

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** October 25, 2006  
**TO:** Board of Commissioners  
**FROM:** Bruce A. Warner, Executive Director  
**SUBJECT:** Report Number 06-112  
Headquarters Hotel Project Briefing

### **EXECUTIVE SUMMARY**

#### **BOARD ACTION REQUESTED**

None

#### **SUMMARY**

On October 26, 2005, the Portland Development Commission (PDC) Board of Commissioners (Board) adopted Resolution No. 6305 authorizing the Executive Director to enter into exclusive negotiations with a development team led by Garfield Traub and Ashforth Pacific (GTA) for development of the Oregon Convention Center (OCC) Headquarters Hotel (HQ Hotel). The purpose of this Report is to provide an update on the negotiations and project progress.

At the May 24, 2006 Board Meeting, PDC staff briefed the Board on the following:

- Status of the negotiations with GTA;
- Market and economic analyses undertaken by PKF Consulting (PKF) and ECONorthwest (ECONW);
- Cost and feasibility analysis of a range of hotel concepts;
- Various forms and sources of project financing; and
- Public participation activities.

As a result of this briefing, the Board directed staff to:

- Complete analysis of private ownership models including exploring larger retail components or possible residential condominiums;
- Explore potential public ownership models with PDC's regional partners similar to those used recently in other cities; and
- Report back to the Board in 90 – 120 days whether there is a financially and politically feasible plan for developing the HQ Hotel.

Since that meeting, staff has worked closely with the GTA team and PDC's regional partners – Metro, Metropolitan Exposition-Recreation Commission (MERC), Multnomah County, and the City of Portland Office of Management and Finance (OMF) to carry out these directives; the status of each is discussed below.

Additional information will be provided through a staff presentation at the October 25, 2006 Board Meeting. At the meeting, financial analysis for privately and publicly owned HQ Hotel options will be presented. Staff will seek direction about whether to continue working to implement the HQ Hotel project and if so, which option the Board prefers.

## **BACKGROUND**

### **History**

During the formation of the Oregon Convention Center Urban Renewal Area (OCCURA) in 1989, the number one goal identified in the Urban Renewal Plan was the need for a HQ Hotel to maximize the economic impact of the OCC. Goal 1.1 of the OCCURA Plan is to “Recruit at least one headquarters hotel in the immediate vicinity of the OCC to capitalize on the convention center’s capacity.” In September 2004, PDC issued a Request for Proposals (RFP) seeking a developer for the project. In 2005, PDC completed assembly of two blocks adjacent to the OCC, for a total cost of \$11 million, to support the development of a HQ Hotel. A Project Map is included as Attachment A. In October 2005, after completion of the RFP process, the Board authorized exclusive negotiations with GTA (Resolution #6305).

In early 2006, the economic consulting firm ECONW and the hospitality consulting firm PKF were retained by PDC to analyze the economic impacts and market evaluation of the hotel project. Attached is the June 8, 2006 memorandum to the Mayor and City Council that summarizes the work. (Attachment B). Key points from the analyses include:

- The OCC HQ Hotel size should be 600 rooms to capture the minimum 500-room block required by most large meeting planners;
- Approximately 100,000 net additional room nights should be captured annually by the addition of an HQ Hotel because of substantially increased convention business;
- A HQ Hotel will be neutral or beneficial to competitor hotels;
- At stabilization, a HQ Hotel will result in about \$49 million in estimated annual new expenditures by delegates, organizers, and exhibitors in Multnomah, Clackamas, and Washington Counties; and
- With multiplier effects, HQ Hotel will result in about:
  - \$104 million in estimated annual business sales; over 20 years estimated NPV of business sales is about \$1.4 billion
  - \$41 million in estimated annual personal income; over 20 years estimated NPV of personal income is about \$580 million
  - \$3.8 million in annual tax revenue
  - 1,500 estimated full-time jobs created

### **Completion of analysis of Private Ownership Model**

As requested by the Board at the May 24 Board Meeting, PDC staff has evaluated whether adding additional retail to the hotel would generate enough cash flow to reduce the funding gap. Staff worked with the architecture firm Zimmer Gunsul Frasca Partnership (ZGF), the GTA development team, Turner Construction and others to analyze several different options. Due to the cost of constructing the additional retail space and the necessary on-site parking to support it, the funding gap was projected to increase. The additional revenue from retail was not projected to offset the additional costs and thereby not decrease the funding gap.

