

Cost Estimates*

Phase	Cost
Phase I	\$22,788,371
Phase II	\$21,861,024
Phase III	\$16,116,301
Phase IV	\$20,588,569
Phase V	\$9,400,426
Phase VI	\$50,818,455
Phase VII	\$27,440,630
TOTAL	\$169,013,776

** Note: Rough Order of Magnitude Costing Estimated in 2018 Dollars*

Financial Projections - Assumptions

1. Projections are shown in non-inflated dollars, due to the currently unknown timing and sequencing of the proposed MSP improvements and enhancements to the OCFC.
2. Only specific revenue and expense items highlighted are adjusted to directly relate to the proposed program elements identified in each Phase. All other revenue and expense items are maintained at current levels. While there is potential for other revenues and expenses to increase, for example reflecting increased attendance at the Fair or growth in wages, these will correlate with the timing of the MSP improvements and enhancements and as such, are not accounted for in our projections.

Financial Projections - Assumptions

3. An allowance is made in all Phases for increased depreciation expenses. These are based on the overall costing budget for each Phase, and reflect new and renovated buildings only. Different assets will depreciate at different rates, however this approach serves to provide a guideline estimate that reflects the unknown timing and sequence of each MSP Phase. Once the timing and sequencing of the MSP improvements has been determined, more detailed depreciation projections can be prepared.

Financial Projections – By Phase

OCFEC Current and Projected Revenue and Expenses Statement - Affected Line Items Only*									
	2017 Actual	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Notes
Program Elements									
New Construction/ Renovation (SF)		15,000	32,950	1,900	34,300	-	3,000	220,500	
Demolition (SF)		-	22,300	36,900	8,790	-	21,300	-	
Net Gain in Parking (Spaces)		525	634	-100	0	0	-100	307	
Revenues									
Miscellaneous Revenue	\$4,899,724	\$4,978,474	\$4,994,824	\$4,899,724	\$4,899,724	\$4,899,724	\$4,899,724	\$4,945,774	Includes rental of additional parking spaces at \$10 for days during Fair
Rental of Facilities	3,439,026	3,439,026	3,439,026	3,307,026	4,306,082	3,439,026	3,439,026	3,439,026	In Phase 4 assumes 16 incremental Amphitheater events per year at \$54,191 average profit
Total Revenue	\$43,672,004	\$46,297,328	\$46,313,678	\$46,086,578	\$47,085,634	\$46,218,578	\$46,218,578	\$46,264,628	
Expenses									
Payroll and Related Expense	\$14,898,921	\$14,898,921	\$14,898,921	\$14,898,921	\$14,898,921	\$14,898,921	\$14,898,921	\$14,978,921	In Phase 7 assumes 2 additional staff
Facility and Related Expense	4,130,716	4,163,116	4,130,716	4,055,116	4,130,716	4,130,716	3,970,756	4,622,346	Assumes \$2.16 per SF in incremental space**; Savings from demolition; in Phase 6 \$0.20 pkw h saving from solar energy; in Phase 7 Assumes increase utilities at parking garage, plus \$50 maintance reserve per space****
Depreciation Expense	3,279,919	3,469,534	3,465,418	3,308,797	3,541,052	3,279,919	3,311,073	3,778,527	Assumes depreciation rate of 2.6% per annum***
Total Expense	\$38,226,790	\$39,744,713	\$39,708,197	\$39,475,976	\$39,783,831	\$39,522,698	\$39,393,892	\$40,592,936	

* Non-inflated dollars

** Source: Building Owners and Managers Association International (BOMA)

*** Source: IRS - useful life of non-residential buildings is 39 years; Depreciation calculated at value x 2.6%

**** Source: Carl Walker Inc, national parking consultant and research publisher

Source: OCFEC, Johnson Consulting, HPI, SWA

Projected Balance Sheet

OCFEC Balance Sheet (\$M)					
Phase	Cash on Hand*	Earnings (Profit)**	Capital Expenditure (Budget)	MSP Expenditure	Balance
2017	\$46.2	\$6.7	(\$9.3)	-	\$43.6
2018	\$43.6	\$4.0	(\$2.5)	-	\$45.1
2019	\$45.1	\$4.0	(\$2.0)	-	\$47.2
2020 Phase 1	\$47.2	\$6.6	(\$2.0)	(\$22.8)	\$28.9
2021	\$28.9	\$6.6	(\$2.0)	-	\$33.5
2022 Phase 2	\$33.5	\$6.6	(\$2.0)	(\$21.9)	\$16.2
2023	\$16.2	\$6.6	(\$2.0)	-	\$20.8
2024 Phase 3	\$20.8	\$6.6	(\$2.0)	(\$16.1)	\$9.3
2025	\$9.3	\$6.6	(\$2.0)	-	\$13.4
2026 Phase 4	\$13.4	\$7.3	(\$2.0)	(\$20.6)	(\$2.3)
2027	(\$2.3)	\$5.7	(\$2.0)	-	\$0.8
2028 Phase 5	\$0.8	\$6.7	(\$2.0)	(\$9.4)	(\$4.4)
2029	(\$4.4)	\$6.7	(\$2.0)	-	(\$0.2)
2030 Phase 6	(\$0.2)	\$6.8	(\$2.0)	(\$50.8)	(\$46.7)
2030	(\$46.7)	\$6.8	(\$2.0)	-	(\$42.4)
2031 Phase 7	(\$42.4)	\$5.7	(\$2.0)	(\$27.4)	(\$66.6)

* Revenues based on 2017 Actuals; Carries forward from 2018 onwards

** 2017 Actual; 2018 Budget; Carries forward

Source: OCFEC, Johnson Consulting, HPI, SWA

- Positive cash flow in non-MSP project years
- Phase 4 = negative balance
- Borrow MSP project cost and review cash flow every 3 years subsequently
- \$170M loan: debt repayment on principal over 30 years at 6% = \$15M annually