FINANCIAL ANALYSIS OF

Cruise Terminal 4 (CT-4) Redevelopment

The financial analysis of CT-4 considers a \$13.0 million investment in CT-4 to accommodate 6,000 additional revenue passengers on an existing weekly sailing for 26 weeks plus 7,200 revenue passengers on an additional weekly sailing for 26 weeks. These numbers are based on 100% occupancy, and disembarking passengers). While 90% load factor is an average for the cruise industry, as has been include that the number of revenue passengers is double the number of passengers (embarking and noted, occupancy can exceed 100% in the cruise industry, due to calculation of capacity based on twin

be noted that this does not imply any assumption about whether the other business increases, decreases or remains about the same, only that it is not affected by the CT-4 upgrade. year after construction It is assumed that no existing business would be displaced by the project, that is the port would continue to serve the same other business as if the CT-4 upgrade was not built. It should The analysis assumes a 2-year design and construction period, with the additional traffic starting the first

investment with 8.5% interest over the first 5 years of operation. The number of passengers to which the capital recovery charge would apply was not determined. Thus, the capital recovery charge per The revenues are assumed to include a \$10 per passenger permanent charge and an additional capital recovery charge for the first five years. The total incremental revenue passengers are approximately 343,200 revenue passengers. The capital recovery charge is assumed to be sufficient to recover the the first 5 years, declining in year 6 to about \$3.4 million, after conclusion of the capital recovery charge passenger was not calculated. The resulting revenues would be approximately \$6.9 million per year for

Operating costs are assumed to be 50% of the regular \$10 per passenger charge. Based on this assumption, the resulting incremental operating costs would average \$1.7 million per year.

million per year in year 6 when the capital recovery charge was ended. The resulting net revenues would be about \$5.2 million per year for the first 5 years, declining to \$1.7

the amount by which the future net revenues discounted at 8.50% per year would exceed the initial Based on these assumptions, the CT-4 project would provide a Net Present Value (NPV) of \$14.9 million, Return) of 27.9% per year. investment of \$13.0 million. The project would provide a Return on Investment (ROI) (or Internal Rate of

