

MISSOURI DEVELOPMENT FINANCE BOARD

TAX CREDIT FOR CONTRIBUTION PROGRAM APPLICATION

The undersigned Applicant hereby submits this Application and requests the Missouri Development Finance Board (the "Board") accept a Contribution, and, to the extent described herein, apply the proceeds of such Contribution for the purpose of financing the Project described below (the "Project") pursuant to the Board's Tax Credit for Contribution Program.

The undersigned has read the Board's Tax Credit for Contribution Program Description and Guidelines.

Date: 10/10/2025 Total Estimated Project Budget/Cost: \$ 126,589,662
Total Amount of Proposed Contribution: \$ 8,000,000
Total Tax Credit Amount (50% of Contribution): \$ 4,000,000
Name: City of Jefferson
Address: 320 E. McCarty St.
City: Jefferson City County: Cole Zip Code: 65101
Contact: Brian Crane Telephone: 573-634-6303
Title: City Administrator Fax:
E-mail: bcrane@jeffersoncitymo.gov

A. THE APPLICANT

1. Organization: City of Jefferson

What type of governmental entity is the Applicant?
Home Rule City

2. Legal or In-House Counsel to the Applicant:

Firm Name: Gilmore & Bell, P.C.
Address: 211 N. Broadway, Suite 200
City: St. Louis State: MO Zip Code: 63102
Contact: Mark Grimm Telephone: 314-444-4118
Title: Fax:
E-mail: mgrimm@gilmorebell.com

3. What is the total population of the Applicant? 43,228 (2020)

4. In which state legislative District(s) is the Project located:

House: District 60 Senate: District 6
In which U.S. Congressional District: District 3

5. Taxpayer Identification Number: 44-6000193

6. Facility's NAICS* Number: 531120-Conference Center; 721110 - Hotels and Motels; 812930-Parking Garage

(Use the NAICS number for the facility(s) to be constructed or improved with the contribution.)

*NAICS — North American Industry Classification System. The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

B. THE PROJECT

1. Project Description:

Type of Project:

- Construction of new infrastructure
- Acquisition of real estate
- Construction of new facilities
- Acquisition of existing facilities
- Additions or improvements to existing facilities
- Acquisition of equipment

Business Address/Location of Project Site:

200 Capitol Ave.	Jefferson City	Cole
(Street)	(City)	(County)

Legal Description of Property:

All of Inlot Nos. 339, 340, 341 and 342, in the City of Jefferson, Cole County, Missouri.

Also, part of Inlot Nos. 344, 345 and 346 in the City of Jefferson, Missouri, being the same property described as Lot No. 2 in deed of record in Book 309, page 356, Cole County Recorder's Office, more particularly described as follows:

From the northeasterly corner of said Inlot No. 346; thence S41°45'38"W along the easterly line of said Inlot No. 346, 5.00 feet to the northeasterly corner of the property described in said Lot No.2 and the POINT OF BEGINNING for this description; thence along the boundary of said Lot No.2 the following courses: S41°45'38"W, 84.64 feet; thence N48°43'45"W, 83.75 feet; thence S41°45'38"W, 110.02 feet to the northerly line of High Street; thence N48°44'32"W, along the northerly line of High Street, 25.00 feet; thence N41°45'38"E, 131.63 feet; thence N48°45'03"W, 100.55 feet; thence S41°52'06"W, 5.00 feet; thence N48°45'03"W, 20.20 feet; thence N41°52'06"E, 68.00 feet; thence S48°45'06"E, 229.38 feet to the point of beginning.

Containing 19,657.16 s.f. (0.45 ac an acre)

Included in above described tract is part of Lot 1 and Lot 4 , all Lots 2 ,3 and 10, the northerly part of Lots 11 ,12 ,13 and 14, sometimes referred to being a subdivision of Inlots Nos. 345 and 346.

What is the expected date of commencement of construction of the Project?

Date: 04/01/2026

What is the date the Project is expected to commence operations?

Date: 03/31/2028

2. Project Costs and Ongoing Sustainability:

On the following table, state the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures. Additionally, on a separate attachment explain how the project will be financially self-sustainable on an ongoing basis. Attach an annual income and expense Proforma for the project demonstrating sustainability.

