

**ADDITIONAL MATERIAL
REGULAR MEETING**

SEPTEMBER 17, 2024

**SUBMITTED AT THE REQUEST OF
COUNTY ADMINISTRATION**




MONICA CEPERO, County Administrator

115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7354 • FAX 954-357-7360

MEMORANDUM

DATE: September 13, 2024

TO: Mayor, Vice-Mayor, and County Commissioners

FROM: Monica Cepero, County Administrator 

RE: Additional Material – Agenda Item No. 57 – September 17, 2024,
Commission Meeting – Broward County Arena Operating Agreement
Term Sheet

The following items are submitted for your information and consideration with respect to Agenda Item 57 on the September 17, 2024, Commission Meeting – Broward County Arena Operating Agreement Term Sheet:

1. Letter dated September 10, 2024 from the County's independent financial advisor, Inner Circle Sports with attached Arena Renovation Comparisons.
2. Facility Condition Assessment – Amerant Bank Arena – Executive Summary dated September 10, 2024 issued by County's facility consultant, Gordian.

Should you have any questions or would like to discuss further, please do not hesitate to contact me or Assistant County Administrator Kevin Kelleher.

Attachments

Cc: Kimm Campbell, Deputy County Administrator
Kevin Kelleher, Assistant County Administrator
Michael Ruiz, Assistant County Administrator
Andrew Meyers, County Attorney
Robert Melton, County Auditor

INNER CIRCLE SPORTS LLC

GLOBAL ADVISING, FINANCING & INVESTING

September 10, 2024

Kevin Kelleher
Assistant County Administrator
Broward County, Florida
115 S. Andrews Avenue
Fort Lauderdale, FL 33301

RE : Extension of Agreements between Broward County and the Florida Panthers Hockey Club and Related Entities

Dear Kevin:

Inner Circle Sports (“ICS”), as an independent 3rd party, has reviewed the proposed terms of the lease extension between the Florida Panthers and Broward County. The framework agreement is acceptable and competitive with other recent arena renovations in the United States for major league sports enterprises.

ICS has not opined on the real estate development rights for the area surrounding the arena. We understand that any terms related to development adjacent to the arena will be negotiated at a later date.

We hope our analysis is helpful for your further conversations between the County and the Panthers. We are available for discussion and analysis when the Parties proceed toward more formal documentation.

