



# CITY OF ANNAPOLIS

## HILLMAN GARAGE & CITY DOCK RESILIENCY PROJECT

FEBRUARY 23, 2022



## MOVING FORWARD!

### **P3 Partnership: Successful Financial Model to:**

Fund Construction of new 590 Space Public Garage

Provide Significant Annual Revenue for City Transit

Fund Major Up-Front Costs for Design and Construction of City Dock Resiliency and Redevelopment Project



## TEAM INTRODUCTIONS

# Public Institutions & Education Solutions

CBRE's Public Institutions and Education Solutions Group (PIES) is a national division of the company that partners with state, county, city and educational institutions and agencies to develop and implement cutting-edge real estate strategies for your most significant challenges.

**With over 100 public sector clients and contracts and 20+ dedicated professionals,** we provide expert advice to government entities and their specialized commercial real estate requirements and opportunities in the marketplace. From repurposing historic or community-centric assets to meet today's needs, to structuring complex transactions to maximize the value of your owned assets, CBRE offers national best practices and the world's leading real estate platform and professionals to execute on your behalf.



## IN ACTION

150

years of  
combined  
experience

100

public sector  
clients

\$3

recent revenue  
generated for  
government  
clients

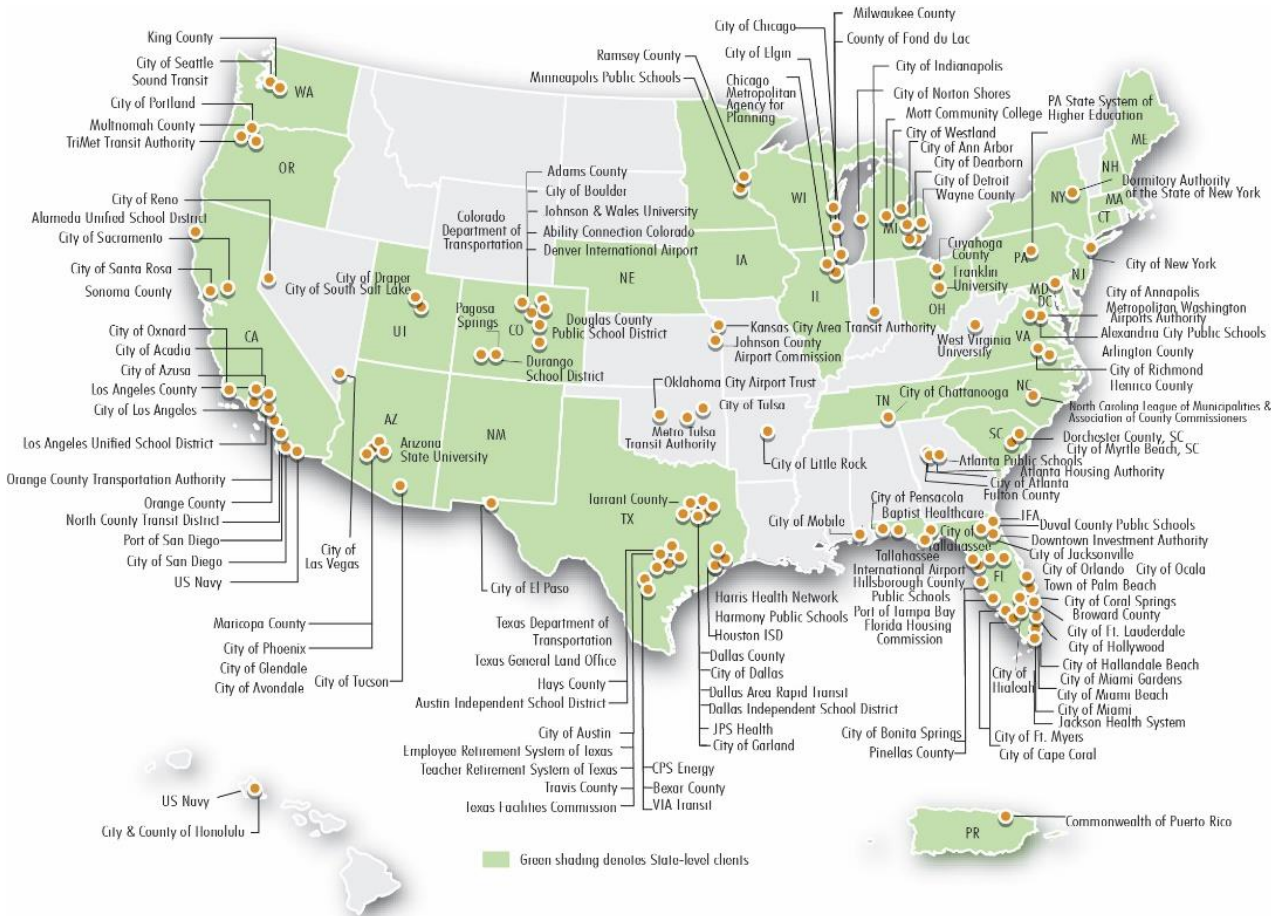
20

P3 projects  
underway and  
completed

100M

square  
feet  
transact  
d

## CURRENT AND RECENT CLIENTS





P3 EXPERTS / PROJECT LEADS



**Mike McShea**  
Executive Vice President  
and National Lead



**Troudy Vaughan**  
First Vice President

FINANCE



**Anne Rahm**  
Midwest Regional Manager

LEGAL /  
DOCUMENTATION



**Tom Turner**  
Vice President

CONSTRUCTION / PROJECT MANAGEMENT

**Alberto Vela**  
Managing Director

**Scott Martin**  
Managing Director

**Skip Parks**  
Managing Director





# YOUR CITY TEAM

David Jarrell  
City Manager

Eileen Fogarty  
Special Projects

Michael Lyles  
In House Counsel

Michael Johnson  
Public Works

Jodee Dickinson  
Finance

John Thomas  
Outside Counsel  
Squire Patton Boggs

JR Clark  
Outside Counsel  
Squire Patton Boggs

Joe Mason  
Davenport  
City Financial Advisor

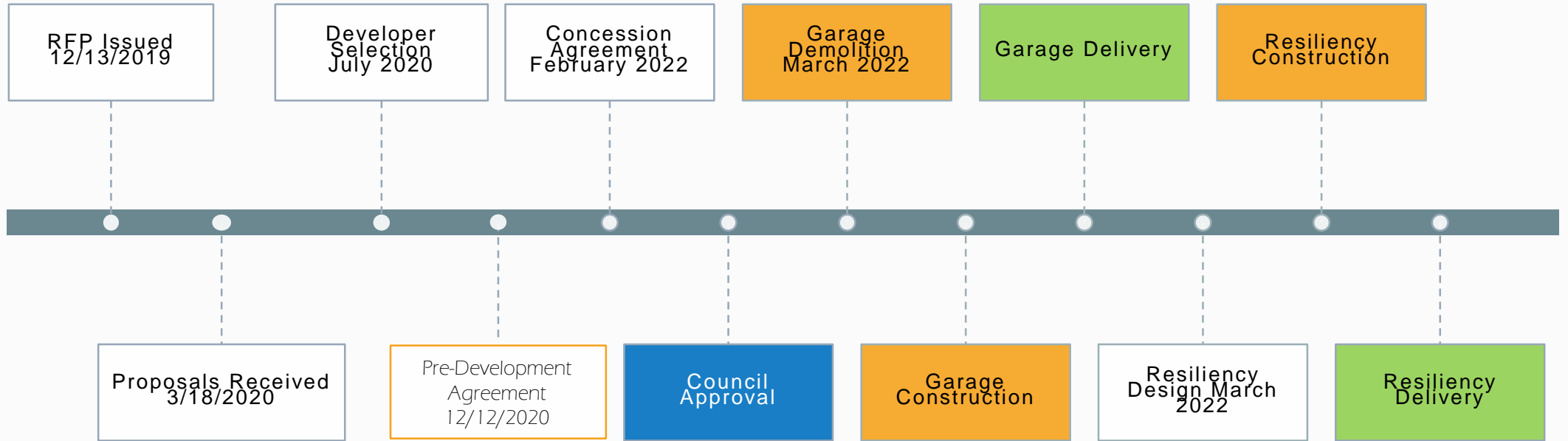
Jennifer Diercksen  
Davenport  
City Financial Advisor

