

THE WESTIN

LOMBARD

YORKTOWN CENTER

Lombard Public Facilities Corporation

*2022 Master Operating Plan and Budget
and 2022 Master Capital Budget*



Holy Mackerel!
FRESH SEAFOOD & COCKTAILS

THE WESTIN

LOMBARD

YORKTOWN CENTER

Index

<i>Item #1: 2022 Master Operating Plan and Budget</i>	3
<i>Item #2: 2022 Master Capital Budget</i>	6



THE WESTIN

LOMBARD
YORKTOWN CENTER

Item #1

2022 Master Operating Plan and Budget



Holy Mackerel!
FRESH SEAFOOD & COCKTAILS

Lombard Public Facilities Corporation

CONSOLIDATED FINANCIALS

	2022 Budget			2021F	2020A	2019A	2022 Budget Variance to		% of Revenue		
	Hotel	Restaurant	Total				2021F	2020A	2022B	2021F	2020A
ADR	\$129.19	\$ -	\$129.19	\$125.40	\$119.43	\$ 126.90	\$3.79	\$9.76			
Occupancy	59.7%	-	59.7%	33.8%	14.7%	67.6%	25.9%	45.0%			
Available Rooms	182,500	-	182,500	182,500	183,000	182,500	-	(500)			
Room Revenue	\$14,075,808	\$ -	\$14,075,808	\$7,755,700	\$3,204,815	\$15,645,034	6,320,108	\$10,870,993	54.7%	55.6%	47.2%
Hotel F&B Revenue	6,672,413	-	6,672,413	2,918,847	1,895,913	7,425,575	3,753,566	4,776,500	25.9%	20.9%	27.9%
Restaurant Revenue	-	4,349,800	4,349,800	2,713,079	1,335,311	4,919,689	1,636,721	3,014,489	16.9%	19.5%	19.7%
Hotel Other Revenue	640,736	-	640,736	549,905	355,911	424,903	90,831	284,825	2.5%	3.9%	5.2%
Total F&B & Other Revenue	7,313,149	4,349,800	11,662,949	6,181,831	3,587,135	12,770,167	5,481,118	8,075,814	45.3%	44.4%	52.8%
Total Revenues	\$21,388,957	\$4,349,800	\$25,738,757	\$13,937,532	\$6,791,950	\$28,415,201	\$11,801,225	\$18,946,807	100.0%	100.0%	100.0%
<u>Departmental Expenses</u>											
Rooms	(4,401,950)	-	(4,401,950)	(2,579,479)	(1,540,915)	(4,362,369)	1,822,471	2,861,035	17.1%	18.5%	22.7%
Food & Beverage	(4,157,208)	(3,421,817)	(7,579,025)	(3,857,901)	(2,839,003)	(8,598,746)	3,721,124	4,740,022	29.4%	27.7%	41.8%
Hotel Other	(298,955)	-	(298,955)	(170,047)	(50,511)	(143,461)	128,908	248,444	1.2%	1.2%	0.7%
Total Departmental Expenses	(8,858,113)	(3,421,817)	(12,279,930)	(6,607,426)	(4,430,429)	(13,104,576)	5,672,503	7,849,501	47.7%	47.4%	65.2%
<u>Undistributed Expenses</u>											
General & Administrative	(1,605,366)	(243,420)	(1,848,786)	(1,556,735)	(1,475,097)	(2,849,273)	292,051	373,689	7.2%	11.2%	21.7%
Sales & Marketing	(2,684,414)	(127,460)	(2,811,874)	(1,258,382)	(1,240,253)	(2,775,202)	1,553,492	1,571,621	10.9%	9.0%	18.3%
Info & Telecom Systems	(564,207)	-	(564,207)	(337,296)	(336,713)	(604,143)	226,911	227,494	2.2%	2.4%	5.0%
Maintenance	(1,754,778)	(127,515)	(1,882,293)	(1,244,983)	(1,191,117)	(1,967,358)	637,310	691,176	7.3%	8.9%	17.5%
Utilities	(1,016,543)	(134,917)	(1,151,460)	(599,976)	(595,292)	(990,101)	551,484	556,168	4.5%	4.3%	8.8%
Base Hotel Mgmt. Fee	(320,832)	-	(320,832)	(158,782)	(160,523)	(708,129)	162,050	160,309	1.2%	1.1%	2.4%
Base Restaurant Mgmt. Fee	-	(260,988)	(260,988)	(162,785)	-	(299,586)	98,203	260,988	1.0%	1.2%	0.0%
Other	-	-	-	(501)	(509)	(4,703)	(501)	(509)	0.0%	0.0%	0.0%
Total Undistributed Expenses	(7,946,140)	(894,299)	(8,840,439)	(5,319,439)	(4,999,503)	(10,198,493)	3,521,000	3,840,936	34.3%	73.6%	35.9%
Non Operating Income / Expense	(415,044)	30,136	(384,908)	240,938	(115,832)	(316,121)	625,846	269,076	1.5%	-1.7%	1.7%
Net Operating Income from Ops	\$4,169,660	\$63,820	\$4,233,480	\$2,251,604	(\$2,753,814)	\$4,796,010	\$1,981,876	\$6,987,294	16.4%	16.2%	(40.5%)
LPFC Insurance Premium	-	-	(70,500)	(130,164)	(65,500)	(65,500)	(59,664)	5,000			
LPFC Administrative Expenses	-	-	(846,200)	(1,513,992)	(1,532,346)	(868,491)	(667,792)	(686,146)			
Return/(payment) of Severance Costs/ERTC/Keymoney	-	-	822,559	(784,925)	-	0	(1,607,484)	(822,559)			
Hotel Opex Funding	-	-	-	(919,910)	(2,008,011)	0	(919,910)	(2,008,011)			
Hotel FF&E Reserve Contributions	-	-	(641,669)	-	(96,808)	(699,172)	641,669	544,860			
Restaurant Capital Expenditures	-	-	(80,000)	-	-	(63,814)	80,000	80,000			
Bondholder Capital Expenditure Contribution	-	-	-	-	-	(2,040,000)	-	-			
Prior Asset Manager Fund Contribution	-	-	(35,000)	(35,000)	(35,000)	(35,000)	-	-			
Funding Agreement Term Loan	-	-	(1,638,224)	4,500,000	-	-	6,138,224	1,638,224			
Net Operating Income Prior to Debt Service	\$4,169,660	\$63,820	\$1,744,446	\$3,367,613	(\$6,491,479)	\$1,024,033	\$4,515,057.16	\$9,874,150			