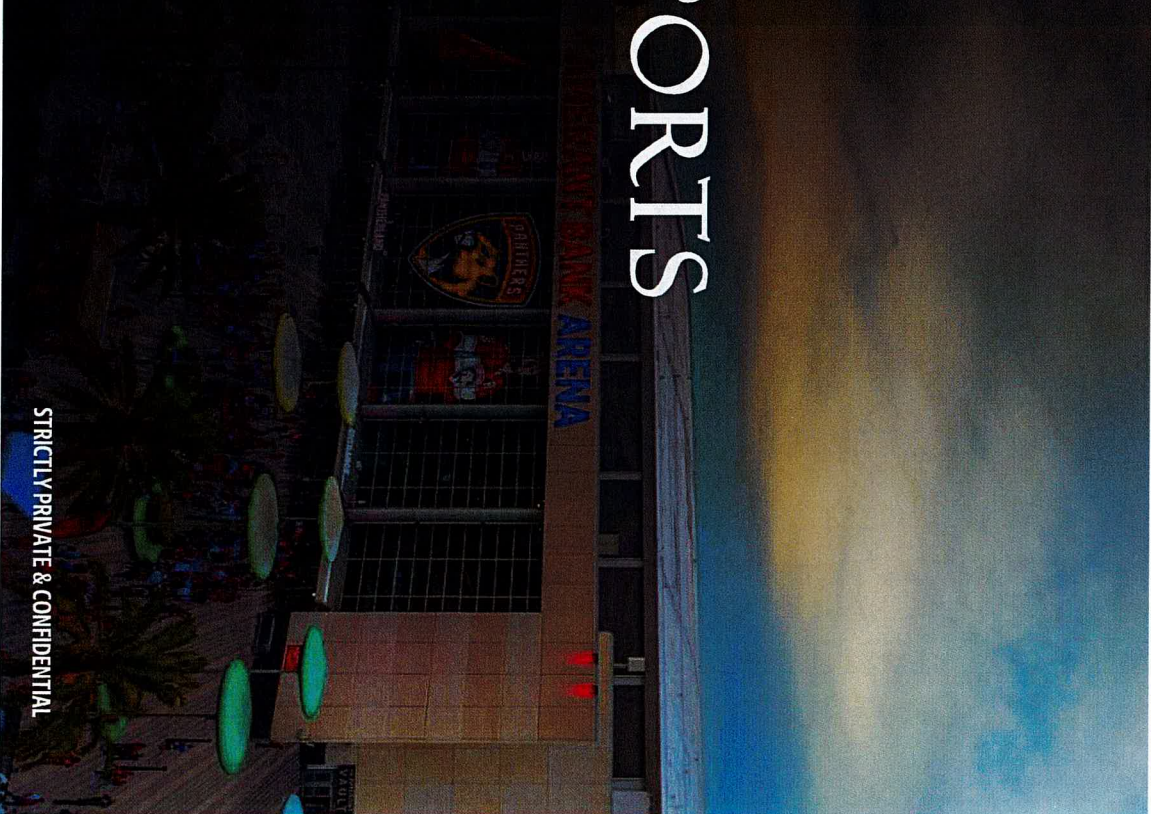
Very truly yours,

INNER CIRCLE SPORTS LLC

INNER CIRCLE SPORTS

ARENA RENOVATION COMPARISONS

PREPARED FOR: BROWARD COUNTY, FL
September 2024



STRICTLY PRIVATE & CONFIDENTIAL



ARENA RENOVATION OVERVIEW

SELECT CASE STUDIES



ARENA PUBLIC INVESTMENT - RENOVATIONS

NHL ARENAS												
Arena	Location	Opening	Age	Renovation Cost	Renovation Completion	Public Funding	%	Private Investment	%	Lease Extension	Annualized Cost Pay-Go	Annualized Cost 5.00% Debt
Existing Arena - Bond Deals												
Capital One Arena ¹	Washington, D.C.	1997	27 years	\$815M	TBA	\$515M	63%	\$300M	37%	23 years	\$22M	\$38M
PNC Arena ²	Raleigh, NC	1999	25 years	\$300M	Est. 2027	\$300M	100%	-	-	20 years	\$15M	\$24M
Existing Arena - Annual Revenue												
Bridgestone Arena ³	Nashville, TN	1996	28 years	N/A	N/A	\$810M	100%	-	-	30 years	\$27M	N/A
Panthers - 9 Yr Lease Extension ⁴	Sunrise, FL	1998	26 years	\$225M	TBD	\$207M	92%	\$18M	8%	9 years	\$23M	\$29M
Panthers - 19 Yr Lease Extension ⁵	Sunrise, FL	1998	26 years	\$450M	TBD	\$396M	88%	\$54M	12%	19 years	\$21M	\$33M
NBA ARENAS												
Existing Arena - Bond Deals												
Gainbridge Fieldhouse	Indianapolis, IN	1999	25 years	\$362M	2022	\$295M	81%	\$67M	19%	25 years	\$12M	\$21M
Spectrum Center ⁶	Charlotte, NC	2005	19 years	\$275M	Est. 2026	\$275M	100%	-	-	15 years	\$18M	\$26M
Rocket Mortgage Fieldhouse ⁷	Cleveland, OH	1994	30 years	\$185M	2019	\$70M	38%	\$115M	62%	7 years	\$10M	\$12M
Footprint Center ⁸	Phoenix, AZ	1992	32 years	\$235M	2021	\$150M	64%	\$85M	36%	15 years	\$10M	\$14M
State Farm Arena ⁹	Atlanta, GA	1999	25 years	\$200M	2018	\$143M	72%	\$57M	29%	18 years	\$8M	\$12M
FedEx Forum ¹⁰	Memphis, TN	2004	20 years	\$230M	TBA	\$230M	100%	-	-	TBA	N/A	N/A
Kia Center ¹¹	Orlando, FL	2010	14 years	\$226M	TBA	\$226M	100%	-	-	TBA	N/A	N/A
Frost Bank Arena	San Antonio, TX	2002	22 years	\$102M	2015	\$85M	83%	\$17M	17%	5 years	\$17M	\$20M
Target Center	Minneapolis, MN	1990	34 years	\$150M	2017	\$74M	49%	\$76M	51%	10 years	\$7M	\$10M

¹Significant publicly funded improvements in the District on top of this cost.

²Team also received development rights.

³Public investment based on 2020 net sales tax revenues (\$14.35M) grown at 4% from 2020-2049.

Average annual over the period is \$27M per annum, multiplied by 30 years to get \$810M.

⁴\$207M of new public investment (9 years of \$25M = \$225M, less \$18M of County commitment left in current Operating Agreement).

The County is subject to a \$36M rebate if there is no lease extension. \$207M in a bond would result in \$5M of interest paid over 9 years.

⁵\$396M of new public investment (14 years of \$25M = \$350M in total, plus 5 of \$20M = \$100M total, less \$54M of County commitment left in the current Operating Agreement). \$396M in a bond would result in \$227M of interest paid over 19 years.

⁶\$30M private investment for new practice facility, \$245M for the arena.

⁷Extension agreed in 2017.

⁸Extension agreed in 2019.

⁹Extension agreed to in 2016; mixed use development included.

¹⁰\$230M State funding approved last year, currently working on increasing this amount locally.

¹¹On top of \$400M initial cost for arena which opened in 2010; no lease extension; mixed use development included.

ARENA RENOVATION OVERVIEW

SELECT RENOVATION CASE STUDIES



AMERANT BANK ARENA – FLORIDA PANTHERS (PROPOSED)



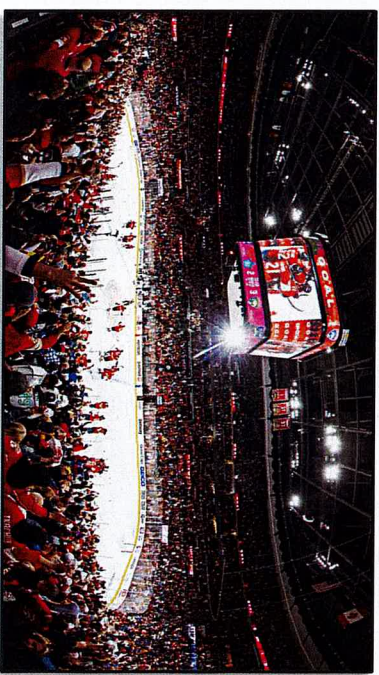
FINANCING SNAPSHOT

- **Two Potential Scenarios (9 - 19-year Lease Extension)**
- **Proposed Renovation:** \$225 - \$450 million
- **Proposed Public Contribution:** \$207 - \$396 million
- **Potential Annualized Cost (Pay-go / 5.00% Debt):** \$21 - \$23M / \$29 - \$33M
- **Proposed Share of Public Contribution:** 88 - 92%
- **Source of Public Funding:** Tourist Development Tax
- **Public Revenue Sharing:** Share of Gross Revenues / EBITDA (TBD)

OTHER COMMENTARY

- **Opening Date:** 1998
- **Capacity:** 19,250
- **Owner:** Broward County
- **Other Notes:**
 - The lease extension will coincide with a Florida Panthers repayment of remaining Broward County debt on Amerant Bank Arena (\$54 million outstanding).
 - If the lease extensions are not executed, the County is responsible for rebating some of the debt payment from the Florida Panthers.
 - The proposed deal shown does not include development rights for the ancillary real estate surrounding the Arena. Development rights will be negotiated at a later date.

ARENA





PNC ARENA – CAROLINA HURRICANES

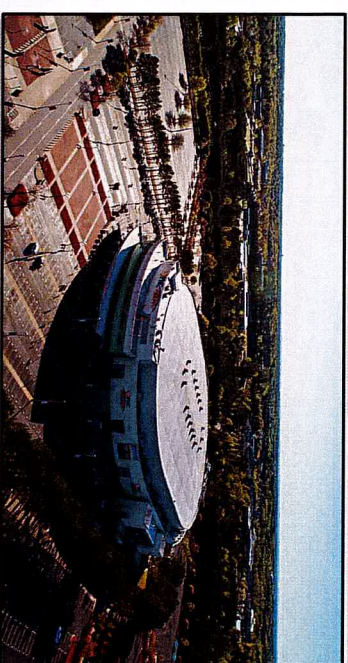
FINANCING SNAPSHOT

- **Total Renovation:** \$300 million
- **Total Public Contribution:** \$300 million
- **Annualized Cost (Pay-go / 5.00% Debt):** \$15M / \$24M
- **Share of Public Contribution:** 100%
- **Source of Public Funding:** 6% hotel tax; 1% food and beverage tax
- **Public Revenue Sharing:** No rent until 2029; \$4.5m starting 2029, escalating to \$5.5m by 2044

OTHER COMMENTARY

- **Opening Date:** 1999
- **Capacity:** 21,000
- **Owner:** Centennial Authority (County & City agency)
- **Other Notes:**
 - The redevelopment plans for the area surrounding the arena are quite ambitious, totaling \$800 million. The first phase of the project, estimated to cost \$200 million, will focus on the construction of retail and food spaces, office spaces, 200 apartments with 10% designated for affordable housing, a music venue with a capacity of 3,000-5,000, and a 150-room hotel.
 - PNC Arena impacts the local economy significantly – approximately \$260 million annually. The estimated 20-year economic impact of the arena is projected to reach \$4 billion.

