

BBP Financial Model Update

Board of Directors

August 6, 2014



BBP required to be financially self-sustaining

Park's maintenance and operations expenses...



...must be fully offset by revenue generated on-site



REVENUE UPDATE:

Four revenue sites awarded to date

Recurring revenue (at stabilization)

	Status	Rev. per year (\$M)
OBBP	Awarded	\$2.5
Pier 1	Awarded	\$3.3
John St.	Awarded	\$0.9
Empire Stores	Awarded	\$2.8
Other ¹	Awarded	\$1.7
SUBTOTAL		\$11.2

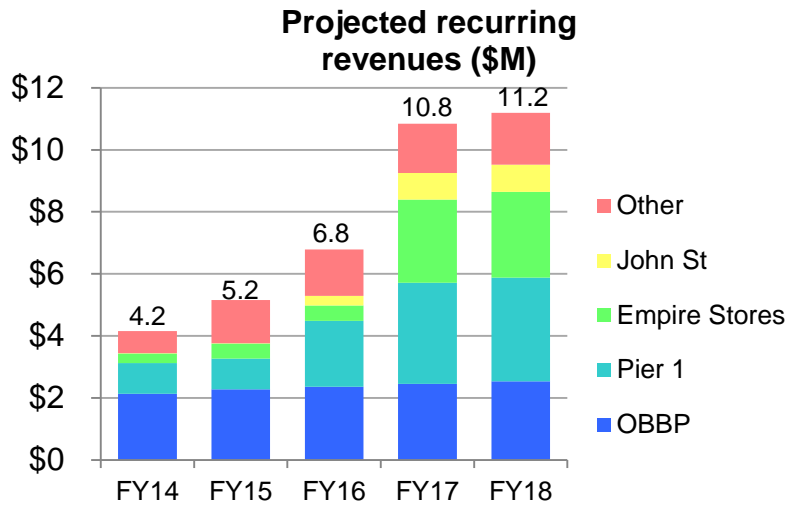
One-time revenue

	Status	One-time rev. (\$M)
OBBP	Awarded	\$4
Pier 1	Awarded	\$27
John St.	Awarded	\$25
Empire Stores	Awarded	\$31
Other ¹	Awarded	-
SUBTOTAL		\$87

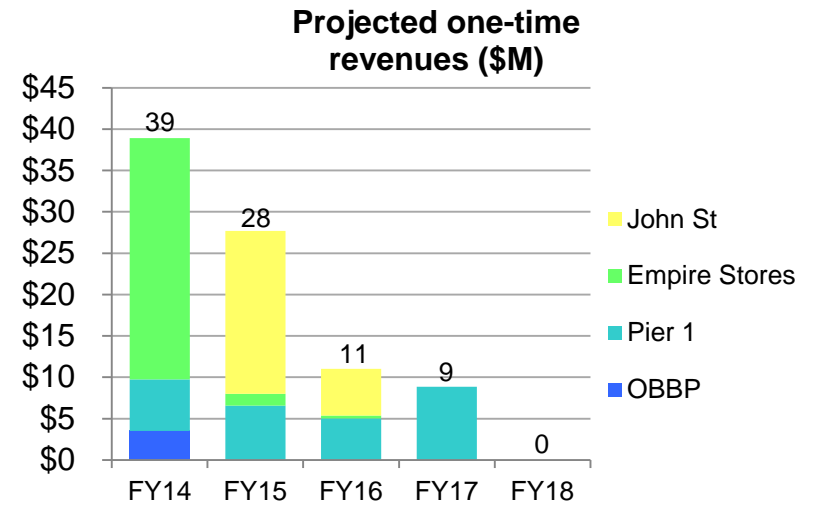
1. "Other" includes concessions, permits, marina, and parking

REVENUE UPDATE:

Five year revenue forecast



\$11M in recurring revenue at build-out



\$85M to \$90M of one-time revenue

NOTE: "Other" includes concessions, permits, marina, and parking; in "Projected one-time revenues" chart, FY14 represents revenues received from FY10 through FY14

EXPENSE UPDATE:

BBP has strong track-record of meeting budget

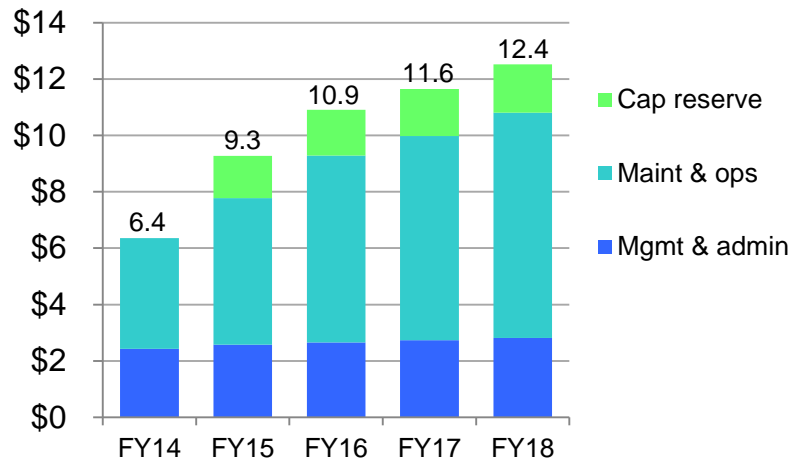
	Budgeted	Actual
FY11	\$3.7M	\$3.3M
FY12	\$4.3M	\$4.4M
FY13	\$5.0M	\$4.5M
FY14	\$6.4M	\$6.4M

NOTE: Actual expense figures are derived from BBP audited financial statements. FY14 actual expense figure is in draft as the audit has not yet been completed.

EXPENSE UPDATE:

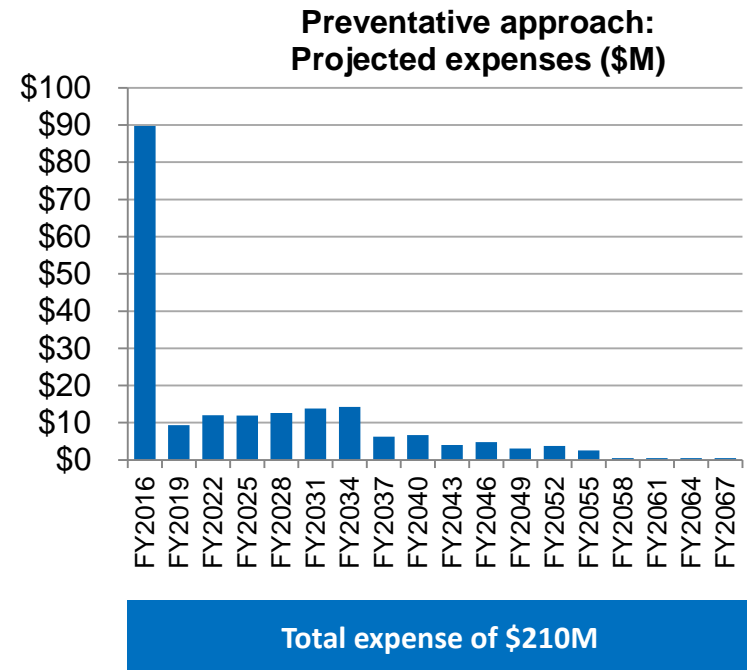
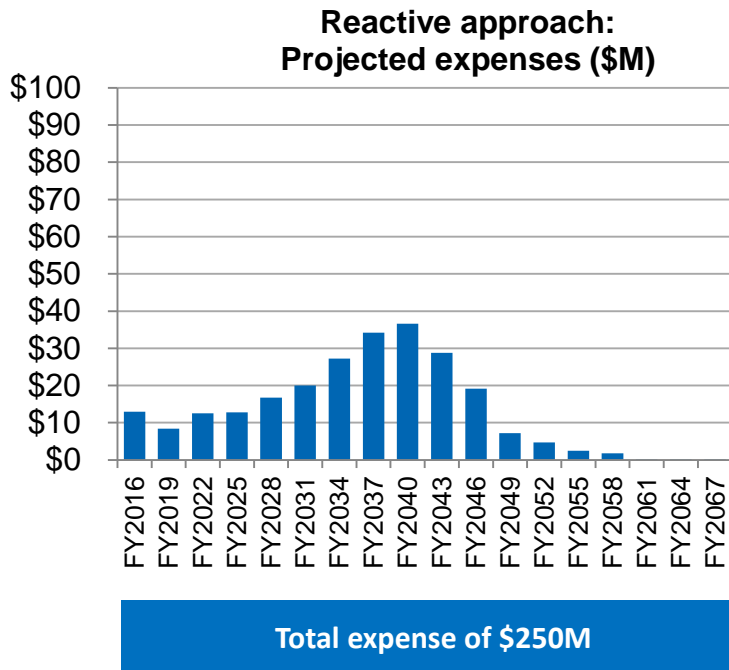
Operating expenses largely in line with projections