				TABLE 1	1: NET	PRESEN	T VALUE A	ND RETU	JRN ON IN	IVESTME	NT EXAM	PLE CALC	ULATION	I: CRUISI	E TERMINA
PRELIMINARY DRAFT	_														
Ref to start up = 1 Ref to zero at start of constr	Year -1 0	0 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9	9 10	10 11	11 12	12 13	13 14
Existing sailing - 3,000 additional	I passengers for	26 weeks													
Sailings per week			1 26	1 26	1 26	1 26	1 26	1 26	1 26	1 26	1 26	1 26	1 26	1	1
Weeks Revenue passengers per sailing			6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	26 6.000	26 6.000
Revenue passengers		_	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000	156,000
Regular revenue rate Regular revenue amount		\$					\$ 10.00 \$ \$ 1,560,000 \$		\$ 10.00 \$ \$ 1,560,000 \$		5 10.00 5 1,560,000	\$ 10.00 \$ \$ 1,560,000 \$		10.00 \$ 1,560,000 \$	
Additional sailing - 3,600 addition	nal nassengers f	for 26 weeks													
Sailings per week	nui puosengers i	or 20 weeks	1	1	1	1	1	1	1	1	1	1	1	1	1
Weeks Revenue passengers per sailing			26 7.200	26 7.200	26 7.200	26 7.200	26 7.200	26 7.200	26 7.200	26 7,200	26 7.200	26 7.200	26 7.200	26 7,200	26 7,200
Revenue passengers			187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200	187,200
Regular revenue rate		_	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Regular revenue amount		\$	1,872,000 \$	1,872,000 \$	1,872,000	\$ 1,872,000	\$ 1,872,000 \$	1,872,000	\$ 1,872,000 \$	1,872,000	1,872,000	\$ 1,872,000 \$	1,872,000	1,872,000	\$ 1,872,000 \$
Operating cost factor as percent of	regular rate		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total CRF amount		\$	3,439,160.35	3,439,160	3,439,160	3,439,160	3,439,160 \$	- :	\$ - \$	- :	-	\$ - \$	- 9	- 9	- \$
Regular revenue amount for CT-04	ŀ	\$	-,,				\$ 3,432,000 \$			3,432,000				3,432,000	
Total revenue Operating cost		\$ \$				\$ 6,871,160 \$ 1,716,000	\$ 6,871,160 \$ \$ 1.716.000 \$		\$ 3,432,000 \$			\$ 3,432,000 \$ \$ 1,716,000 \$			3,432,000 \$ 5 1,716,000 \$
	Year	· ·	1,110,000 Ф	1,110,000	1,110,000	4 1,1 10,000	ψ 1,7 10,000 ψ	1,7 10,000	ψ 1,7 10,000 (, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,,,,,,,,,	Ψ 1,1 10,000 Ψ	1,110,000	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, 1,110,000 Q
Ref to start up = 1	Year														
rter to start up - 1	-1	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Ref to zero at start of constr	-1 0	0 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9	9 10	10 11	11 12	12 13	13 14
		•			-	-	-								
Ref to zero at start of constr	0	1			-	-	-								
Ref to zero at start of constr Investment Cost	0	1	3,439,160	3,439,160	3,439,160	3,439,160	3,439,160	7	8	9	10	0	12	0	14
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04	(6,500,000)	1	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	7 0 3,432,000	0 3,432,000	9 0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue	(6,500,000)	1	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04	(6,500,000)	1	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	3,439,160 3,432,000	7 0 3,432,000	0 3,432,000	9 0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000	0 3,432,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue	(6,500,000)	1	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	3,439,160 3,432,000 6,871,160	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000	0 3,432,000 3,432,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue Operating cost	(6,500,000)	1	3,439,160 3,432,000 6,871,160 1,716,000	3,439,160 3,432,000 6,871,160 1,716,000	3,439,160 3,432,000 6,871,160 1,716,000	3,439,160 3,432,000 6,871,160 1,716,000	3,439,160 3,432,000 6,871,160 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue Operating cost Net Operating Revenues	(6,500,000)	(6,500,000)	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	7 0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000	0 3,432,000 3,432,000 1,716,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue Operating cost Net Operating Revenues Total	(6,500,000) (6,500,000)	(6,500,000) (6,500,000)	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160	7 3,432,000 3,432,000 1,716,000 1,716,000	3,432,000 3,432,000 1,716,000 1,716,000	3,432,000 3,432,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue Operating cost Net Operating Revenues Total Discount factor 8.50% PVs Disc rate 8.50%	(6,500,000) (6,500,000)	(6,500,000) (6,500,000) 0.9217	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0.7829	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0.7216	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0,6650	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0,6129	7 0 3,432,000 3,432,000 1,716,000 1,716,000 0.5649	0 3,432,000 3,432,000 1,716,000 1,716,000 0.5207	0 3,432,000 3,432,000 1,716,000 1,716,000 0,4799	0 3,432,000 3,432,000 1,716,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000 0.4076	0 3,432,000 3,432,000 1,716,000 1,716,000 0.3757	0 3,432,000 3,432,000 1,716,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000 0.3191
Ref to zero at start of constr Investment Cost Revenues Total CRF amount Regular revenue amount for CT-04 Total revenue Operating cost Net Operating Revenues Total Discount factor 8.50% PVs Disc rate 8.50%	(6,500,000) (6,500,000) 1 (6,500,000)	(6,500,000) (6,500,000) 0.9217	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 5,155,160	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0.7829	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0.7216	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0,6650	3,439,160 3,432,000 6,871,160 1,716,000 5,155,160 0,6129	7 0 3,432,000 3,432,000 1,716,000 1,716,000 0.5649	0 3,432,000 3,432,000 1,716,000 1,716,000 0.5207	0 3,432,000 3,432,000 1,716,000 1,716,000 0,4799	0 3,432,000 3,432,000 1,716,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000 0.4076	0 3,432,000 3,432,000 1,716,000 1,716,000 0.3757	0 3,432,000 3,432,000 1,716,000 1,716,000 1,716,000	0 3,432,000 3,432,000 1,716,000 1,716,000 0.3191

