

GEORGIA WORLD CONGRESS CENTER AUTHORITY

BONDING CAPACITY – SURROUNDING COUNTIES

PRELIMINARY DRAFT – SUBJECT TO REVISION

PRESENTED BY:



September 23, 2010

CONFIDENTIAL





I. EXECUTIVE SUMMARY

I. EXECUTIVE SUMMARY

Introduction

- Barrett Sports Group, LLC (BSG) is Pleased to Present our Preliminary Findings to the Georgia World Congress Center Authority (Authority)
- The Authority is Interested in Better Understanding the Bonding Capacity for Selected Funding Sources for Surrounding Counties as Part of its Due Diligence Process
- The Authority Retained BSG to Estimate the Bonding Capacity for the Following Counties
 - ✓ Cobb County
 - ✓ DeKalb County
 - ✓ Gwinnett County
 - ✓ Clayton County
- Information Contained Herein has been Obtained from Sources Believed to be Reliable. Figures have not been Audited or Further Verified. Figures Provided are Subject to Accounting/Reporting Policies and Interpretation.
- Due to Confidentiality Concerns/Restrictions, Interviews Have Not Been Completed with Finance Directors or Other Senior Finance Officials for Individual Communities – Additional Verification Required

I. EXECUTIVE SUMMARY

Introduction

- Due to Confidentiality Concerns/Restrictions, Analysis Does Not Address Legislative or Other Requirements Associated with Increasing or Introducing Potential Taxes Described Herein
- It is Important to Note that Sales Tax Increases Must Be Levied in 1.00% Increments and are Subject to State Law Limits
 - ✓ 4.00% Maximum State Tax
 - ✓ 2.00% Maximum Local Tax
 - ✓ Other Local Exemptions (e.g., Education, Public Transportation, etc.)

I. EXECUTIVE SUMMARY

Key Assumptions

➤ Bond Financing

- ✓ Tax-Exempt/Taxable Status
- ✓ Must Consider Credit Enhancement and Impact on Bonding Capacity and Rating
- ✓ Credit Enhancement by Local Jurisdiction Assumed for Debt Coverage Purposes (Higher Debt Coverage May Be Required Given Current Market Conditions)

	SCENARIO A	SCENARIO B	SCENARIO C
Tax Revenue Growth Rate	2.00%	2.00%	2.00%
Debt Service Coverage			
Public Funding Sources	1.25	1.25	1.25
Stadium Funding Sources	1.50	1.50	1.50
Tax Exempt Interest Rate			
Public Funding Sources	6.00%	5.50%	5.00%
Taxable Interest Rate			
Stadium Funding Sources	7.50%	7.00%	6.50%
Costs of Issuance	1.50%	1.50%	1.50%
Bond Insurance	0.00%	0.00%	0.00%
Debt Service Reserve Fund	Yes	Yes	Yes
Debt Service Reserve Fund Interest Earnings	3.00%	3.00%	3.00%
Surety	NA	NA	NA
Construction Period Interest Earnings	NA	NA	NA
Capitalized Interest (Years)	0	0	0
Final Maturity (Years)	30	30	30

I. EXECUTIVE SUMMARY

Potential Funding Sources

➤ Summary Information for Surrounding Counties (Reflects Scenario B – 2% Growth Assumed)

	Cobb County	DeKalb County	Gwinnett County	Clayton County
Hotel/Motel Tax				
Rate Increase	1.00%	1.00%	1.00%	1.00%
Gross Bond Proceeds	\$17,600,000	\$12,600,000	\$12,100,000	\$2,700,000
Net Bond Proceeds	\$15,600,000	\$11,200,000	\$10,700,000	\$2,400,000
Car Rental Tax				
Rate Increase	NA	5.00%	5.00%	NA
Gross Bond Proceeds	NA	\$15,200,000	\$21,900,000	NA
Net Bond Proceeds	NA	\$13,500,000	\$19,500,000	NA
Restaurant Tax				
Rate Increase	0.50%	0.50%	0.50%	0.50%
Gross Bond Proceeds	\$73,400,000	\$65,000,000	\$75,400,000	\$28,400,000
Net Bond Proceeds	\$65,100,000	\$57,600,000	\$66,900,000	\$25,200,000
Sales Tax - (1)				
Rate Increase	0.10%	0.10%	0.10%	0.10%
Gross Bond Proceeds	\$172,300,000	\$132,300,000	\$181,600,000	\$80,100,000
Net Bond Proceeds	\$152,900,000	\$117,400,000	\$161,200,000	\$71,100,000

(1) Sales tax increases must be levied in 1.00% increments - subject to State law limits.

