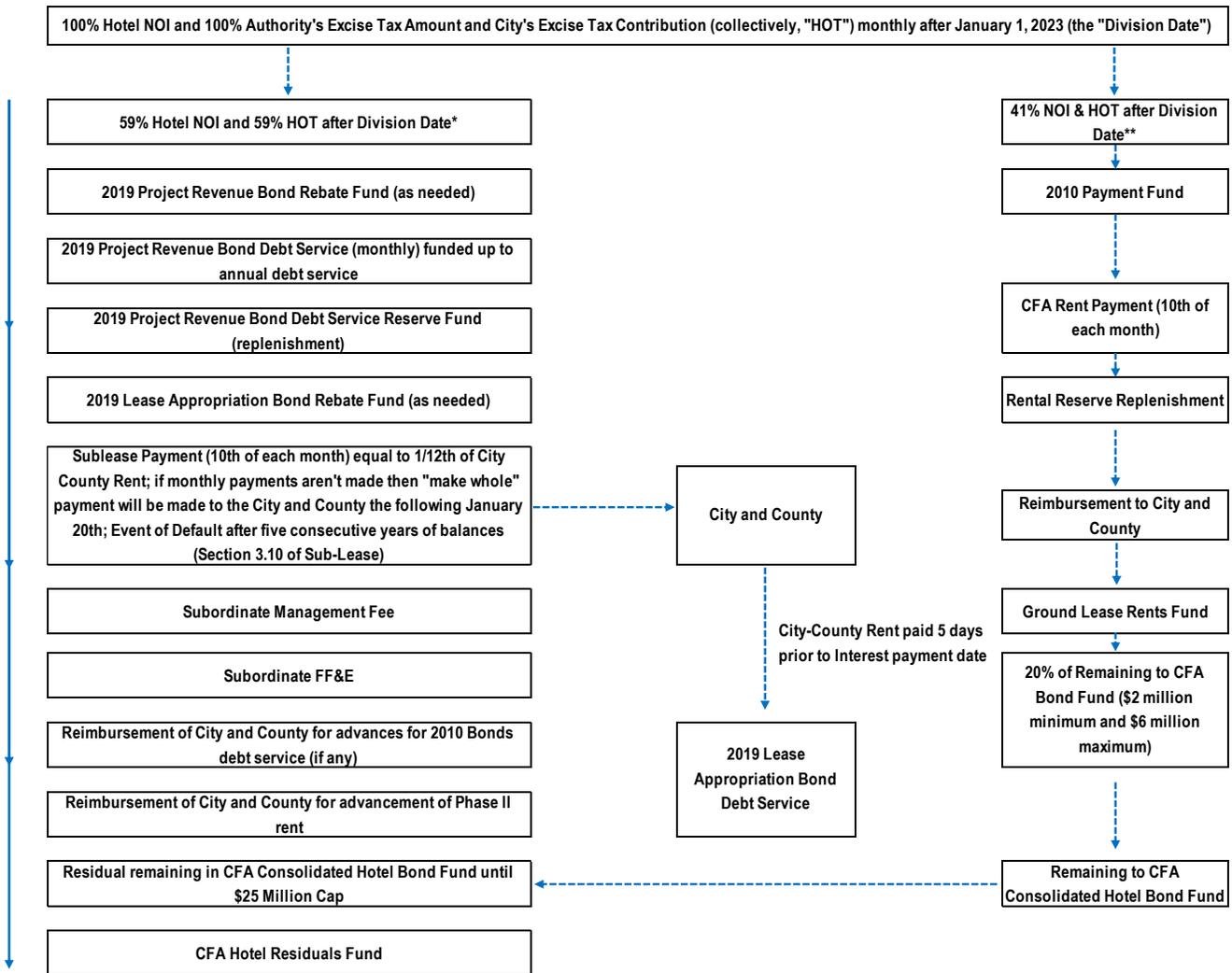
In October 2024, the CFA refinanced the original 2010 hotel bonds to streamline the hotel debt program and to better position the hotel for the future. Through the refinancing, the CFA reduced risk through the elimination of Build America Bonds and restructured reserve funds thereby fully funding the rental reserve fund; a fund that was depleted during the pandemic. To eliminate Build America Bonds, the 2024 bond restructuring used market savings to replace the loss in payments from the U.S. Treasury. Since market savings did not completely eliminate all payments, the value of payments not eliminated by the market or "dissaving" was shifted to out years of the debt program. The intent is that future market will provide the opportunity to refinance the 2024 bonds such that this "dissaving" is eliminated. Except for the removal of the 2010 debt service reserve fund (as discussed later in this section), the 2024 bond issue did not change any other financing terms of the 2010 issue or the cooperative agreement nor did the restructuring extend the term of the debt program.

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. Such issue includes Series A bonds which are project revenue bonds backed only by the Hilton's net income and lodging tax revenue and Series B bonds which 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 2010/2024 bonds and 59.0 percent of revenues used to pay debt service (both series) on the 2019 bonds. Bond proceeds from the 2019 bond 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 current structure for hotel bonds. This new flow began in January 2023 and was not impacted by the 2024 hotel bond refinancing.

FLOW of FUNDS - Hotel Project Revenue Bonds



Since opening the original tower of the Hilton Columbus Downtown in 2012, the hotel has been very successful. Strong occupancy and high average daily rates have provided the CFA with the resources needed to cover annual debt service and to build up healthy operating and debt-related reserves. Except for years of the pandemic (2020 and 2021 specifically), the CFA has not had to draw on any reserves to meet debt obligations. Fortunately, with the quick rebound of travel and group business beginning in 2022; hotel occupancy has been able to grow back to levels experienced prior to the pandemic despite the added room inventory of the new tower. Such growth, as well as resources provided for through the refinancing of 2010 bonds, has provided revenues to meet annual debt service obligations and to fully replenish all hotel reserve funds depleted during the pandemic.

2025 is also proving to be an exceptional year for the hotel as hotel has experienced both occupancy and rate growth across all markets. Occupancy within the Hilton Columbus Downtown is projected to be 67.2 percent, 2.0 percent above budget. Average daily rate is projected to be \$207.51 for the year. Occupancy and room rates along with strong income from banquets have increased total distribution to the CFA to a level that now fully covers annual debt service obligations for both towers. Moving forward, this trend is expected to continue. In fact, throughout the five-year projection period, the CFA will have net income to not only cover all debt obligations but will have sufficient resources to ensure that all related debt reserve funds remain fully funded and deposits of excess income are made to the hotel residuals fund.

Chart 3-1 illustrates the sources of funds used to cover debt service for the years 2024, 2025 and 2026. Funds that exceed debt service are used to pay the subordinate management fee and the subordinate deposit into the hotel’s capital improvements fund. Both payments are made only after all hotel debt obligations for the year are paid in full.

Chart 3-1

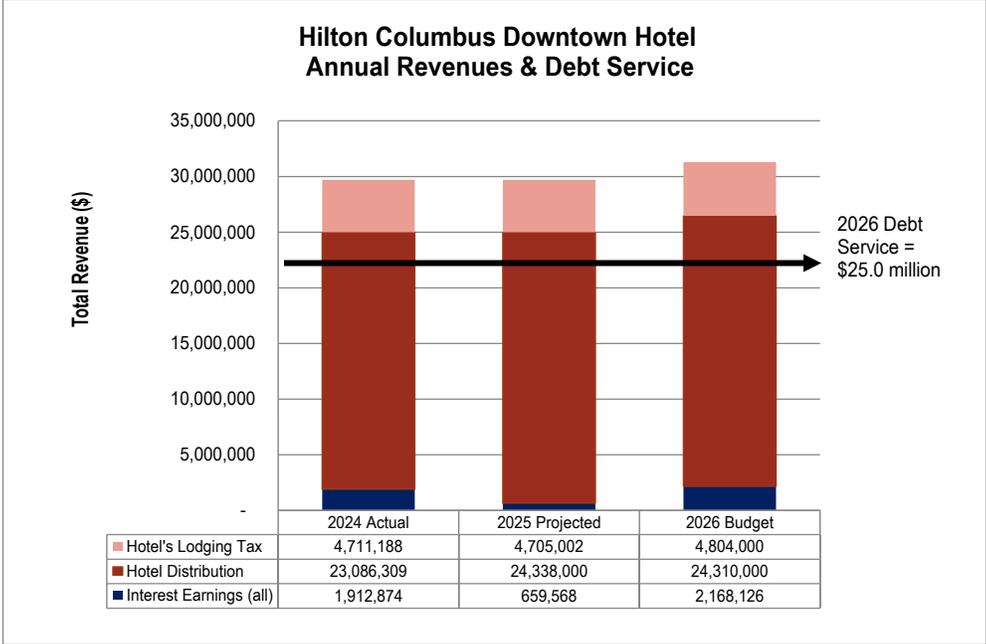


Table 3-2 provides information on 2010 and now 2024 hotel debt service or bond payment fund. Beginning in 2023, distribution of hotel income as well as the hotel’s lodging tax was split between the 2010/2024 and 2019 bond funds to pay for debt service due on both issues. Of hotel net operating income and lodging tax; 41.0 percent will be deposited into the 2010/2024 debt service fund to cover debt obligations. Throughout the period, sufficient revenues from this deposit will cover 2010/2024 bond fund debt obligations.

Table 3-2

Hotel - 2010/2024 Debt Service Fund			
	2024	2025	2026
	Actual	Projected	Budget
Sources of Funds			
Distribution from Hotel	\$ 9,465,387	\$ 9,978,580	\$ 9,967,100
U.S. Treasury Payments	2,925,707	-	-
Hotel Lodging Tax	1,931,587	1,929,051	1,969,640
Interest Earnings	358,670	250,833	256,094
Transfer In: Rental Reserve Fund (Earnings)	-	-	551,456
Transfer In: Ground Lease Fund (Earnings)	-	-	184,096
Total Sources of Funds	14,681,351	12,158,464	12,928,386
Uses of Funds:			
Principal Payment	4,140,000	3,245,000	3,500,000
Interest Expense	5,112,407	6,667,750	6,505,500
Transfer Out: Consolidated Bond Fund	-	-	2,044,761
Transfer Out: 2024 Bond Issue	3,200,000	-	-
Total Use of Funds	12,452,407	9,912,750	12,050,261
Current Year Balance	2,228,944	2,245,714	878,125
Add: prior year balance	647,217	2,876,161	5,121,875
Year End Fund Balance:	\$ 2,876,161	\$ 5,121,875	\$ 6,000,000
Required Minimum Balance:			2,000,000
Maximum Balance:			<u>\$ 6,000,000</u>

Per terms of the cooperative agreement as revised in 2019; the 2010/2024 bond fund is required to maintain a minimum balance of \$2.0 million within the fund as added security for coverage of debt service. Monies within the fund can accumulate above \$2.0 million up to a balance of \$6.0 million. Upon achieving a balance of \$6.0 million; monies that exceed the maximum funding level can be transferred to the consolidated bond fund at year end. Transfer to the consolidated bond fund is expected in 2026. Transfers are projected to continue thereafter.

Table 3-3 summarizes the financial position of the 2019 hotel debt service. 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 obligations. Such obligations were fully covered in 2023 and have/will remain fully covered throughout the projection period.