Nate Betnun  
Davenport  
City Financial Advisor





# TRANSACTION TIMELINE

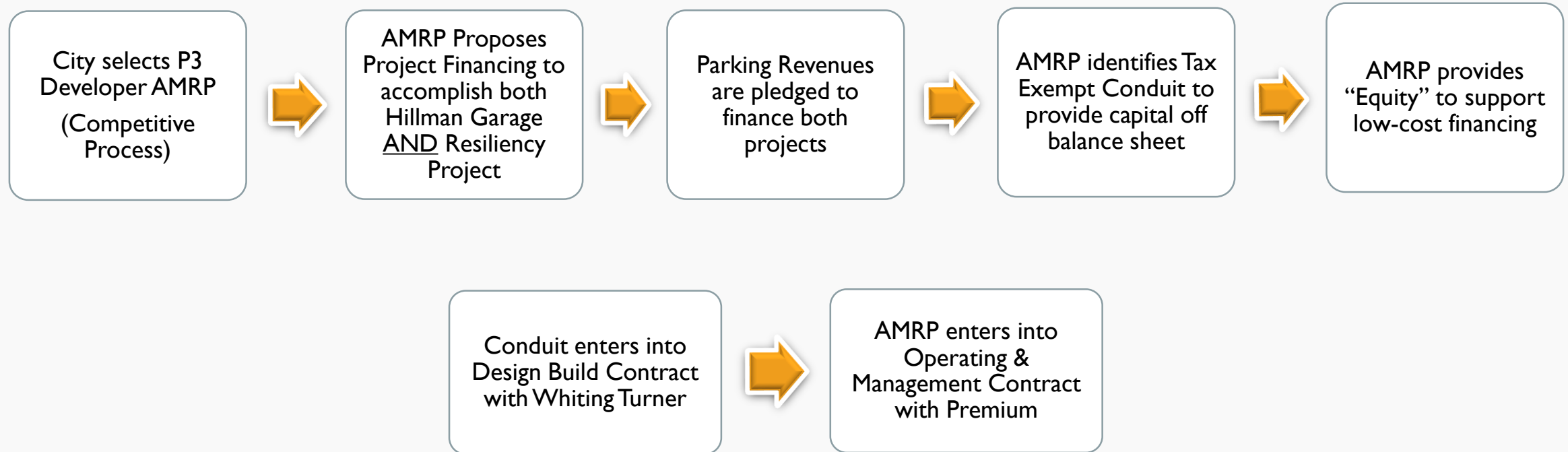




# P3 TRANSACTION STRUCTURE



CBRE





CBRE recommends the P3 structure proposed by AMRP because it fully funds the new Hillman Garage while also providing the maximum concession payment for the City Dock resiliency project.

- Fully funded by City Dock parking area revenues
- No negative impacts to Annapolis' credit rating
- No increased taxes to city residents
- Less risk and similar cost to go bonds

	PREFERRED P3 STRUCTURE
SENIOR DEBT	\$51.36M
SUBORDINATED DEBT / INTEREST INCOME	\$9.75M
TOTAL FUNDING SOURCES (DEBT/EQUITY)	\$61.11M
TOTAL CONCESSION PAYMENT	\$25.00M
CITY REVENUES (YEAR 1)	\$1.06M