I. EXECUTIVE SUMMARY

Potential Funding Sources

- Summary Information for Surrounding Counties (Reflects Scenario B – 0% Growth Assumed)

	Cobb County	DeKalb County	Gwinnett County	Clayton County
Hotel/Motel Tax				
Rate Increase	1.00%	1.00%	1.00%	1.00%
Gross Bond Proceeds	\$13,800,000	\$9,900,000	\$9,500,000	\$2,100,000
Net Bond Proceeds	\$12,700,000	\$9,100,000	\$8,700,000	\$2,000,000
Car Rental Tax				
Rate Increase	NA	5.00%	5.00%	NA
Gross Bond Proceeds	NA	\$11,900,000	\$17,200,000	NA
Net Bond Proceeds	NA	\$10,900,000	\$15,700,000	NA
Restaurant Tax				
Rate Increase	0.50%	0.50%	0.50%	0.50%
Gross Bond Proceeds	\$57,600,000	\$51,000,000	\$59,100,000	\$22,300,000
Net Bond Proceeds	\$52,700,000	\$46,700,000	\$54,100,000	\$20,500,000
Sales Tax - (1)				
Rate Increase	0.10%	0.10%	0.10%	0.10%
Gross Bond Proceeds	\$135,100,000	\$103,700,000	\$144,100,000	\$62,800,000
Net Bond Proceeds	\$123,800,000	\$95,000,000	\$132,000,000	\$57,600,000

(1) Sales tax increases must be levied in 1.00% increments - subject to State law limits.



II. POTENTIAL FUNDING SOURCES

II. POTENTIAL FUNDING SOURCES

General Trends in Stadium/Arena Facility Finance and Construction

- Market Conditions and Political Environment Play Critical Role in Developing Financing Structure
- Increasingly Difficult to Fund Construction of Sports Facilities – Public Resistance/High Costs
- Combination of Both Public and Private Participation is Cornerstone of Current Financing Structures
- Planning and Construction of Public Facilities Can Take Many Years Due to Typical Construction Risks, Voter Approval, Political Debate, etc.
- Public Sector Participation can come in Numerous Forms:
 - ✓ Equity Investment
 - ✓ New or Increased Taxes
 - ✓ Tax Rebates (Property, Payroll, Etc.)
 - ✓ Conduit Financing
 - ✓ Credit Enhancement/Guarantees

II. POTENTIAL FUNDING SOURCES

Public Sector Participation

- Municipalities may Generate Wide Assortment of Revenues that Could Potentially be Used to Fund Development of Sports Facilities
- Feasibility of Introducing, Increasing, or Redirecting Revenue from Taxes and Fees Depends on Unique Political/Tax Environment
- Typically, Revenue Streams Shown to Benefit from Facility's Development and Operation will be More Successful in Gaining Public Support
- Taxes and Fees Levied on Selected Group may Receive Less Resistance (e.g. Hotel Tax, Car Rental Tax)

II. POTENTIAL FUNDING SOURCES

Public Sector Funding Sources

- State and Local Governments may Generate a Wide Assortment of Revenue that can Potentially be Used to Fund the Development of Stadiums/Arenas
 - ✓ General Sales and Use Taxes
 - ✓ Hotel/Motel Taxes
 - ✓ Car Rental Taxes
 - ✓ Restaurant Sales Taxes
 - ✓ Excise/Sin Taxes (Liquor, Tobacco)
 - ✓ Utility Taxes
 - ✓ Tourist Development Taxes
 - ✓ Real Estate/Possessory Interest Taxes
 - ✓ Admission Taxes
 - ✓ Ticket Surcharges
 - ✓ Parking Taxes
 - ✓ Parking Surcharges
 - ✓ Lottery and Gaming Revenues
 - ✓ Player Income Taxes
 - ✓ Non-Tax Fees (Liquor Sale Permits, etc.)
 - ✓ General Appropriations
 - ✓ Land Leases
 - ✓ Other Public Funds

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

- Illustrated Herein is a Summary of Selected Public Revenue Streams for the Following Counties
 - ✓ Cobb County
 - ✓ DeKalb County
 - ✓ Gwinnett County
 - ✓ Clayton County
- Information Contained Herein has been Obtained from Sources Believed to be Reliable. Figures have not been Audited or Further Verified. Figures Provided are Subject to Accounting/Reporting Policies and Interpretation.
- Due to Confidentiality Concerns/Restrictions, Interviews have Not been Completed with Finance Directors or Other Senior Finance Officials for Individual Communities – Additional Verification Required
- Due to Confidentiality Concerns/Restrictions, Analysis Does Not Address Legislative or Other Requirements Associated with Increasing or Introducing Potential Taxes Described Herein