Table 3-3

Hotel - 2019 Debt Service Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Distribution from Hotel	\$ 13,620,922	\$ 14,359,420	\$ 14,342,900
Hotel Lodging Tax	2,779,601	2,775,951	2,834,360
Transfer From: Consolidated Bond Fund	2,230,000	2,228,600	2,185,600
Transfer From: Debt Reserve Fund Earnings	1,236,014	-	926,480
Interest Earnings	318,190	408,735	250,000
Total Sources of Funds	20,184,727	19,772,706	20,539,340
Uses of Funds:			
Debt Service: Project Revenue Bonds	7,590,750	8,655,750	8,817,500
Debt Service: Lease Appropriation Bonds	4,457,200	6,177,200	6,176,200
Transfer To: Consolidated Bond Fund	3,363,000	5,556,747	3,785,600
Transfer To: Hotel (management fee/FF&E)	2,038,659	1,753,000	1,726,000
Total Use of Funds	17,449,609	22,142,697	20,505,300
Current Year Balance	2,735,118	(2,369,991)	34,040
Add: prior year balance	1,139,841	3,874,959	1,504,968
Year End Fund Balance:	\$ 3,874,959	\$ 1,504,968	\$ 1,539,008

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. The consolidated bond fund does not have a required minimum balance but does have a maximum balance requirement of \$25.0 million. Monies exceeding the maximum required balance in the consolidated bond fund are subsequently transferred to the hotel residuals fund. Table 3-4 provides information on the budget for the consolidated bond fund.

Table 3-4

Hotel Consolidated Bond Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Transfer in: 2019 Bond Fund	\$ 3,363,000	\$ 5,556,747	\$ 3,785,600
Transfer in: 2010/2024 Bond Fund	-	-	2,044,761
Interest Earnings	552,073	683,000	700,000
Total Sources of Funds	3,915,073	6,239,747	6,530,361
Uses of Funds:			
Transfer out: 2019 Bond Fund	2,230,000	2,228,600	2,185,600
Transfer out: Residuals Fund	-	4,086,147	4,344,761
Total Uses of Funds	2,230,000	6,314,747	6,530,361
Current Year Balance	1,685,073	(75,000)	-
Add: prior year balance	23,391,668	25,076,741	25,001,741
Year End Fund Balance:	\$ 25,076,741	\$ 25,001,741	\$ 25,001,741
Maximum Balance:			<u>\$25,000,000</u>

Table 3-5

Hotel Residuals Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Transfer in: Consolidated Bond Fund	\$ -	\$ 4,086,147	\$ 4,344,761
Interest Earnings	111,807	60,000	252,520
Total Sources of Funds	111,807	4,146,147	4,597,281
Use of Funds	-	-	-
Current Year Balance	111,807	4,146,147	4,597,281
Add: prior year balance	2,055,038	2,166,845	6,312,992
Year End Fund Balance:	\$ 2,166,845	\$ 6,312,992	\$ 10,910,273

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 2025. By 2029, the residuals fund is projected to have a balance of approximately \$27.5 million; all of which will be used to pay the outstanding Nationwide Arena loan.

A standard requirement of public borrowing is that debt reserve funds 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. These reserve funds are in place to protect bond holders. Consistent with this requirement, the 2019 bond issue set aside \$15.2 million in bond proceeds in a debt service reserve fund for protection of bond holders associated with the 2019 project revenue bonds (Series A). This debt service reserve fund is in addition to coverage provided by the consolidated bond fund. Since establishment, this debt service reserve fund has remained fully funded and will remain fully funded through the projection period. Funds are invested, mostly in U.S. agency securities. Interest earnings from these investments are transferred to the bond payment fund to help pay for annual debt obligations.

Table 3-6

Hotel - 2019 Debt Service Reserve Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Interest Earnings	\$ 384,554	\$ 426,480	\$ 300,000
	-	-	-
Total Sources of Funds	384,554	426,480	300,000
Uses of Funds:			
Transfer to: 2019 Bond Payment Fund	1,236,014	-	926,480
Total Use of Funds	1,236,014	-	926,480
Current Year Balance	(851,460)	426,480	(626,480)
Add: prior year balance	16,246,036	15,394,576	15,821,056
Year End Fund Balance:	\$ 15,394,576	\$ 15,821,056	\$ 15,194,576
Required Balance:			<u>\$15,181,500</u>

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 2024 debt program associated with the hotel. This fund is the first source of reserve monies used to meet 2010/2024 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 (\$8.0 million) with future hotel income. Money in excess of the required balance is transferred to the 2024 hotel bond fund.

The 2010 hotel bond issue originally had a debt service reserve fund established as protection of bond holders only if the County did not meet its obligation to fully back 2010 hotel debt service through appropriation authority. Because it is extremely unlikely that Franklin County would not meet this obligation, the debt service reserve fund was deemed unnecessary and was eliminated through the 2024 bond restructuring process. Funding previously held in the 2010 debt service reserve fund was used to replenish the rental reserve fund which was almost depleted during the pandemic. The rental reserve fund is now fully funded at \$8.0 million and is available for debt service coverage if hotel operating income is not sufficient. Use of the rental reserve fund can occur prior to the County’s payment and as such the rental reserve fund is now in place to protect both the County and bondholders.

The balance within the 2024 rental reserve fund is summarized in Tables 3-7.

Table 3-7

Hotel - 2010/2024 Rental Reserve Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Interest Earnings	\$ 87,060	\$ 227,000	\$ 230,000
Transfer in: Debt Service Reserve Fund	6,943,205	-	-
Total Sources of Funds	7,030,265	227,000	230,000
Uses of Funds:			
Transfer Out: 2024 Bond Fund	-	-	551,456
Total Use of Funds	-	-	551,456
Current Year Balance	7,030,265	227,000	(321,456)
Add: prior year balance	1,064,191	8,094,456	8,321,456
Year End Fund Balance:	\$ 8,094,456	\$ 8,321,456	\$ 8,000,000
Required Balance			<u>\$8,000,000</u>

As also required in the original cooperative agreement, the CFA established a ground lease rents fund to serve as an additional reserve fund for payment of 2010/2024 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 2010/2024 bond fund.

Table 3-8

Hotel - Ground Lease Rents Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds:			
Interest Earnings	\$ 58,424	\$ 51,753	\$ 50,000
Total Sources of Funds	58,424	51,753	50,000
Uses of Funds:			
Transfer Out: 2010 Bond Fund	-	-	184,096
Total Use of Funds	-	-	184,096
Current Year Balance	58,424	51,753	(134,096)
Add: prior year balance	1,073,919	1,132,343	1,184,096
Year End Fund Balance:	\$ 1,132,343	\$ 1,184,096	\$ 1,050,000
Required Balance			<u>\$ 1,000,000</u>

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 and 2019 bond series were 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).

2026 is expected to be a year of strong performance as well; despite some market uncertainty due to economic/political challenges. Luckily, the Columbus community is somewhat insulated due to limited international and government travel. The Hilton Columbus Downtown enters 2026 in a position of strength as group business is up, and airline bookings remain consistent with 2025. While the number of city-wide conventions for the year are the same as prior year, conventions will be larger thus ensuring volume stability. As with every year, the unknown remains with transient business as opportunity is often driven by community activity, concerts and sporting events. Overall, occupancy for the year is projected to be approximately 67.3 percent; on par with 2025. Average daily rate will increase by 1.9 percent in 2026, accounting for almost all of the growth in RevPAR. Regarding food/beverage services, revenue from banquets is increasing by 5.2 percent. Revenues from outlets are projected to increase by 2.4 percent. Total operating revenue is expected to increase by approximately 2.9 percent in 2026.

Although projected growth in revenues for 2026 remains strong, flow to the bottom line will be impacted by growth in expenses. While hotel operations will continue to improve operating efficiencies in 2026; expense growth in labor and utilities will off-set some of these savings. Overall, expenses are expected to increase by 3.2 percent in 2026. Table 3-9 (following page) provides a summary of the operating budget for the hotel.

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 (3.0 percent of gross revenue) and a subordinate fee (1.0 percent of gross revenue). 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 (4.0 percent of gross revenue in 2026) 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.

Table 3-9

Hilton Columbus Downtown Hotel Revenues and Expenses

	2025 Projected	2026 Budget	Variance	% Change
Departmental Revenues				
Gross Revenues	\$ 83,900,559	\$ 86,338,124	\$ 2,437,565	2.91
Less: Departmental Expenses	33,845,865	35,148,254	1,302,389	3.85
Total Department Revenue	50,054,694	51,189,870	1,135,176	2.27
Undistributed Expenses				
General & Administrative	5,956,230	6,043,079	86,849	1.46
Sales & Marketing	7,057,187	7,269,797	212,610	3.01
Property Operations	3,327,413	3,320,805	(6,608)	(0.20)
IT	1,083,402	1,265,979	182,577	16.85
Utilities	1,765,865	1,897,682	131,817	7.46
Subtotal - Undistributed Expenses	19,190,097	19,797,342	607,245	3.16
Fixed Charges				
Other Non-operating Expense	1,073,552	1,038,664	(34,888)	(3.25)
FF&E Reserve Deposit	3,775,525	4,316,906	541,381	14.34
Management Fee	3,356,022	3,453,525	97,503	2.91
Subtotal - Fixed Charges	8,205,099	8,809,095	603,996	7.36
Net Operating Income (as accrued)	\$ 22,659,498	\$ 22,583,433	\$ (76,065)	(0.34)
Distribution to Owner (cash basis - excluding subordinate fee/FF&E distribution)	\$ 22,585,000	\$ 22,584,000	\$ (1,000)	(0.00)

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 prove to be insufficient. At year-end 2025, the hotel is projected to have approximately \$1.5 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 2026, approximately \$4.3 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 3-10 lists the capital projects planned for 2026. Major projects to be completed in 2026 will include renovation of the 401 elevators as well as the renovation of the pool area, Gallerie Bar and offices within the original tower. Monies will also be invested in food service/banquet equipment, new exterior doors and other safety equipment and mechanical system improvements.

Table 3-10

2026 Capital Improvement Projects - Hotel	
401 elevator system upgrade	\$ 895,708
Mechanical repairs/improvements	525,000
Galleria Bar /Atrium- soft goods	452,779
401 pool area renovation	350,000
402 renovations (Spark/Stories)	261,770
Office refurbishment	205,442
Exterior doors	296,989
General renovation/repair projects	205,000
Furniture (chairs, tables, kitchen equipment, dish tank in 401)	467,000
Safety and security projects	138,000
IT projects	129,600
Discretionary/miscellaneous	529,000
Total: 2026 Capital Projects	\$ 4,456,288

Table 3-11 provides a summary of the capital reserve fund. At year-end 2026, the capital improvements fund will have a balance of approximately \$5.5 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 3-11

Hotel Capital or FF&E Reserve Fund			
	2024	2025	2026
	Actual	Projected	Budget
Sources of Funds:			
Primary reserve deposit	\$ 2,417,792	\$ 2,936,520	\$ 3,453,525
Secondary reserve deposit	805,931	839,006	863,000
Interest earnings	-	21,038	48,585
Total Sources of Funds	3,223,723	3,796,564	4,365,110
Uses of Funds:			
Capital project expenses	2,435,933	2,062,766	4,456,288
Total Use of Funds	2,435,933	2,062,766	4,456,288
Current Year Balance	787,790	1,733,798	(91,178)
Add: prior year balance	3,054,471	3,842,261	5,576,059
Year End Fund Balance:	\$ 3,842,261	\$ 5,576,059	\$ 5,484,881

Safelite

Nationwide



ENERGY

SECTION FOUR

Nationwide Arena



Nationwide Arena

Nationwide Arena is a 684,000 sq. ft., 20,000 seat multipurpose arena which opened in 2000. The arena was originally developed and owned by Nationwide Realty Investors (NRI). 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 that shifted ownership of the arena from NRI to the CFA. Under public ownership, financial support for the arena was solidified through an agreed upon distribution of casino tax revenue from the City and County. Such distribution ensured financial security for the facility. Key terms of the arena 2012 plan 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 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. Since opening, the arena has been very successful. The venue hosts many concerts and sporting events in addition to being home to the Columbus Blue Jackets. The arena employs more than 300 full-time employees and nearly 700 part-time employees. The venue has served as the catalyst for growth in the Arena District which is a vibrant entertainment district near the Greater Columbus Convention Center. The arena has ended each fiscal year with a positive operating balance that has been reinvested back into the building through enhanced building maintenance, repair and replacement initiatives.



