



# CITY OF HARTFORD

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**TO:** Pedro E. Segarra, Mayor  
**FROM:** Darrell V. Hill, Chief Operating Officer  
**DATE:** September 15, 2014  
**COPY:** Juan Figueroa, Chief of Staff  
**SUBJECT:** Downtown North – Revenue Estimates

Attached is a pro-forma that demonstrates the successful cash-flow for the City’s participation in the developing of the parcels in Downtown North. The estimated sources and uses are shown by category and line item with the bottom line (Cumulative Cash Flow) reflecting the rolling year-to-year balance available for the subsequent year. Each line item has been developed to account for the revenue-stream to come on line or tail off in a partial or full fiscal year depending on the nuances of the specific source of the revenue. The estimates of the projected revenues identified support the proposed development of Downtown North. The nine (9) revenue sources are as follows:

<i>Property Taxes (PILOT)</i>	<i>Personal Property Taxes</i>	<i>Permit Fees</i>
<i>Stadium Rent</i>	<i>Surface (Interim Use) Parking</i>	<i>Event (Game Day) Parking</i>
<i>Shared Naming Rights</i>	<i>Admissions (Ballpark) Tax</i>	<i>Parking Permit Fee</i>

**Property Taxes (PILOT):** Is the Payment In Lieu Of Taxes negotiated with the Developer. This PILOT payment in combination with the purchase price/lease payment for the parcels in Downtown North represent the City’s inducement to encourage several hundred million dollars of investment.

**Personal Property Taxes:** Is an estimate of the taxes to be received for the taxable business personal property situated within the proposed development.

**Permit Fees:** Reflect the estimated revenue to be derived from each phase of the proposed development.

**Stadium Rent:** Reflects the revenues available to support the City’s participation. It is noteworthy that the dollars shown in the pro-forma are net of the Capital Reserve that will be used to maintain the bricks and mortar of the ballpark throughout the lease term.

**Surface Parking:** This line item reflects the projected revenues derived from the Downtown North parcels until the Developer progresses with each planned phase of development. The pro-forma does not assume full utilization/capacity and does recognize the relocation of parkers from one parcel to another as the development progresses. The revenues shown are net of estimated operating expenses.

**Event (Game Day) Parking:** Reflects a conservative estimate of the increase in revenues to the Hartford Parking Authority by virtue of increased parking at the MAT Garage on game days. The revenues shown are net of estimated operating expenses.

**Shared Naming Rights:** Reflects the revenues available to support the City's participation. It is noteworthy that the dollars shown in the pro-forma are 50% of the estimated net revenues derived from the naming of the stadium.

**Admissions (Ballpark) Tax:** Is the projected revenue derived by applying a 10% tax to each ticket sold. It is noteworthy that we have assumed an average ticket price below the expected average ticket price and assumed ticket sales average two-thirds of total capacity. This revenue source requires State action.

**Parking Permit Fee:** This line item reflects the projected revenues derived from restructuring the citywide commercial parking fee structure. The City's Parking Permit Fee applies only to paid commercial parking. The pro-forma reflects the projected increase in revenue derived from converting the City's current tiered structure to a \$1.50 per space per month fee structure. The City's parking peer group's average per space permit fee approximates \$1.50 - \$2.00. We have imbedded conservative revenue estimates by reducing the number of applicable parking spaces by 25%. The restructuring of this current fee requires action by City Council.

The combination of the individual revenues listed above supports, as shown in the pro-forma, the ballpark lease payment estimated initially at \$4.267 million. The estimated lease payment reflects a 25-year term at 7.62% of \$56 million with the payment escalating 5.0% only in years six, 11 and 16.