

# GEORGIA WORLD CONGRESS CENTER AUTHORITY

## BONDING CAPACITY – SURROUNDING COUNTIES

*PRELIMINARY DRAFT – SUBJECT TO REVISION*

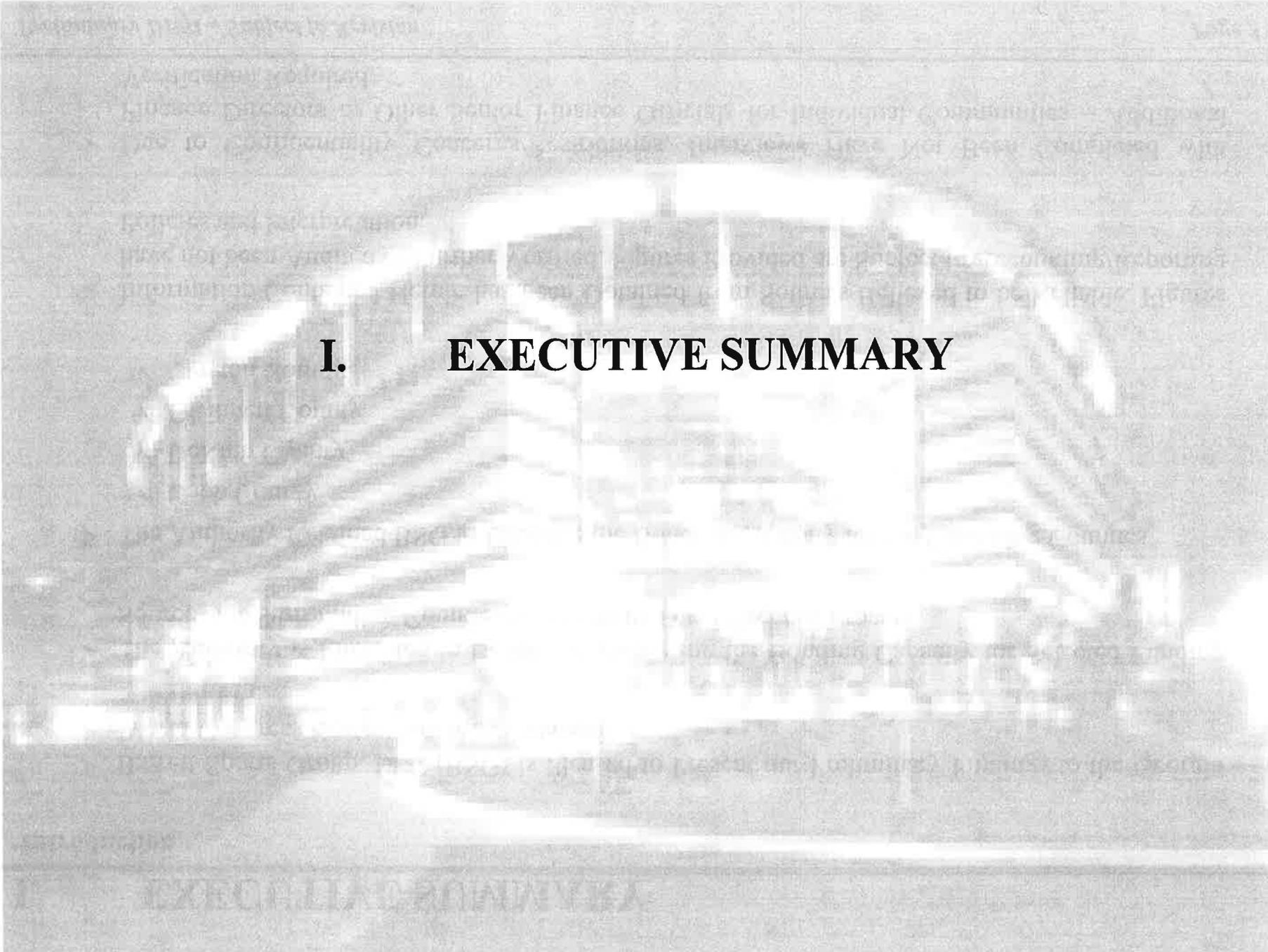
PRESENTED BY:



September 23, 2010

CONFIDENTIAL





# **I. EXECUTIVE SUMMARY**

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## **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**

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## **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<br>A | SCENARIO<br>B | SCENARIO<br>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 |
|------------------------|---------------|---------------|-----------------|----------------|
| <b>Hotel/Motel Tax</b> |               |               |                 |                |
| 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    |
| <b>Car Rental Tax</b>  |               |               |                 |                |
| 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             |
| <b>Restaurant Tax</b>  |               |               |                 |                |
| 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   |
| <b>Sales Tax - (1)</b> |               |               |                 |                |
| 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.