ARENA



SPECTRUM CENTER – CHARLOTTE HORNETS



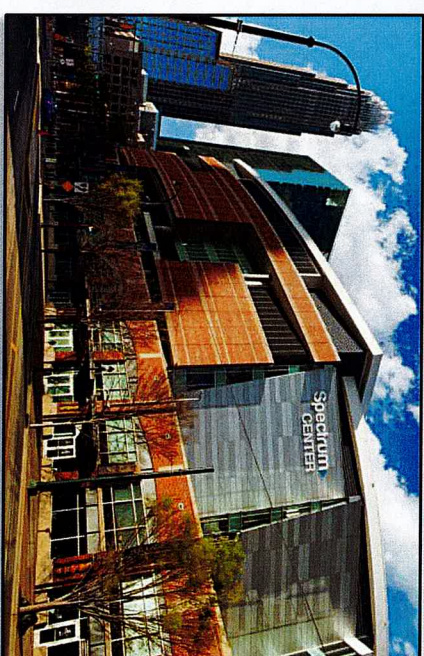
FINANCING SNAPSHOT

- **Total Renovation:** \$275 million
- **Total Public Contribution:** \$275 million
- **Annualized Cost (Pay-go / 5.00% Debt):** \$18M / \$26M
- **Share of Public Contribution:** 100%
- **Source of Public Funding:** Hotel tax; prepared food and beverage tax
- **Public Revenue Sharing:** Prior lease rent started at \$250,000 and grew to a max of \$500,000, current lease TBA

OTHER COMMENTARY

- **Opening Date:** 2005
- **Capacity:** 17,500
- **Owner:** Charlotte City Council
- **Other Notes:**
 - The arena bowl will be adding 2,500 seats, moving them from the bottom of the NBA in lower-level seating to the top ten. The arena will see a decrease in traditional suites going from 54 to 28, but this allows for diversified premium offerings for the fans. Spectrum Center will offer four options for suites.
 - More grab-and-go markets will be added while other concession stands have expanded menus. More social gathering spaces will be added near food and drink areas with increased visibility of the lower bowl so fans can enjoy concessions without missing the action.

ARENA



FROST BANK CENTER – SAN ANTONIO SPURS



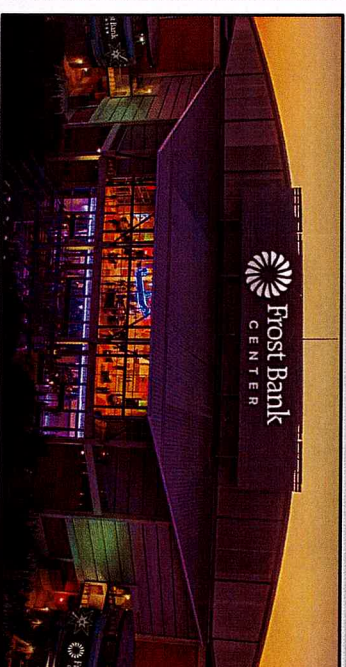
FINANCING SNAPSHOT

- **Total Renovation:** \$102 million
- **Total Public Contribution:** \$85 million
- **Annualized Cost (Pay-go / 5.00% Debt):** \$17M / \$20M
- **Share of Public Contribution:** 83%
- **Source of Public Funding:** Bexar County Visitor Tax (1.75% hotel occupancy tax and 5% short-term motor vehicle rental tax)
- **Public Revenue Sharing:** None

OTHER COMMENTARY

- **Opening Date:** 2002
- **Capacity:** 18,500
- **Owner:** Bexar County
- **Other Notes:**
 - As the owner of the arena, Bexar County has taken responsibility for all capital improvements, ensuring the facility meets modern standards.
 - New additions include restaurants, exterior LED display and advertising screens, upgraded seating, internal lighting, an HD scoreboard, artwork, and an improved audio system. The VIP club and dining area have been revamped to provide a more luxurious experience, while the locker rooms, coaching, and training facilities were expanded and modernized to cater to the needs of athletes and staff.

ARENA



FOOTPRINT CENTER – PHOENIX SUNS



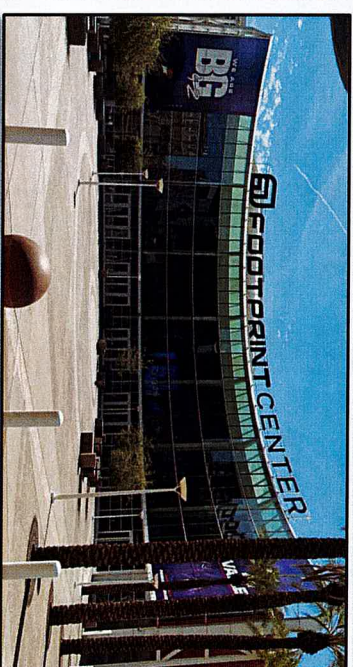
FINANCING SNAPSHOT

- **Total Renovation:** \$235 million
- **Total Public Contribution:** \$150 million
- **Annualized Cost (Pay-go / 5.00% Debt):** \$10M / \$14M
- **Share of Public Contribution:** 64%
- **Source of Public Funding:** City of Phoenix Sports Facilities Fund (hotel and rental car taxes)
- **Public Revenue Sharing:** \$1.0m annually in rent

OTHER COMMENTARY

- **Opening Date:** 1992
- **Capacity:** 16,200
- **Owner:** City of Phoenix
- **Other Notes:**
 - As part of the lease agreement, both the city and the Suns have made commitments towards capital improvements. The city has pledged to contribute up to \$25 million for future repairs, while the Suns will contribute a minimum of \$12.5 million. These investments will facilitate extensive enhancements to the arena.
 - Beyond its sporting significance, the arena has a remarkable economic impact. It is projected to generate an annual economic impact of \$335 million, contributing substantially to the local economy. Direct tax revenue arising from the arena amounts to \$14 million.