Staff also investigated the possibility of condominiums as part of the HQ Hotel project to see if that reduced the gap. Most of the “condo-hotels” that have been developed to date have been located in established tourist destinations or built in conjunction with resorts and luxury hotels. The current environment of the OCC does not meet those

criteria. In addition, ZGF estimated the costs to construct condominiums in association with the hotel exceeded \$400 square feet. While the condominium market in some areas of Portland such as the Pearl District would support those costs, the market in area of the potential HQ Hotel is not yet proven. In light of this, a substantial reduction in the gap is unlikely, while the risk of the project was expected to increase.

With the help of staff from Portland Family of Funds (PFF) and others, PDC staff have analyzed the possibility of employing New Market Tax Credits (NMTC's) to partially finance a privately owned HQ Hotel. Timing and uncertainty were significant concerns, likely resulting in additional delay and hence, costs to the project. In addition, PFF staff did not believe that an allocation was likely, given the nature of the project and amount of NMTC's the Portland area has already received. Even if a successfully dedicated allocation or secondary market allocation of \$100 million was possible, the roughly \$20 million in equity the project would receive would still leave a funding gap in the \$50 to \$60 million range for a 500 to 600 room HQ Hotel.

Hence, further analysis of the private ownership model since the May 24, 2006 Board Meeting has not resulted in alternatives that staff believe would reduce the funding gap to a feasible level.

#### **Public Ownership Model**

Metro, MERC and PDC staff have been meeting with regional partners, a financial consultant and the selected development team of GTA, and Piper Jaffray & Company to better understand the public ownership model. The basic structure of such a model is that a governmental entity, or a special entity created by a governmental entity, is the owner of the hotel. There are several potential benefits to a public ownership model, including:

- Ability to operate the HQ Hotel in conjunction with the publicly-owned OCC, which could be managed and operated as a single complex to best meet the public objectives for the convention business;
- Lower cost of capital due to the tax-exempt interest rates on the debt;
- Elimination of the need for private equity investors. Currently the market for privately owned HQ Hotels requires a 20 to 25 percent return on investments; and
- Creation of a public asset and with financial benefits (profit or sales proceeds) accruing to the public, whereas, in the private model there would be little return to the public partners.

If desired, the public model can be privatized by selling the hotel to a private entity after market equilibrium has been reached and when the bonds allow. Thus, it is possible that public ownership can be viewed as an intermediate hold.

Following models elsewhere in the country, a publicly owned HQ Hotel would be operated by a professional hotel operator, likely Starwood, since they are part of the selected development team. The most significant drawback to public ownership is that the public assumes the risk of the ongoing operation for as long as it remains publicly owned. Detailed analysis of this risk is being performed. Another potential criticism of the structure is that the publicly-owned hotel would compete with other privately owned hotels. A market analysis done by PKF indicates that a HQ Hotel would have a neutral to positive impact on the competitive set of hotels.

Metro, through MERC, is the owner and operator of the OCC and is keenly interested in the hotel's success. Current projections from the OCC indicate that, unless significant changes are undertaken and usage of the facility increases, operating revenues will decline due to lost competitiveness, requiring growing operating subsidies of the OCC. Metro/MERC staff are actively engaged in the project and recognize that a public subsidy may be better directed towards the development of a HQ Hotel as opposed to filling funding gaps in OCC's operations. Metro/MERC staff recognize that the development of the HQ Hotel will bring significantly more business to the OCC, thus improving the facility's financial health, and that the HQ Hotel can catalyze significant additional redevelopment in the area.

Metro, MERC, and PDC staff are currently developing financial options and performing legal analysis for a publicly owned HQ Hotel. Preliminary results of this work will be presented at the Board meeting.