Lombard Public Facilities Corporation

HOTEL FINANCIALS

	Budget Comparison						% of Revenue		
	Westin				Westin 2022B Variance to		Westin		
	2022B	2021F	2020A	2019A	2021F	2020A	2022B	2021F	2020A
ADR	\$129.19	\$125.74	\$119.43	\$126.90	\$3.45	\$9.76			
Occupancy	59.7%	33.8%	14.7%	67.6%	25.9%	45.0%			
Available Rooms	182,500	182,500	183,000	182,500	-	(500)			
Room Revenue	\$14,075,808	\$7,755,700	\$3,204,815	\$15,645,034	\$6,320,108	\$10,870,993	65.8%	69.1%	58.7%
Hotel F&B Revenue	\$6,672,413	2,918,847	1,895,913	7,425,575	3,753,566	4,776,500	31.2%	26.0%	34.7%
Restaurants Revenue	-	-	-	-	-	-	0.0%	0.0%	0.0%
Hotel Other Revenue	\$640,736	\$549,905	355,911	424,903	90,831	284,825	3.0%	4.9%	6.5%
Total F&B & Other Revenue	7,313,149	3,468,752	2,251,824	7,850,478	3,844,397	5,061,325	34.2%	30.9%	41.3%
Total Revenues	\$21,388,957	\$11,224,452	\$5,456,639	\$23,495,513	\$10,164,505	\$15,932,318	100.0%	100.0%	100.0%
<u>Departmental Expenses</u>									
Rooms	(4,401,950)	(2,579,479)	(1,540,915)	(4,362,369)	1,822,471	2,861,035	20.6%	23.0%	28.2%
Food & Beverage	(4,157,208)	(1,932,125)	(1,658,851)	(4,917,256)	2,225,083	2,498,357	19.4%	17.2%	30.4%
Hotel Other	(298,955)	(170,047)	(50,511)	(143,461)	128,908	248,444	1.4%	1.5%	0.9%
Total Departmental Expenses	(8,858,113)	(4,681,651)	(3,250,277)	(9,423,087)	4,176,462	5,607,836	41.4%	41.7%	59.6%
<u>Undistributed Expenses</u>									
General & Administrative	(1,605,366)	(1,403,822)	(1,275,292)	(2,580,813)	201,544	330,074	7.5%	12.5%	23.4%
Sales & Marketing	(2,684,414)	(1,197,914)	(1,147,185)	(2,619,385)	1,486,500	1,537,229	12.6%	10.7%	21.0%
Info & Telecom Systems	(564,207)	(337,296)	(336,713)	(604,143)	226,911	227,494	2.6%	3.0%	6.2%
Maintenance	(1,754,778)	(1,165,355)	(1,135,640)	(1,849,022)	589,424	619,138	8.2%	10.4%	20.8%
Utilities	(1,016,543)	(528,163)	(527,073)	(867,451)	488,380	489,470	4.8%	4.7%	9.7%
Base Hotel Mgmt. Fee	(320,832)	(158,782)	(160,523)	(708,129)	162,050	160,309	1.5%	1.4%	2.9%
Other	-	(501)	(509)	(4,703)	(501)	(509)	0.0%	0.0%	0.0%
Total Undistributed Expenses	(7,946,140)	(4,791,833)	(4,582,935)	(9,233,646)	3,154,307	3,363,205	37.2%	42.7%	84.0%
Non Operating Income / Expense	(415,044)	(163,508)	(134,067)	(349,688)	251,536	280,977	1.9%	1.5%	2.5%
Net Operating Income from Ops	\$4,169,660	\$1,587,461	(\$2,510,640)	\$4,489,092	\$2,582,199	\$6,680,300	19.5%	14.1%	(46.0%)

