Military Installation Development Authority (MIDA)

Tax Allocation Revenue (TAR) Bonds Summary

Series 2021 A-1 ~$67,080,000

Series 2021 A-2 ~$182,920,000

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Series 2021 A-1

- Property Tax Allocation Revenue (TAR) from the 55 condos within the Morale, Welfare, and Recreation (MWR) Hotel (75% of all taxes generated will be captured for 40 years)
- MIDA's Portion of the Accommodations Tax Revenues (ATR) for the MWR Hotel (Total ATR is 15% broken out as follows; Tax Sharing Agreement Allocation available for bonds 10%, MIDA 2%, County 2%, Military promotion 1%.)
- Gas & Electric Franchise Fee Revenues from MWR Hotel (6% on gas and electric bills) and Telephone Tax from MWR Hotel (3.5% of phone bills)
- Resort Communities Tax charged on retail sales and food & beverage items purchased in the MWR Hotel (1.1%)
- Sales Tax Revenues generated from the MWR Hotel – inclusive of retail, food & beverage (0.5% on all taxable sales)
- Parity claim on revenues that will be used to secure the Series 2021 A-2 bonds described below

SERIES 2021 A-2

- TAR from the West Side of the MRF Project Area commonly referred to as the Mayflower Mountainside Resort but excludes TAR from the 55 MWR condos which will be used first for the Series 2021 A-1 Bonds as described above. (75% of all property taxes generated will be captured for 25 years which then reduces to approximately 52.5% for years 26 through 40)

- Resort Communities Tax from Mountainside Hotels / Lodging units (1.1%), excluding MWR Hotel. Charged against lodging, general retail sales, and food & beverage.

- Sales Tax Revenues, inclusive of sales on retail, food & beverage, excluding MWR Hotel (0.5% on all taxable sales)

KEY ELEMENT SPECIFIC TO MIDA WHICH MITIGATES RISK

- **CONSTRUCTION GUARANTEE THAT RUNS TO THE BENEFIT OF MIDA:**
    - MIDA needs assurance that significant vertical build will take place to gain comfort that generation of property tax allocation revenue will be available to meet debt service requirements
    - Pioche apartments are already under construction
    - EX Utah has committed that it will guarantee that two of the cornerstone hotels will be completed or its taxable value equivalent

Summary of Security Provisions and Other Elements which Mitigate Risk

- Limited Ability to Protest Taxes
- Independent Third-Party Market Study
- Capitalized Interest and Working Capital
- Ability for Village PID tax to be imposed, if necessary
- Debt Service Reserve Fund
- Supplemental Reserve Fund
- Potential partial release of Reserve Fund and Supplemental Reserve Fund
- Timing of Bond Payments

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AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY
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The Special District Group

Military Installation Development Authority – Series 2021 Bonds

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Piper Sandler & Co., Member SIPC and NYSE

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PIPER | SANDLER

I. Piper Sandler overview

- Piper Sandler is a multi-faceted investment bank with deep sector experience in Capital Markets, M&A Advisory, Equities, **Public Finance**, Fixed Income Services, and Merchant Banking.

- Supported by a broad national platform, our expert Public Finance teams leverage localized knowledge to facilitate the issuance of taxable and tax-exempt debt across a range of sectors including Tax Increment, Special Districts, Healthcare, Higher Education, Senior Living, Transportation and Hospitality.

- In the negotiated bond market, Piper Sandler has ranked in the top 3 on number of issuances and in the top 10 on aggregate par each year since 2015. In 2020, Piper Sandler ranked #2 by number of issuances (714 transactions) and #7 by aggregate par ($17.2B).

- With over 200 sales, trading, and analytics professionals dedicated to Public Finance debt in the primary and secondary markets, our market intelligence across sectors remains unmatched amongst similarly sized investment banks.

- Specifically regarding Tax Increment and Special Districts, the leadership of the Special District Group at Piper Sandler has underwritten more than $12B in debt across more than 800 transactions with over 30 years of experience and 20 dedicated professionals focused solely on Tax Increment and Special Districts.

