

Redevelopment Authority Of The City of Appleton
Hotel/Motel Fixed Rate Revenue Bonds
Financing Term / Assumptions Sheet [Draft]
As of January 8, 2018

BAIRD

Bond Structure & Assumptions:

Issuer:	Appleton Redevelopment Authority ("ARA")
Description:	Hotel/Motel Room Tax Revenue Bonds
Lessor:	ARA
Lessee:	City of Appleton
Obligor:	City of Appleton
Underwriter:	Baird
Bond Counsel:	Foley & Lardner
Issuer Counsel:	City Attorney
Underwriter Counsel:	TBD
Trustee:	Associated
Rating Agency:	Moody's Investor Services, Inc.
Amount of Bonds:	\$34,435,000 (\$31,900,000 deposit to Project Fund)
Costs of Issuance:	Paid from bond proceeds
Dated Date:	March 1, 2018
Final Stated Maturity:	March 1, 2050
Final Expected Maturity:	March 1, 2036 (Based on 4.0% annual room tax growth)
Est. Interest Rate (AIC):	4.07% - <u>Fixed Rate</u>
Interest Payments:	Semi-annually, commencing September 1, 2018
Principal Payments:	Annually on March 1, commencing March 1, 2019
Prepayment Option:	TBD
Mandatory Redemption:	The Bonds are subject to mandatory Redemption, semiannually on any interest payment date, from amounts no less than \$100,000 as of 35 days prior to such interest payment date, <u>without penalty</u> and <u>without premium</u> , in inverse order of maturity.

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Flow of Funds:	Room Taxes are recorded by the Trustee on a quarterly basis on 2/15, 5/15, 8/15, and 11/15. The Trustee will test the bond fund balance to ensure funds are available for the next principal and interest or interest only amount which is due. The Mandatory Redemption amount of bonds will be determined on this basis.
Tax Status:	Federally Taxable; State Tax Exempt
Rating:	"Aa3" (anticipated)
Security:	Pledge of a portion of the Hotel/Motel Room taxes. Quiet Enjoyment Lease between ARA and the City of Appleton
Debt Service Coverage:	1.25x
Debt Service Reserve Fund: ("DSRF")	The DSRF is funded (upon closing) at the lesser of: 10% of par; 100% of maximum annual debt service; or 125% average annual debt service.