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

➤ Key Assumptions

	SCENARIO A	SCENARIO B	SCENARIO C
Tax Revenue Growth Rate	2.00%	2.00%	2.00%
Debt Service Coverage			
Public Funding Sources	1.25	1.25	1.25
Stadium Funding Sources	1.50	1.50	1.50
Tax Exempt Interest Rate			
Public Funding Sources	6.00%	5.50%	5.00%
Taxable Interest Rate			
Stadium Funding Sources	7.50%	7.00%	6.50%
Costs of Issuance	1.50%	1.50%	1.50%
Bond Insurance	0.00%	0.00%	0.00%
Debt Service Reserve Fund	Yes	Yes	Yes
Debt Service Reserve Fund Interest Earnings	3.00%	3.00%	3.00%
Surety	NA	NA	NA
Construction Period Interest Earnings	NA	NA	NA
Capitalized Interest (Years)	0	0	0
Final Maturity (Years)	30	30	30

II. POTENTIAL FUNDING SOURCES

Cobb County

County General Obligation Credit Ratings

S&P Rating: AAA

Moody's Rating: Aaa

Fitch Rating: AAA

Demographic Overview

Sept. 30, 2009 Population (1)	705.1
2010 Population (000s)	713.5
2015 Population (000s)	761.6
Est. % Growth 2010-2015	6.74%
2010 Households (000s)	263.5
2015 Households (000s)	280.1
Est. % Growth 2010-2015	6.31%
Average Household Income	87,842
Median Household Income	68,543
Per Capita Income	32,842
HHs w/ Income \$100,000+ (000s)	77.4
Average Age	36.0
Median Age	36.6
Unemployment Rate	3.99%
Companies w/ 500+ Employees	22
Companies w/ \$50+ Million Sales	41

(1) - Provided by County

Source: Claritas 2010, Unless Otherwise Noted.

Financial Overview

County Financial Information as of Sept. 30, 2009
(\$000s except Per Capita figures)

Sept. 30, 2009 Population	705.1
Personal Income	\$26,482,600
Personal Income per Capita	\$37,557
Gross General Obligation Debt	\$60,300
Less: Debt Service Fund Balance	\$6,618
Net General Obligation Debt	\$53,682
Other Primary Government Debt	\$255,183
Total Primary Government Debt	\$315,483
Net General Obligation Debt Per Capita	\$76.13
Total Primary Government Debt Per Capita	\$447.40
Total Debt as Percentage of Personal Income	1.19%
Assessed Value	\$33,757,594
Debt Limit @10%	\$3,375,759
Applicable Debt	\$53,682
Legal Debt Margin	\$3,322,077
Applicable Debt to Legal Debt Limit	1.59%

Source: County Comprehensive Annual Financial Report 2009.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Cobb County

Cobb County Hotel Tax		
Current Rate		14.00%
Sales Tax	6.00%	
Hotel/Motel Tax	8.00%	
Cobb County (FY 2009)		
Sales Subject to Hotel/Motel Tax	\$116,250,000	
Hotel/Motel Tax Collections	\$9,300,000	
Potential Tax Revenue Per Increase		
Increase @: 1.00%	\$1,160,000	
Increase @: 2.00%	\$2,330,000	
Potential Bond Proceeds Per Increase - (1)		
Increase @: 1.00%	\$15,600,000	
Increase @: 2.00%	\$31,400,000	

(1) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Cobb County

- Hotel/Motel Tax Increase @ 1.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$16,600,000	\$17,600,000	\$18,700,000
Less: Debt Service Reserve Fund	\$1,700,000	\$1,700,000	\$1,700,000
Less: Cost of Issuance	\$200,000	\$300,000	\$300,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$14,700,000	\$15,600,000	\$16,700,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Cobb County

Cobb County Restaurant Tax		
Current Rate		6.00%
Sales Tax	6.00%	
Cobb County		
Estimated Restaurant Sales (2007 Economic Census)	\$1,163,564,000	
Estimated Restaurant Sales (2009 Claritas)	\$1,288,400,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$2,420,000	
Increase @: 0.50%	\$4,830,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$32,600,000	
Increase @: 0.50%	\$65,100,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Cobb County