ARENA



GAINBRIDGE FIELDHOUSE – INDIANA PACERS



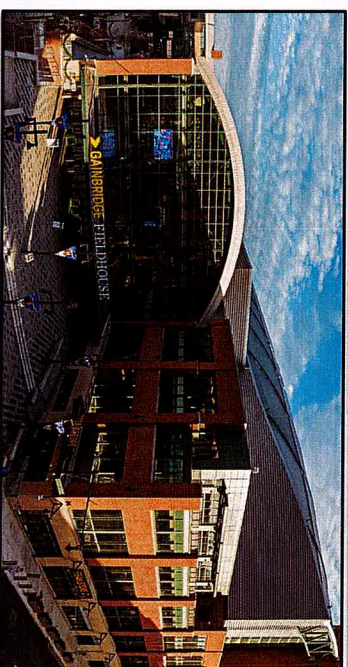
FINANCING SNAPSHOT

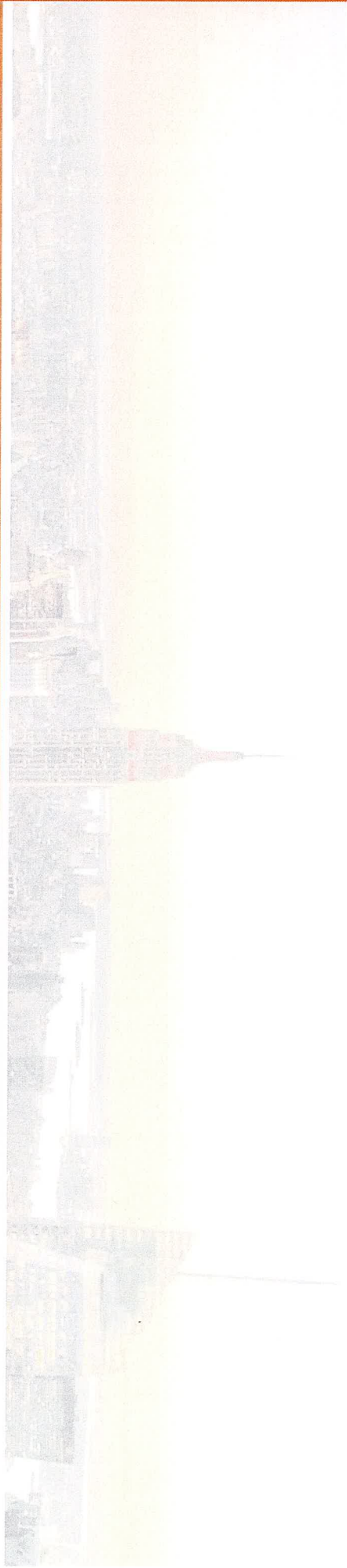
- **Total Renovation:** \$362 million
- **Total Public Contribution:** \$295 million
- **Annualized Cost (Pay-go / 5.00% Debt):** \$12M / \$21M
- **Share of Public Contribution:** 81%
- **Source of Public Funding:** Marion County Capital Improvement Board Budget
- **Public Revenue Sharing:** \$1 per year in rent

OTHER COMMENTARY

- **Opening Date:** 1999
- **Capacity:** 19,000
- **Owner:** Marion County Convention Center and Facilities Authority
- **Other Notes:**
 - The Capital Improvement Board of Marion County is responsible for covering all capital repairs and has a dedicated Capital Repairs Schedule outlined in their lease agreement.
 - The economic impact of Gainbridge Fieldhouse is significant, with a contribution of \$370 million in 2018 alone. The arena also fosters job creation, with 4,000 total jobs supported and an annual wage expenditure amounting to \$152 million.

ARENA





INNER CIRCLE SPORTS

Facility Condition Assessment

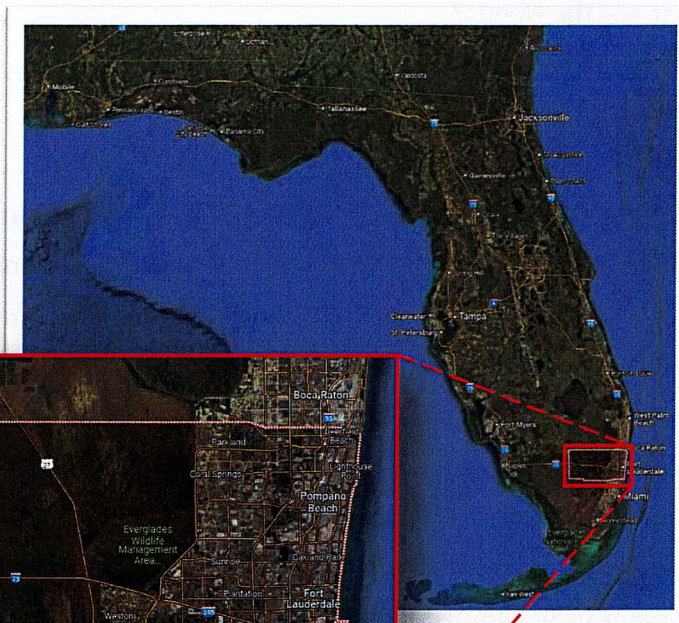


Broward County, FL

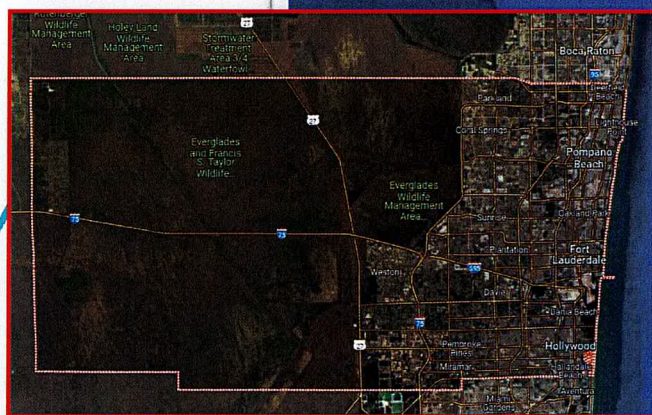
Amerant Bank Arena

September 10, 2024

(v3.1; Executive Summary)



Florida, USA



Broward County, FL

Submitted by:
Gordian
Ryan E. Peters, LEED AP
Account Manager

99 Bedford St
Boston, MA 02211



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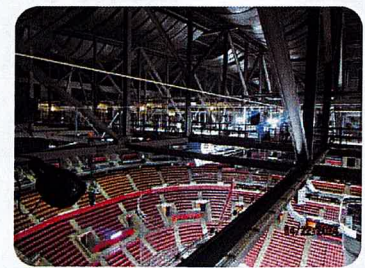
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NOTE: ALL APPENDICES ARE OMITTED PER CUSTOMER REQUEST FOR THIS EXECUTIVE SUMMARY VERSION OF THE REPORT

Acknowledgements

Gordian extends our sincere appreciation to the Broward County Facilities Management Division, Administrators and Staff for the cooperation and assistance provided during this facility condition assessment project. The successful completion of this project would not have been possible without the valuable guidance, cooperation, and assistance. We would like to thank Ms. Nicole Simmons for providing close continuous support throughout the project. Thank you for your support of this long-term capital planning effort.

Gordian is pleased to present the summary information included in this executive summary, and the data resulting from this Assessment that will continue to reside in the VFA.Facility platform, to provide a powerful tool for furthering the overall aims, goals, and objectives of the County in the years to come.