### **Metro Council and MERC Commission Meetings**

On June 29, 2006, the Metro Council and MERC jointly met to be briefed on the HQ project and the financial projections of the OCC. Metro, MERC, and PDC staff did a combined presentation. PDC staff discussed the *Development Vision for the OCC Blocks* (2006) for the area from NE Broadway to Burnside Bridge, including how the HQ Hotel could be a catalyst for implementation for redevelopment of the entire area. Metro and MERC staff presented analysis of OCC's performance that indicated without a HQ Hotel, financial performance of the OCC would be negatively impacted in the future, resulting in significant operating deficits by FY 2010-11. Based on information presented, the Council and the MERC Board requested Metro staff to explore with PDC staff the public ownership model for a HQ Hotel.

On September 21, 2006, the Metro Council and MERC jointly met to discuss the status of the HQ Hotel. Metro staff relayed the programming assumptions of the hotel; 600 rooms, approximately 41,000 square feet in function space, and 170 parking spaces, plus shared spaces at the OCC. Staff also suggested a conceptual description of how the HQ Hotel could be financed. Metro and MERC staff requested approval to continue to explore the publicly owned model in conjunction with PDC staff. Metro Council and MERC Commission approved the request and asked staff to provide a briefing later in the fall.

### **Stakeholder Involvement**

Metro, MERC, and PDC staff continue to meet on an ongoing basis with the stakeholders and decision makers outlined in the Project Negotiation Structure (Attachment C).

On July 18, 2006, and again on August 30, 2006, the Negotiating Team, the Project Staff Team, and Finance Group met with the entire development team to analyze the design program, pro formas, and the potential financial plan. On June 8, 2006, PDC and MERC staff met with the project's Technical Advisory Committee (TAC) to review the project status and introduce an overview of a public ownership model. On September 7, 2006, PDC and MERC staff met again with the TAC to discuss the project's status, review OCC financial projections, and receive input about HQ Hotel project assumptions. The highlights of the stakeholder and decision maker involvement will be presented at the October 25, 2006 Board Meeting.

**Next Steps**

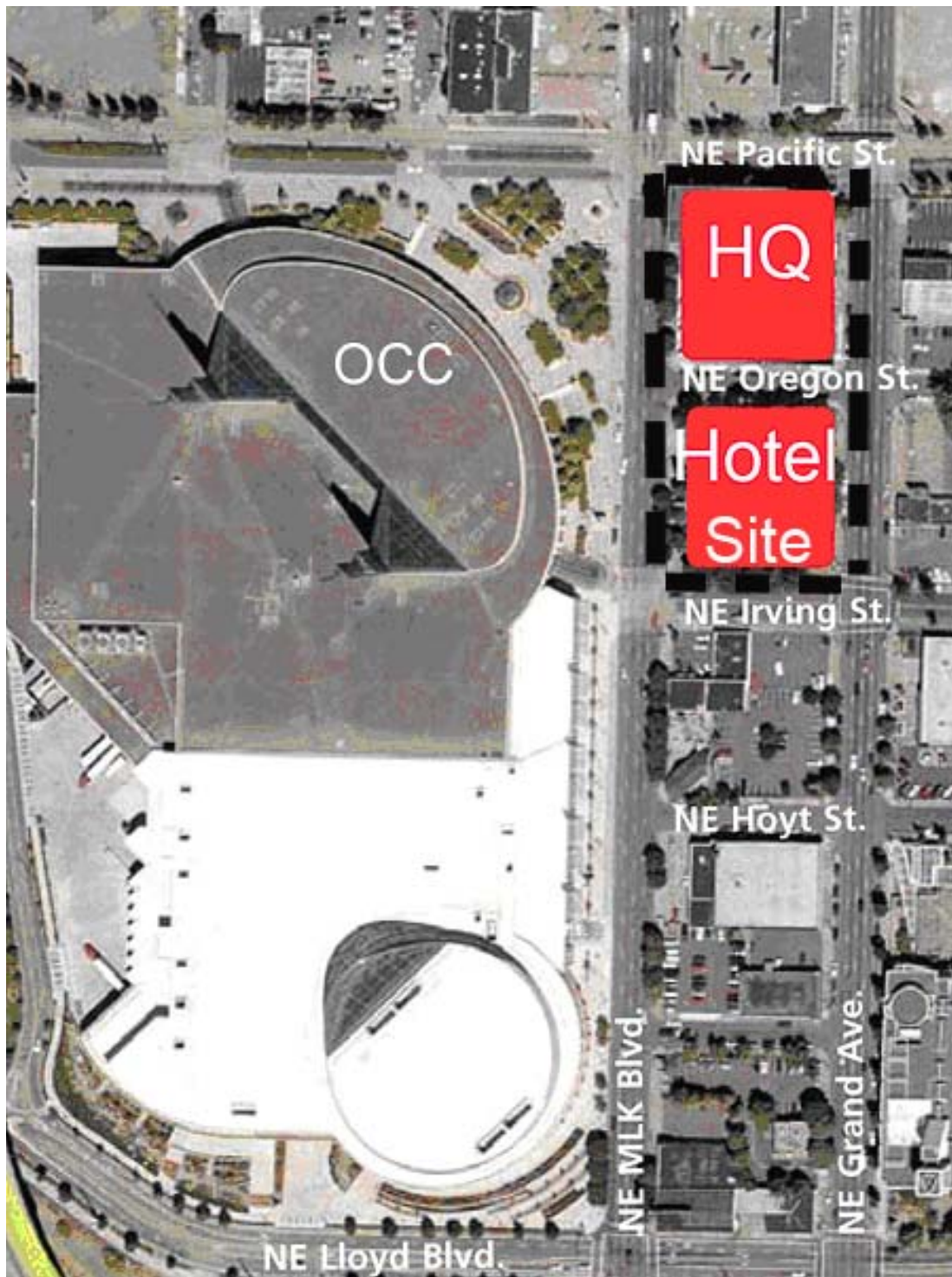
At the PDC Board meeting on the October 25, 2006, financial analysis for both private and publicly owned HQ Hotel options will be presented and staff will seek direction about whether to continue working to implement the HQ project. If so, PDC, Metro and MERC staff will continue to work with the groups identified in the Project Negotiation Structure and return in the late fall to all the decision making bodies for direction about whether to begin developing the necessary intergovernmental agreements and disposition and development agreements. If a decision to proceed with the project is made by end of 2006, the attached schedule (Attachment E) represents potential task sequencing.