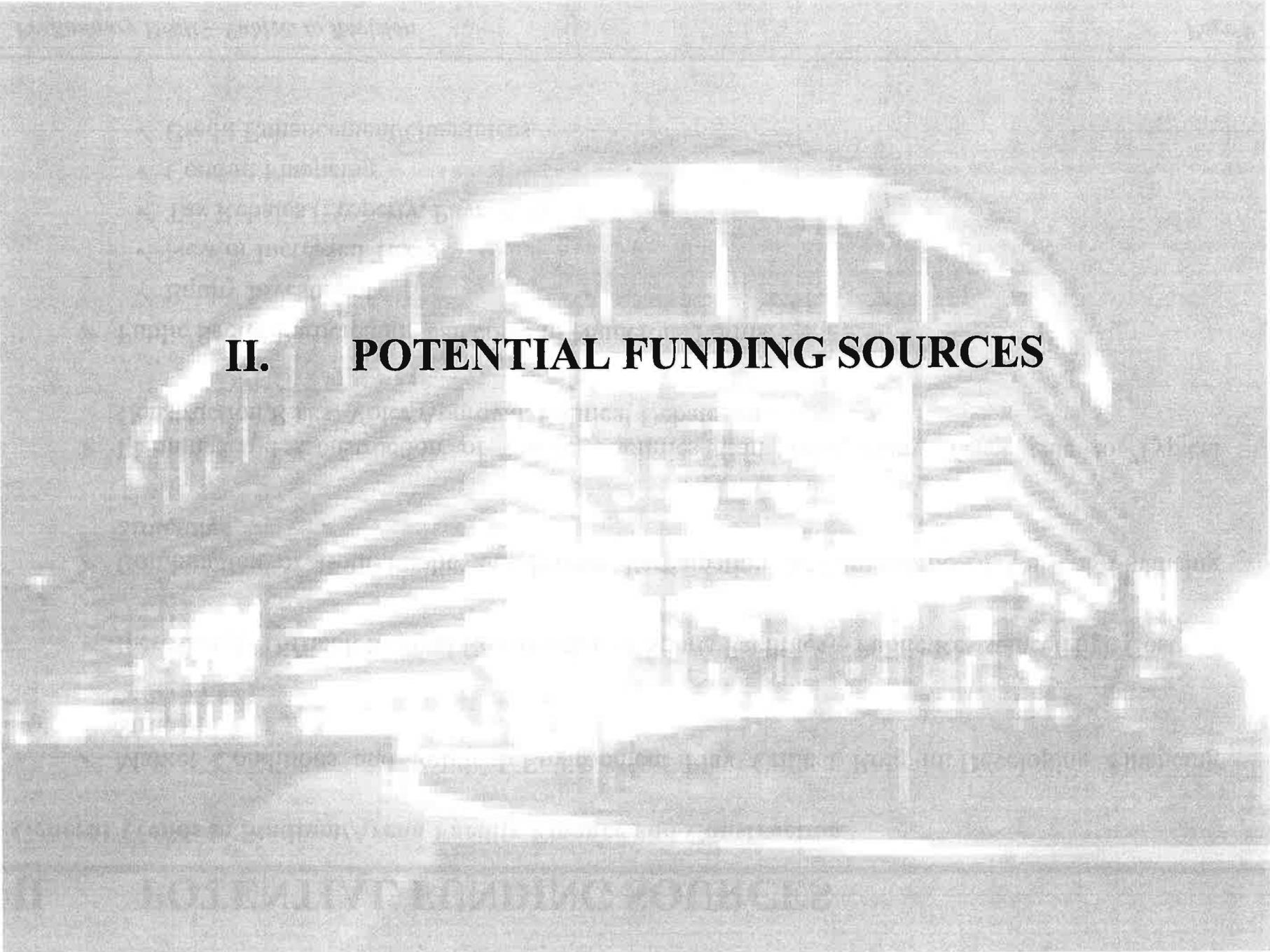
# I. EXECUTIVE SUMMARY

## Potential Funding Sources

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

|                        | Cobb County   | DeKalb County | Gwinnett County | Clayton County |
|------------------------|---------------|---------------|-----------------|----------------|
| <b>Hotel/Motel Tax</b> |               |               |                 |                |
| 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    |
| <b>Car Rental Tax</b>  |               |               |                 |                |
| 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             |
| <b>Restaurant Tax</b>  |               |               |                 |                |
| 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   |
| <b>Sales Tax - (1)</b> |               |               |                 |                |
| 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**