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 2012 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.

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 the 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 and again in 2024, revenue growth was minor reflecting very little market growth. In 2025, this pattern has shifted as casino tax revenue growth was 4.35 percent above prior year. In 2026, revenue growth is expected to continue. Assumed is a growth rate of 3.0 percent. As a result of this growth, casino tax revenue for 2026 is projected to be approximately \$8.1 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
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
City (county fund)	2,773,705	3,035,545	3,041,826	3,036,596	3,152,664	3,247,244
City (host city fund)	<u>1,275,377</u>	<u>1,374,454</u>	<u>1,427,491</u>	<u>1,445,515</u>	<u>1,540,086</u>	<u>1,586,288</u>
Total City	4,049,082	4,409,999	4,469,317	4,482,112	4,692,750	4,833,532
County (county fund)	2,773,705	3,035,545	3,041,826	3,036,596	3,152,664	3,247,244
Total	\$ 6,822,786	\$ 7,445,543	\$ 7,511,144	\$ 7,518,708	\$ 7,845,414	\$ 8,080,777
Change over Prior Year	48.27%	9.13%	0.88%	0.10%	4.35%	3.00%

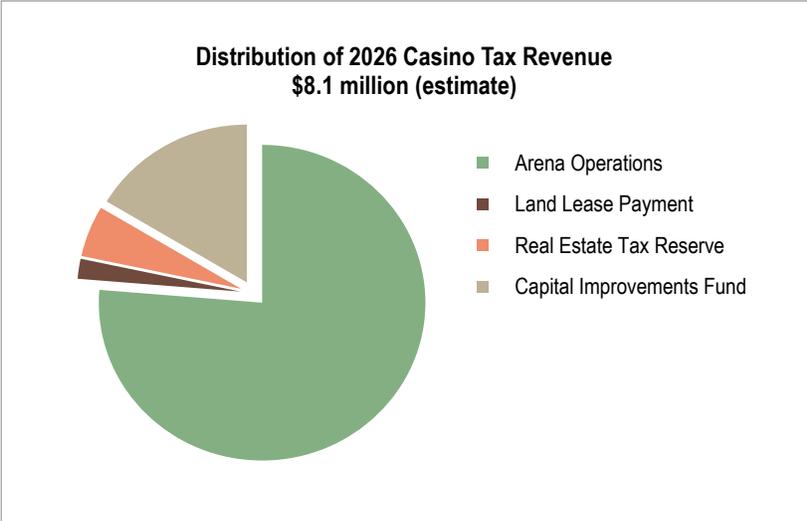
The following table (Table 4-2) provides the 2026 budget for the arena lease payments fund. Revenues into the fund equal 32.0 percent of City and County casino tax distribution. All 2026 expenses for which the CFA is responsible with respect to Nationwide Arena, except for real estate taxes, Nationwide 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 2026 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			
	2024	2025	2026
	Actual	Projected	Budget
Sources of Funds			
Casino Tax Revenue: City	\$ 4,482,112	\$ 4,692,750	\$ 4,833,532
Casino Tax Revenue: County	3,036,596	3,152,664	3,247,244
Transfer From: CFA Operating Fund	<u>2,224,136</u>	<u>2,211,350</u>	<u>3,247,244</u>
Total Sources of Funds	9,742,844	10,056,764	11,328,020
Uses of Funds:			
Arena Operations	5,755,305	5,956,740	6,165,226
Land Lease Payment	165,000	165,000	165,000
Real Estate Tax Reserve	395,043	408,870	423,180
Arena Capital Improvements	1,203,360	1,314,804	1,327,370
Transfer To: CFA Cap Ex. Fund	2,224,136	2,211,350	3,247,244
	-	-	-
Total Use of Funds	9,742,844	10,056,764	11,328,020
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 2012 arena transaction process. In 2026, the funding commitment for arena operations is \$6,165,226. Funding for operations will be forwarded to CAM and disbursed per CAM approved operating budget. In addition to operating expenses, casino tax revenue funds in 2026 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. 2026 casino tax revenue projections suggest that deposit into the capital improvements fund will equal approximately \$1.3 million (see Graph 4-3).

Graph 4-3



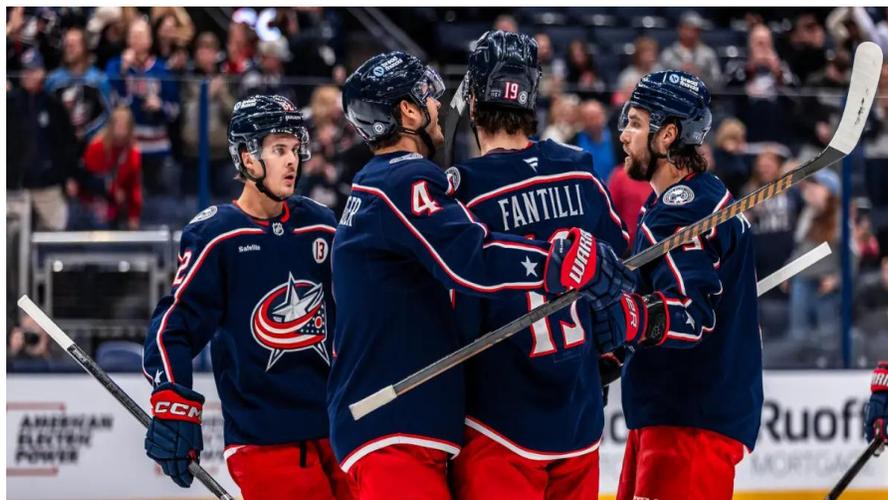
Debt Service – Nationwide Arena

In March of 2012, the CFA received a loan from the State of Ohio, Department of Development to partially finance 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 an 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 offset the 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 2026) 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 2025, is \$3.17 million.

The CFA and the State of Ohio Department of Development are currently negotiating an agreement to further define and expand State of Ohio (Heart of it All) advertising rights within the convention center such that the remainder of the State of Ohio loan for Nationwide Arena could be paid off within a shorter time period. The program would include extended advertising throughout the facility, use of external signage located on both the Ohio Center and Short North parking facilities and naming rights for the Union Station Ballroom.

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 become relevant if casino tax revenues exceed annual operating, land lease, real property tax and capital improvement funding requirements. Because casino tax collections have not exceeded these expense requirements 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. By year end 2026, the hotel residual fund will have a balance of approximately \$10.9 million.



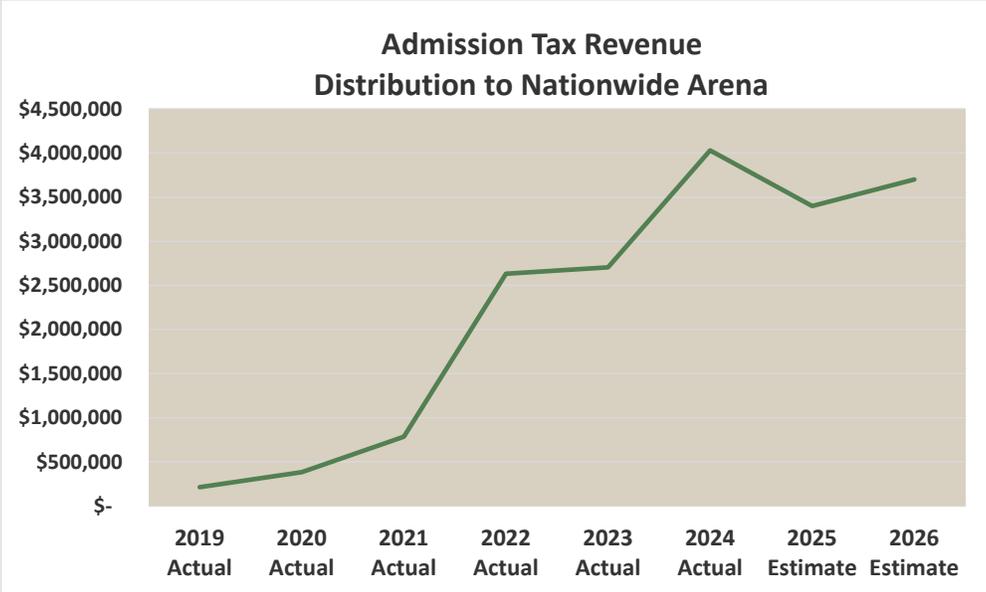
Admissions Tax

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 casino tax revenue and distributes collections to the CFA. Such revenue received from the City 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.

Graph 4-4 provides information on the historical distribution of admission tax to the CFA since inception. Just as implementation of the admissions tax began in 2019, distributions of the tax were placed on hold in 2020 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 the beginning of the year but increased in number during the second half of the year with the start of the 2021- 2022 NHL hockey season. In 2022 and continuing through 2024 admissions tax revenue excelled as NHL Hockey, concerts and sporting events again filled the arena with attendees. 2024 was an exceptional year as the arena hosted numerous concerts and sporting events. Because 2024 was such a strong year for the arena, growth in arena admission tax revenue in 2025 is expected to drop as the number of concerts has normalized. Overall, admissions tax for 2025 is projected to be \$3.4 million. Growth in tax revenue is minor in 2026 as the number of ticketed events scheduled in the arena for 2026 is on par with 2025. In 2026, approximately \$3.7 million in admission tax revenue will be deposited into the capex fund for arena capital improvement projects.

Graph 4-4



Capital Improvements – Nationwide Arena

The on-going 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 is generated through 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 taxes, admission tax 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.

With the increase in funding available for capital improvements in recent years, the arena has been investing resources into the upgrade of the facility. During 2025, capital investment in the arena included the purchase of new dasher boards and event production equipment, installation of new cooling tower and gas chiller, security system upgrades and replacement of a new roof. The CFA did receive a grant from the State of Ohio for arena capital projects in 2025.

During 2026, capital projects in the arena will continue. Table 4-6 provides a list of planned projects for the year.