II. Market Overview

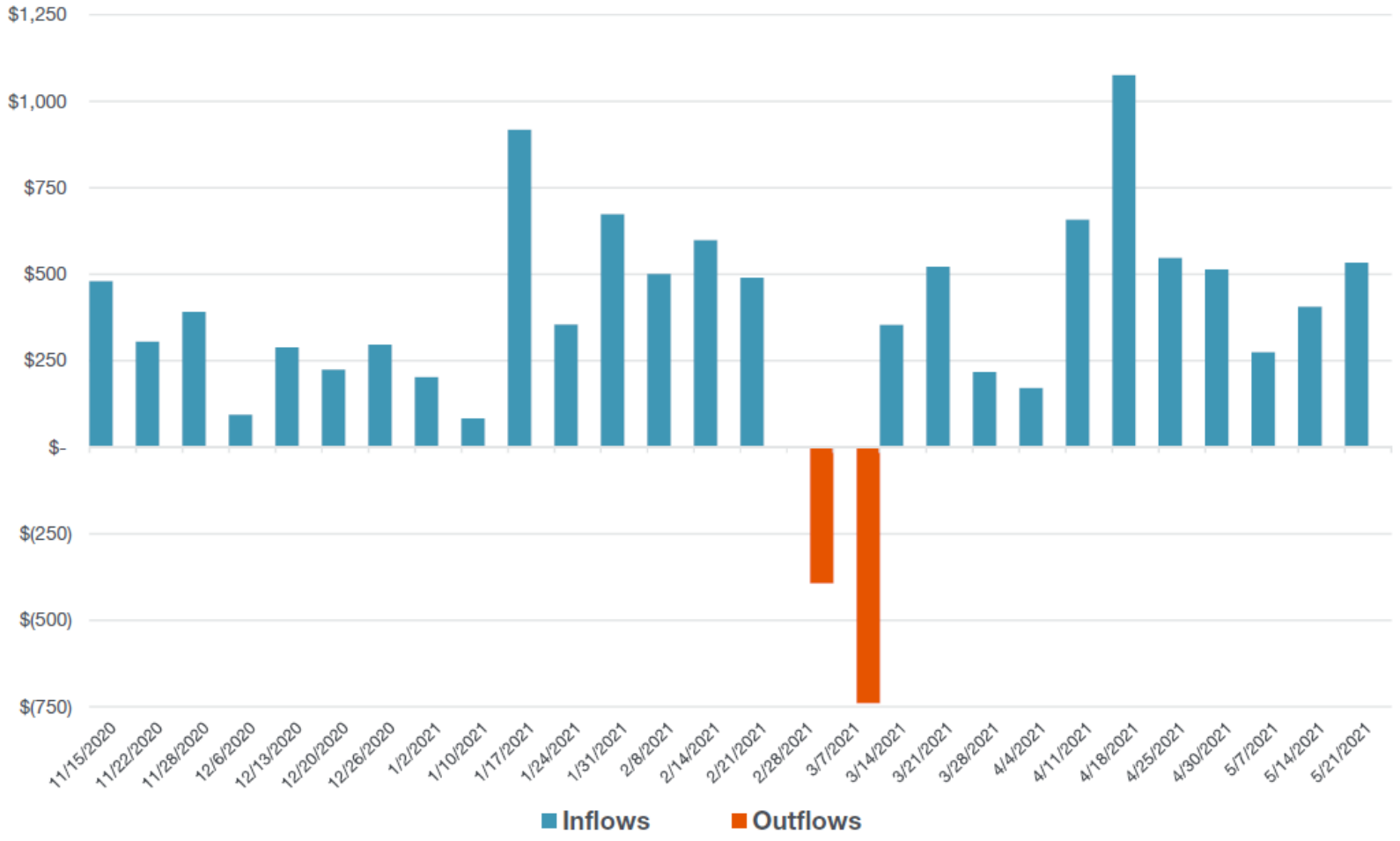
Interest Rates[1]

1. *Source: TM3 and Treasury Data. As of 5/24/2021.*

II. Market Overview

Weekly High-Yield Fund Flows[1]

HY funds this week saw inflows of $533.08mm for an eleventh straight week.



1. *Source: Investment Company Institute. As of 5/21/2021.*

III. Overview of Series 2021 Tax Allocation Revenue Bonds

- With collaboration from the working group, we have identified a market study provider and cashflow forecast provider to assist in deliverables included in the Preliminary Limited Offering Memorandum.
- Estimated interest rates between 4.00%-4.50%, with blended borrowing cost of 4.43%[1].
- Developing a robust marketing plan for debt inclusive of deal website allowing for scheduling of site visits and 1x1 calls, and with access to PLOM, bond documents, and marketing/disclosure video.