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### **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**

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### **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**

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### **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**

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### **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 | SCENARIO | SCENARIO |
|---|----------|----------|----------|
|   | A        | B        | 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          |
| <b>Net General Obligation Debt Per Capita</b>   | <b>\$76.13</b>     |
| <b>Total Primary Government Debt Per Capita</b> | <b>\$447.40</b>    |
| Total Debt as Percentage of Personal Income     | 1.19%              |
| Assessed Value                                  | \$33,757,594       |
| Debt Limit @10%                                 | \$3,375,759        |
| Applicable Debt                                 | \$53,682           |
| <b>Legal Debt Margin</b>                        | <b>\$3,322,077</b> |
| Applicable Debt to Legal Debt Limit             | 1.59%              |

Source: County Comprehensive Annual Financial Report 2009.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – Cobb County

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

(1) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – Cobb County

- Hotel/Motel Tax Increase @ 1.00%

| Net Bond Proceeds                              |               |               |               |
|--|---------------|---------------|---------------|
|  | Scenario<br>A | Scenario<br>B | Scenario<br>C |
| <b>Total Par Amount - (1)</b>                  | \$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           |
| <b>Net Proceeds Available for Construction</b> | \$14,700,000  | \$15,600,000  | \$16,700,000  |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – Cobb County

|   |                 |       |
|---|-----------------|-------|
| <b>Cobb County<br/>Restaurant Tax</b>             |                 |       |
| <b>Current Rate</b>                               |                 | 6.00% |
| Sales Tax   | 6.00%           |       |
| <b>Cobb County</b>                                |                 |       |
| 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

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### Potential Funding Sources

#### Restaurant Tax – Cobb County

- Restaurant Tax Increase @ 0.50%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$61,100,000</b>   | <b>\$65,100,000</b>   | <b>\$69,700,000</b>   |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Sales Tax – Cobb County

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

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

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### 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%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$143,300,000</b>  | <b>\$152,900,000</b>  | <b>\$163,800,000</b>  |

(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        |
| <b>Net General Obligation Debt Per Capita</b>   | <b>\$512.15</b>    |
| <b>Total Primary Government Debt Per Capita</b> | <b>\$1,446.86</b>  |
| Total Debt as Percentage of Personal Income     | 4.47%              |
| Assessed Value                                  | \$27,887,000       |
| Debt Limit @10%                                 | \$2,788,700        |
| Applicable Debt                                 | \$372,641          |
| <b>Legal Debt Margin</b>                        | <b>\$2,416,059</b> |
| Applicable Debt to Legal Debt Limit             | 13.36%             |

Source: County Comprehensive Annual Financial Report 2008.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – DeKalb County

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

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### Potential Funding Sources

#### Hotel/Motel Tax – DeKalb County

- Hotel/Motel Tax Increase @ 1.00%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$10,400,000</b>   | <b>\$11,200,000</b>   | <b>\$12,000,000</b>   |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Car Rental Tax – DeKalb County

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

(1) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Car Rental Tax – DeKalb County

- Car Rental Tax Increase @ 5.00%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$12,700,000</b>   | <b>\$13,500,000</b>   | <b>\$14,500,000</b>   |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – DeKalb County

|   |                 |       |
|---|-----------------|-------|
| <b>DeKalb County</b>                              |                 |       |
| <b>Restaurant Tax</b>                             |                 |       |
| <b>Current Rate</b>                               |                 | 7.00% |
| Sales Tax   | 7.00%           |       |
| <b>DeKalb County</b>                              |                 |       |
| 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<br>A       | Scenario<br>B       | Scenario<br>C       |
| <b>Total Par Amount - (1)</b>                  | \$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                 |
| <b>Net Proceeds Available for Construction</b> | <b>\$54,100,000</b> | <b>\$57,600,000</b> | <b>\$61,800,000</b> |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Sales Tax – DeKalb County