Table 4-5

Arena Capital Improvements Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Transfer In: Arena Lease Payment Fund	\$ 1,203,360	\$ 1,314,805	\$ 1,327,371
State of Ohio Grant	-	2,000,000	-
Admission Fee	4,029,846	3,400,000	3,740,000
Interest Earnings	336,291	260,000	100,000
Total Sources of Funds	5,569,497	6,974,805	5,167,371
Uses of Funds:			
Payment to CAM: Arena CapEx	6,972,649	12,771,332	5,064,748
Total Use of Funds	6,972,649	12,771,332	5,064,748
Current Year Balance	(1,403,152)	(5,796,527)	102,623
Add; prior year balance	8,020,953	6,617,801	821,274
Year End Fund Balance:	\$ 6,617,801	\$ 821,274	\$ 923,897

Table 4-6

Nationwide Arena 2026 Capital Improvements Program

Fire alarm system replacement	\$ 2,064,748
Fire pump replacement	325,000
Chilled water pumps/valves/controls	400,000
Domestic water pump replacement	225,000
Grease exhaust fans	450,000
Maintenance Lights	200,000
Parking Garage Upgrades	200,000
Food and Beverage Equipment	100,000
Electrical Systems	100,000
AHU Upgrades	250,000
Escalator/Elevator Upgrades	500,000
General Finish Upgrades	250,000

Total: 2026 Capital Projects	\$ 5,064,748
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Capital Improvements – Nationwide Arena Renovation and Modernization Project

Since public ownership of the arena in 2012, resources have been invested in the maintenance, repair and replacement of arena capital assets. Despite this investment, significant additional improvements to critical infrastructure and guest amenities are necessary to not only maintain the arena but to improve access and services for guests. In addition, the facility needs updated to better host world-class sports and entertainment events. To address these issues, the CFA is currently seeking community support for a \$400.0 million project that will renovate and modernize the arena. The project will focus on crucial systems, accessibility, security enhancements and core infrastructure improvements (new elevators and escalators, larger/open concourses, bathroom upgrades, interior improvements, and added back of house/media space). Guest amenities (added food service/bar options, additional event space, new covered entrance, new outdoor venue and modernized wayfinding) will be included to enhance the guest experience. The project will also replace the attached parking structure.

While need for the renovation and modernization project has been well established, options to finance the project are still under discussion. Both private and public investment will be needed to acquire the resources necessary for project completion.



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. 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 support 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 4-7

Real Estate Tax Reserve Fund			
	2024 Actual	2025 Projected	2026 Budget
Sources of Funds			
Transfer In: Arena Lease Payment Fund	\$ 395,043	\$ 408,870	\$ 423,180
Total Sources of Funds	395,043	408,870	423,180
Uses of Funds:			
Transfer to: Operating Fund	356,306	395,043	408,870
Total Use of Funds	356,306	395,043	408,870
Current Year Balance	38,737	13,827	14,310
Add; prior year balance	356,306	395,043	408,870
Year End Fund Balance:	\$ 395,043	\$ 408,870	\$ 423,180

Safelite

Nationwide



ENERGY



SECTION FIVE

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 mission is to develop and manage world class facilities that position Columbus as a premier destination for conventions and events. In addition, the CFA is responsible for strengthening the region's travel economy. 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 City Council), and two members appointed by agreement of the mayors of the remaining municipal corporations in the County. The CFA Board is the owner/developer of the Greater Columbus Convention Center, the Hilton Columbus Downtown, Nationwide Arena, several parking facilities and surrounding property.

Under the authority granted to the CFA Board pursuant to Ohio Revised Code, the Board has established a professionally staffed office led by an Executive Director to advance the mission of the CFA. The CFA office is responsible for carrying out activities and functions associated with the management, development and improvement of CFA-owned facilities and property. The Board provides oversight of the CFA office, approves contracts for professional services and sets the strategic direction to guide operations. Available revenues from hotel taxes, leases, and facility operating agreements primarily support the CFA office. With these revenues, the CFA advances priorities and financially supports projects and initiatives that are critical to fulfilling its mission.

CFA Operating Fund

The CFA operating fund is the primary equity fund of the Authority. The main source of revenue supporting the operating fund is hotel tax collections. Deposit of hotel tax revenue is made into the operating fund on a monthly basis after all convention center debt service obligations are met. In 2026, hotel tax revenues deposited into the fund are projected to be \$17.9 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.

During 2025, the CFA entered into an agreement with Orange Barrel Media (OBM) for exterior digital signage installation, sales and management. Per terms of this agreement, OBM will manage the design, construction and on-going operation of external signs located on the Ohio Center and Goodale garages. OBM will cover all costs associated with these services as well as pay the CFA a percentage of net revenues generated from the sale of digital advertising on the installed signs. In turn, OBM will keep all advertising revenues that exceed the amount due to the CFA. The agreement extends for 20 years with a renewal option contingent on OBM's performance. Installation of the new exterior signs is scheduled for the second half of 2026. Actual revenue from the exterior signage program to the CFA is expected to begin in 2027.

Uses of funds within the operating fund include support of 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. For 2026, the CFFA office budget is largely a continuation budget that reflects modest increases in many line items, with a few notable exceptions. Personnel costs will increase as the office seeks to increase operational capacity and sustained leadership through the addition of two new positions. These positions were budgeted for in 2025 but remain unfilled. Legal services will increase

substantially as the CFA’s on-going claim against Cooper Carry is expected to advance in the coming year. Although the CFA anticipates recovering damages that exceed the associated legal costs, these expenses must be incurred upfront to pursue the claim and will be realized regardless of the ultimate outcome.

The most significant increase in the CFA office reflects the launch of the master plan initiative planned for the upcoming year. The final cost of the master plan will depend on the scope of work ultimately defined through the planning process. However, based on research into similar efforts undertaken by comparable authorities, the amount budgeted represents a mid-range estimate that aligns with industry norms for projects of this scale.

Table 5-1

Franklin County Convention Facilities Authority 2025 - 2026 Operating Budget				
	<u>2025 Projected</u>	<u>2026 Budget</u>	<u>2025-2026 Variance</u>	<u>% Change</u>
FCCFA Office Expenses:				
Personnel	1,334,905	1,829,071	494,166	37.02
Materials and Supplies	105,000	110,000	5,000	4.76
Legal Services	165,000	450,000	285,000	172.73
Financial Services (accounting, audit, trustee, advisory)	342,500	386,500	44,000	12.85
PR Services	130,000	175,000	45,000	34.62
Assessment/Master Plan	220,000	1,000,000	780,000	354.55
Other Professional Services	210,000	225,000	15,000	7.14
General Services	<u>732,590</u>	<u>100,000</u>	<u>(632,590)</u>	<u>(86.35)</u>
Total FCCFA Office Expenses	3,239,995	4,275,571	1,035,576	31.96
Other Operating Expenses (Support of Facilities):				
Insurance	1,611,254	1,740,154	128,900	8.00
Property Tax - SID Payments	347,771	350,000	2,229	0.64
Arena: Property Tax in Lieu of Payment	586,000	586,000	-	0.00
Maintenance & Repair	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>	<u>100.00</u>
Total Support of Facilities	2,645,025	2,876,154	231,129	8.74
Total Operating Expenses	\$5,885,020	\$7,151,725	\$1,266,705	21.52

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, the CFA entered into a payment in lieu of tax agreement with the Columbus City 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 2025 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 for the 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 capital improvement projects within the convention center. In 2024 and continuing through the projection period, the CFA will invest significant resources into the continual improvement of the convention center. Most investment will be used to upgrade and replace several building systems that are beginning to reach the end of useful life, especially systems within the original north and south facilities of the convention center. Such investment includes improvement to HVAC systems, replacement of the convention center roof and enhancement of electrical, plumbing, and fire protection mechanical systems.

Table 5-2

Operating Fund			
	2024	2025	2026
	Actual	Projected	Budget
Sources of Funds:			
Hotel taxes	\$20,652,196	\$ 18,978,118	\$ 17,939,475
Transfer In: Arena real estate tax reserve	381,684	395,043	408,870
Transfer In: Debt Service Fund	-	3,870,600	-
Transfer In: Convention Center Operations	-	731,818	-
Reimbursement: property insurance	699,487	719,993	777,592
Interest earnings/misc.	358,526	637,000	353,000
Total Sources of Funds:	22,091,893	25,332,572	19,478,937
Uses of Funds:			
CFA office	2,909,418	3,687,766	4,825,571
Support of facilities - insurances	1,543,678	1,611,254	1,740,154
Arena in lieu of payment	586,000	586,000	586,000
Transfer To: Hotel Bond Payment Fund	2,224,136	2,211,350	2,257,880
Transfer To: Arena Lease Payment Fund	2,284,362	2,363,227	3,247,244
Transfer To: Capital Improvements Fund	4,600,000	12,000,000	18,000,000
Total Uses of Funds:	14,147,594	22,459,597	30,656,849
Current Year Balance	7,944,299	2,872,975	(11,177,912)
Add; prior year balance	3,836,233	11,780,532	14,653,507
Year End Fund Balance:	\$11,780,532	\$ 14,653,507	\$ 3,475,595

Short North Community Improvement Program

In 2025, the CFA Board approved the CFA's participation in a new program for the Short North District. This new program will generate revenue from service fees agreed to by participating properties. Such revenue will support expenses associated with providing enhanced services for the Short North District to include safety/security, sidewalk cleaning, maintenance, landscaping and trash removal. Regarding the CFA, the short north community development fee will be imposed on the Hilton property only and will consist of a 1.0 percent charge on lodging stays and retail food/beverage sales. Such fees begin January 1, 2026. The CFA will serve as the collection agent for Hilton service fees. The CFA has agreed to remit the first \$300,000 collected each year from this fee to the Short North New Community Authority in support of the short north community improvement program. Collections exceeding \$300,000 will remain with the CFA and can be used for expenses of the convention center. Expenses include but are not limited to operations, maintenance, repair, marketing, advertising and business development. Current estimates suggest that monies remaining with the CFA will equal approximately \$350,000 in 2026. Such monies will be deposited into a reserve account until the CFA Board has determined an appropriate use for the funds.

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.