Sources & Uses of Funds	
Sources:	
Par Amount:	$250M
Total Sources:	$250M
Uses:	
Project Fund:	$168M
Capitalized Interest/Working Capital:	$57M
Debt Service Reserve Fund:	$19M
Costs of Issuance:	$6M
Total Uses:	$250M

Timeline to Close	
MIDA Special Board Meeting	July 27, 2021
Post Preliminary Limited Offering Memorandum	August 3, 2021
Pricing Day	August 17, 2021
Closing	August 24, 2021

1. *Represents Arbitrage Yield*

Thank you

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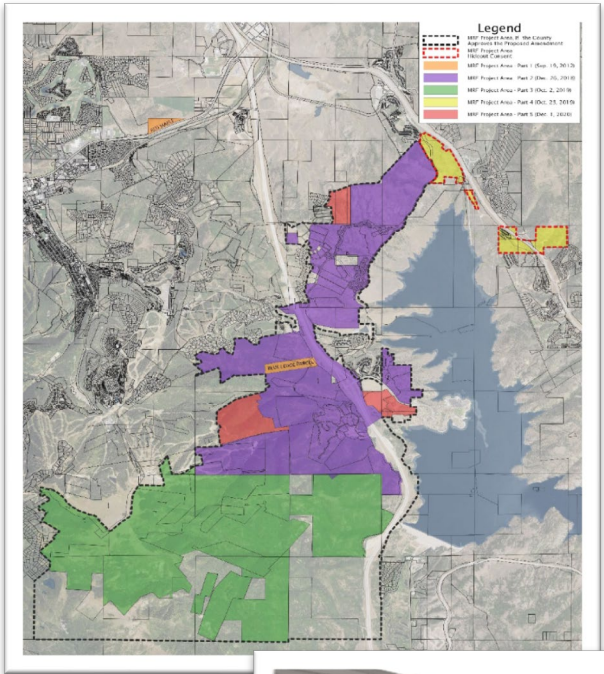
Tax Allocation Revenue Bonds



MIDA Project Area

TAX ALLOCATION REVENUE BONDS

- Monetization of future tax revenues previously pledged
- No new or additional tax revenues pledged
- Proceeds for MWR Conference hotel and Mountain Improvements (skier services) 100% in line with interlocal, and MIDA's and Wasatch County's agreement for public benefit

TAR BONDS' USES

Net Proceeds: $168M

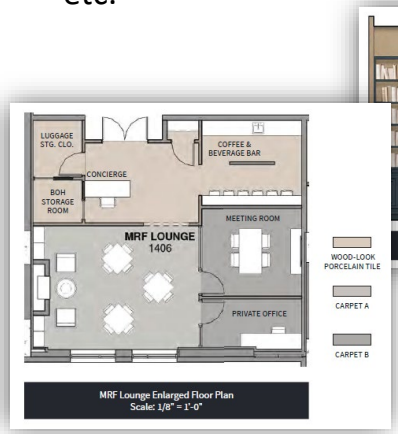
MWR Conference hotel: $115M

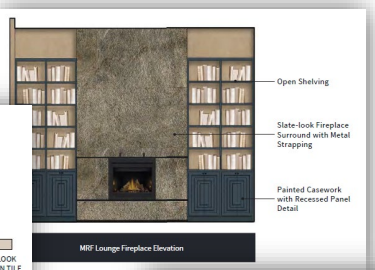
Village skier improvements: $53M

EXTELL

MORALE WELFARE RECREATION CONFERENCE HOTEL

- Capital Stack $390M:
  - TAR Bonds
    $115M 29.5%
  - Equity, Bank Loan and C-Pace
    $275M 70.5%
- TAR monies applied to MWR Conference hotel in accordance with interlocal
- MWR Conference hotel provides military and public benefit, .e.g military concierge, common area, ski locker rooms, ballrooms and banquets, etc.