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

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

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$110,000,000</b>  | <b>\$117,400,000</b>  | <b>\$125,800,000</b>  |

(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        |
| <b>Net General Obligation Debt Per Capita</b>   | <b>\$62.97</b>     |
| <b>Total Primary Government Debt Per Capita</b> | <b>\$1,577.67</b>  |
| Total Debt as Percentage of Personal Income     | NA                 |
| Assessed Value                                  | \$29,000,000       |
| Debt Limit @10%                                 | \$2,900,000        |
| Applicable Debt                                 | \$50,893           |
| <b>Legal Debt Margin</b>                        | <b>\$2,849,107</b> |
| 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

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

(1) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – Gwinnett County

- Hotel/Motel Tax Increase @ 1.00%

|  | Scenario<br>A       | Scenario<br>B       | Scenario<br>C       |
|--|---------------------|---------------------|---------------------|
| <b>Total Par Amount - (1)</b>                  | \$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                 |
| <b>Net Proceeds Available for Construction</b> | <b>\$10,100,000</b> | <b>\$10,700,000</b> | <b>\$11,500,000</b> |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Car Rental Tax – Gwinnett County

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

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### Potential Funding Sources

#### Car Rental Tax – Gwinnett County

- Car Rental Tax Increase @ 5.00%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$18,200,000</b>   | <b>\$19,500,000</b>   | <b>\$20,900,000</b>   |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – Gwinnett County

|   |                 |       |
|---|-----------------|-------|
| <b>Gwinnett County<br/>Restaurant Tax</b>         |                 |       |
| <b>Current Rate</b>                               |                 | 6.00% |
| Sales Tax   | 6.00%           |       |
| <b>Gwinnett County</b>                            |                 |       |
| 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

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### Potential Funding Sources

#### Restaurant Tax – Gwinnett County

- Restaurant Tax Increase @ 0.50%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$62,600,000</b>   | <b>\$66,900,000</b>   | <b>\$71,600,000</b>   |

(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)

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

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### 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%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$143,300,000</b>  | <b>\$152,900,000</b>  | <b>\$163,800,000</b>  |

(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         |
| <b>Net General Obligation Debt Per Capita</b>   | <b>\$0.00</b>    |
| <b>Total Primary Government Debt Per Capita</b> | <b>\$121.96</b>  |
| Total Debt as Percentage of Personal Income     | 0.56%            |
| Assessed Value                                  | \$8,430,999      |
| Debt Limit @10%                                 | \$843,100        |
| Applicable Debt                                 | \$0              |
| <b>Legal Debt Margin</b>                        | <b>\$843,100</b> |
| Applicable Debt to Legal Debt Limit             | 0.00%            |

Source: County Comprehensive Annual Financial Report 2008.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – Clayton County

| Clayton County<br>Hotel Tax                |              |        |
|--|--------------|--------|
| <b>Current Rate</b>                        |              | 13.00% |
| Sales Tax                                  | 7.00%        |        |
| Hotel/Motel Tax                            | 6.00%        |        |
| <b>Clayton County (FY 2009)</b>            |              |        |
| 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%

| <b>Net Bond Proceeds</b>                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | <b>Scenario<br/>A</b> | <b>Scenario<br/>B</b> | <b>Scenario<br/>C</b> |
| <b>Total Par Amount - (1)</b>                  | \$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                   |
| <b>Net Proceeds Available for Construction</b> | <b>\$2,300,000</b>    | <b>\$2,400,000</b>    | <b>\$2,600,000</b>    |

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

---

### Potential Funding Sources

#### Restaurant Tax – Clayton County

|   |               |       |
|---|---------------|-------|
| <b>Clayton County<br/>Restaurant Tax</b>          |               |       |
| <b>Current Rate</b>                               |               | 7.00% |
| Sales Tax   | 7.00%         |       |
| <b>Clayton County</b>                             |               |       |
| 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<br>A       | Scenario<br>B       | Scenario<br>C       |
| <b>Total Par Amount - (1)</b>                  | \$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                 |
| <b>Net Proceeds Available for Construction</b> | <b>\$23,600,000</b> | <b>\$25,200,000</b> | <b>\$27,000,000</b> |