Lombard Public Facilities Corporation

RESTAURANT FINANCIALS

					2022 Budget Variance to		% of Revenue		
	2022B	2021F	2020A	2019A	2021F	2020A	2022B	2021F	2020A
ADR	\$ -	\$ -	\$ -	\$ -					
Occupancy	0.0%	0.0%	0.0%	0.0%					
Available Rooms	-	-	-	-					
Room Revenue	-	-	-	-					
Hotel F&B Revenue	-	-	-	-	-	-			
Restaurants Revenue	4,349,800	\$2,713,079	\$1,335,311	\$4,919,689	1,636,721	3,014,489	100.0%	100.0%	100.0%
Hotel Other Revenue	-	-	-	-	-	-			
Total F&B & Other Revenue	4,349,800	2,713,079	1,335,311	4,919,689	1,636,721	3,014,489	100.0%	100.0%	100.0%
Total Revenues	\$4,349,800	\$2,713,079	\$1,335,311	\$4,919,689	\$1,636,721	\$3,014,489	100.0%	100.0%	100.0%
<u>Departmental Expenses</u>									
Food & Beverage	(3,421,817)	(1,925,776)	(1,180,152)	(3,681,490)	1,496,041	2,241,665	78.7%	71.0%	88.4%
Other	-	-	-	-	-	-	0.0%	0.0%	0.0%
Total Departmental Expenses	(3,421,817)	(1,925,776)	(1,180,152)	(3,681,490)	1,496,041	2,241,665	78.7%	71.0%	88.4%
<u>Undistributed Expenses</u>									
General & Administrative	(243,420)	(152,913)	(199,804)	(268,460)	90,507	43,615	5.6%	5.6%	15.0%
Sales & Marketing	(127,460)	(60,468)	(93,067)	(155,817)	66,992	34,393	2.9%	2.2%	7.0%
Info & Telecom Systems	-	-	-	-	-	-	0.0%	0.0%	0.0%
Maintenance	(127,515)	(79,628)	(55,478)	(118,335)	47,887	72,037	2.9%	2.9%	4.2%
Utilities	(134,917)	(71,812)	(68,219)	(122,650)	63,105	66,698	3.1%	2.6%	5.1%
Base Restaurant Mgmt. Fee in A&G	(260,988)	(162,785)	-	(299,586)	98,203	260,988	6.0%	6.0%	0.0%
Other	-	-	-	-	-	-	0.0%	0.0%	0.0%
Total Undistributed Expenses	(894,299)	(527,606)	(416,568)	(964,847)	366,693	477,731	20.6%	19.4%	31.2%
Non Operating Income / Expense	30,136	404,446	18,236	33,566	374,309	(11,901)	0.7%	14.9%	1.4%
Net Operating Income from Ops	\$63,820	\$664,143	(\$243,173)	\$306,918	(\$600,323)	\$306,993	1.5%	24.5%	(18.2%)