NPV of Inv and CRF

Cruise Terminal 19 (CT-19) Expansion

based on 100% occupancy, and include that the number of revenue passengers is double the number of passengers (embarking and disembarking passengers). additional revenue passengers on each of 2 existing weekly sailings for 26 weeks. The financial analysis of CT-19 considers a \$6.7 million investment in CT-19 to accommodate 1,600 These numbers are

the port would continue to serve the same other business as if the CT-19 upgrade was not built. The analysis assumes a 2-year design and construction period, with the additional traffic starting the first year after construction It is assumed that no existing business would be displaced by the project, that is

conclusion of the capital recovery charge. approximately \$2.6 million per year for the first 5 years, declining in year 6 to about \$832,000, after investment with 8.5% interest over the first 5 years of operation. The resulting revenues would be 83,200 revenue passengers. The capital recovery charge is assumed to be sufficient to recover the The revenues are assumed to include a \$10 per passenger permanent charge and an additional capital recovery charge for the first five years. The total incremental revenue passengers are approximately

Operating costs are assumed to be 50% of the regular \$10 per passenger charge. Based on this assumption, the resulting incremental operating costs would average \$416,000 per year.

\$416,000 per year in year 6 when the capital recovery charge was ended The resulting net revenues would be about \$2.2 million per year for the first 5 years, declining to

the amount by which the future net revenues discounted at 8.50% per year would exceed the initial investment of \$6.7 million. The project would provide a Return on Investment (ROI) (or Internal Rate of Based on these assumptions, the CT-19 project would provide a Net Present Value (NPV) of \$3.6 million, Return) of 19.8% per year.

			T/	ABLE 2:	NET PR	ESENT V	ALUE AND	RETURN	ON INVE	STMENT	EXAMPL	E CALCU	LATION:	CRUISE T
PRELIMINARY DRAFT	***													
Ref to start up = 1 Ref to zero at start of constr	Year -1 0	0 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9	9 10	10 11	11 12	12 13
Existing sailing - 800 additional	passengers for	r 26 weeks												
Sailings per week			2	2	2	2	2	2	2	2	2	2	2	2
Weeks			26	26	26	26	26	26	26	26	26	26	26	26
Revenue passengers per sailing			1,600 83,200											
Revenue passengers Regular revenue rate		\$					\$ 10.00 \$	10.00 \$	10.00 \$	10.00 \$		10.00 \$	10.00 \$	10.00 \$
Regular revenue amount		\$					\$ 832,000 \$	832,000 \$	832,000 \$	832,000 \$		832,000 \$	832,000 \$	832,000 \$
Additional sailing - No														
Sailings per week			0	0	0	0	0	0	0	0	0	0	0	0
Weeks			0	0	0	0	0	0	0	0	0	0	0	0
Revenue passengers per sailing			0	0	0	0	0	0	0	0	0	0	0	0
Revenue passengers Regular revenue rate			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Regular revenue amount		\$					\$ - \$	- \$	- \$	- \$		- \$	- \$	- \$
Operating cost factor as percent of	of regular rate		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total CRF amount			\$1,772,490	1,772,490	1,772,490	1,772,490	1,772,490 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
Regular revenue amount for CT-1	19	\$					\$ 832,000 \$	832,000 \$	832,000 \$	832,000 \$		832,000 \$		
Total revenue	3	\$					\$ 2,604,490 \$	832,000 \$	832,000 \$	832,000 \$,	832,000 \$		
Operating cost		\$					\$ 416,000 \$	416,000 \$	416,000 \$	416,000 \$		416,000 \$		
	Year													
Ref to start up = 1	-1 0	0	1 2	2	3	4 5	5 6	6 7	7	8 9	9	10	11	12
Ref to zero at start of constr				3	4	<u> </u>	0	- 1	8	<u> </u>	10	11	12	13
Investment Cost	(3,350,000)	(3,350,000)												
Revenues														
Total CRF amount			1,772,490	1,772,490	1,772,490	1,772,490	1,772,490	0	0	0	0	0	0	0
Regular revenue amount for CT-1	9		832,000	832,000	832,000	832,000	832,000	832,000	832,000	832,000	832,000	832,000	832,000	832,000
Total revenue			2,604,490	2,604,490	2,604,490	2,604,490	2,604,490	832,000	832,000	832,000	832,000	832,000	832,000	832,000
Operating cost			416,000	416,000	416,000	416,000	416,000	416,000	416,000	416,000	416,000	416,000	416,000	416,000
Net Operating Revenues			2,188,490	2,188,490	2,188,490	2,188,490	2,188,490	416,000	416,000	416,000	416,000	416,000	416,000	416,000
Total	(3,350,000)	(3,350,000)	2,188,490	2,188,490	2,188,490	2,188,490	2,188,490	416,000	416,000	416,000	416,000	416,000	416,000	416,000
Discount factor 8.50%	, 1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6129	0.5649	0.5207	0.4799	0.4423	0.4076	0.3757	0.3463
PVs Disc rate 8.50%	(3,350,000)	(3,087,558)	1,859,025	1,713,387	1,579,158	1,455,445	1,341,424	235,009	216,598	199,630	183,991	169,577	156,292	144,048
NPV	\$ 3,628,339													
ROI	19.82%													
PVs of Investment and CRF Only		(3,087,558)	1,505,651	1,387,697	1.278.983	1,178,787	1,086,439							
NPV of Inv and CRF	(3,350,000)	(3,007,300)	1,000,001	1,507,057	1,270,300	1,170,707	1,000,400							
NPV OI IIIV and CRP	U													