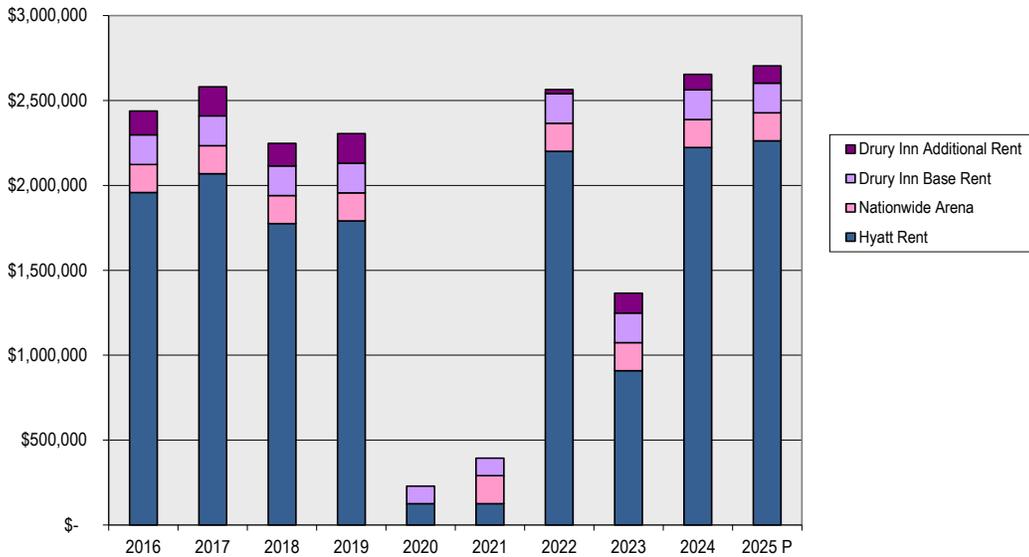
Revenue for the capital improvements program is generated through interest earnings; property lease payments from the Hyatt Regency Hotel, Drury Inn, and Nationwide Arena; and, if necessary, an annual transfer of cash from the operating fund. Projects requiring more substantial resources, such as the 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 makes an annual lease payment for space leased within the convention center. The first of such payment equaled \$2.19 million and has increases by 1.75 percent a year since initial payment. 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 5-3

Revenue from Land Leases
(as accrued)



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 2024, the CFA was the beneficiary of capital improvement funds from the City of Columbus equaling \$2.5 million. These funds are to be used to help off-set costs associated with the convention center capital improvements program. Such funds will actually be forwarded to the CFA upon completion of the convention center HVAC control upgrade project in 2026. 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 5-4 (following page) 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 5-4

Capital Improvements Fund			
	2024	2025	2026
	Actual	Projected	Budget
Sources of Funds:			
Transfer In: Operating Fund	\$ 4,600,000	\$ 12,000,000	\$ 18,000,000
Transfer In: Arena Lease Payment Fund	2,284,362	2,363,227	3,247,244
Hyatt lease revenue	2,223,238	2,262,145	2,301,732
Arena lease revenue	165,000	165,000	165,000
NRI lease payment - RR property	19,000	19,000	19,000
City/county funding	-	750,000	2,750,000
Reimbursement: Insurance Claims	530,586	531,374	-
Drury Inn lease	266,548	277,210	288,298
Interest earnings/misc.	83,995	205,000	75,000
Total Sources of Funds:	10,172,729	18,572,956	26,846,274
Uses of Funds:			
Facility improvements: convention center	3,700,265	21,567,392	15,730,000
Convention center roof replacement	-	-	11,000,000
Lease of RR/State property	42,941	42,942	42,941
Hotel 2.0 - equity contribution	4,350,314	-	-
Total Uses of Funds:	8,093,520	21,610,334	26,772,941
Current Year Balance	2,079,209	(3,037,378)	73,333
Add; prior year balance	1,134,824	3,214,033	176,655
Year End Fund Balance:	\$ 3,214,033	\$ 176,655	\$ 249,988

Safelite

Nationwide



ENERGY



SECTION SIX

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 2024 to 2030 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 2019 and 2024 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 2025

Summary Information - Debt Obligations & Related Information

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Greater Columbus Convention Center Debt Obligations							
Hotel/Motel Taxes: (accrual basis)	\$30,844,970	\$31,555,733	\$32,502,405	\$33,477,477	\$34,816,576	\$35,861,074	\$37,295,516
Increase over Prior Year		2.30%	3.00%	3.00%	4.00%	3.00%	4.00%
Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):	966,310	1,281,199	1,319,454	1,319,454	1,319,454	1,319,454	1,319,454
Debt Service Obligation:	6,348,342	16,266,367	15,800,130	15,764,590	7,262,961	23,721,211	23,708,691
Debt Service Coverage Ratio: with earnings	5.01	2.02	2.14	2.21	4.98	1.57	1.63
Parking Facilities Debt Obligation							
Parking Revenue in Sinking Fund	7,825,510	10,484,134	13,236,825	13,848,197	11,117,370	10,628,832	11,416,614
Debt Service Obligation	1,957,182	1,968,582	4,591,082	7,899,090	5,425,290	4,059,415	1,482,215
Hilton Columbus Downtown Debt Obligations							
Hilton Distribution from Operations	23,086,309	24,338,000	24,310,000	25,371,000	26,363,000	27,266,000	28,065,000
Increase over Prior Year		5.42%	-0.12%	4.36%	3.91%	3.43%	2.93%
Hilton Hotel Taxes	4,711,188	4,705,000	4,804,000	4,973,000	5,146,000	5,310,000	5,469,000
Debt Service Obligation (less BABS)	24,500,357	24,745,700	24,999,200	25,224,950	25,452,950	25,681,700	25,909,700
Debt Service Coverage Ratio: with Hilton hotel taxes	1.13	1.17	1.16	1.20	1.24	1.27	1.29
Nationwide Arena Obligations							
Casino Tax Revenue	7,518,708	7,845,414	8,080,776	8,242,392	8,407,239	8,575,384	8,746,892
		4.35%	3.00%	2.00%	2.00%	2.00%	2.00%
Admission Tax Revenue	4,029,846	3,400,000	3,740,000	3,852,200	3,967,766	4,086,799	4,209,403
		-15.63%	10.00%	3.00%	3.00%	3.00%	3.00%
Distribution to CAM - Operating Expenses	5,755,305	5,956,740	6,165,226	6,381,009	6,604,344	6,835,496	7,074,739
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 Reser	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Distribution to CFA - Capital Improvements	1,203,360	1,314,804	1,327,370	1,258,391	1,184,574	1,105,701	1,021,545
Total Distribution	7,518,708	7,845,414	8,080,776	8,242,392	8,407,239	8,575,384	8,746,892

Summary Information - Fund Balances @ Year End

	2024	2025	2026	2027	2028	2029	2030
Non-discretionary Funds - Greater Columbus Convention Center:							
Debt Service Fund	\$ 7,193,673	\$ 1,338,299	\$ 1,335,338	\$ 626,869	\$ 1,998,390	\$ 1,997,347	\$ 1,997,347
Debt Service Reserve Fund	24,011,855	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255
Rental Reserve Fund	12,021,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210
Non-discretionary Funds - Parking Facilities:							
Sinking Fund - Parking Facilities	5,868,328	8,515,552	8,645,743	5,949,107	5,692,080	6,569,417	9,934,399
Non-discretionary Funds - Nationwide Arena:							
Real Estate Tax Reserve Fund	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Capital Improvements Fund	6,617,800	821,273	923,895	159,486	159,486	159,486	159,486
Non-discretionary Funds - Hilton Columbus Downtown:							
2024 Bond Fund	2,876,162	5,121,875	6,000,000	6,000,540	6,007,230	6,029,107	6,000,670
2024 Rental Reserve Fund	8,094,456	8,321,456	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2024 Ground Lease Fund	1,132,343	1,184,096	1,050,000	1,040,000	1,040,000	1,040,000	1,040,000
2019 Debt Service Reserve Fund	15,394,576	15,821,056	15,194,576	15,194,576	15,194,576	15,194,576	15,194,576
2019 Bond Fund	3,874,959	1,504,967	1,539,007	1,539,007	1,531,628	1,636,266	1,591,964
Consolidated Hotel Bond Fund	25,076,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741
Hotel Residuals Fund	2,166,845	6,312,992	10,910,273	15,512,785	21,098,221	-	-
Reserve Fund for Operations ***	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E ***	3,842,261	5,576,058	5,484,880	5,256,295	7,776,629	5,418,648	767,684
***(Funds held by Hotel Manager)							
Total: Non-discretionary Funds	\$ 120,966,252	\$ 117,910,699	\$ 122,491,096	\$ 122,700,862	\$ 131,935,766	\$ 109,498,239	\$ 108,155,940
Discretionary Funds							
	2024	2025	2026	2027	2028	2029	2030
Capital Improvements Fund	\$ 3,214,032	\$ 176,654	\$ 249,988	\$ 1,757,961	\$ 1,031,038	\$ 791,114	\$ 825,166
Operating Fund	11,780,532	14,653,507	3,475,595	1,116,593	657,104	30,302	623,693
Total: Discretionary Funds	\$ 14,994,564	\$ 14,830,162	\$ 3,725,583	\$ 2,874,554	\$ 1,688,142	\$ 821,416	\$ 1,448,859

CFA Operating Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer in: Revenue Fund	\$ 20,652,196	\$ 18,978,118	\$ 17,939,475	\$ 19,645,322	\$ 27,356,971	\$ 13,355,510	\$ 14,748,845
Transfer in: Debt Service Fund	-	3,870,600	-	-	-	-	-
Reimbursements from arena/hotel - insurance	699,487	719,993	777,592	816,472	857,296	900,160	945,168
Exterior Signage	-	-	-	100,000	100,000	104,133	108,127
Transfer in: convention center operations	-	731,818	-	-	360,777	1,017,590	1,677,309
Transfer in: Arena Real Estate Reserve Fund	381,684	395,043	408,870	423,180	437,991	453,321	469,187
Interest earnings + misc.	358,526	637,000	353,000	189,024	83,498	69,713	50,909
Total Sources of Funds:	22,091,893	25,332,572	19,478,937	21,173,998	29,196,533	15,900,427	17,999,546
Uses of Funds:							
1. CFA Expenses							
Insurances	1,543,678	1,611,254	1,740,154	1,827,162	1,918,520	2,014,446	2,115,168
Arena - in lieu of payment for property tax	586,000	586,000	586,000	586,000	586,000	586,000	586,000
CFA Office	2,909,418	3,687,766	4,825,571	4,470,338	4,354,449	4,485,082	4,619,635
Total FCCFA Expenses	5,039,096	5,885,020	7,151,726	6,883,501	6,858,969	7,085,528	7,320,803
2. Transfer to Capital Improvements Fund	4,600,000	12,000,000	18,000,000	11,000,000	17,000,000	3,500,000	4,000,000
3. Transfer to Hotel Bond Payment Fund	2,224,136	2,211,350	2,257,880	2,337,310	2,418,620	2,495,700	2,570,430
4. Transfer to Arena Lease Payment Fund	2,284,362	2,363,227	3,247,244	3,312,189	3,378,433	3,446,001	3,514,921
Total Uses of Funds:	14,147,594	22,459,597	30,656,850	23,532,999	29,656,021	16,527,230	17,406,154
Current Year Balance:	7,944,299	2,872,975	(11,177,913)	(2,359,002)	(459,489)	(626,803)	593,391
Add: prior year balance	3,836,233	11,780,532	14,653,507	3,475,595	1,116,593	657,104	30,302
Total Fund Balance @ Year-end:	\$ 11,780,532	\$ 14,653,507	\$ 3,475,595	\$ 1,116,593	\$ 657,104	\$ 30,302	\$ 623,693