**ATTACHMENTS:**

- A. Project Map
- B. June 8, 2006 Memorandum
- C. Project Negotiating Structure
- D. URA Financial Summary
- E. Schedule

**CC:** C. Twete, Development Department Director  
F. Wearn, Senior Development Manager  
M. Baines, General Counsel  
L. Sundstrom, Central Services Director

**Site/Project Map:**



*Investing in  
Portland's Future*

**PDC**  
PORTLAND DEVELOPMENT COMMISSION

Mark Rosenbaum  
*Commission Chair*

**DATE:** June 8, 2006

Bertha Ferrán  
*Commissioner*

**TO:** Mayor Potter  
Commissioner Adams  
Commissioner Leonard  
Commissioner Saltzman  
Commissioner Sten

Sal Kadri  
*Commissioner*

**CC:** PDC Board of Commissioners  
Cheryl Twete, PDC Director of Development  
Fred Wearn, PDC Senior Development Manager

Charles A. Wilhoite  
*Commissioner*

Tom Potter  
*Mayor*

**FROM:** Bruce Warner, Executive Director

**SUBJECT:** Oregon Convention Center Headquarters Hotel

Bruce A. Warner  
*Executive Director*

This memorandum will update you on the current status and next steps for the proposed Headquarters Hotel (HQ Hotel). I am keenly aware of the City Council's level of interest in this project, specifically concerns regarding the project's financial feasibility and opportunities for job creation and economic development. At our May 24<sup>th</sup> Commission Meeting, the Portland Development Commission (PDC) Board received a briefing on the status of our work since selection of the Garfield Traub/Ashforth Pacific team in October 2005. At this work session, my staff presented:

- Results of the latest market and economic analyses
- Cost and feasibility analysis of a range of privately owned hotel concepts
- Possible sources of public investment from a variety of public partners
- Potential next steps

Attached is a 2 page Summary of Major Findings from Economic and Feasibility Analysis and the Power Point presentation used during the Commission briefing on May 24, 2006.

