

## Estimated Sources of Funds

Construction Period Rent	\$ 63,500,000
Construction Period Interest Income	12,500,000
Net County Bond Proceeds	415,000,000
MMPI Contribution	19,000,000
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Subtotal	\$510,000,000
Estimated Need	536,000,000
Residual	(\$ 26,000,000)

As shown in the table above, the .25 percent/20 year county sales tax passed by the Cuyahoga Board of County Commissioners for this project is expected to provide funding far in excess of the \$400 million mentioned in some media reports. In fact, the current sales tax should generate in excess of \$490 million. Assuming an issuance of bonds on or about June 1, 2009, a relatively small amount of new county resources would be used to fund bond issue interest costs through year-end 2009 leaving available for the project the remaining sales tax receipts not otherwise used to pay bond issue interest for project costs. In addition, MMPI has committed \$19 million in support of the capital funding for this project. Accordingly, as shown below, the funding sources already in place total about \$510 million. This is within about 5% of the total estimated cost for land acquisition, design, construction of the Riverfront site.

The net county bond proceeds and the construction period interest income are dependent upon the timing and the size of the bond issue itself. Investment income is based upon an approximate 30 month draw schedule assuming a reinvestment rate of approximately 2.50% per annum. The bonds are assumed issued by Cuyahoga County and secured by its ability to generate sufficient nontax revenues. Bonds are assumed issued in June of 2009 with the interest on the bonds subject to federal income tax. Final maturity of the bonds is expected to be December 1, 2027. The average interest rate on the bonds is assumed to be approximately 6.25% per annum. As the county will not serve as the entity performing the construction of the project, it is assumed that both flow of funds and project delivery system mechanics satisfactory to the county will be outlined in an eventual development agreement expected to supersede the MOU. Although not assumed here for planning purposes, as the project moves closer to its funding date, specific bond issue structuring techniques may be employed that will enhance the ability of the county to leverage its resources and provide the project financing plan with greater flexibility.

The alternative sources noted above, to the extent identified as net bond proceeds, are generated using the same bond market assumptions as with the county bonds.