BBP Financial Model Update
Board of Directors
October 21, 2013

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BACKGROUND
BBP required to be financially self-sustaining
EXPENSES: BACKGROUND
2005 Park plan estimated expenses for proposed park

Maintenance and operation of 85 acres of waterfront park

Marine infrastructure in various states of deterioration
EXPENSES: BACKGROUND
Expenses projected to be $16M per year at build-out

Operating budget
- Maintenance & operation
- Management & admin.
- State of good repair
- $12M / year

Maritime repair
- $200M over 50 years
- $4M / year
EXPENSES: UPDATE
Operating budget largely in line with projection thus far

<table>
<thead>
<tr>
<th></th>
<th>Open park space</th>
<th>Operating budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today</td>
<td>41 acres&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$6.4M</td>
</tr>
<tr>
<td>Park build-out</td>
<td>85 acres&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$12M</td>
</tr>
</tbody>
</table>

<sup>1</sup> Includes development sites (8 acres)
<sup>2</sup> Includes calm water zone (10 acres) and development sites (8 acres)
EXPENSES: UPDATE
Maritime repair estimates have increased by 25%

- Growth driven by increase in unit cost of pile repair
- Same scope of work
- More competitive economic environment
REVENUE: BACKGROUND
Revenue model created to match projected expenses
REVENUE: BACKGROUND
Revenue model created to match projected expenses

- Recurring
  - Ground rent
  - PILOT
  - Permits
  - Concessions

- One-time
  - Up-front rent
  - PILOST
  - PIOMRT

Changing market circumstances
1. More one-time, less recurring revenue
2. Lower residential PILOT
3. Higher revenue from Empire Stores
REVENUE: BACKGROUND
Revenue model created to match projected expenses

- Recurring
  - Ground rent
  - PILOT
  - Permits
  - Concessions

- One-time
  - Up-front rent
  - PILOST
  - PIOMRT

Must meet or exceed $12M annually

- To cover large portion of maritime repair
- Remainder covered by recurring revenue
**REVENUE UPDATE:**
Four development sites awarded to date

### Recurring revenue

<table>
<thead>
<tr>
<th>Site</th>
<th>Status</th>
<th>Rev. per year ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBBP</td>
<td>Awarded</td>
<td>$2.4</td>
</tr>
<tr>
<td>Pier 1</td>
<td>Awarded</td>
<td>$3.3</td>
</tr>
<tr>
<td>John St.</td>
<td>Awarded</td>
<td>$0.9</td>
</tr>
<tr>
<td>Empire Stores</td>
<td>Awarded</td>
<td>$2.6</td>
</tr>
<tr>
<td>Permits/ concessions</td>
<td>Awarded</td>
<td>$0.9</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td></td>
<td><strong>$10.0</strong></td>
</tr>
<tr>
<td>Pier 6</td>
<td>Pending</td>
<td>$3 - $4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$13.5</strong></td>
</tr>
</tbody>
</table>

### One-time revenue

<table>
<thead>
<tr>
<th>Site</th>
<th>Status</th>
<th>One-time rev. ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBBP</td>
<td>Awarded</td>
<td>$4</td>
</tr>
<tr>
<td>Pier 1</td>
<td>Awarded</td>
<td>$27</td>
</tr>
<tr>
<td>John St.</td>
<td>Awarded</td>
<td>$25</td>
</tr>
<tr>
<td>Empire Stores</td>
<td>Awarded</td>
<td>$36</td>
</tr>
<tr>
<td>Permits/ concessions</td>
<td>Awarded</td>
<td>-</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td></td>
<td><strong>$92</strong></td>
</tr>
<tr>
<td>Pier 6</td>
<td>Pending</td>
<td>$70 - $100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$160 - $190</strong></td>
</tr>
</tbody>
</table>

**Maritime repair complete in 40 to 60 years**

$1.5M / year vs. $12M in opex

$160 - $190 in maritime repair vs. $250M

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Summary

• BBP is constantly refining financial model to reflect latest on-the-ground realities and market trends

• Current financial projections are in line with originally conceived financial plan; however, uncertainty exists associated with:
  o Future M&O expenses associated with unopened park sections
  o PILOT revenues from development sites
  o Maritime repair expenses over life of the Park
  o Strength of residential real estate market