Lombard Public Facilities Corporation

NET REVENUES CALCULATION

2018 Series A Calculation		
	2022 Budget ⁽¹⁾	2021 10 months Actual 2 months budget ⁽²⁾
Net Operating Income	\$ 4,233,480	\$ 2,052,203
Add: Interest Gained on Available Revenues Fund ⁽²⁾	-	2,122
Net Revenues per Required Reductions	\$ 4,233,480	\$ 2,054,324
Less: LPFC Admin Expenses ⁽³⁾	(846,200)	(1,513,992)
Total Net Revenues per Indenture	\$ 3,387,280	\$ 540,332

2018 Series B Calculation - Tax Revenue		
	2022 Budget ⁽⁵⁾	2021 Actual
Hotel / Motel Tax Revenue		
Rooms Revenue	\$ 14,075,808	
Tax Rate	4.64%	
Total Hotel / Motel Tax Revenue	\$ 652,785	
Hotel F&B Tax Revenue (Places of Eating & Sales Tax)		
Hotel F&B Revenue	\$ 6,672,413	
Tax Rate	0.95%	
Total Hotel F&B Tax Revenue	\$ 63,364	
Hotel Restaurant Tax Revenue (Places of Eating & Sales Tax)		
Restaurant Revenue	\$ 4,349,800	
Tax Rate	1.83%	
Total Hotel F&B Tax Revenue	\$ 79,488	
February 2021 Tax Revenue Remittance		\$ 37,602
Less: Additional Places for Eating Tax		(3,767)
July 2021 Tax Revenue Remittance		101,371
Less: Additional Places for Eating Tax		(26,905)
Total Net Revenues per Indenture	\$ 795,637	\$ 108,300

Notes:

1) Per 2022 Master Operating Plan and Budget. Reflects negative impact of COVID-19 on operations and displacement in revenues from rooms renovation project

2) Per 2021 unaudited results (10 month actual, 2 month budget). Reflects negative impact of COVID-19 on operations as well as costs associated with termination and replacement of the Marriott Hotel Management Agreement with the Marriott Franchise Agreement.

3) 2022 based on estimated expenses for LPFC and Trustee.

4) For conservative purposes, no interest on the Available Revenues Fund was included in the Net Revenues for 2022 Budget.

5) 2021 remittance reflects negative impact of COVID-19 on operations (April 2020- May 2021)

6) Tax Rates are reflective of the average applied rates for the period from April 2020 -May 2021.

Lombard Public Facilities Corporation

DEBT SERVICE COVERAGE RATIO

2022 BUDGET

	A	B	Cumulative
	2018 Series A	2018 Series B	Total: A + B
Total Net Revenues per Indenture ⁽¹⁾	\$ 3,387,280	\$ 795,637	\$ 4,182,917

Debt Service Amounts

2022 - 2018A-1 Scheduled Interest & Amort	\$ 2,446,693	\$ -	\$ 2,446,693
2022 - 2018A-2 Scheduled Interest & Amort	1,827,997	-	1,827,997
2022 - 2018B-Scheduled Interest & Amort	-	921,849	921,849
Total 2021 Scheduled Debt Service	\$ 4,274,690	\$ 921,849	\$ 5,196,538

Debt Service Coverage Ratio ^(2a)

Total Net Revenues per Indenture	\$ 3,387,280	\$ 795,637	\$ 4,182,917
Total Scheduled Debt Service	\$ 4,274,690	\$ 1,116,197	\$ 5,390,887

Debt Service Coverage Ratio	0.79x	0.71x	0.78x
------------------------------------	--------------	--------------	--------------

2021 ACTUAL

	A	B	Cumulative
	2018 Series A	2018 Series B	Total: A + B
Total Net Revenues per Indenture ⁽¹⁾	\$ 540,332	\$ 108,300	\$ 648,632

Debt Service Amounts

2021 - 2018A-1 Scheduled Interest	\$ 1,997,607	\$ -	\$ 1,997,607
2021 - 2018A-2 Scheduled Interest	1,448,873	-	1,448,873
2021 - 2018B-Scheduled Interest	-	727,500	727,500
Total 2021 Scheduled Debt Service	\$ 3,446,480	\$ 727,500	\$ 4,173,980