(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)

|   |                 |       |
|---|-----------------|-------|
| <b>Clayton County</b>                             |                 |       |
| <b>Sales Tax</b>                                  |                 |       |
| <b>Current Rate</b>                               |                 | 7.00% |
| State of Georgia                                  | 4.00%           |       |
| Cobb County                                       | 3.00%           |       |
| <b>Clayton County (FY 2009) - (1)</b>             |                 |       |
| Sales Subject to Sales Tax - County               | \$5,272,746,800 |       |
| Sales Tax Collections - SPLOST                    | \$52,727,468    |       |
| <b>Potential Tax Revenue Per Increase</b>         |                 |       |
| Increase @: 0.10%                                 | \$5,270,000     |       |
| Increase @: 0.25%                                 | \$13,180,000    |       |
| <b>Potential Bond Proceeds Per Increase - (2)</b> |                 |       |
| 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<br>A       | Scenario<br>B       | Scenario<br>C       |
| <b>Total Par Amount - (1)</b>                  | \$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                 |
| <b>Net Proceeds Available for Construction</b> | <b>\$66,600,000</b> | <b>\$71,100,000</b> | <b>\$76,200,000</b> |

(1) Credit enhancement required.

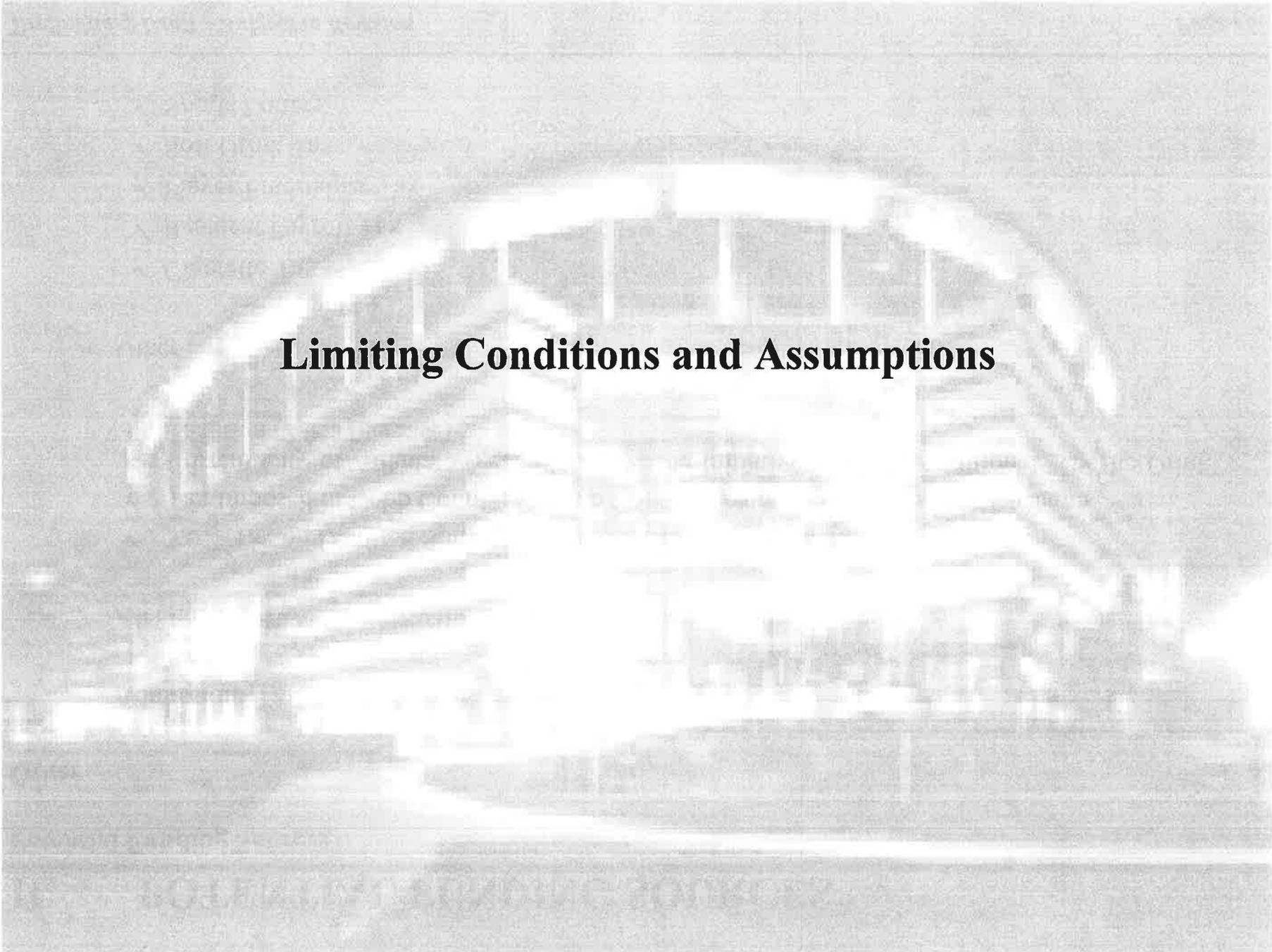
## **II. POTENTIAL FUNDING SOURCES**

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### **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



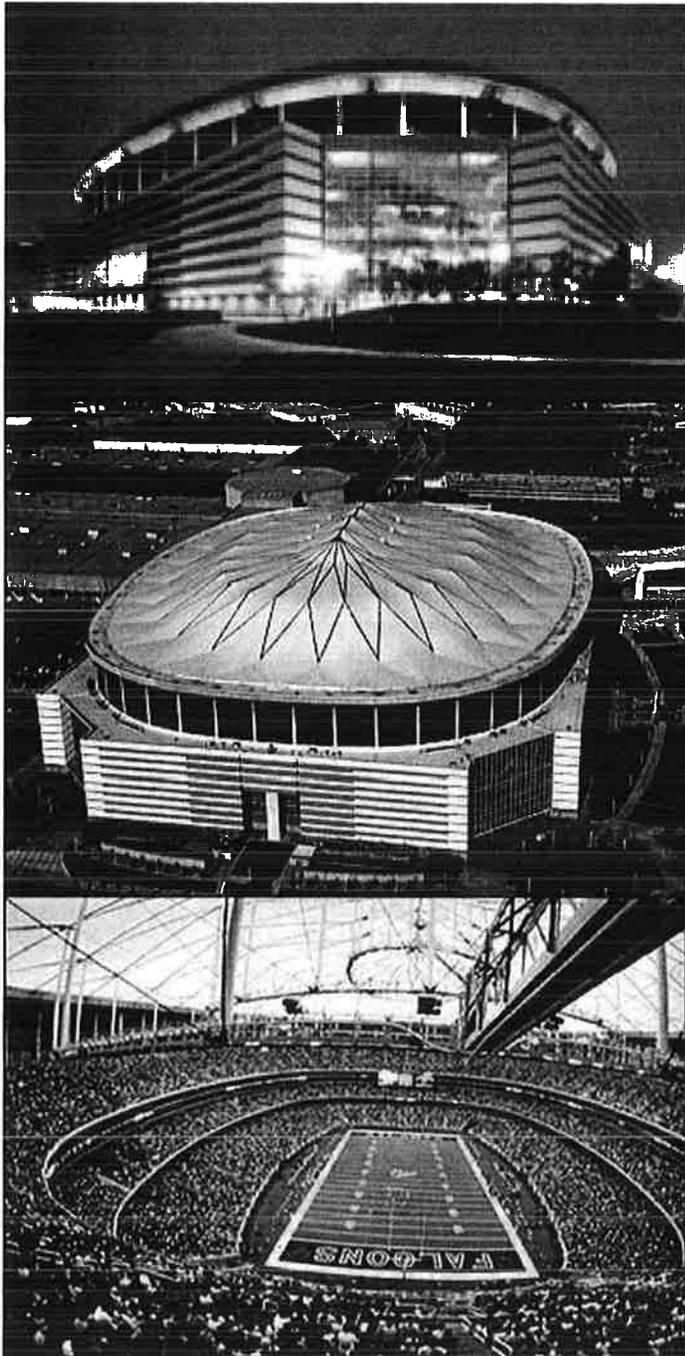
**Limiting Conditions and Assumptions**

# 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.
- ✓ The analysis shall not be used in any matters pertaining to any financing, or real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
- ✓ No liability is assumed for matters which are legal or environmental in nature.



# GEORGIA WORLD CONGRESS CENTER AUTHORITY

## BONDING CAPACITY – SURROUNDING COUNTIES

*PRELIMINARY DRAFT – SUBJECT TO REVISION*

**PRESENTED BY:**



September 23, 2010

**CONFIDENTIAL**