

***Downtown Columbia - Special Taxing District #1 (Crescent Area 1)
Howard County, Maryland***

Schedule IV: Estimated Costs Supported by NOI

Table A: Estimated Subsidy Requirement Based on Market Return

| <u>Operating Income and Market Yield Summary:</u> | <u>HRD Pro Forma</u> | <u>HRD Adjusted Pro Forma</u> |
|--|----------------------|-------------------------------|
| Total project NOI | \$33,054,376 | \$33,054,376 |
| Projected market yield on Special Tax District #1 (Crescent Area I) ¹ | 6.53% | 6.53% |
| Estimated project costs based on market yield | \$506,192,592 | \$506,192,592 |
| Actual projected costs | \$617,743,791 | \$579,315,973 |
| <i>Estimated subsidy requirement</i> | <i>\$111,551,200</i> | <i>\$73,123,382</i> |

Table B: Estimated Return

| <u>Operating Income and Market Yield Summary:</u> | <u>Excluding TIF</u> | <u>With TIF</u> |
|---|-----------------------|-----------------------|
| Total project NOI | \$33,054,376 | \$33,054,376 |
| Estimated project costs | \$617,743,791 | \$579,315,973 |
| TIF proceeds | (\$61,031,118) | (\$61,031,118) |
| Net costs | \$556,712,673 | \$518,284,855 |
| Estimated return (no TIF) | 5.35% | 5.71% |
| Estimated return (with TIF) | 5.94% | 6.38% |
| <i>Market return</i> | <i>6.50%</i> | <i>6.50%</i> |

MuniCap, Inc.

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¹Represents the average overall capitalization rate based on a weighted average for office, retail, and apartment projects as provided by the Maryland State Department of Assessments and Taxation.