- Restaurant Tax Increase @ 0.50%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$69,000,000	\$73,400,000	\$78,100,000
Less: Debt Service Reserve Fund	\$6,900,000	\$7,200,000	\$7,200,000
Less: Cost of Issuance	\$1,000,000	\$1,100,000	\$1,200,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$61,100,000	\$65,100,000	\$69,700,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Cobb County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

Cobb County Sales Tax		
Current Rate		6.00%
State of Georgia	4.00%	
Cobb County	2.00%	
Cobb County (FY 2009) - (1)		
Sales Subject to Sales Tax - County	\$11,340,000,000	
Sales Tax Collections - SPLOST	\$113,400,000	
Potential Tax Revenue Per Increase		
Increase @: 0.10%	\$11,340,000	
Increase @: 0.25%	\$28,350,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.10%	\$152,900,000	
Increase @: 0.25%	\$382,200,000	

(1) Based on 1.0% SPLOST.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Cobb County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

- Sales Tax Increase @ 0.10%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$161,900,000	\$172,300,000	\$183,400,000
Less: Debt Service Reserve Fund	\$16,200,000	\$16,800,000	\$16,800,000
Less: Cost of Issuance	\$2,400,000	\$2,600,000	\$2,800,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$143,300,000	\$152,900,000	\$163,800,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

DeKalb County (Excludes Overlapping Debt)

County General Obligation Credit Ratings

S&P Rating:	AAA
Moody's Rating:	Aaa
Fitch Rating:	Not Available

Demographic Overview

Dec. 31, 2008 Population (1)	727.6
2010 Population (000s)	751.4
2015 Population (000s)	788.7
Est. % Growth 2010-2015	4.96%
2010 Households (000s)	277.5
2015 Households (000s)	289.9
Est. % Growth 2010-2015	4.48%
Average Household Income	72,540
Median Household Income	55,462
Per Capita Income	27,097
HHs w/ Income \$100,000+ (000s)	56.2
Average Age	36.4
Median Age	36.9
Unemployment Rate	6.47%
Companies w/ 500+ Employees	43
Companies w/ \$50+ Million Sales	52

(1) - Provided by County

Source: Claritas 2010, Unless Otherwise Noted.

Financial Overview

County Financial Information as of Dec. 31, 2008
(\$000s except Per Capita figures)

Dec. 31, 2008 Population	727.6
Personal Income	\$23,540,770
Personal Income per Capita	\$32,354
Gross General Obligation Debt	\$381,380
Less: Debt Service Fund Balance	\$8,739
Net General Obligation Debt	\$372,641
Other Primary Government Debt	\$680,096
Total Primary Government Debt	\$1,052,737
Net General Obligation Debt Per Capita	\$512.15
Total Primary Government Debt Per Capita	\$1,446.86
Total Debt as Percentage of Personal Income	4.47%
Assessed Value	\$27,887,000
Debt Limit @10%	\$2,788,700
Applicable Debt	\$372,641
Legal Debt Margin	\$2,416,059
Applicable Debt to Legal Debt Limit	13.36%

Source: County Comprehensive Annual Financial Report 2008.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – DeKalb County

DeKalb County		
Hotel Tax		
Current Rate		12.00%
Sales Tax	7.00%	
Hotel/Motel Tax - (1)	5.00%	
DeKalb County (FY 2009 - Estimated)		
Sales Subject to Hotel/Motel Tax	\$83,300,000	
Hotel/Motel Tax Collections - County	\$2,500,000	
Potential Tax Revenue Per Increase		
Increase @: 1.00%	\$830,000	
Increase @: 2.00%	\$1,670,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 1.00%	\$11,200,000	
Increase @: 2.00%	\$22,500,000	

(1) 2.0% is dedicated to DeKalb County Convention and Visitor's Bureau.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – DeKalb County

- Hotel/Motel Tax Increase @ 1.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$11,800,000	\$12,600,000	\$13,400,000
Less: Debt Service Reserve Fund	\$1,200,000	\$1,200,000	\$1,200,000
Less: Cost of Issuance	\$200,000	\$200,000	\$200,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$10,400,000	\$11,200,000	\$12,000,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Car Rental Tax – DeKalb County

DeKalb County		
Car Rental Tax		
Current Rate		10.00%
Sales Tax	7.00%	
Car Rental Tax	3.00%	
Other	To be Confirmed	
DeKalb County (FY 2009 - Estimated)		
Sales Subject to Car Rental Tax	\$20,000,000	
Car Rental Tax Collections - County	\$600,000	
Potential Tax Revenue Per Increase		
Increase @: 2.50%	\$500,000	
Increase @: 5.00%	\$1,000,000	
Potential Bond Proceeds Per Increase - (1)		
Increase @: 2.50%	\$6,800,000	
Increase @: 5.00%	\$13,500,000	