Capital Improvements Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer in: Operating Fund	\$ 4,600,000	\$ 12,000,000	\$ 18,000,000	\$ 11,000,000	\$ 17,000,000	\$ 3,500,000	\$ 4,000,000
Transfer in: Arena Lease Payment Fund	2,284,362	2,363,227	3,247,244	3,312,189	3,378,433	3,446,001	3,514,921
City/County Funding	-	750,000	2,750,000	-	-	-	-
Hyatt lease revenue	2,223,238	2,262,145	2,301,732	2,342,013	2,382,998	2,424,700	2,467,132
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	530,586	531,374	-	-	-	-	-
Drury Inn lease payment	266,548	277,210	288,298	302,713	317,849	327,384	337,206
Interest earnings/misc.	83,995	205,000	75,000	10,000	52,739	30,931	23,733
Total Sources of Funds	10,172,729	18,572,955	26,846,275	17,150,914	23,316,018	9,913,017	10,526,993
Uses of Funds:							
Facility improvements - convention center	3,700,265	21,567,392	15,730,000	5,600,000	12,000,000	10,110,000	10,450,000
Convention center roof replacement	-	-	11,000,000	10,000,000	-	-	-
Convention center interior renovation	-	-	-	-	12,000,000	-	-
Lease of RR/state property	42,941	42,941	42,941	42,941	42,941	42,941	42,941
Hotel 2.0 - Equity contribution	4,350,314	-	-	-	-	-	-
Total Use of Funds	8,093,520	21,610,333	26,772,941	15,642,941	24,042,941	10,152,941	10,492,941
Current Year Balance:	2,079,208	(3,037,378)	73,334	1,507,973	(726,923)	(239,924)	34,052
Add: prior year fund balance	1,134,824	3,214,032	176,654	249,988	1,757,961	1,031,038	791,114
Adjusted Fund Balance @ Year End:	\$ 3,214,032	\$ 176,654	\$ 249,988	\$ 1,757,961	\$ 1,031,038	\$ 791,114	\$ 825,166

SECTION ONE
CONVENTION CENTER LONG-TERM FORECAST
as of November 2025

Convention Center - Summary Information

	2023	2024 Projected	2025 Budget	2025	2026	2027	2028
Hotel/Motel Taxes: (cash basis)	\$ 30,250,389	\$ 31,452,214	\$ 32,381,190	\$ 33,345,988	\$ 34,635,998	\$ 35,720,223	\$ 37,102,081
Increase over Prior Year		3.97%	2.95%	2.98%	3.87%	3.13%	3.87%
Interest Earnings (Debt Service, Debt Reserve & Rental Reserve):	771,037	1,731,799	1,319,454	1,319,454	1,319,454	1,319,454	1,319,454
Debt Service Obligation:	6,348,342	16,266,367	15,800,130	15,764,590	7,262,961	23,721,211	23,708,691
Debt Service Coverage Ratios:							
with earnings	4.89	2.04	2.13	2.20	4.95	1.56	1.62
without earnings	4.77	1.93	2.05	2.12	4.77	1.51	1.56

	2023	2024 Projected	2025 Budget	2025	2026	2027	2028
Fund Balances @ Year End:							
Revenue Fund	8,144	8,144	8,144	8,144	8,144	8,144	8,144
Debt Service Fund	7,193,673	1,338,299	1,335,338	626,869	1,998,390	1,997,347	1,997,347
Debt Service Reserve Fund	24,011,855	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255	23,721,255
Rental Reserve Fund	12,021,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210
Sinking Fund - Garage Development	5,868,328	8,515,552	8,645,743	5,949,107	5,692,080	6,569,417	9,934,399
Convention Center Operations (NOI):		\$731,818	\$89,356	(\$1,584)	\$360,778	\$1,017,590	\$1,677,306

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 2026 are based upon the operator's (Legends Global) financial projections.

Revenue Fund

	2024	2025 Projection	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Hotel/Motel Taxes (cash basis)	\$ 30,250,389	\$ 31,452,214	\$ 32,381,190	\$ 33,345,988	\$ 34,635,998	\$ 35,720,223	\$ 37,102,081
Interest Earnings	77,256	75,698	36,000	36,000	36,000	36,000	36,000
Total Sources of Funds	30,327,645	31,527,912	32,417,190	33,381,988	34,671,998	35,756,223	37,138,081
Distribution of Funds:							
Debt Service	9,668,771	12,549,794	14,477,715	13,736,666	7,315,027	22,400,713	22,389,237
Operating Fund	20,652,196	18,978,118	17,939,475	19,645,322	27,356,971	13,355,510	14,748,845
Total Use of Funds	30,320,967	31,527,912	32,417,190	33,381,988	34,671,998	35,756,223	37,138,081
Current Year Balance:	6,678	-	-	-	-	-	-
Add: prior year balance	1,466	8,144	8,144	8,144	8,144	8,144	8,144
Total Fund Balance @ Year End:	\$ 8,144	\$ 8,144	\$ 8,144	\$ 8,144	\$ 8,144	\$ 8,144	\$ 8,144

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

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Hotel Taxes	9,668,771	12,549,794	14,477,715	13,736,666	7,315,027	22,400,713	22,389,237
Interest Earnings	150,178	361,199	252,000	252,000	252,000	252,000	252,000
Transfer - Operating Fund	-	(3,870,600)	-	-	-	-	-
Transfers-Debt Reserve	2,100,654	880,600	711,636	711,636	711,636	711,636	711,636
Transfer-Rental Reserve	1,039,009	490,000	355,818	355,818	355,818	355,818	355,818
Total Sources of Funds:	12,958,612	10,410,993	15,797,169	15,056,121	8,634,482	23,720,168	23,708,691
Use of Funds:							
Debt Service - Series 2014	1,145,650	-	-	-	-	-	-
Debt Service - Series 2015	671,524	8,026,524	8,029,184	8,025,342	-	-	-
Debt Service - Series 2017	29,329	509,329	504,485	474,537	-	-	-
Debt Service - Series 2020	7,661,147	3,984,461	3,993,211	3,991,461	3,273,250	18,192,961	14,638,191
Debt Service - Series 2024/Trustee Ac	(3,159,308)	3,746,053	3,273,250	3,273,250	3,989,711	5,528,250	9,070,500
Total Use of Funds:	6,348,342	16,266,367	15,800,130	15,764,590	7,262,961	23,721,211	23,708,691
Current Year Balance:	\$ 6,610,270	\$ (5,855,374)	\$ (2,961)	\$ (708,469)	\$ 1,371,521	\$ (1,043)	\$ -
Add: prior year balance	583,403	7,193,673	1,338,299	1,335,338	626,869	1,998,390	1,997,347
Total Fund Balance @ Year End:	\$ 7,193,673	\$ 1,338,299	\$ 1,335,338	\$ 626,869	\$ 1,998,390	\$ 1,997,347	\$ 1,997,347
Required Balance:	1,355,531	1,316,677	1,313,716	605,247	1,976,768	1,975,724	1,836,453
	(3,209,067)						
Notes:	3,209,066						

1. Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2024.
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 2024.
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

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Interest Earnings/misc.	\$ 530,374	\$ 590,000	\$ 711,636	\$ 711,636	\$ 711,636	\$ 711,636	\$ 711,636
Total Sources of Funds	<u>530,374</u>	<u>590,000</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>
Uses of Funds:							
Transfer to Debt Service - Earnings	421,451	880,600	711,636	711,636	711,636	711,636	711,636
2024 Bond Issue: Release of Funds	1,679,203	0	-	-	-	-	-
Total Use of Funds	<u>2,100,654</u>	<u>880,600</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>	<u>711,636</u>
Current Year Balance:	\$ (1,570,280)	\$ (290,600)	\$ -	\$ -	\$ -	\$ -	\$ -
Add: prior year balance	<u>25,582,135</u>	<u>24,011,855</u>	<u>23,721,255</u>	<u>23,721,255</u>	<u>23,721,255</u>	<u>23,721,255</u>	<u>23,721,255</u>
Total Fund Balance @ Year End:	<u>\$ 24,011,855</u>	<u>\$ 23,721,255</u>					
Required Balance:	<u>\$ 23,721,211</u>						

Notes:

1. Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2025.
2. Year end balances are in line with bond indenture requirements.
3. Debt service reserve funds are fully invested.

Rental Reserve Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings/misc.	285,758	330,000	355,818	355,818	355,818	355,818	355,818
Total Sources of Funds	285,758	330,000	355,818	355,818	355,818	355,818	355,818
Uses of Funds:							
Transfer to Debt Service/coverage	-	-	-	-	-	-	-
Transfer to Debt Service/interest	199,408	490,000	355,818	355,818	355,818	355,818	355,818
2024 Bond Issue: Release of Funds	839,601	-	-	-	-	-	-
Total Use of Funds	1,039,009	490,000	355,818	355,818	355,818	355,818	355,818
Current Year Balance:	\$ (753,251)	\$ (160,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Add: prior year balance	12,774,461	12,021,210	11,861,210	11,861,210	11,861,210	11,861,210	11,861,210
Total Fund Balance @ Year End:	\$ 12,021,210	\$ 11,861,210					
Required Balance	\$11,860,606						

Notes:

1. Interest earnings are based upon current investment rates achieved through purchase of agency securities through 2025.
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

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer In - Convention Ctr Operations	\$ 4,246,884	\$ 4,465,806	\$ 4,465,806	\$ 4,943,082	\$ 4,989,790	\$ 4,765,990	\$ 4,650,115
Transfer In - CFA Equity	-	-	-	-	-	-	-
Interest Earnings/misc.	112,607	150,000	255,467	259,372	178,473	170,762	197,083
Total Sources of Funds:	4,359,491	4,615,806	4,721,273	5,202,454	5,168,263	4,936,752	4,847,197
Uses of Funds:							
Principal Payments - Vine Garage	-	-	2,622,500	-	-	-	-
Interest Expenses - Vine Garage	515,082	515,082	515,082	445,590	445,590	445,590	445,590
Principal Payments - Goodale Garage	-	-	-	-	3,750,000	-	-
Interest Expenses - Goodale Garage	571,500	571,500	571,500	571,500	571,500	455,625	455,625
Principal Payments - Ohio Center Garage	-	-	-	6,000,000	-	2,500,000	-
Interest Expenses - Ohio Center Garage	870,600	882,000	882,000	882,000	658,200	658,200	581,000
Total Use of Funds:	1,957,182	1,968,582	4,591,082	7,899,090	5,425,290	4,059,415	1,482,215
Current Year Balance:	\$ 2,402,309	\$ 2,647,224	\$ 130,191	\$ (2,696,636)	\$ (257,027)	\$ 877,337	\$ 3,364,982
Add: prior year balance	3,466,019	5,868,328	8,515,552	8,645,743	5,949,107	5,692,080	6,569,417
Total Fund Balance @ Year End:	\$ 5,868,328	\$ 8,515,552	\$ 8,645,743	\$ 5,949,107	\$ 5,692,080	\$ 6,569,417	\$ 9,934,399