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Economic and Market Impacts

The ECONorthwest economic impact analysis of the proposed HQ Hotel estimated that a 600 room HQ Hotel would generate:

- About \$104 million in annual business sales (a net present value of about \$1.4 billion over 20 years)
- About 1500 permanent jobs
- About \$3.8 million in annual fiscal revenues to local and state jurisdictions



In addition, a market study prepared by PKF Consulting indicated that the presence of a HQ Hotel would improve the Oregon Convention Center's share of national and international conventions. It also indicated that without a HQ Hotel, the Convention Center's share of these conventions would significantly decline.

#### Status of Development Negotiations

While the entire analysis of private ownership models is not yet complete, indications are that the funding gap, i.e., the difference between the total cost of the project and the total amount of funds that can be raised by the private sector, may be \$63 million to \$79 million. This funding gap exists despite the significant benefits to the region induced by the presence of the HQ Hotel, due primarily to the fact that there is no mechanism in place to generate some form of funding assistance for the Hotel from these benefits. We are exploring a range of potential funding tools that could be directed to the HQ Hotel gap as well as refining cost-effective design and programming alternatives. Our Commission remains very concerned regarding the magnitude of the gap.

After consideration of these issues, the PDC Board directed staff to report back to the Board in 90 to 120 days as to whether there is a financially and politically feasible solution. The Commission recognizes that it is time to make an informed and definitive decision on the HQ Hotel project because of the significant amount of PDC staff energy and resources as well as resources from Garfield Traub/Ashforth Pacific.

Given the significant financial benefits that the HQ Hotel would bring to the region, the PDC Board was clear in its desire to see greater participation and leadership from our public partners Metro, MERC, the Oregon Convention Center, City and the Portland Oregon Visitors Association.

Commission directed staff to work with our regional partners over the next 90 to 120 days on the following issues:

- Complete the analysis of the private ownership model, as outlined above
- Develop a public ownership model
- Conduct a legal analysis of the implications of the public ownership model
- Develop a greater understanding of the level of participation that our partners are willing to enter into in this project
- Report back to the PDC Board on the results of these activities and options for decision-makers

I would be happy to answer any questions or provide individual briefings at any time as we continue pre-development work on this challenging project during this summer.

fgw

Attachments: 2 Page Summary of Headquarters Hotel  
PowerPoint Presentation May 24, 2006 Commission Meeting

## **PORTLAND HEADQUARTERS HOTEL Summary of Major Findings from Economic and Feasibility Analysis**

### **I. MARKET AND ECONOMIC ANALYSIS**

#### **A. PKF Consulting: Market Study**

- Current hotel market in Portland is strong – occupancy in the Central City has risen from 64 percent to 74 percent since 2001.
- The OCC HQ Hotel size should be 600 rooms to capture the minimum 500-room block required by most large meeting planners.
- The OCC HQ Hotel should contain 41,000 sf. of ballroom and meeting space.
- HQ Hotel will be neutral or beneficial to competitor hotels.
- Approximately 104,000 net additional room nights should be captured annually by the addition of a headquarters hotel (61,000 convention-driven, 43,000 in-house group).
- Portland's competition for conventions (Denver, Phoenix, Vancouver, Seattle, and San Diego) is expanding convention centers and/or constructing new headquarter hotels. A HQ Hotel in Portland avoids OCC's falling further behind the competition and will prevent an erosion of convention volume and roomnights beginning as early as 2009.

#### **B. ECONorthwest: Review of Existing Research on Convention Industry, OCC, and Potential Portland HQ Hotel**

- Nationwide demand for convention and exhibition space is expected to grow at rates close to historical averages over the long run (about 2.5%/year) but the market will become increasingly competitive.
- The national/international meeting market represents the primary opportunity to increase use and economic impacts of the OCC.
- The lack of a HQ Hotel is the primary obstacle to attract more national/international conventions. Without a HQ Hotel, the OCC's share of the national/international market will decline. With a HQ Hotel, the share will increase.
- Use of the OCC has followed national trends, with a decline in the number of events in 2001–2002 followed by a recovery to pre-2001 levels in 2003–2004.