This is incremental revenue associated with the project, even though it is to be on all passengers, not only new passengers.

The capital recovery factor (CRF) charge would be on all line passengers, not only the new ships for 5 years. (subject to negotiation.)

The CRF charge is approximately sufficient to recover the investment in 5 years with 8.50% interest.

The \$10 charge would be permanent with 50% operating cost factor, but only the part on the additional traffic indicated is incremental cost associated with CT-19.

The project revenues include 800 additional passengers on each of 2 existing sailings per week for 26 weeks; revenue passengers are double these numbers.

Cruise Terminal 21 / 22 (CT-21 / 22) Expansion

The financial analysis of CT-21 / 22 considers a \$22.0 million investment in CT-21 / 22 to accommodate 2,600 additional revenue passengers on each of two existing weekly sailings for 26 weeks. These numbers are based on 100% occupancy, and include that the number of revenue passengers is double the number of passengers (embarking and disembarking passengers).

year after construction It is assumed that no existing business would be displaced by the project, that is the port would continue to serve the same other business as if the CT-21 / 22 upgrade was not built. The analysis assumes a 2-year design and construction period, with the additional traffic starting the first

approximately \$7.2 million per year for the first 5 years, declining in year 6 to about \$1.4 million, after conclusion of the capital recovery charge. investment with 8.5% interest over the first 5 years of operation. The resulting revenues would be 135,200 revenue passengers. The capital recovery charge is assumed to be sufficient to recover the recovery charge for the first five years. The total incremental revenue passengers are approximately The revenues are assumed to include a \$10 per passenger permanent charge and an additional capital

Operating costs are assumed to be 50% of the regular \$10 per passenger charge. Based on this assumption, the resulting incremental operating costs would average \$676,000 per year.

\$676,000 per year in year 6 when the capital recovery charge was ended The resulting net revenues would be about \$6.5 million per year for the first 5 years, declining to

initial investment of \$22.0 million. The project would provide a Return on Investment (ROI) (or Internal million, the amount by which the future net revenues discounted at 8.50% per year would exceed the Based on these assumptions, the CT-21/22 project would provide a Net Present Value (NPV) of \$5.9 Rate of Return) of 15.1% per year.