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

	2025 Projected	2026 Budget	2027	2028	2029	2030
Operating Revenue						
Direct Event Income	\$ 4,591,293	\$ 5,370,817	\$ 5,397,340	\$ 5,420,349	\$ 5,439,571	\$ 5,540,328
Food and Beverage (net)	8,644,131	8,749,913	9,187,408	9,646,779	10,129,118	10,635,574
Parking (event + non-event)	11,142,271	11,797,796	12,387,686	13,007,070	13,657,424	14,340,295
Ancillary Income	4,114,529	4,249,136	4,461,593	4,684,673	4,918,906	5,164,850
Lease/rental Income	411,845	435,343	457,110	479,966	503,964	529,162
Other	677,515	793,800	833,490	875,165	918,923	964,868
Total Revenue:	29,581,584	31,396,805	32,724,627	34,114,002	35,567,906	37,175,077
% change year over year		6.14	4.23	4.25	4.26	4.52
Less: Operating Expenses						
Employee Wages/Benefits	10,498,713	13,080,239	13,734,251	14,420,963	15,142,012	15,899,112
Fixed Costs/Admin Taxes	551,590	593,300	605,166	617,269	629,614	642,207
Operations	1,159,960	1,155,220	1,178,324	1,201,891	1,225,929	1,250,447
Utilities	4,438,292	4,763,456	4,858,725	4,955,900	5,055,018	5,156,118
Repair & Maintenance	1,084,068	1,136,000	1,158,720	1,181,894	1,205,532	1,229,643
IT/Computer	291,940	192,750	196,605	200,537	204,548	208,639
Staff Related Costs/Training/Travel	231,231	201,466	205,496	209,606	213,798	218,073
Professional Services	1,153,391	1,252,468	1,277,517	1,303,068	1,329,129	1,355,712
Service Charges & Fees	563,598	320,125	326,528	333,058	339,719	346,514
Supplies	1,069,146	843,780	860,656	877,869	895,426	913,335
Insurance	1,098,912	1,055,032	1,076,133	1,097,655	1,119,608	1,142,001
Venue Management Fee	1,238,874	1,224,772	1,261,513	1,299,358	1,338,339	1,378,489
Depreciation/Amortization	216,741	225,162	229,665	234,259	238,944	243,723
Other	787,504	797,873	813,830	830,107	846,710	863,643
Total Expenses:	24,383,960	26,841,643	27,783,129	28,763,434	29,784,326	30,847,656
% change year over year		10.08	3.51	3.53	3.55	3.57
Net Income from Operations	\$ 5,197,624	\$ 4,555,162	\$ 4,941,498	\$ 5,350,568	\$ 5,783,580	\$ 6,327,421
Less: Garage Debt Service Payment	(4,465,806)	(4,465,806)	(4,943,082)	(4,989,790)	(4,765,990)	(4,650,115)
Net Income	\$ 731,818	\$ 89,356	\$ (1,584)	\$ 360,778	\$ 1,017,590	\$ 1,677,306

Note:
 Projections are based upon Legends Global's budget as submitted November 2025.

SECTION TWO
HILTON COLUMBUS DOWNTOWN HOTEL LONG-TERM FORECAST
as of November 2025

Summary Information

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Hotel Net Cash Flow	\$ 23,086,309	\$ 24,338,000	\$ 24,310,000	\$ 25,371,000	\$ 26,363,000	\$ 27,266,000	\$ 28,065,000
Increase over Prior Year		5.42%	-0.12%	4.36%	3.91%	3.43%	2.93%
Hilton Hotel Taxes	4,711,188	4,705,000	4,804,000	4,973,000	5,146,000	5,310,000	5,469,000
Debt Service Obligation	24,500,357	24,745,700	24,999,200	25,224,950	25,452,950	25,681,700	25,909,700
Debt Service Coverage Ratio:	1.13	1.17	1.16	1.20	1.24	1.27	1.29

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Fund Balances @ Year End:							
Non-discretionary Funds:							
2024 Bond Fund	2,876,162	5,121,875	6,000,000	6,000,540	6,007,230	6,029,107	6,000,670
2024 Rental Reserve Fund	8,094,456	8,321,456	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
2024 Ground Lease Rents Fund	1,132,343	1,184,096	1,050,000	1,040,000	1,040,000	1,040,000	1,040,000
2019 Debt Service Reserve Fund	15,394,576	15,821,056	15,194,576	15,194,576	15,194,576	15,194,576	15,194,576
2019 Bond Fund	3,874,959	1,504,967	1,539,007	1,539,007	1,531,628	1,636,266	1,591,964
Consolidated Hotel Bond Fund	25,076,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741
Hotel Residuals Fund	2,166,845	6,312,992	10,910,273	15,512,785	21,098,221	-	-
Reserve Fund for Operations ***	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Reserve Fund for FF&E ***	3,842,261	5,576,058	5,484,880	5,256,295	7,776,629	5,418,648	767,684
***(Funds held by Hotel Manager)							

Notes:

Development of the Hilton Columbus Downtown Hotel occurred in two phases. The original hotel development project (Hilton 401), was financed through the issue of \$160.0 million in lease revenue bonds in 2010. Such bonds were refinanced in 2024. Income from the hotel as well as revenue equivalent to the hotel's lodging tax covers annual debt service obligations. Franklin County provides credit support for the 2024 bonds.

Based upon a design developed by HOK Architects, the original hotel consisted of 537 rooms, 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 via a 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 (phase 2). 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 tax is used to cover debt service.

2019 Debt Service Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Distribution from Hotel	\$ 13,620,922	\$ 14,359,420	\$ 14,342,900	\$ 14,968,890	\$ 15,554,170	\$ 16,086,940	\$ 16,558,350
Hotel related hotel/motel taxes - city	1,462,398	1,471,254	1,502,211	1,555,057	1,609,154	1,660,437	1,710,156
Hotel related hotel/motel taxes - CFA	1,317,203	1,304,697	1,332,149	1,379,013	1,426,986	1,472,463	1,516,554
Interest earnings/Misc.	318,190	408,735	250,000	250,000	250,000	250,000	250,000
Transfer In: Consolidated Bond Fund	2,230,000	2,228,600	2,185,600	2,140,475	2,093,100	2,043,350	1,991,100
Transfer In: 2019 Debt Reserve Earnings	1,236,014	-	926,480	379,864	391,260	402,998	415,088
Total Sources of Funds:	20,184,727	19,772,705	20,539,340	20,673,299	21,324,670	21,916,188	22,441,248
Uses of Funds:							
Debt Service - Project Revenue	7,590,750	8,655,750	8,817,500	8,948,500	9,084,750	9,220,500	9,360,250
Debt Service - Lease Appropriation	4,457,200	6,177,200	6,176,200	6,175,950	6,176,200	6,176,700	6,177,200
Transfer Out: Hotel subordinate mgmt. fee	954,707	839,000	863,000	894,000	926,000	957,000	986,000
Transfer Out: Hotel secondary FF&E deposit	1,083,952	914,000	863,000	1,789,222	1,852,000	1,914,000	1,971,000
Transfer Out: Consolidated Bond Fund	3,363,000	5,556,747	3,785,600	2,865,627	3,293,100	3,543,350	3,991,100
Total Use of Funds:	17,449,609	22,142,697	20,505,300	20,673,299	21,332,050	21,811,550	22,485,550
Current Year Balance:	2,735,118	(2,369,992)	34,040	-	(7,380)	104,638	(44,302)
Add: prior year balance	1,139,841	3,874,959	1,504,967	1,539,007	1,539,007	1,531,628	1,636,266
Fund Balance @ Year End:	\$ 3,874,959	\$ 1,504,967	\$ 1,539,007	\$ 1,539,007	\$ 1,531,628	\$ 1,636,266	\$ 1,591,964

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 2024 issue; net operating income and the hotel's lodging tax revenue are used to cover debt service.
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 are first used to pay the subordinate management fee and subordinate FF&E payment. Upon payment of these obligations, remaining funds are transferred to the consolidated hotel bond fund.

2024 Debt Service Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Distribution from Hotel	\$ 9,465,387	\$ 9,978,580	\$ 9,967,100	\$ 10,402,110	\$ 10,808,830	\$ 11,179,060	\$ 11,506,650
U.S. Treasury Payments	2,925,707	-	-	-	-	-	-
Hotel related hotel taxes - city	1,016,242	1,022,397	1,043,909	1,080,633	1,118,226	1,153,863	1,188,414
Hotel related hotel taxes - CFA	915,345	906,654	925,731	958,297	991,634	1,023,237	1,053,876
Interest earnings/Misc.	358,670	250,833	256,094	180,000	180,000	180,217	180,873
Transfer In: Ground Lease Fund	-	-	184,096	50,000	40,000	40,000	40,000
Transfer In: Rental Reserve Fund	-	-	551,456	230,000	230,000	230,000	230,000
Total Sources of Funds:	14,681,351	12,158,463	12,928,386	12,901,040	13,368,690	13,806,377	14,199,813
Uses of Funds:							
Debt Service - Principal payments	4,140,000	3,245,000	3,500,000	3,770,000	4,050,000	4,345,000	4,650,000
Debt Service - Interest expenses	5,112,407	6,667,750	6,505,500	6,330,500	6,142,000	5,939,500	5,722,250
Transfer Out: 2024 Bond Issue	3,200,000	-	-	-	-	-	-
Transfer Out: Consolidated Fund	-	-	2,044,761	2,800,000	3,170,000	3,500,000	3,856,000
Total Use of Funds:	12,452,407	9,912,750	12,050,261	12,900,500	13,362,000	13,784,500	14,228,250
Current Year Balance:	2,228,944	2,245,713	878,125	540	6,690	21,877	(28,437)
Add: prior year balance	647,218	2,876,162	5,121,875	6,000,000	6,000,540	6,007,230	6,029,107
Fund Balance @ Year End:	\$ 2,876,162	\$ 5,121,875	\$ 6,000,000	\$ 6,000,540	\$ 6,007,230	\$ 6,029,107	\$ 6,000,670
Required Minimum Balance:	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Required Maximum Balance:	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000

Notes:

1. In February 2010, the CFA issued lease revenue anticipation bonds to finance the construction of the original Hilton Columbus Downtown Hotel. Bonds were issued as Build America Bonds backed by Franklin County.
2. In 2024, the CFA refinanced the 2010 bonds to reduce risk through the elimination of Build America Bonds. Market savings realized through the issue were used to partially off-set costs associated with eliminating the US Treasury subsidy payment. Costs not eliminated through the market were shifted to outer years of the debt program.
3. With the 2019 bond issue and related changes to the cooperative agreement; flow of revenue from hotel operations has now changed. 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 2024 bond fund for payment of debt service due on the 2024 issue. The 2024 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 the 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 Debt Service Reserve Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Interest Earnings	\$ 384,554	\$ 426,480	\$ 300,000	\$ 379,864	\$ 391,260	\$ 402,998	\$ 415,088
Total Sources of Funds	384,554	426,480	300,000	379,864	391,260	402,998	415,088
Uses of Funds:							
Transfer to 2019 Bond Fund	1,236,014	-	926,480	379,864	391,260	402,998	415,088
Total Use of Funds	1,236,014	-	926,480	379,864	391,260	402,998	415,088
Current Year Balance:	(851,460)	426,480	(626,480)	-	-	-	-
Add: prior year balance	16,246,036	15,394,576	15,821,056	15,194,576	15,194,576	15,194,576	15,194,576
Fund Balance @ Year End:	\$ 15,394,576	\$ 15,821,056	\$ 15,194,576	\$ 15,194,576	\$ 15,194,576	\$ 15,194,576	\$ 15,194,576
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.