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Report Disclaimer

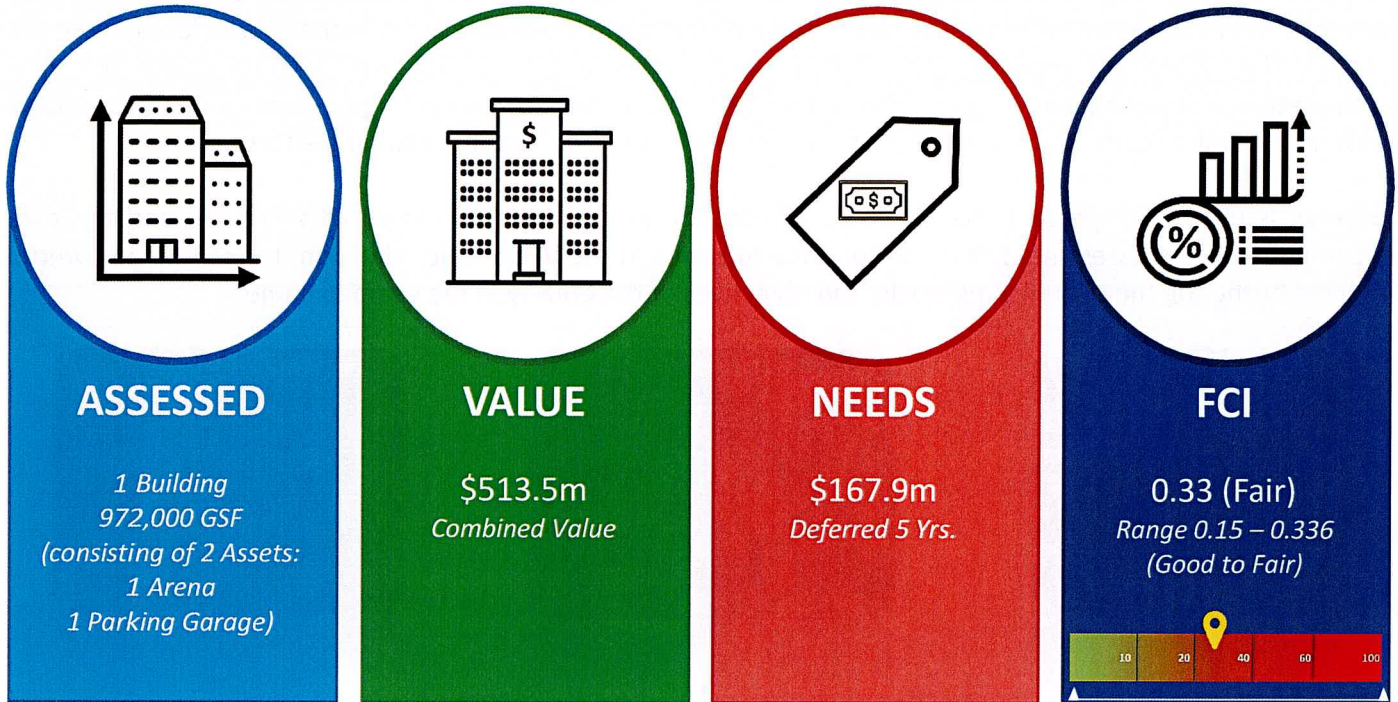
Gordian produced this document under an agreement between Gordian and Broward County, Florida. Gordian disclaims any obligation to any other person with respect to any material presented in this document and no person may rely upon this document without advance and express written consent from Gordian and such person's written agreement to be bound by the limitations, qualifications, terms, conditions, and indemnities to Gordian set forth in that agreement. Gordian specifically states that its review of the property in question is subject to monetary restraints and scope limitations. Given those limitations and conditions, Gordian has made what, in its opinion, is a reasonable investigation, limited to visual observations. Design analysis of systems including structural systems has not been performed. Gordian has also relied upon interviews and documents with the understanding that independent verification of their factual content is beyond the scope of Gordian's work.

The materials presented in this document are "to Gordian's knowledge" where such phrase means to Gordian's actual knowledge of the subject matter after such inquiry as Gordian considered reasonable considering the qualifications and limitations upon the scope of work.

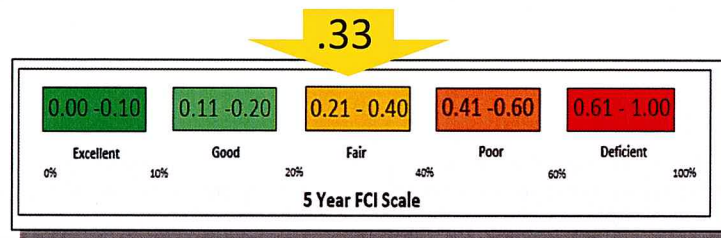
Assumptions regarding the overall condition of the properties have been developed based upon inspection of "representative" areas of the facilities. As such, the development of schematic methods and associated costs for the correction of identified deficiencies is based upon the overview inspection and is also limited with respect to completeness.

Investigation for the presence of asbestos containing materials (ACM), PCB's, CFC's, radon, and other environmentally hazardous materials was not part of this project's scope of work. In addition, a review and certification that the buildings have been designed to meet current lateral loading (wind and seismic) or accessibility requirements, is not part of this review.

One-Page Summary



What is FCI? The “Facilities Condition Index” is a comparative measure of asset (building) conditions, and is simply the value of capital needs, within a certain time-period, divided into the current replacement value of those same assets.



What are FCI Costs (Needs)? FCI Costs include the backlog of work required to properly maintain physical assets, to include system components, buildings, and infrastructure. It includes past-due work which has been deferred on both a planned and an unplanned basis, along with 5 years of projected future maintenance needs.

4 Questions - The remainder of this report will explore the following important questions: *What do we own? What are the needs? How much will it cost? What should we do first?* Answering these questions using objective data will enable strategic capital planning decisions across your portfolio.

What Do We Own?

In April of 2024, Gordian assessed the *Amerant Bank Arena* building, a professional sports arena, for Broward County, FL. For the purposes of this report, the building was assessed as (2) distinct assets by Gordian, which include the 872,000 GSF Amerant Bank Arena, and the dedicated 100,000 GSF Amerant Bank Arena Parking Garage which exists primarily within the footprint of the arena above. Both assets were constructed at the same time as part of one contiguous build.

Constructed in 1998, the assets are 26 years old.

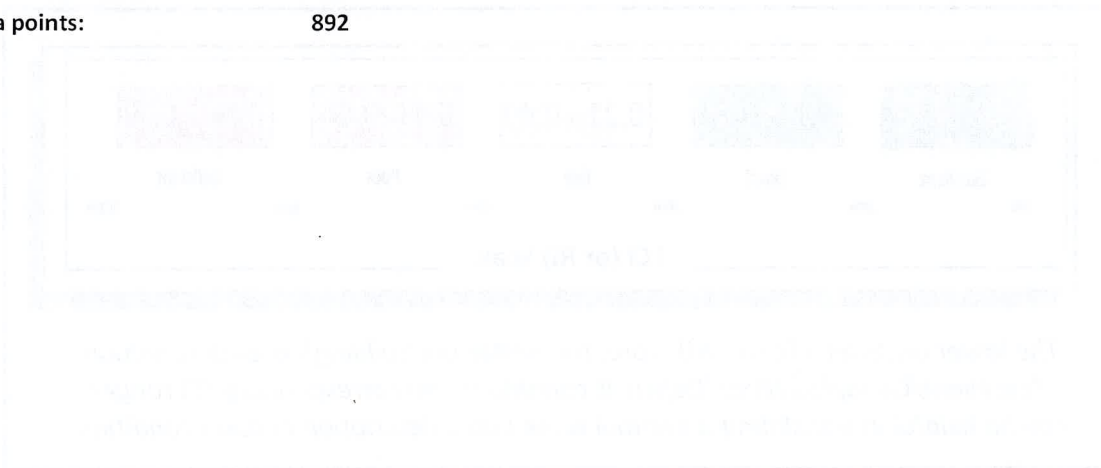
The assets have a total combined value expressed as Current Replacement Value (CRV) of \$513.5m.