#### **C. ECONorthwest New Research and Analysis: Estimated Impact of Portland Headquarters Hotel**

- At stabilization a HQ Hotel will result in:
  - about \$49 million in estimated annual new expenditures by delegates, organizers, and exhibitors in Multnomah, Clackamas, and Washington Counties
- With multiplier effects, HQ Hotel will result in about:
  - \$104 million in estimated annual business sales; over 20 years estimated NPV of business sales is about \$1.4 billion
  - \$41 million in estimated annual personal income; over 20 years estimated NPV of personal income is about \$580 million
  - \$3.8 million in annual tax revenue
  - 1500 estimated full-time jobs created

## **II. HOTEL FEASIBILITY ANALYSIS**

### **A. 400 Room Hotel—2 Block Design Pre-Katrina—August 2005**

- Cost \$101 million; \$252,500 per key
- Financial Gap: \$35 million (higher if union-operated)

### **B. 500 Room Hotel—2 Block Design—March 2006**

- Cost \$147.5 million; \$295,000 per key
- Financial Gap: \$71 million (higher if union-operated)

### **C. 500 Room Hotel—Redesigned on 1 Block—April 2006**

- Cost \$133 million; \$266,000 per key
- Financial Gap: \$64 million (higher if union-operated)

### **D. 600 Room Hotel—Redesigned on 1 Block—April 2006**

- Cost \$150 million; \$250,000 per key
- Financial Gap: \$71 million (higher if union-operated)

### **E. 400 Room Hotel—Redesigned on 1 Block—May 2006**

- Estimate in progress

### **F. Evaluating Revised Pro Forma Assumptions**

- Examples: operator key money, cap rate, room rate, amortization period, retail income, more value engineering
- Might reduce the gap for a 600 unit hotel about \$10 million to \$61 million

## **III. POTENTIAL SOURCES OF PUBLIC INVESTMENT TO BRIDGE THE GAP**

**A.** Potential sources could include: additional tax increment financing, hotel occupancy tax on the HQ Hotel, guest room fee, Metro funding, enterprise zone tax abatement

**B.** Significant legal considerations in accessing these funds

**C.** Optimistically these sources could generate \$30 to \$40 million

## **IV. POTENTIAL NEXT STEPS**

**A.** Concurrently explore a public ownership model for the hotel to access additional public financing tools—Metro/MERC as possible owner

**B.** Evaluate the effect of adding a significant increase in retail to a privately-owned hotel—not considered highly likely to reduce gap sufficiently