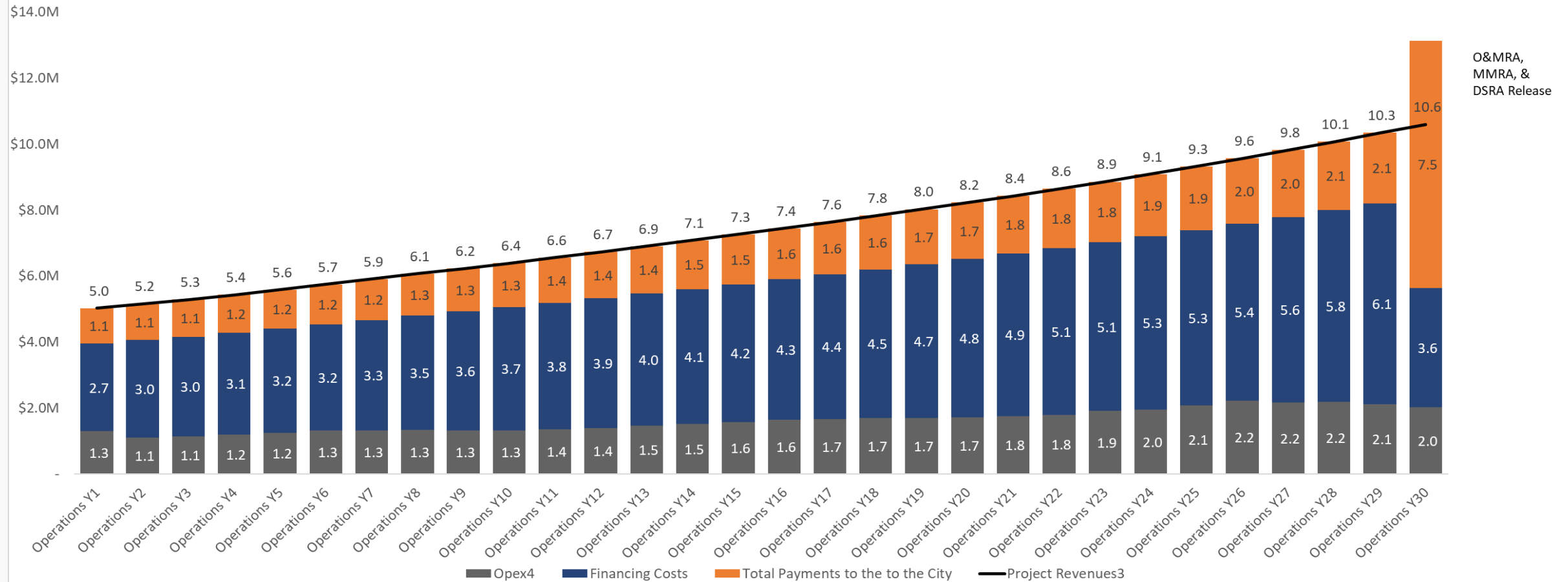


# PARKING REVENUES



CBRE

Cash Flow & Revenue Waterfall - Operations Phase





# FINANCING OPTIONS: PUBLIC PRIVATE PARTNERSHIP VS. GENERAL OBLIGATION BONDS

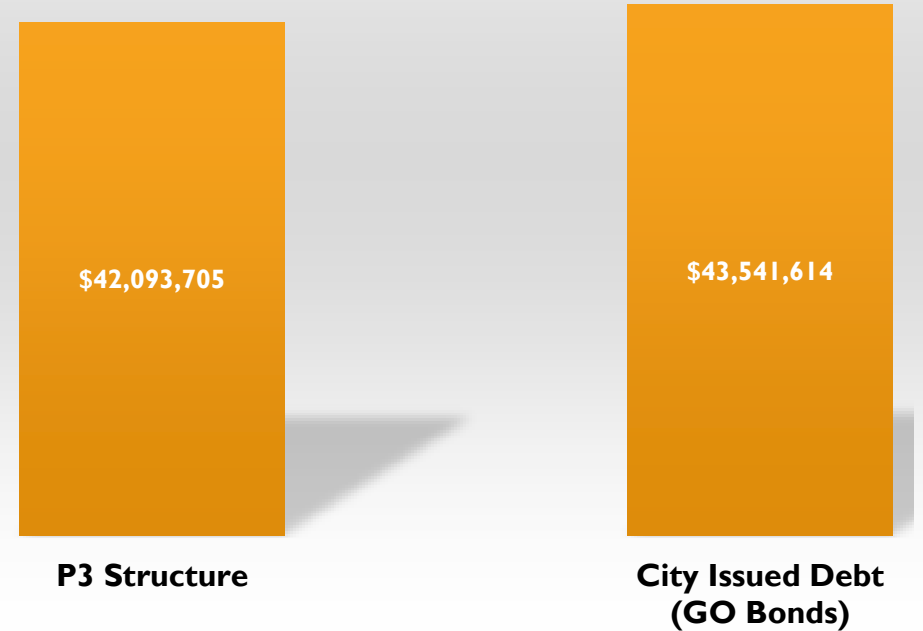


## NPV CHART

Net parking revenues to Annapolis – i.e., after project costs for both Hillman Garage & City Dock - have similar NPV's regardless how they are financed. The proposed P3 Structure is recommended because it has additional benefits compared to traditional city debt:

- City is not obligated to raise taxes.
- Substantial portion of parking is paid by visitors, not Annapolis residents.
- City's current debt service ratio will not be impacted using P3 structure.

### NET PRESENT VALUE ANALYSIS: PROPOSED P3 STRUCTURE VS. TRADITIONAL CITY DEBT (GO BONDS)





# CONCESSION AGREEMENT



CBRE



Developer is liable for risks that are reasonably inferable from technical analysis developed during pre-development period using good industry practices.



Developer has funded a concession reserve account to absorb the first \$500,000 of costs for “supervening events,” regardless of the liable party.

## TYPES OF RISK:

- Site Conditions
- Undisclosed Site Utilities,
- Undisclosed Endangered Species
- Undisclosed Archaeological Remains
- Hazardous Materials
- Government Approvals
- Utility Owner Delays Of Services
- Litigation
- Site Safety Compliance
- Force Majeure
- City / Government Actions