Key Assessment Statistics:

- Total Replacement Value: \$513.5m
- FCI Cost: \$167.9m
- Average Asset Age: 26 Years
- 5 Year FCI Range: 0.15 to 0.37 (Good to Fair)
- 5 Year Average FCI: 0.33 (Fair)

Data Points Generated:

- Number of Assets Assessed: 2
- Systems generated: 512
- Requirements generated: 378
- **Total data points:** 892



Complete Asset List by Asset Name

ASSET NAME	ASSET SIZE	ASSET UNIT	ASSET TYPE	ASSET USE	REPLACEMENT VALUE	YEAR BUILT	AGE	ASSET \$/UNIT
Amerant Bank Arena	872,000	SF	BUILDING	ATHLETIC STADIUM	\$487,258,383	1998	26	\$559
Amerant Bank Arena – Parking Garage	100,000	SF	BUILDING	STORAGE - VEHICLES	\$26,280,656	1998	26	\$263

What Are the Needs?

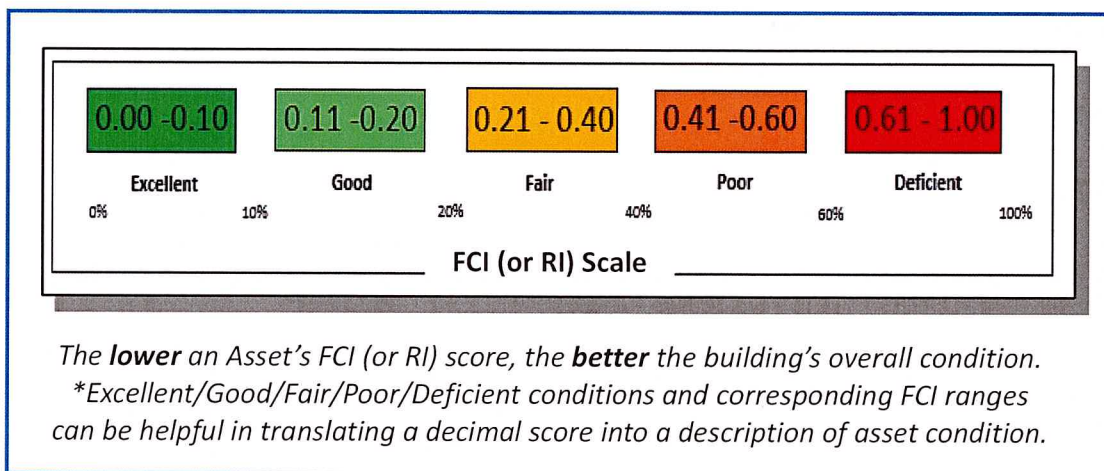
FCI Window (5 Year Forecast)

FCI Scores provide a means to compare the relative condition of assets. The higher the FCI, the poorer the condition of the building. **FCI Costs** provide the total FCI requirement costs over 5 years.

Of the assets Gordian assessed, Amerant Bank Arena has the highest numerical FCI score at 0.37. Its FCI Score corresponds to a condition rating of “Fair”, per the below graphic scale. Amerant Bank Arena has an FCI Cost of \$163,927,994.

Amerant Bank Arena – Parking Garage has the lowest numerical FCI score at 0.15. Its FCI Score corresponds to a condition rating of “Good”, per the below graphic scale. Amerant Bank Arena – Parking Garage has an FCI Cost of \$3,941,454.

The combined FCI cost of these assets is \$167,869,448.



FCI Score - Stack Rankings

The assets and their FCI scores and FCI costs are shown in the table below, stack-ranked by FCI score, with the highest numerical FCI score at the top.

ASSET NAME	ASSET SIZE	ASSET UNIT	REPLACEMENT VALUE	Year Built	AGE	FCI	FCI COST	RI	RI COST
Amerant Bank Arena	872,000	SF	\$487,258,383	1998	26	0.34	\$163,927,994	0.434	\$211,417,111
Amerant Bank Arena – Parking Garage	100,000	SF	\$26,280,656	1998	26	0.15	\$3,941,454	0.239	\$6,290,227
<i>Totals</i>	<i>972,000</i>	<i>SF</i>	<i>\$513,539,038</i>				<i>\$167,869,448</i>		<i>\$277,785,817</i>

FCI Cost - Stack Rankings

ASSET NAME	ASSET SIZE	ASSET UNIT	REPLACEMENT VALUE	Year Built	AGE	FCI	FCI COST	RI	RI COST
Amerant Bank Arena	872,000	SF	\$487,258,383	1998	26	0.34	\$163,927,994	0.434	\$211,417,111
Amerant Bank Arena – Parking Garage	100,000	SF	\$26,280,656	1998	26	0.15	\$3,941,454	0.239	\$6,290,227
<i>Totals</i>	<i>972,000</i>	<i>SF</i>	<i>\$513,539,038</i>				<i>\$167,869,448</i>		<i>\$277,785,817</i>

FCI Costs are valued at \$167.87 million. This value includes FCI Requirements that are due within 5 years. The table below shows assets with FCI costs stack-ranked by building with the highest dollar needs over that 5-year period at the top.

Amerant Bank Arena has the highest FCI Cost at nearly \$164m, indicating it has many systems that have either exceeded their useful life or are rapidly approaching end of life. With an FCI Score of 0.34, it sits in the “Fair” condition range from 0.20 to >0.40. Note that the FCI Score range associated with the condition of “Poor” ranges from 0.40 to >0.60. Though renovations and replacements of some systems have occurred over the years in this asset, it is within the realm of normal expectations that there would be some significant mechanical, electrical, and plumbing (MEP) system needs, since those systems typically have lifetimes ranging from 20 to 30 years and the asset is currently 26 years old. Original MEP systems are beginning to reach the end of their expected useful lifetimes and are impacting the building’s FCI Score and FCI Cost that are anticipated over the next 5 years.

FCI Costs by System Group and Priority. Requirements can be organized by System Groups, Priorities, and Categories. Categories assigned to Requirements in the database can be thought of as the type of need, whereas the System Group is the primary roll-up based on System Groups (HVAC, Electrical, Structure, etc.). Priorities help define an order of importance for the needs relative to time.

The breakdown of the FCI Costs of all assessed assets arranged by System Groupings and Priority. Electrical Systems have the highest FCI Costs over the next 5 years at \$70.8m, followed by HVAC Systems at \$53.9m. The remainder of System Groups ranging from a high of nearly \$13m for Plumbing Systems, and lower thereafter for other System Groups. Although most systems and equipment are still performing, as they continue to age it will become increasingly difficult to obtain replacement parts while repair needs, failures, leaks, and other reliability issues will occur with increasing frequency.

FCI Needs by System Group and Priority

<i>System Group</i>	<i>1- Due within 1 Year of Inspection</i>	<i>2- Due within 2 Years of Inspection</i>	<i>3- Due within 5 Years of Inspection</i>	<i>Grand Total</i>
<i>Electrical System</i>	\$69,865	\$30,973,082	\$39,755,342	\$70,798,289
<i>HVAC System</i>	\$199,332	\$5,787,737	\$47,900,550	\$53,887,619
<i>Plumbing System</i>	\$11,226	\$81,126	\$12,879,484	\$12,971,836
<i>Interior Construction and Conveyance</i>	\$201,963	\$9,208	\$8,550,314	\$8,761,485
<i>Equipment</i>	\$35,123		\$8,105,571	\$8,140,694
<i>Site</i>	\$2,952		\$4,173,082	\$4,176,034
<i>Furnishings</i>			\$4,105,085	\$4,105,085
<i>Exterior Enclosure</i>	\$5,763	\$247,340	\$3,202,983	\$3,456,086
<i>Other</i>	\$758,694			\$758,694
<i>Fire Protection</i>			\$635,471	\$635,471
<i>Special Construction</i>			\$195,828	\$195,828
<i>Structure</i>		\$38,287.00		\$38,287
<i>FCI Totals</i>	<i>\$1,284,918</i>	<i>\$37,136,780</i>	<i>\$129,503,710</i>	<i>\$167,925,408</i>

FCI Costs by Asset and Year. Requirements can be organized by Asset and Year. Evaluating the timing of upcoming anticipated expenditures by year helps further define the anticipated needs of each asset over that period of time.

FCI Costs by Asset and Year

<i>Asset Name</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>
<i>Amerant Bank Arena</i>	\$124,924	\$1,142,821	\$37,136,780	\$16,314,405	\$100,192,097	\$9,072,928
<i>Amerant Bank Arena - Parking Garage</i>		\$17,173		\$377,874	\$3,426,229	\$120,177
<i>Totals (FCI Requirements)</i>	<i>\$124,924</i>	<i>\$1,159,994</i>	<i>\$37,136,780</i>	<i>\$16,692,279</i>	<i>\$103,618,326</i>	<i>\$9,193,105</i>

FCI Roof Needs

Evaluating the repair and renewal needs for roof systems provides an important insight into the needs of an asset, since building occupants and guest, interior MEP systems and finishes all depend upon the integrity of the roofing systems to perform as intended.

Amerant Bank Arena is the only asset identified during the assessment to have roof needs within the 5 Year FCI window, totaling \$250.6k. The tables below show the FCI Costs of those roof needs, their associated Systems, and the year in which those costs are anticipated.

Amerant Bank Arena FCI Roof Costs by Prime System and Year

<i>Amerant Bank Arena - FCI Roof Needs by System</i>	<i>2026</i>	<i>2029</i>	<i>Totals (FCI Requirements Only)</i>
<i>B3010-Roof Coverings</i>	<i>\$247,340</i>	<i>\$1,608</i>	<i>\$248,948</i>
<i>B3016-Gutters and Downspouts</i>		<i>\$1,688</i>	<i>\$1,688</i>
<i>Grand Total (FCI Requirements Only)</i>	<i>\$247,340</i>	<i>\$3,296</i>	<i>\$250,636</i>

How Much Will It Cost?

Using the asset data and the Funding module within *VFA.Facility* we can examine various funding strategies, analyze their fiscal implications over various time periods, and project the impact of deferred maintenance, either for individual Buildings or across the entire assessed portfolio. Values, either assumed or measured, and different time ranges can be entered into the funding module for analysis purposes, to see their cost implications, and to project their impact on facility conditions.

To show the analysis potential of *VFA.Facility*, we consider three examples that are summarized below to illustrate the varying costs and condition impacts that different strategies can produce.

The results of the three potential funding scenarios applied to the assessed assets are projected out over the next 13 years.

For these examples, the costs for annual system renewals are at an annual **inflation rate of 0.0%** (today's US dollars) over that time examined with a **0% deterioration backlog**.

Three 13-year Funding scenarios investigated are:

1. Green

Funding at 2.0% of the Current Replacement Value (CRV) for the next 13 years:

- Average Annual Funding: \$10.27m
- Ending FCI: 0.31 (Fair)

2. Blue

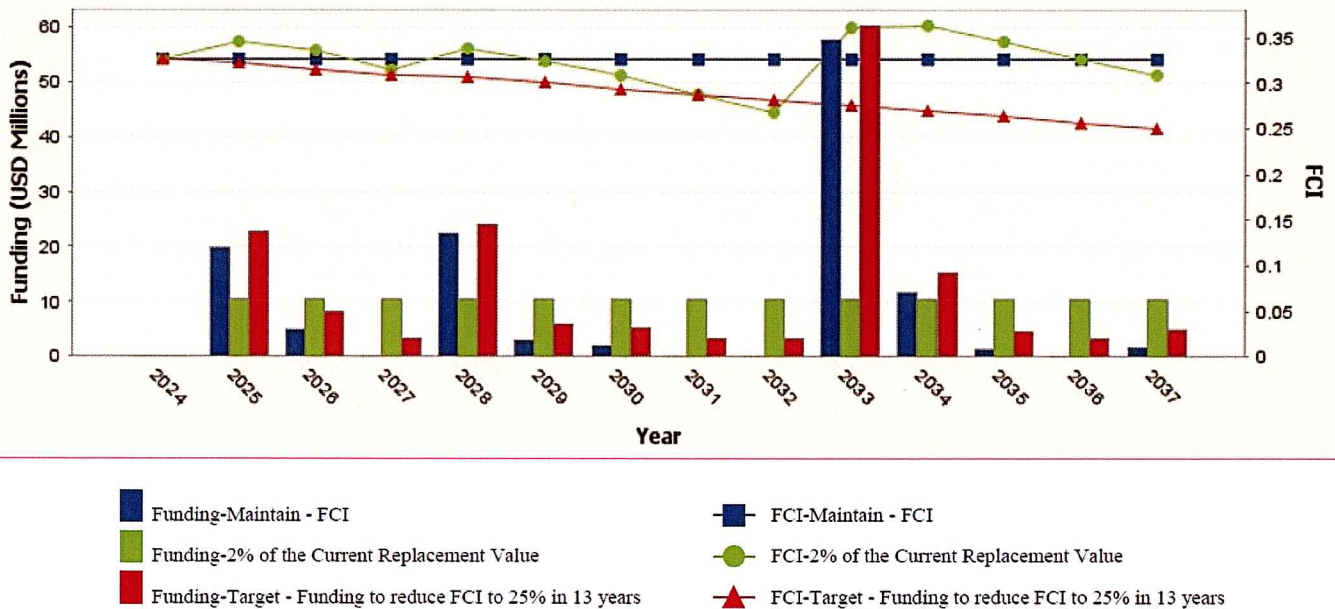
Maintain the current campus average FCI of 0.33 for the next 13 years:

- Average Annual Funding: \$9.59m
- Ending FCI: 0.33 (Fair)

3. Red

Improve the current FCI of 0.33 (Fair) to 0.25 (Fair) over the next 13 years:

- Average Annual Funding: \$12.63m
- Ending FCI: 0.25 (Fair)



The **Green** scenario is to fund at 2% of CRV, shown by the green line with dots that slopes upwards to the right. The upward sloping green line indicates that FCI would vary over the 13 year period if funding is set at 2% of CRV, with a resultant slight improvement in FCI Score at the end of that 13 year period as compared to the current FCI Score.

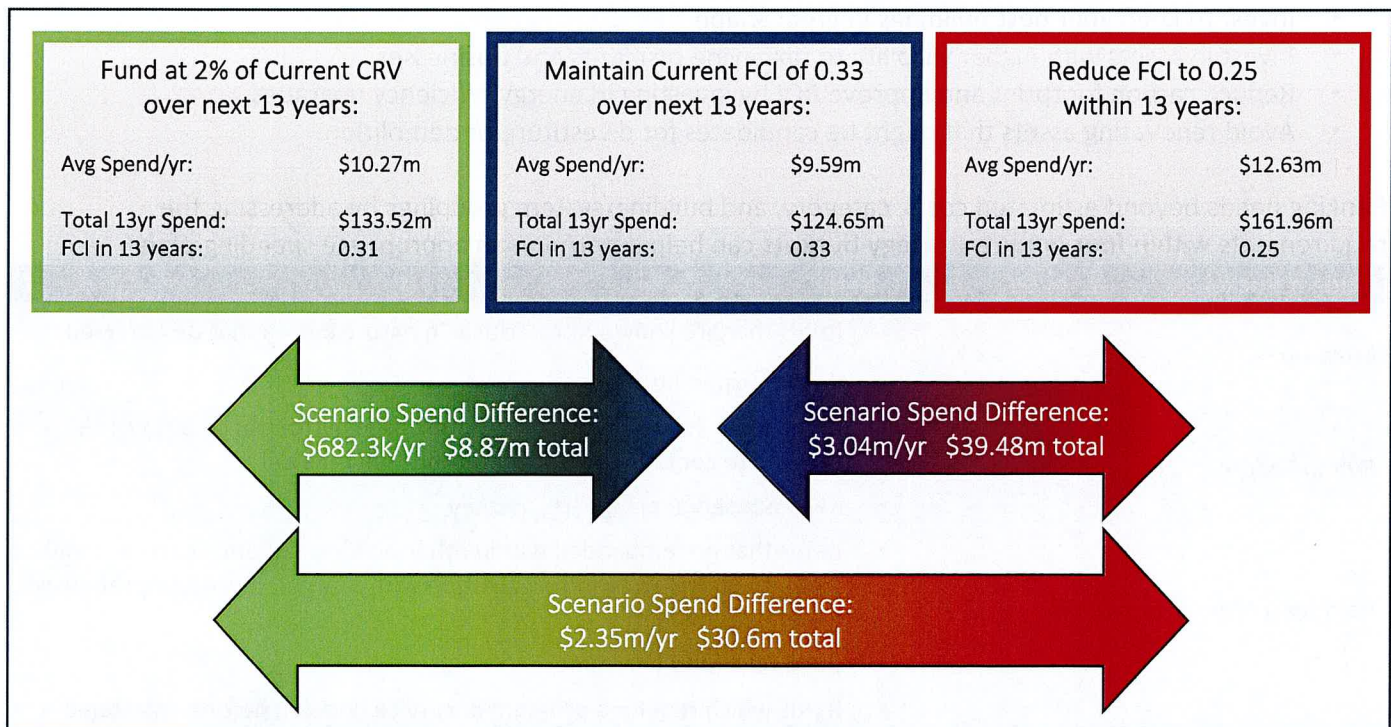
The **Blue** scenario shown by the flat blue line with blue squares represents maintaining the current FCI of .33. The vertical blue bars show how much money needs to be spent each year to maintain that 0.33 FCI.

The **Red** scenario is an approach of pursuing a moderately improved FCI Score target of 0.25. It is shown by the red line with red triangles that slopes downward to the right, which reflects a goal of improving the portfolio's FCI to a 'like-new' condition of 0.25 within 13 years. The corresponding annual spend for this strategy is indicated by the vertical red bars.

Note: Additional funding strategies can be explored using the VFA.Facility Funding module online, including the ability to define inflation and backlog deterioration values, both of which are set to 0 in the above scenarios.

Comparison of Funding Scenarios

By examining the **Blue** scenario of maintaining current FCI we can ascertain that it will take greater than \$9.59m/yr of funding to improve the portfolio FCI. Conversely, less than \$9.59m/yr of funding is likely to cause the portfolio FCI of the assessed assets to worsen over time.



The arrows along the bottom of the graphic above illustrate differences in a) annual spending between scenarios, and b) in total 13-year spending between the scenarios.

What Should We Do First?

Having established what assets are owned and their values, what are their needs, and how much will those needs cost, the question then becomes what is the best approach to reducing the deferred maintenance backlog and improving facilities conditions, when balanced against programmatic needs? How will future expenditures support the County’s mission?

The reports that accompany this summary have utilized the modules built into VFA.Facility to generate high level and granular lists of building systems, the current and future needs of those systems, and funding options that should provide insight into how to prioritize the spending needs.

The information in this report is not intended to be a one-time ‘static’ delivery of findings, but rather a gateway into a dynamic database capable of producing reports and planning opportunities that will support the success of the capital asset management program for Broward County.

Strategic decisions are best made after careful consideration of many factors, which may change over time. Some considerations Broward County may consider are:

- Apply available funding to critical systems
- Apply available funding to cosmetic appearance, while seeking additional funding for critical systems
- Invest in programs that attract building users
- Invest to keep your best buildings in great shape
- Invest in assets with higher visibility to taxpaying residents and businesses
- Reduce carbon footprint and improve ROI by investing in energy efficiency upgrades
- Avoid renovating assets that might be candidates for divestiture or demolition

Ranking needs beyond estimated costs, category, and building/system groupings by addressing the requirements within **four unique strategy buckets** can help determine an appropriate spending plan.

Budget Bucket	Criteria
<i>Must Do</i>	<ul style="list-style-type: none"> • Items that are known to be critical in nature and cannot be deferred • Known expenditures
<i>Run to Failure</i>	<ul style="list-style-type: none"> • Items to be actively monitored for drops in performance but will be allowed to continue operation without full renewal • Keep a reserve: plan, parts, money
<i>Hold for a Major Renovation</i>	<ul style="list-style-type: none"> • Items that are embedded within other building systems, so that it makes sense to do the work in combination with a larger, more comprehensive, general renovation • Build up a fund over time
<i>Requires Program Decision/ Financing</i>	<ul style="list-style-type: none"> • Items which require a program or service decision before a strategic decision can be made. The objective is to avoid renewing systems now that might not suit the asset’s use in the near future • Solicit funding from program/ service source

NOTE: ALL APPENDICES ARE OMITTED PER CUSTOMER REQUEST
FOR THIS EXECUTIVE SUMMARY VERSION OF THE REPORT

END OF DOCUMENT