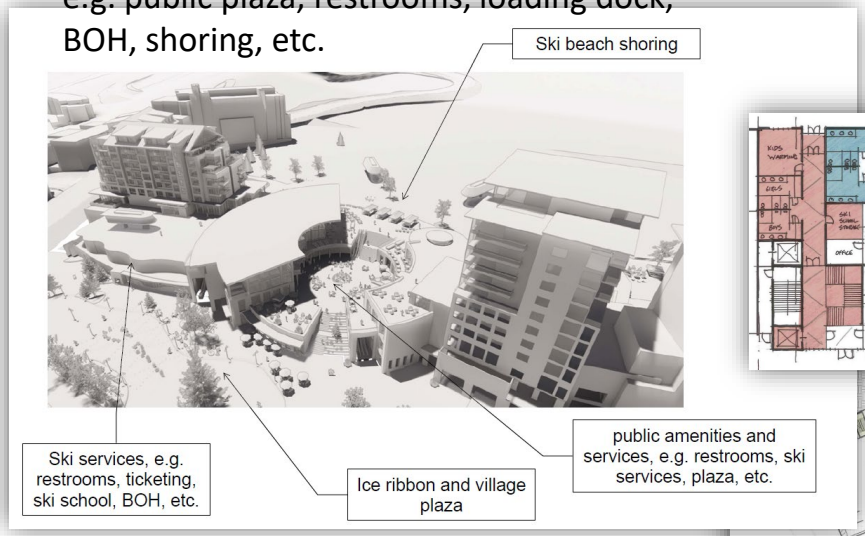
Tax Allocation Revenue Bonds

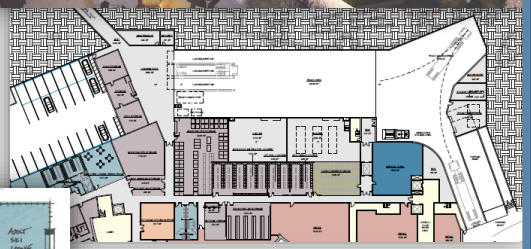
MIDA

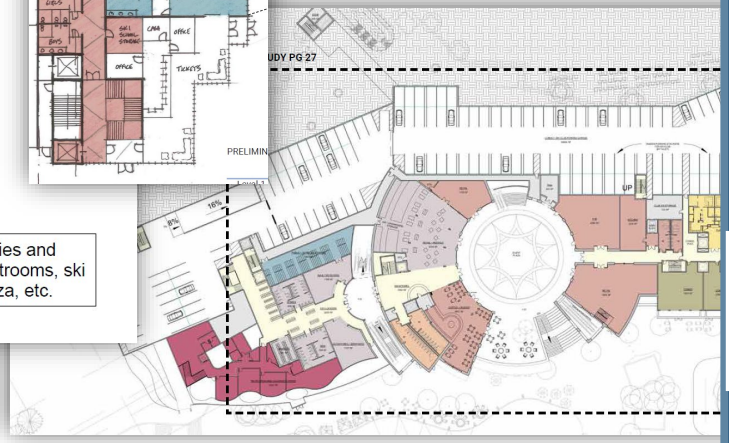
EXTELL

SKI HOTEL AND SKIER IMPROVEMENTS

- Capital Stack $400M:
  - TAR Bonds
    $53M 13.3%
  - Equity, Bank Loan and C-Pace
    $347M 86.7%%
- TAR monies applied to Mountain Improvements per interlocal within Ski Hotel, e.g. public plaza, restrooms, loading dock, BOH, shoring, etc.







Tax Allocation Revenue Bonds

MIDA

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OVERVIEW SUMMARY

- Public-Private Partnership
- Monetization of future tax revenues previously pledged
- No new or additional tax revenues pledged
- Private contributions substantially greater at $3.2B or 85%
- Protective measures taken and public's risk reduced/mitigated:
  - Construction guarantee of two hotels
  - No protest of tax values within range of TAR forecast
  - Debt structured strategically designed to grow with tax revenues
  - Debt coverage ratio has 30% cushion
  - MIDA to maintain reserve funds of 25% or $5M
  - Construction ramp-up, 5 years, within offering with CAP-I and working CAP
- Proceeds for MWR Conference hotel and Mountain Improvements (skier services) 100% in sync with interlocal, and MIDA's and Wasatch County's agreement for public benefit
- TAR bond numbers are estimated as Market Study and CPA certification underfoot and forthcoming.

Tax Allocation Revenue Bonds

MIDA

EXTELL