Debt Service Coverage Ratio ⁽²⁾

Total Net Revenues per Indenture	\$ 540,332	\$ 108,300	\$ 648,632
Total Scheduled Debt Service	\$ 3,446,480	\$ 727,500	\$ 4,173,980

Debt Service Coverage Ratio	0.16x	0.15x	0.16x
------------------------------------	--------------	--------------	--------------

Notes

1) Per Page 52 of the Master Glossary of Terms to the Indenture, Total Net Revenues are defined as: "Hotel Net Operating Income plus Restaurant Net Operating Income less Administrative Expenses plus any amounts expected to be received from the Village pursuant to the Tax Rebate Agreement plus the earnings on amounts deposited into the Available Revenue Fund not otherwise included in the definition of Net Operating Income."

2) Per Page 14 of the Master Glossary of Terms to the Indenture, Debt Service Coverage Ratio is defined as: "(a) with respect to the Outstanding First Tier Bonds, a fraction calculated by dividing the Total Net Revenues (excluding amounts received from the Village pursuant to the Tax Rebate Agreement) for a particular period of time by the Net Debt Service for the Outstanding First Tier Bonds for the same period of time, (b) with Net Debt Service for the Outstanding First Tier Bonds for the same period of time, (b) with respect to the Outstanding Second Tier Bonds, a fraction calculated by dividing the amounts received from the Village pursuant to the Tax Rebate Agreement for a particular period of time (after deducting therefrom any Additional Places for Eating Tax required to be deposited in the Hotel Capital Expenditure Reserve Fund pursuant to Section 5.04(b) of the Indenture) by Net Debt Service for the Outstanding Second Tier Bonds for the same particular period of time, and (c) with respect to all Outstanding Bonds, a fraction calculated by dividing the Total Net Revenues for a particular period of time by the Net Debt Service for the outstanding Bonds for the same period of time."

In 2021, the Trustee agreed to provide a \$4.5 million Term Loan at a 7.5% interest rate (compounded) in order to address hotel operating cash deficits and fund a portion of the PIP. The Term Loan is in priority to debt service on the Series 2018 A-1 and A-2 bonds. In addition, the balance of the PIP is projected to be completed in 2022. Thus, all Total Net Revenues will be utilized to fund the balance of the PIP and to repay the Term Loan before Debt Service recommences.

THE WESTIN

LOMBARD

YORKTOWN CENTER

Item #2

2022 Master Capital Budget



Holy Mackerel!
FRESH SEAFOOD & COCKTAILS

CONFIDENTIAL DRAFT

Lombard Public Facilities Corporation

CONSOLIDATED CAPITAL BUDGET

Master Capital Budget

Capital Projects	Description	2022 Budget
Hotel	Various projects	\$746,494
Restaurant		\$101,000
Master Capital Budget		\$847,494

Note: For informational purposes only.

The Asset Manager will approve each hotel capital expenditure as funds are housed with the Bond Trustee.

The Asset Manager has not approved the proposed capital budget for the Restaurant.

CONFIDENTIAL DRAFT

Lombard Public Facilities Corporation		
HOTEL CAPITAL BUDGET		
Project Name	Description	2022 Budget
Discretionary		
Emergency Repairs	Basic Upkeep	\$100,000
Chiller #1 Overhaul	Equipment maintenance	\$70,000
Guestroom Energy Management System Expense Saving		\$136,494
Back-of-House Infrastructure Wi-Fi	Required for access	\$25,000
Total Discretionary		\$331,494
Structural		
Parking Lot repairs		\$15,000
Exterior Façade - Major refurbishings	Pre-cast concrete repairs	400,000
Total Structural		\$415,000
Total Hotel Capital Budget		\$746,494

Note: For informational purposes only.

The Asset Manager will approve each hotel capital expenditure as funds are housed with the Bond Trustee.

Lombard Public Facilities Corporation

RESTAURANT CAPITAL BUDGET

Project Name	Vendor	2022 Budget
Ballroom Carpet	Mr. David	\$75,000
HM HVAC	Hill Mechanical	10,000
Baseball sign Repairs	Olympik	3,000
New Patio Chairs	Contract Furniture	3,000
Kitchen Equipment Unidentified	Ed Don	10,000
Total Restaurant Capital Budget		\$101,000

Note: For informational purposes only.

The Asset Manager has not approved the proposed capital budget for the Restaurant.