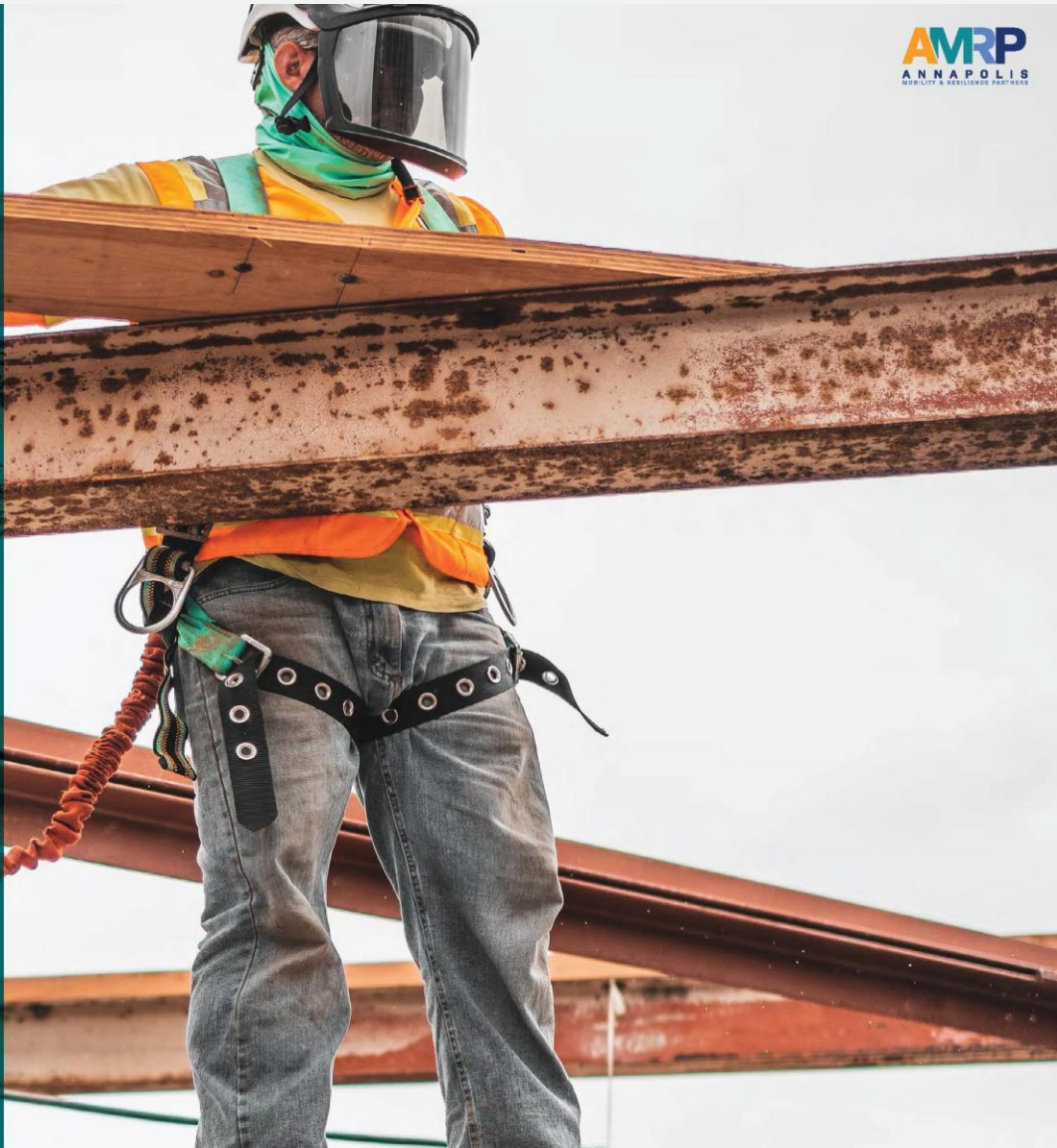


**OBJECTIVE:  
ABOVE 30%  
PARTICIPATION**

**(based on cost of work)**

**DBE OUTREACH ENTIRE  
DEVELOPMENT PROCESS**

- **EARLY DISCUSSIONS/OUTREACH DBE FIRMS**
- **WT SELECTED DBE SUBCONTRACTORS FOR TECHNICAL DUE DILIGENCE**
- **BID PACKAGES: BROKE OUT SCOPES FOR DBE FIRMS**
- **ACCEPT ALL CERTIFICATIONS USED BY MD PROCURING AUTHORITIES**
- **ADD WEIGHT TO ANNE ARUNDEL COUNTY BASED DBE FIRMS**







# NEXT STEPS

- |                                   |                     |
|-----------------------------------|---------------------|
| • Resolution Introduced           | February 14, 2022   |
| • Finance Committee               | February 23, 2022   |
| • CDAC Work Session               | February 23, 2022   |
| • Concession Agreement Term Sheet | Week of February 22 |
| • Public Hearing/Council Action   | February 28, 2022   |
| • Execute Agreement               | March 1, 2022       |
| • Final Close                     | TBD                 |









# CITY OF ANNAPOLIS **THANK YOU**

FEBRUARY 23, 2022