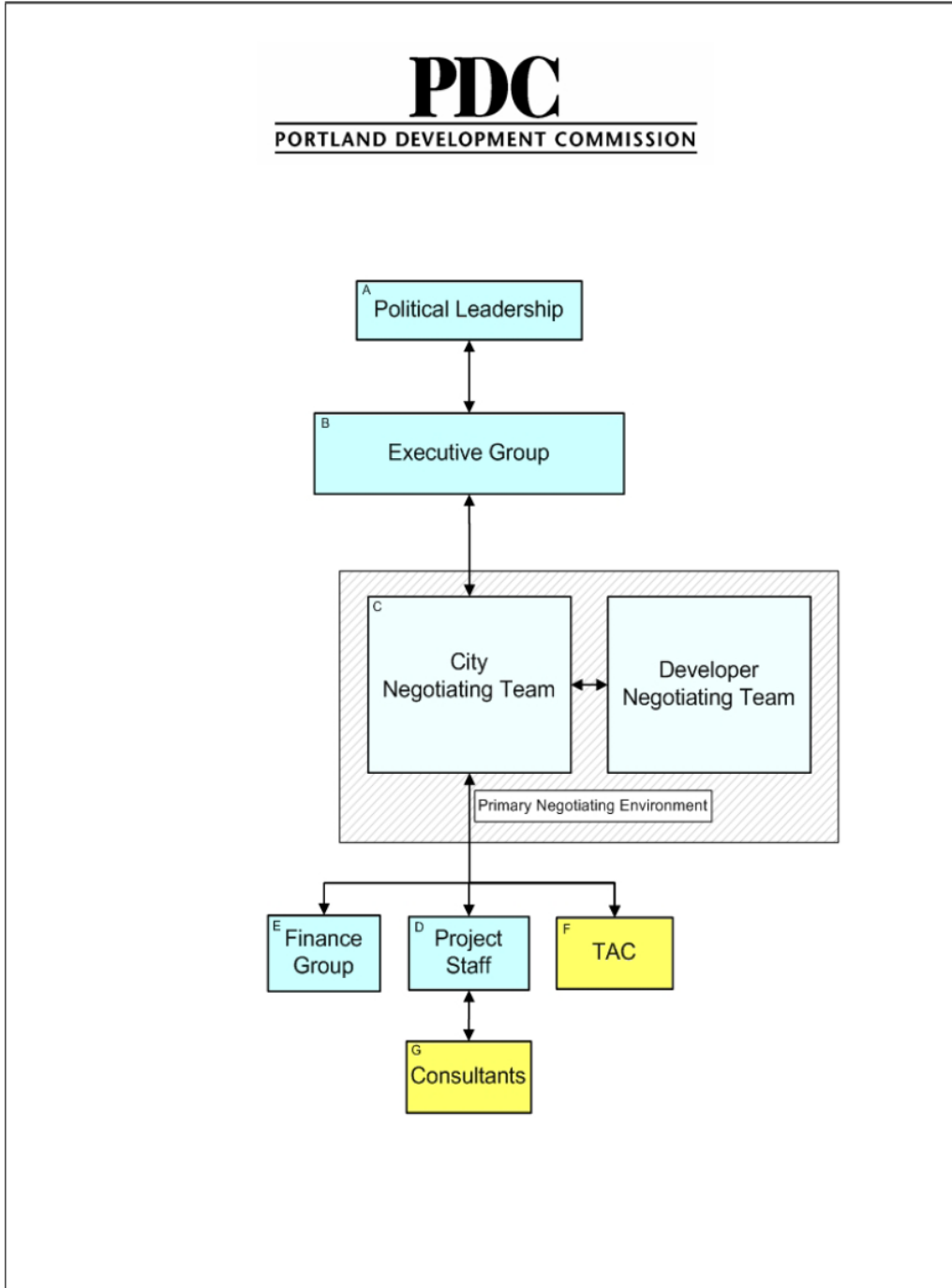
**C.** Pursue New Markets Tax Credits—will be highly competitive in next round

**D.** Request state funding in next legislative session—uncertain and will cause substantial delay

**Oregon Convention Center Headquarters Hotel  
Project Negotiation Structure**

Updated 2/15/06

The following diagram represents the component units, organization and relationships that will guide the HQ Hotel negotiation process. Following this diagram is a detailed list of roles and membership associated with each component.