(1) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Car Rental Tax – DeKalb County

- Car Rental Tax Increase @ 5.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$14,300,000	\$15,200,000	\$16,200,000
Less: Debt Service Reserve Fund	\$1,400,000	\$1,500,000	\$1,500,000
Less: Cost of Issuance	\$200,000	\$200,000	\$200,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$12,700,000	\$13,500,000	\$14,500,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – DeKalb County

DeKalb County Restaurant Tax		
Current Rate		7.00%
Sales Tax	7.00%	
DeKalb County		
Estimated Restaurant Sales (2007 Economic Census)	\$962,885,000	
Estimated Restaurant Sales (2009 Claritas)	\$1,140,800,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$2,140,000	
Increase @: 0.50%	\$4,280,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$28,800,000	
Increase @: 0.50%	\$57,600,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – DeKalb County

- Restaurant Tax Increase @ 0.50%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$61,100,000	\$65,000,000	\$69,200,000
Less: Debt Service Reserve Fund	\$6,100,000	\$6,400,000	\$6,400,000
Less: Cost of Issuance	\$900,000	\$1,000,000	\$1,000,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$54,100,000	\$57,600,000	\$61,800,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – DeKalb County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

DeKalb County		
Sales Tax		
Current Rate		7.00%
State of Georgia	4.00%	
DeKalb County	3.00%	
DeKalb County (FY 2009) - (1)		
Sales Subject to Sales Tax - County	\$8,743,000,000	
Sales Tax Collections - Homestead	\$87,430,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.10%	\$8,700,000	
Increase @: 0.25%	\$21,900,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.10%	\$117,400,000	
Increase @: 0.25%	\$295,300,000	

(1) Based on 1.0% HOST.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – DeKalb County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

- Sales Tax Increase @ 0.10%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$124,300,000	\$132,300,000	\$140,800,000
Less: Debt Service Reserve Fund	\$12,400,000	\$12,900,000	\$12,900,000
Less: Cost of Issuance	\$1,900,000	\$2,000,000	\$2,100,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$110,000,000	\$117,400,000	\$125,800,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Gwinnett County

County General Obligation Credit Ratings

S&P Rating:	AAA
Moody's Rating:	Aaa
Fitch Rating:	AAA

Demographic Overview

Dec. 31, 2009 Population (1)	808.2
2010 Population (000s)	822.1
2015 Population (000s)	929.3
Est. % Growth 2010-2015	13.05%
2010 Households (000s)	274.7
2015 Households (000s)	307.8
Est. % Growth 2010-2015	12.04%
Average Household Income	80,345
Median Household Income	66,542
Per Capita Income	27,065
HHs w/ Income \$100,000+ (000s)	69.0
Average Age	34.0
Median Age	34.4
Unemployment Rate	5.11%
Companies w/ 500+ Employees	24
Companies w/ \$50+ Million Sales	57

(1) - Provided by County

Source: Claritas 2010, Unless Otherwise Noted.

Financial Overview

County Financial Information as of Dec. 31, 2009
(\$000s except Per Capita figures)

Dec. 31, 2009 Population	808.2
Personal Income	NA
Personal Income per Capita	NA
Gross General Obligation Debt	\$74,845
Less: Debt Service Fund Balance	\$23,952
Net General Obligation Debt	\$50,893
Other Primary Government Debt	\$1,224,124
Total Primary Government Debt	\$1,275,017
Net General Obligation Debt Per Capita	\$62.97
Total Primary Government Debt Per Capita	\$1,577.67
Total Debt as Percentage of Personal Income	NA
Assessed Value	\$29,000,000
Debt Limit @10%	\$2,900,000
Applicable Debt	\$50,893
Legal Debt Margin	\$2,849,107
Applicable Debt to Legal Debt Limit	1.75%

Source: County Comprehensive Annual Financial Report 2009.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Gwinnett County

Gwinnett County Hotel Tax		
Current Rate		13.00%
Sales Tax	6.00%	
Hotel/Motel Tax	7.00%	
Gwinnett County (FY 2009)		
Sales Subject to Hotel/Motel Tax	\$80,290,000	
Hotel/Motel Tax Collections - County	\$5,620,000	
Potential Tax Revenue Per Increase		
Increase @: 1.00%	\$800,000	
Increase @: 2.00%	\$1,610,000	
Potential Bond Proceeds Per Increase - (1)		
Increase @: 1.00%	\$10,700,000	
Increase @: 2.00%	\$21,700,000	

(1) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Gwinnett County

- Hotel/Motel Tax Increase @ 1.00%

	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$11,400,000	\$12,100,000	\$12,900,000
Less: Debt Service Reserve Fund	\$1,100,000	\$1,200,000	\$1,200,000
Less: Cost of Issuance	\$200,000	\$200,000	\$200,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$10,100,000	\$10,700,000	\$11,500,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Car Rental Tax – Gwinnett County

Gwinnett County Car Rental Tax		
Current Rate		9.00%
Sales Tax	6.00%	
Car Rental Tax	3.00%	
Other	To be Confirmed	
Gwinnett County (FY 2009)		
Sales Subject to Car Rental Tax	\$28,866,667	
Car Rental Tax Collections - County	\$866,000	
Potential Tax Revenue Per Increase		
Increase @: 2.50%	\$720,000	
Increase @: 5.00%	\$1,440,000	
Potential Bond Proceeds Per Increase - (1)		
Increase @: 2.50%	\$9,700,000	
Increase @: 5.00%	\$19,500,000	

(1) Assumes 2.0% escalation in tax revenue.

Note: New minor league baseball stadium is partially supported by car rental tax.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Car Rental Tax – Gwinnett County

- Car Rental Tax Increase @ 5.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$20,600,000	\$21,900,000	\$23,300,000
Less: Debt Service Reserve Fund	\$2,100,000	\$2,100,000	\$2,100,000
Less: Cost of Issuance	\$300,000	\$300,000	\$300,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$18,200,000	\$19,500,000	\$20,900,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Gwinnett County

Gwinnett County Restaurant Tax		
Current Rate		6.00%
Sales Tax	6.00%	
Gwinnett County		
Estimated Restaurant Sales (2007 Economic Census)	\$1,121,166,000	
Estimated Restaurant Sales (2009 Claritas)	\$1,322,700,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$2,480,000	
Increase @: 0.50%	\$4,960,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$33,400,000	
Increase @: 0.50%	\$66,900,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Gwinnett County

- Restaurant Tax Increase @ 0.50%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$70,800,000	\$75,400,000	\$80,200,000
Less: Debt Service Reserve Fund	\$7,100,000	\$7,400,000	\$7,400,000
Less: Cost of Issuance	\$1,100,000	\$1,100,000	\$1,200,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$62,600,000	\$66,900,000	\$71,600,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Gwinnett County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

Gwinnett County Sales Tax		
Current Rate		6.00%
State of Georgia	4.00%	
Gwinnett County	2.00%	
Gwinnett County (FY 2009) - (1)		
Sales Subject to Sales Tax - County	\$12,090,000,000	
Sales Tax Collections - SPLOST	\$120,900,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.10%	\$12,090,000	
Increase @: 0.25%	\$30,230,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.10%	\$161,200,000	
Increase @: 0.25%	\$403,000,000	

(1) Based on 1.0% SPLOST.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Gwinnett County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

- Sales Tax Increase @ 0.10%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$161,900,000	\$172,300,000	\$183,400,000
Less: Debt Service Reserve Fund	\$16,200,000	\$16,800,000	\$16,800,000
Less: Cost of Issuance	\$2,400,000	\$2,600,000	\$2,800,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$143,300,000	\$152,900,000	\$163,800,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Clayton County

County General Obligation Credit Ratings

S&P Rating:	Not Available
Moody's Rating:	Not Available
Fitch Rating:	Not Available

Demographic Overview

June 30, 2008 Population (1)	273.7
2010 Population (000s)	278.4
2015 Population (000s)	295.9
Est. % Growth 2010-2015	6.31%
2010 Households (000s)	94.1
2015 Households (000s)	99.1
Est. % Growth 2010-2015	5.28%
Average Household Income	54,343
Median Household Income	45,545
Per Capita Income	18,633
HHs w/ Income \$100,000+ (000s)	8.7
Average Age	33.6
Median Age	33.1
Unemployment Rate	6.93%
Companies w/ 500+ Employees	7
Companies w/ \$50+ Million Sales	8

(1) - Provided by County

Source: Claritas 2010, Unless Otherwise Noted.

