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**Sent:** Tuesday, February 1, 2022 11:50 AM

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**Subject:** The "Civic Center Mid-Block" Item #25 on Tonights Agenda seems a Very Bad Deal for the City and Taxpayers

**-EXTERNAL-**

Mayor Garcia, Vice Mayor Richardson and Councilmembers,

I urge you to withdraw the "Civic Center Mid-Block" Item from the Feb. 1<sup>st</sup> Agenda and at minimum have City Auditor Laura Doud go very over it carefully.

These new units are NOT designated for housing disadvantaged, lower income, and poor among us. And in reading through the 52 page Staff Report, on Page 32 one comes across the Table below... showing the cost per unit at \$846,143!!! And it appears that the City might be stuck with paying off the Bonds, as the Staff Report warns:

"The City is at the bottom of the sale proceeds distribution waterfall." All together this sounds like a very bad deal for the City and Taxpayers, and should not go forward.

	Plenary (580 units)		Oceanaire (216)
Sources of Funds	Total	Per Unit	Total
Senior A-1 Bond	\$285,520,000	\$492,276	\$134,934,001
Senior A-1 Bond Premium	\$5,938,816	\$10,239	\$4,499,095
Junior A-2 Bond	\$190,345,000	\$328,181	
Junior A-2 Bond Premium	\$3,959,176	\$6,826	
Subordinate B Bond	\$5,000,000	\$8,621	\$5,000,000
<b>Total</b>	<b>\$490,762,992</b>	<b>\$846,143</b>	<b>\$144,433,096</b>
Uses of Funds	Total	Per Unit	Total
Acquisition of Land	\$43,000,000	\$74,138	
Construction Costs	\$325,550,500	\$561,294	\$122,000,000
Construction - Financing Costs	\$47,533,626	\$81,955	
Transaction Closing Expenses	\$2,500,000	\$4,310	\$3,168,205
Underwriter's Discount	\$7,137,975	\$12,307	\$2,091,496
Senior Debt Service Reserve	\$19,034,600	\$32,818	\$5,397,360
Capitalized Interest and Coverage Reserve Funding	\$37,201,982	\$64,141	\$1,079,472
Capital and Operating Reserve Funding	\$3,804,309	\$6,559	\$1,684,557
Project Administrator Fees & Reserves			\$4,012,005
Project Administrator Preferred Equity	\$5,000,000	\$8,621	\$5,000,000
<b>Total</b>	<b>\$490,762,992</b>	<b>\$846,143</b>	<b>\$144,433,096</b>

Sources: Plenary Cash Flow, January 14, 2022; HR&A Advisors, Inc.