2024 Rental Reserve Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
2010/2024 Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024 Bond Issue	6,943,205	-					
Interest Earnings	87,060	227,000	230,000	230,000	230,000	230,000	230,000
Total Sources of Funds	<u>7,030,265</u>	<u>227,000</u>	<u>\$ 230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>
Uses of Funds:							
Transfer Out: 2024 Bond Fund	-	-	551,456	230,000	230,000	230,000	230,000
Total Use of Funds	<u>-</u>	<u>-</u>	<u>551,456</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>
Current Year Balance:	7,030,265	227,000	(321,456)	-	-	-	-
Add: prior year balance	1,064,191	8,094,456	8,321,456	8,000,000	8,000,000	8,000,000	8,000,000
Fund Balance @ Year End:	<u>\$ 8,094,456</u>	<u>\$ 8,321,456</u>	<u>\$ 8,000,000</u>				
Required Balance:	<u>\$ 8,000,000</u>						

Notes:

1. Pursuant to the 2010 cooperative agreement between the City of Columbus, Franklin County and the CFA, the CFA has established a rental reserve fund to off-set any shortages in hotel net income should hotel income prove to be less than required debt service obligations. If funds within the rental reserve fund are used to meet debt service obligations, the rental reserve fund will subsequently be replenished up to the required reserve balance with future hotel income as well as funds from the ground lease rent fund and the City of Columbus.
2. During years impacted by COVID-19, funds within the rental reserve fund were used to cover debt service obligations. Funds within the rental reserve fund were fully replenished in 2024 - one result of the 2010/2024 bond restructuring completed that year. 2024 bond proceeds along with monies previously held in the 2010 bond reserve fund were used to increase the rental reserve balance up to the required \$8.0 million.

Ground Lease Rents Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer In: CFA CapEx Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Earnings	58,424	51,753	50,000	40,000	40,000	40,000	40,000
Total Sources of Funds	58,424	51,753	50,000	40,000	40,000	40,000	40,000
Uses of Funds:							
Transfer Out: 2024 Bond Fund	-	-	184,096	50,000	40,000	40,000	40,000
Total Use of Funds	-	-	184,096	50,000	40,000	40,000	40,000
Current Year Balance:	58,424	51,753	(134,096)	(10,000)	-	-	-
Add: prior year balance	1,073,919	1,132,343	1,184,096	1,050,000	1,040,000	1,040,000	1,040,000
Fund Balance @ Year End:	\$ 1,132,343	\$ 1,184,096	\$ 1,050,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000	\$ 1,040,000
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. Pursuant to the 2010 cooperative agreement between the City of Columbus, Franklin County and the CFA, and as amended in the 2019 cooperative agreement, the ground lease rents fund was established to serve as an additional reserve fund for 2010/2024 debt service associated with hotel development bonds. Such reserve fund is in place to serve as protection for the City and County should the distribution from the hotel fall short of annual debt obligations.
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

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer in: 2019 Bond Fund	\$ 3,363,000	\$ 5,556,747	\$ 3,785,600	\$ 2,865,627	\$ 3,293,100	\$ 3,543,350	\$ 3,991,100
Transfer in: 2024 Bond Fund	-	-	2,044,761	2,800,000	3,170,000	3,500,000	3,856,000
Interest Earnings	552,073	683,000	700,000	750,052	750,052	750,052	750,052
Total Sources of Funds:	3,915,073	6,239,747	6,530,361	6,415,680	7,213,152	7,793,402	8,597,152
Uses of Funds:							
Transfer Out: 2019 Bond Fund	2,230,000	2,228,600	2,185,600	2,140,475	2,093,100	2,043,350	1,991,100
Transfer Out: Residuals Fund	-	4,086,147	4,344,761	4,275,205	5,120,052	5,750,301	6,606,052
Total Use of Funds:	2,230,000	6,314,747	6,530,361	6,415,680	7,213,152	7,793,651	8,597,152
Current Year Balance:	1,685,073	(75,000)	-	-	-	-	-
Add: prior year balance	23,391,668	25,076,741	25,001,741	25,001,741	25,001,741	25,001,741	25,001,741
Fund Balance @ Year End:	\$ 25,076,741	\$ 25,001,741					
Maximum Balance (no minimum required)	\$ 25,000,000						

CFA Residuals Fund

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer in: Consolidated Bond Fund	\$ -	\$ 4,086,147	\$ 4,344,761	\$ 4,275,205	\$ 5,120,052	\$ 5,750,301	\$ 6,606,052
Interest Earnings	111,807	60,000	252,520	327,308	465,384	632,947	25,000
Total Sources of Funds:	111,807	4,146,147	4,597,281	4,602,513	5,585,436	6,383,248	6,631,052
Uses of Funds:							
Transfer Out: Nationwide Loan Payment	-	-	-	-	-	27,481,469	6,631,052
Total Use of Funds:	-	-	-	-	-	27,481,469	6,631,052
Current Year Balance:	111,807	4,146,147	4,597,281	4,602,513	5,585,436	(21,098,221)	-
Add: prior year balance	2,055,038	2,166,845	6,312,992	10,910,273	15,512,785	21,098,221	0
Fund Balance @ Year End:	\$ 2,166,845	\$ 6,312,992	\$ 10,910,273	\$ 15,512,785	\$ 21,098,221	\$ -	\$ -

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 until 2029 at which time they will be used to pay the Nationwide Arena loan as due.

Capital Improvements and FF&E Reserve

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Primary Reserve Deposit	\$ 2,417,792	\$ 2,936,520	\$ 3,453,525	\$ 3,577,169	\$ 3,704,702	\$ 3,827,709	\$ 3,942,541
Secondary Reserve Deposit	805,931	839,006	863,000	1,789,222	1,852,000	1,914,000	1,971,000
Interest Earned	-	21,038	48,585	42,332	56,688	81,564	56,287
Total Sources of Funds	3,223,723	3,796,564	4,365,110	5,408,723	5,613,390	5,823,273	5,969,828
Uses of Funds:							
Capital Project Expenses	2,435,933	2,062,766	4,456,288	5,637,308	3,093,056	8,181,254	10,620,792
Total Use of Funds	2,435,933	2,062,766	4,456,288	5,637,308	3,093,056	8,181,254	10,620,792
Current Year Balance:	787,790	1,733,798	(91,178)	(228,585)	2,520,334	(2,357,981)	(4,650,964)
Add: prior year balance	3,054,471	3,842,260	5,576,058	5,484,880	5,256,295	7,776,629	5,418,648
Fund Balance @ Year End:	\$ 3,842,261	\$ 5,576,058	\$ 5,484,880	\$ 5,256,295	\$ 7,776,629	\$ 5,418,648	\$ 767,684

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

SECTION THREE
NATIONWIDE ARENA LONG-TERM FORECAST
as of November 2025

Summary Information

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
32% Casino Tax Revenue	\$ 7,518,708	\$ 7,845,414	\$ 8,080,776	\$ 8,242,392	\$ 8,407,239	\$ 8,575,384	\$ 8,746,892
Increase over Prior Year		4.35%	3.00%	2.00%	2.00%	2.00%	2.00%
Distribution of 32% Casino Tax Revenue							
Arena Operating Expenses	5,755,305	5,956,740	6,165,226	6,381,009	6,604,344	6,835,496	7,074,739
Land Lease Payment	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Real Estate Tax Provision	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Arena Capital Improvements	1,203,360	1,314,804	1,327,370	1,258,391	1,184,574	1,105,701	1,021,545
State of Ohio Loan	-	-	-	-	-	-	-
Total Distribution	7,518,708	7,845,414	8,080,776	8,242,392	8,407,239	8,575,384	8,746,892
Admission Fee Revenue (original 5%)	4,029,846	3,400,000	3,740,000	3,852,200	3,967,766	4,086,799	4,209,403
Increase over Prior Year		-15.63%	10.00%	3.00%	3.00%	3.00%	3.00%

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Fund Balances @ Year End:							
Real Estate Tax Reserve Fund	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Capital Improvements Fund	6,617,800	821,273	923,895	159,486	159,486	159,486	159,486

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

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ARENA LEASE PAYMENT FUNDS

	2024 Actual	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Casino Tax Revenue: City	\$ 4,482,112	\$ 4,692,750	\$ 4,833,532	\$ 4,930,203	\$ 5,028,807	\$ 5,129,383	\$ 5,231,970
Casino Tax Revenue: County	3,036,596	3,152,664	3,247,244	3,312,189	3,378,433	3,446,001	3,514,921
Transfer In: CFA Operating Fund	2,224,136	2,211,350	3,247,244	3,312,189	3,378,433	3,446,001	3,514,921
Interest Earnings	-	-	-	-	-	-	-
Total Sources of Funds	9,742,844	10,056,764	11,328,020	11,554,580	11,785,672	12,021,385	12,261,813
Uses of Funds:							
Arena Operations	5,755,305	5,956,740	6,165,226	6,381,009	6,604,344	6,835,496	7,074,739
Land Lease Payment	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Real Estate Tax	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Arena Capital Improvements	1,203,360	1,314,804	1,327,370	1,258,391	1,184,574	1,105,701	1,021,545
Transfer Out: CFA Cap Ex. Fund	2,224,136	2,211,350	3,247,244	3,312,189	3,378,433	3,446,001	3,514,921
Total Use of Funds	9,742,844	10,056,764	11,328,020	11,554,580	11,785,672	12,021,385	12,261,813
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 2026 projection assumes casino taxes will increase by 2.0 percent over collections received in 2025. In 2025 such collections were 3.3 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 2026, 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 2026 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

	2024	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer in: Arena Lease Payment Fund	\$ 1,203,360	\$ 1,314,804	\$ 1,327,370	\$ 1,258,391	\$ 1,184,574	\$ 1,105,701	\$ 1,021,545
Admissions Tax	4,029,846	3,400,000	3,740,000	3,852,200	3,967,766	4,086,799	4,209,403
State of Ohio Grant	-	2,000,000	-	-	-	-	-
Interest Earnings	336,291	260,000	100,000	125,000	200,000	250,000	250,000
	5,569,497	6,974,804	5,167,370	5,235,591	5,352,340	5,442,500	5,480,948
Total Sources of Funds							
Uses of Funds:							
Payment to CAM - On-going Arena CapEx	6,972,649	12,771,332	5,064,748	6,000,000	5,352,340	5,442,500	5,480,948
	6,972,649	12,771,332	5,064,748	6,000,000	5,352,340	5,442,500	5,480,948
Total Use of Funds							
Current Year Balance:	(1,403,152)	(5,796,528)	102,622	(764,409)	-	-	-
Add: prior year balance	8,020,953	6,617,800	821,273	923,895	159,486	159,486	159,486
Fund Balance @ Year End:	\$ 6,617,800	\$ 821,273	\$ 923,895	\$ 159,486	\$ 159,486	\$ 159,486	\$ 159,486

Note:

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

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

Total needed capital improvements at the arena equals approximately \$64.0 million between the years 2026 through 2030. Budgeted are only those projects that can be funded within given resources.

ARENA REAL ESTATE TAX RESERVE FUND

	2024 Actual	2025 Projected	2026 Budget	2027	2028	2029	2030
Sources of Funds:							
Transfer: Arena Lease Payment Fund	\$ 395,043	\$ 408,870	\$ 423,180	\$ 437,991	\$ 453,321	\$ 469,187	\$ 485,609
Interest Earnings	-	-	-	-	-	-	-
Total Sources of Funds	395,043	408,870	423,180	437,991	453,321	469,187	485,609
Uses of Funds:							
Transfer to Operating Fund	356,306	395,043	408,870	423,180	437,991	453,321	469,187
Total Use of Funds	356,306	395,043	408,870	423,180	437,991	453,321	469,187
Current Year Balance:	38,737	13,827	14,310	14,811	15,330	15,866	16,422
Add: prior year balance	356,306	395,043	408,870	423,180	437,991	453,321	469,187
Fund Balance @ Year End:	\$ 395,043	\$ 408,870	\$ 423,180	\$ 437,991	\$ 453,321	\$ 469,187	\$ 485,609

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.