Five year projected opex (\$M)



EXPENSE UPDATE:

Maritime repair – reactive vs. preventative



NOTE: Assumes no inflation; with inflation, traditional approach to cost ~\$480M and preventative approach to cost ~\$290M

Creation of reserve funds to save for future expenses

	<u>Purpose</u>	<u>Fund level</u>
Maritime reserve	Provide funds for maritime repair work	Target bal. based on maritime lifecycle assessment; min. bal. of \$10M
Capital reserve	Provide funds for life-cycle replacement of capital assets	Target bal. based on asset replacement schedule; min. bal. of \$1M
Operating reserve	Provide funds for unexpected increases in opex, one-time unbudgeted expenses, and unanticipated loss of funds	Target bal. of 12 to 24 months of operating budget

Pier 6 sites projected to fill remaining holes

Recurring revenue (at stabilization)

	Status	Rev. per year (\$M)
OBBP	Awarded	\$2.5
Pier 1	Awarded	\$3.3
John St.	Awarded	\$0.9
Empire Stores	Awarded	\$2.8
Other ¹	Awarded	\$1.7
SUBTOTAL		\$11.2

vs.
\$12M
in opex

90%+ of recurring revenue secured

One-time revenue

	Status	One-time rev. (\$M)
OBBP	Awarded	\$4
Pier 1	Awarded	\$27
John St.	Awarded	\$25
Empire Stores	Awarded	\$31
Other ¹	Awarded	-
SUBTOTAL		\$87

vs.
\$210M
in maritime repair

40%+ of one-time revenue secured

1. "Other" includes concessions, permits, marina, and parking

Summary

- Without revenue from Pier 6 dev. sites, BBP will fail to meet its financial obligations in 10 to 15 years
- Current financial projections are in line with originally conceived financial plan; however, uncertainty exists associated with:
 - Future M&O expenses associated with unopened park sections
 - PILOT revenues from development sites
 - Maritime repair expenses over life of the Park

Appendix

COMPARISON TO APPROVED BUDGETS: One Brooklyn Bridge Park Residential

	<u>FY14 budget</u>	<u>FY15 budget</u>	<u>Projected at build-out</u>
Recurring	\$2.8M	\$2.2M	\$2.5M
	<u>Received through FY14</u>	<u>FY15 budget</u>	<u>Projected total</u>
One-time	\$3.5M	\$0M	\$3.5M



COMPARISON TO APPROVED BUDGETS: Pier 1 Hotel and Residential

	<u>FY14 budget</u>	<u>FY15 budget</u>	<u>Projected at build-out</u>
Recurring	\$0.9M	\$0.9M	\$3.3M
	<u>Received through FY14</u>	<u>FY15 budget</u>	<u>Projected total</u>
One-time	\$6M	\$7M	\$27M



COMPARISON TO APPROVED BUDGETS: John Street Residential

	<u>FY14 budget</u>	<u>FY15 budget</u>	<u>Projected at build-out</u>
Recurring	NA	\$10K	\$0.9M
	<u>Received through FY14</u>	<u>FY15 budget</u>	<u>Projected total</u>
One-time	\$2M	\$18M	\$25M



COMPARISON TO APPROVED BUDGETS: Empire Stores

	<u>FY14 budget</u>	<u>FY15 budget</u>	<u>Projected at build-out</u>
Recurring	NA	\$0.5K	\$2.6M
	<u>Received through FY14</u>	<u>FY15 budget</u>	<u>Projected total</u>
One-time	\$29M	\$1.5M	\$31M