FOX CITIES EXHIBITION CENTER

Hypothetical Payoff with Mandatory Annual Redemption

REDEMPTION SUMMARY

Calendar Year	Room Tax Collections*	Original Debt Service Total	Original Annual Coverage	Principal	Projected Debt Service** DSRF & Stabilization Fund Applied	Total	Excess Tax	Redemption Amount	Cumulative Balance	Bond Balance
							Coverage 100%			
2018	\$1,803,265	\$659,389	273.78%	\$0	\$659,389	\$659,389	\$1,145,876	\$1,550,000	\$1,145,876	\$34,435,000
2019	\$1,877,475	\$1,472,189	127.53%	\$155,000	\$1,317,189	\$1,472,189	\$405,286	\$515,000	\$1,162	\$32,730,000
2020	\$1,952,574	\$1,498,565	130.30%	\$185,000	\$1,250,790	\$1,435,790	\$516,784	\$585,000	\$2,947	\$32,030,000
2021	\$2,030,677	\$1,528,945	132.82%	\$220,000	\$1,225,313	\$1,445,313	\$585,365	\$655,000	\$3,311	\$31,225,000
2022	\$2,111,904	\$1,568,110	135.11%	\$260,000	\$1,195,795	\$1,455,785	\$656,119	\$740,000	\$4,431	\$30,310,000
2023	\$2,196,380	\$1,590,878	138.06%	\$295,000	\$1,162,025	\$1,457,025	\$739,355	\$825,000	\$3,786	\$29,275,000
2024	\$2,284,236	\$1,622,121	140.82%	\$335,000	\$1,123,299	\$1,458,299	\$825,937	\$920,000	\$4,723	\$28,115,000
2025	\$2,375,605	\$1,656,648	143.40%	\$380,000	\$1,079,413	\$1,459,413	\$916,193	\$1,015,000	\$916	\$26,815,000
2026	\$2,470,629	\$1,689,254	146.26%	\$425,000	\$1,029,759	\$1,454,759	\$1,015,871	\$1,120,000	\$1,786	\$25,375,000
2027	\$2,569,454	\$1,724,841	148.97%	\$475,000	\$974,239	\$1,449,239	\$1,120,216	\$1,235,000	\$2,002	\$23,780,000
2028	\$2,672,233	\$1,758,329	151.98%	\$525,000	\$912,366	\$1,437,366	\$1,234,866	\$1,355,000	\$1,868	\$22,020,000
2029	\$2,779,122	\$1,794,530	154.87%	\$580,000	\$843,550	\$1,423,550	\$1,355,572	\$1,490,000	\$2,440	\$20,085,000
2030	\$2,890,287	\$1,828,413	158.08%	\$635,000	\$767,555	\$1,402,555	\$1,487,732	\$1,625,000	\$172	\$17,960,000
2031	\$3,005,898	\$1,864,964	161.18%	\$695,000	\$683,761	\$1,378,761	\$1,627,137	\$1,775,000	\$2,309	\$15,640,000
2032	\$3,126,134	\$1,903,948	164.19%	\$760,000	\$591,933	\$1,351,933	\$1,774,202	\$1,935,000	\$1,511	\$13,105,000
2033	\$3,251,180	\$1,940,211	167.57%	\$825,000	\$491,309	\$1,316,309	\$1,934,871	\$2,105,000	\$1,382	\$10,345,000
2034	\$3,381,227	\$1,978,598	170.89%	\$895,000	\$382,093	\$1,277,093	\$2,104,134	\$2,280,000	\$516	\$7,345,000
2035	\$3,516,476	\$2,018,853	174.18%	\$970,000	\$264,200	\$1,234,200	\$2,282,276	\$0	\$2,792	\$4,095,000
2036	\$3,657,135	\$2,060,715	177.47%	\$4,095,000	\$136,618	\$801,622	\$2,855,513	\$0	\$2,858,305	\$0
2037	\$3,803,420	\$2,099,295	181.18%					\$0	\$2,858,305	\$0
2038	\$3,955,557	\$2,144,340	184.47%					\$0	\$2,858,305	\$0
2039	\$4,113,779	\$2,185,638	188.22%					\$0	\$2,858,305	\$0
2040	\$4,278,331	\$2,232,573	191.63%					\$0	\$2,858,305	\$0
2041	\$4,449,464	\$2,274,903	195.59%					\$0	\$2,858,305	\$0
2042	\$4,627,442	\$2,318,184	199.61%					\$0	\$2,858,305	\$0
2043	\$4,812,540	\$2,366,255	203.38%					\$0	\$2,858,305	\$0
2044	\$5,005,042	\$2,413,760	207.35%					\$0	\$2,858,305	\$0
2045	\$5,205,243	\$2,461,304	211.48%					\$0	\$2,858,305	\$0
2046	\$5,413,453	\$2,513,583	215.37%					\$0	\$2,858,305	\$0
2047	\$5,629,991	\$2,560,394	219.89%					\$0	\$2,858,305	\$0
2048	\$5,855,191	\$2,611,535	224.20%					\$0	\$2,858,305	\$0
2049	\$6,089,398	\$2,666,601	228.36%					\$0	\$2,858,305	\$0
2050	\$6,332,974	\$1,765,033	358.80%					\$0	\$2,858,305	\$0
		\$64,767,893		\$12,710,000	\$16,090,583	\$25,370,587		\$21,725,000		

*Based on actual 2016 tax collection amount.
 ** Projected debt service after annual redemptions.

DSRF:	\$2,529,996
Stabilization Fund (cash on hand):	\$900,000
Total	\$3,429,996

Original Total Debt Service:	\$64,767,893
Total Debt Service After Prepayment:	\$47,095,587
Difference	(\$17,672,306)

Fox Cities Exhibition Center Hotel/Motel Room Tax Revenue Bonds Hypothetical Financing Plan⁽¹⁾

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TAXABLE	
Issuer	Appleton RDA
Assumed Rating	Moody's Aa3
Federal Tax	Taxable
State Tax	Tax- Exempt
Debt Service Coverage ⁽²⁾	1.25x
Estimated Project Amount ⁽³⁾	\$31,900,000
Total Estimated Bond Size	\$34,435,000
Estimated Average Annual Debt Service	\$2,023,997
Estimated Maximum Annual Debt Service	\$2,666,601
Estimated Total Debt Service ⁽⁴⁾	\$61,337,897
Potential All In True Interest Cost %	4.07%
Assumed Dated Date	3/1/2018
Final Maturity	2050
Hypothetical Mandatory Redemption⁽⁵⁾	
2% Revenue Growth - Final Maturity	2040
2% Revenue Growth - Est. Total Debt Service	\$50,364,727
3% Revenue Growth - Final Maturity	2037
3% Revenue Growth - Est. Total Debt Service	\$48,410,579
4% Revenue Growth - Final Maturity	2036
4% Revenue Growth - Est. Total Debt Service	\$47,095,587

1- Hypothetical interest rates as of December 6, 2017 with 10 year par call and mandatory redemption.

2- Annual coverage assumes 2016 revenue of \$1,735,164 with 2% annual growth.

3- Project amount includes \$750,000 cash applied at closing.

4- Assumes DSRF of \$2,529,995 and Stabilization Fund of \$900,000 are applied to final debt service.

5- Assumes all available revenues are used for prepayment semi-annually; DSRF and Stabilization Fund of \$900,000 are applied to final debt service.

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