Financial Overview

County Financial Information as of June 30, 2008
(\$000s except Per Capita figures)

June 30, 2008 Population	273.7
Personal Income	\$5,979,930
Personal Income per Capita	\$21,849
Gross General Obligation Debt	\$0
Less: Debt Service Fund Balance	\$0
Net General Obligation Debt	\$0
Other Primary Government Debt	\$33,379
Total Primary Government Debt	\$33,379
Net General Obligation Debt Per Capita	\$0.00
Total Primary Government Debt Per Capita	\$121.96
Total Debt as Percentage of Personal Income	0.56%
Assessed Value	\$8,430,999
Debt Limit @10%	\$843,100
Applicable Debt	\$0
Legal Debt Margin	\$843,100
Applicable Debt to Legal Debt Limit	0.00%

Source: County Comprehensive Annual Financial Report 2008.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Clayton County

Clayton County Hotel Tax		
Current Rate		13.00%
Sales Tax	7.00%	
Hotel/Motel Tax	6.00%	
Clayton County (FY 2009)		
Sales Subject to Hotel/Motel Tax	\$18,000,000	
Hotel/Motel Tax Collections - County	\$1,080,000	
Potential Tax Revenue Per Increase		
Increase @: 1.00%	\$180,000	
Increase @: 2.00%	\$360,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 1.00%	\$2,400,000	
Increase @: 2.00%	\$4,900,000	

(1) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Hotel/Motel Tax – Clayton County

- Hotel/Motel Tax Increase @ 1.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$2,600,000	\$2,700,000	\$2,900,000
Less: Debt Service Reserve Fund	\$300,000	\$300,000	\$300,000
Less: Cost of Issuance	\$0	\$0	\$0
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$2,300,000	\$2,400,000	\$2,600,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Clayton County

Clayton County Restaurant Tax		
Current Rate		7.00%
Sales Tax	7.00%	
Clayton County		
Estimated Restaurant Sales (2007 Economic Census)	\$321,384,000	
Estimated Restaurant Sales (2009 Claritas)	\$499,600,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$940,000	
Increase @: 0.50%	\$1,870,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$12,700,000	
Increase @: 0.50%	\$25,200,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Restaurant Tax – Clayton County

- Restaurant Tax Increase @ 0.50%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$26,700,000	\$28,400,000	\$30,300,000
Less: Debt Service Reserve Fund	\$2,700,000	\$2,800,000	\$2,800,000
Less: Cost of Issuance	\$400,000	\$400,000	\$500,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$23,600,000	\$25,200,000	\$27,000,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Clayton County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

Clayton County Sales Tax		
Current Rate		7.00%
State of Georgia	4.00%	
Cobb County	3.00%	
Clayton County (FY 2009) - (1)		
Sales Subject to Sales Tax - County	\$5,272,746,800	
Sales Tax Collections - SPLOST	\$52,727,468	
Potential Tax Revenue Per Increase		
Increase @: 0.10%	\$5,270,000	
Increase @: 0.25%	\$13,180,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.10%	\$71,100,000	
Increase @: 0.25%	\$177,700,000	

(1) Based on 1.0% SPLOST - to be confirmed.

(2) Assumes 2.0% escalation in tax revenue.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Sales Tax – Clayton County

(Sales Tax Increases Must be Levied in 1.0% Increments – Subject to State Law Limits)

- Sales Tax Increase @ 0.10%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
Total Par Amount - (1)	\$75,200,000	\$80,100,000	\$85,300,000
Less: Debt Service Reserve Fund	\$7,500,000	\$7,800,000	\$7,800,000
Less: Cost of Issuance	\$1,100,000	\$1,200,000	\$1,300,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
Net Proceeds Available for Construction	\$66,600,000	\$71,100,000	\$76,200,000

(1) Credit enhancement required.

II. POTENTIAL FUNDING SOURCES

Potential Funding Sources

Other

- Admissions Tax
- Alcohol Tax/Beer Tax (“By the Drink Tax”)
 - ✓ 3.0% Tax on Distilled Spirits Only (Excludes Beer and Wine)
 - ✓ Tax Imposed in Cobb County; DeKalb County; Gwinnett County; City of Atlanta
 - ✓ Current City of Atlanta 5 Year Plan Revenue Initiatives Include Additional “By the Drink” Taxation (2.0% Increase)
- Other
 - ✓ Cigarette Tax
 - ✓ Resident Payroll Tax
 - ✓ Player/Entertainer Tax
 - ✓ Soft Drink Tax
 - ✓ Sports Lottery

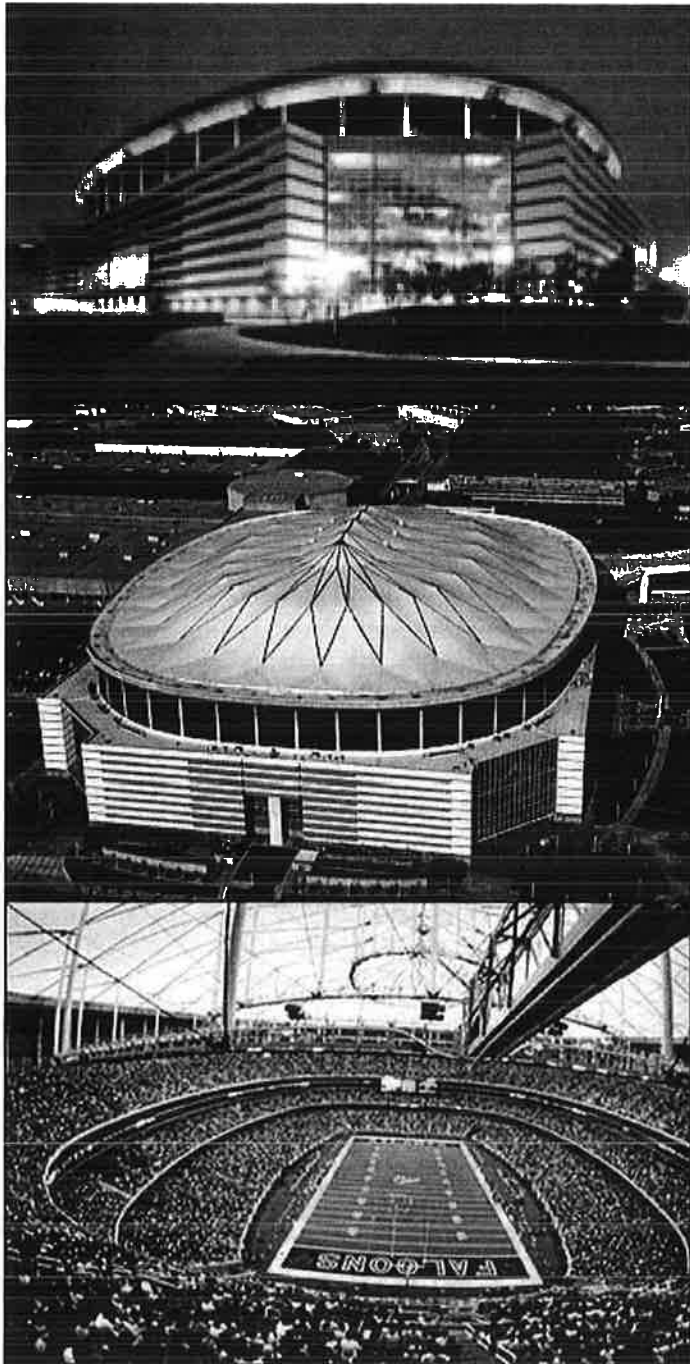


Limiting Conditions and Assumptions

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This analysis is subject to our contractual terms, as well as the following limiting conditions and assumptions:

- ✓ The analysis has been prepared for internal decision making purposes of the Georgia World Congress Center Authority (the Client) only and shall not be used for any other purposes without the prior written permission of Barrett Sports Group, LLC.
- ✓ The analysis includes findings and recommendations; however, all decisions in connection with the implementation of such findings and recommendations shall be Client's responsibility.
- ✓ Ownership and management of the stadium are assumed to be in competent and responsible hands. Ownership and management can materially impact the findings of this analysis.
- ✓ Any estimates of historical or future prices, revenues, rents, expenses, occupancy, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the analysts. They represent only the judgment of the authors based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.
- ✓ Our work has been based in part on review and analysis of information provided by unrelated sources which are believed accurate, but cannot be assured to be accurate. No audit or other verification has been completed.
- ✓ Current and anticipated market conditions are influenced by a large number of external factors. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the operating potential of the facility. Due to rapid changes in the external factors, the actual results may vary significantly from estimates presented in this report.
- ✓ The analysts reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.
- ✓ The analysis is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the analysis.
- ✓ Possession of the analysis does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Other parties should not rely on the findings of this report for any purpose and should perform their own due diligence.
- ✓ Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.
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GEORGIA WORLD CONGRESS CENTER AUTHORITY

BONDING CAPACITY – SURROUNDING COUNTIES

PRELIMINARY DRAFT – SUBJECT TO REVISION

PRESENTED BY:



September 23, 2010

CONFIDENTIAL