## URA FUND SUMMARY

### Portland Development Commission Fund Summary - Includes Forecast Data

	<i>FY 2005-06 Revised</i>	<i>FY 2006-07 Adopted</i>	<i>FY 2007-08 Forecast</i>	<i>FY 2008-09 Forecast</i>	<i>FY2009-10 Forecast</i>	<i>FY 2010-11 Forecast</i>
<b>FUND: Convention Center URA 350</b>						
<b>RESOURCES</b>						
Tax Increment - S-T Debt	3,428,457	2,945,042	2,337,349	0	0	0
Tax Increment - L-T Debt	6,975,000	17,775,000	0	6,696,548	0	0
Loans - Principal Collection	998,000	677,621	76,896	76,896	0	0
Loans - Interest Earned	80,500	77,621	76,896	76,896	0	0
Reimbursement	183,822	50,000	0	0	0	0
Rent and Property Income	80,000	41,700	0	0	0	0
Interest - City Invest Pool	195,000	50,000	25,000	25,000	0	0
Real Property Sales	321,500	0	2,000,000	0	0	0
Budgeted Transfers	2,625,000	500,000	0	1,242,259	0	0
Beginning Fund Balance	9,981,194	5,295,609	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>24,868,473</b>	<b>27,412,593</b>	<b>4,516,141</b>	<b>8,117,599</b>	<b>0</b>	<b>0</b>
<b>REQUIREMENTS</b>						
<b>Project Expenditures (does not include Personal Services or Indirect Cost)</b>						
<b>Development</b>						
16209 - OCC Fin & Commun Outreach	15,000	0	0	0	0	0
16212 - OCC Fin & Commun Outreach	15,000	25,000	25,000	25,000	0	0
16217 - Lloyd Area Planning	20,000	50,000	150,000	100,000	0	0
16230 - Lloyd Transport Improve	648,402	1,330,000	500,000	500,000	500,000	0
16235 - Wayfinding/Signage	75,000	100,000	0	0	0	0
16237 - HQ Hotel	5,000,000	1,600,000	2,400,000	0	0	0
16241 - OCCURA DOS	155,119	125,000	125,000	100,000	0	0
25525 - MLK Improvements	300,000	1,325,000	0	0	0	0
25533 - Vanport Redevelopment	607,067	6,700,000	0	0	0	0
25535 - 3934 NE MLK Renovation	1,566,901	886,024	0	0	0	0
25536 - 3510 NE MLK Fremont Redev	2,758,142	271,760	0	0	0	0
25605 - MLK Commercial Site Dev	70,000	220,000	20,000	20,000	0	0
25606 - Lloyd Commercial Develop	85,000	85,000	85,000	85,000	0	0
<b>Development Total</b>	<b>11,315,631</b>	<b>12,717,784</b>	<b>3,305,000</b>	<b>830,000</b>	<b>500,000</b>	<b>0</b>
<b>Economic Development</b>						
25521 - OCC Storefront Grants	282,417	392,450	250,000	250,000	0	0
70016 - OCC Business Finance Tools	2,667,812	1,926,000	1,100,000	1,000,000	0	0
70241 - OCC Business Retention	29,200	128,800	100,000	100,000	0	0
70268 - OCC Business Development	0	1,000,000	0	0	0	0
<b>Economic Development Total</b>	<b>2,979,429</b>	<b>3,447,250</b>	<b>1,450,000</b>	<b>1,350,000</b>	<b>0</b>	<b>0</b>
<b>Housing</b>						
16203 - MFH Lloyd District	0	6,000	0	0	0	0
19031 - Piedmont Place	8,000	0	0	0	0	0
19032 - Piedmont Place II	118,446	573,469	1,050,415	214,721	0	0
25203 - North OCC Housing	1,341,146	0	0	0	0	0
37921 - Lloyd Hs Policy/Planning	0	5,000	0	0	0	0
80001 - Bee Car Rental	5,000	0	0	0	0	0
80003 - Lloyd Cascadian Phase II	25,000	0	0	0	0	0
80006 - MFH Lloyd Opportunities	35,000	185,000	0	0	0	0
80007 - MFH Preservation	0	1,300,000	0	0	0	0
80026 - Grant Warehouse EPA Grant	500,000	2,104,000	0	0	0	0
80029 - Affordable Homeownership	0	1,000,000	0	0	0	0
80030 - BES PBS Grant Site	32,822	0	0	0	0	0
<b>Housing Total</b>	<b>2,065,414</b>	<b>5,173,469</b>	<b>1,050,415</b>	<b>214,721</b>	<b>0</b>	<b>0</b>
<b>Finance</b>						
57159 - OCC Debt Mgmt & Finance	17,579	22,419	0	0	0	0
<b>Finance Total</b>	<b>17,579</b>	<b>22,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Project Expenditures</b>	<b>16,378,053</b>	<b>21,360,922</b>	<b>5,805,415</b>	<b>2,394,721</b>	<b>500,000</b>	<b>0</b>
<b>Operating Transfers Out</b>	<b>26,349</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Personal Services</b>	<b>773,460</b>	<b>935,159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indirect Cost</b>	<b>3,395,002</b>	<b>3,393,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contingency/Reserves</b>	<b>4,295,609</b>	<b>1,723,226</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REQUIREMENTS</b>	<b>24,868,473</b>	<b>27,412,593</b>	<b>5,805,415</b>	<b>2,394,721</b>	<b>500,000</b>	<b>0</b>

Potential Schedule:

