

	When It Occurs	Factors that Could Reduce City TID Commitment	Factors that Could Offset Reductions in City TID Commitment
Reset Event #1: Sources and Uses	<ul style="list-style-type: none"> •When construction financing, equity commitments, and guaranteed maximum price (GMAX) construction contracts have been secured •Most likely immediately before closing of financing commitments 	<ul style="list-style-type: none"> •GMAX and third party construction-related (e.g., architects and engineers) contracts amounting to a lower total construction cost than currently budgeted by developer in Base Pro Forma •Reduction in scope from program envisioned in Base Pro Forma, as documented by materials submitted by developer in conjunction with TIF application •Higher maximum commitments of third party construction debt and/or equity than anticipated in Base Pro Forma •Increased revenue and/or reduced cost to the developer from the County Garage component as compared to Base Pro Forma (through land acquisition payment from County, reduction in New Markets Tax Credit equity need for garage, etc.) •Greater NMTC equity commitment than \$62.5 MM, and/or more favorable terms of repayment to NMTC equity provider as compared to Base Pro Forma •Higher than anticipated State brownfield grant commitment(s) (current assumption of \$3 MM) •Proceeds from sale of land/building for Building 29 	<ul style="list-style-type: none"> •GMAX and related construction contracts for scope contained in Base Pro Forma indicate higher than budgeted construction cost (Expansions of scope excluded from this calculation) •Shortfalls in construction debt and/or equity that can be raised relative to Base Pro Forma project cost budget •Lesser commitment of NMTC equity than currently budgeted •Terms of County Garage deal less favorable to developer than budgeted •Lower than anticipated State Brownfield grant commitment(s)
Reset Event #2: Rehabilitation Tax Credits/Easement Donation	<ul style="list-style-type: none"> •At any point in the project, including after opening/stabilization 	<ul style="list-style-type: none"> •Net equity or income tax benefit to project of Rehabilitation Tax Credits and/or easement donation (less related documentable costs, such as application fees, bridge loan interest, etc.) 	<p>None; however, if TID Grant is reduced because of easement equity, TID Grant may be restored (to the extent of prior reduction) if easement deduction is subsequently disallowed or reduced by IRS.</p>
Reset Event #3: Construction Savings	<ul style="list-style-type: none"> •Construction completion 	<ul style="list-style-type: none"> •Reductions in scope from what is outlined in GMAX and related contracts •Overall savings on actual construction as compared to GMAX and related contract amounts 	<ul style="list-style-type: none"> •Major unforeseen cost overruns within base scope that are for some reason not covered by GMAX and related contracts •Tenant delay penalties paid by developer, if they exceed penalty payments from construction contractor to developer, provided delays are outside developer's control

NOTES:

- The three reset events are independent, and do not offset one another
- Internal to each reset event, positive and negative effects on TID need are offsetting