PRELIMINARY DRAFT			TABL	.E 3: NE	T PRESE	NT VALI	JE AND RI	ETURN O	N INVEST	MENT EX	(AMPLE (CALCULA	TION: C	RUISE T
Ref to start up = 1 Ref to zero at start of constr	Year -1 0	0 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9		10 11	11 12	1 1
Existing sailing - 800 additional Sailings per week	passengers for	26 weeks	2	2	2	2	2	2	2	2	2	2	2	
Weeks			26	26	26	26	26	26	26	26	26	26	26	2
Revenue passengers per sailing Revenue passengers			2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200	2,600 135,200
Regular revenue rate Regular revenue amount		\$ \$	10.00 \$ 1,352,000 \$				\$ 10.00 \$ \$ 1,352,000 \$		\$ 10.00 \$ 1,352,000		\$ 10.00 \$ 1,352,000			\$ 10.00 \$ 1,352,000
Additional sailing - No														
Sailings per week Weeks			0	0	0	0	0	0	0	0	0	0	0	
Revenue passengers per sailing Revenue passengers			0	0	0	0		0	0	0	-	0	0	
Regular revenue rate Regular revenue amount		\$	\$0.00 - \$	\$0.00 - \$	\$0.00 -	\$0.00 \$ -	\$0.00 \$ - \$	\$0.00	\$0.00 \$ -	\$0.00 \$ -	\$0.00 \$ -	\$0.00 \$ -	\$0.00 \$ -	\$0.00
Operating cost factor as percent of	f regular rate		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total CRF amount			\$5,820,118	5,820,118	5,820,118	5,820,118	5,820,118	-	s -	\$ -	\$ -	\$ -	\$ -	¢
Regular revenue amount for CT-21	1/22	\$	1,352,000 \$	1,352,000 \$	1,352,000	\$ 1,352,000	\$ 1,352,000	1,352,000	\$ 1,352,000	\$ 1,352,000	\$ 1,352,000	\$ 1,352,000	\$ 1,352,000	\$ 1,352,000
Total revenue Operating cost		\$ \$	7,172,118 \$ 676,000 \$				\$ 7,172,118 \$ \$ 676,000 \$							\$ 1,352,000 \$ 676,000
	Year						_		_					
Ref to start up = 1 Ref to zero at start of constr	-1 0	0 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9		10 11	11 12	1: 1:
Investment Cost	(11,000,000)	(11,000,000)												
Revenues														
Total CRF amount			5,820,118	5,820,118	5,820,118	5,820,118	5,820,118	0	0	0	0	0	0	0
Regular revenue amount for CT-21 Total revenue	1/22		1,352,000 7,172,118	1,352,000 7,172,118	1,352,000 7,172,118	1,352,000 7,172,118	1,352,000 7,172,118	1,352,000 1,352,000	1,352,000 1,352,000	1,352,000 1,352,000	1,352,000 1,352,000	1,352,000 1,352,000	1,352,000 1,352,000	1,352,000 1,352,000
Operating cost			676,000	676,000	676,000	676,000	676,000	676,000	676,000	676,000	676,000	676,000	676,000	676,000
Net Operating Revenues			6,496,118	6,496,118	6,496,118	6,496,118	6,496,118	676,000	676,000	676,000	676,000	676,000	676,000	676,000
Total	(11,000,000)	(11,000,000)	6,496,118	6,496,118	6,496,118	6,496,118	6,496,118	676,000	676,000	676,000	676,000	676,000	676,000	676,000
Discount factor 8.50%	1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6129	0.5649	0.5207	0.4799	0.4423	0.4076	0.3757	0.3463
PVs Disc rate 8.50%	(11,000,000)	(10,138,249)	5,518,161	5,085,863	4,687,431	4,320,213	3,981,763	381,890	351,973	324,399	298,985	275,562	253,974	234,078
NPV	\$ 5,896,051													
ROI	15.11%													
PVs of Investment and CRF Only	(11,000,000)	(10,138,249)	4,943,930	4,556,617	4,199,647	3,870,643	3,567,412							

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NPV of Inv and CRF