<u>Description of Estimated Project Costs</u>	<u>Non- Contribution Amount</u>	<u>Cost Financed With Contribution Proceeds</u>
A. Acquisition of Land	\$	\$
Acquisition of Existing Buildings	\$	\$
B. Infrastructure Costs:		
1. Filling, grading and provision of drainage	\$	\$
2. Storm water retention	\$	\$
3. Installation and extension of utilities (offsite):	\$	\$
a. water	\$	\$
b. sewer	\$	\$
c. sewage treatment	\$	\$
d. gas	\$	\$
e. electricity	\$	\$
f. communications and similar facilities	\$	\$
4. Installation and extension of utilities (onsite):	\$	\$
a. water	\$	\$
b. sewer	\$	\$
c. sewage treatment	\$	\$
d. gas	\$	\$
e. electricity	\$	\$
f. communications and similar facilities	\$	\$
5. Construction, Extension or Improvement of Roads and/or Rail Lines	\$	\$
6. Extension of sidewalks and curbing	\$	\$
7. Elimination of Blight (please describe)	\$ 920,638	\$
8. Other (please describe)	\$	\$
C. Facility Construction Costs (exclude inventory and working capital):		
1. Architectural and Engineering	\$ 5,300,237	\$
2. Site Preparation	\$	\$
3. Materials	\$	\$
4. Labor	\$	\$
5. Construction Contracts	\$ 86,502,163	\$ 8,000,000
6. Utilities Connection	\$	\$
7. Paving and Landscaping	\$	\$
D. Renovation Costs	\$	\$
E. Machinery and Equipment	\$	\$
F. Furniture and Fixtures	\$ 13,127,358	\$
G. Interest During Construction		
From _____ To _____	\$	\$
H. Accounting, Legal, Miscellaneous	\$ 10,712,600	\$
I. Contingency	\$ 2,026,667	\$
TOTAL PROJECT COSTS	\$ 118,589,662	\$ 8,000,000

Source of Funds:

State amount and sources of financing for all of the Project costs listed above.

<u>Sources</u>	<u>Amount</u>
Contribution Proceeds	<u>\$ 8,000,000</u>
Applicant's Funds (Describe Sources)	<u>\$ 15,200,000</u>
Federal Funds (Describe Sources)	<u>\$ 0</u>
State Funds (Describe Sources)	<u>\$ 2,000,000</u> *
Private Funds (non-Contributions)	<u>\$ 4,000,000</u>
Other (Describe Sources)	<u>\$ 87,754,306</u>
TOTAL	<u>\$ 116,954,306</u>

Provide a detailed description for all State, Federal, Private or Other funding sources listed above. Include agency and program name, respective amounts if more than one source is involved on the same line, and a copy of the funding commitment or approval setting forth the terms of funding. If approval has not been received, provide an explanation of where the application or request is in the review process, and the expected date of approval. The ability to demonstrate a high level of certainty in obtaining all funding identified to complete the project as presented is a factor the Board considers.

See attached description of project sources.

* - Additional state funds estimated at \$7,990,000 over 25 years through the Downtown Revitalization Preservation Program are utilized to support repayment of Hotel and Incentive Revenue Bonds.

4. Ownership:

Present legal owner of Project site:

City of Jefferson

If presently owned by Applicant, indicate date of purchase, reason for purchase, and current use of site:

See Attachment

Is there a relationship legally or by virtue of common control between either the current Project user or owner or the proposed Project owner and user or seller of the Project:

Yes No If yes, please give details.

The conference center and hotel will be owned by the Capital City Corporation for Growth, a single purpose municipal non-profit corporation on property leased from the City of Jefferson. The parking garage will be owned by the City of Jefferson.

5. Employment:

New Full-Time Jobs	<u>65</u>	Average Wage	<u>\$29/hr</u>
Part-Time Jobs	<u>20</u>	Average Wage	<u>\$24/hr</u>
Temporary Jobs	<u>15</u>	Average Wage	<u>\$21/hr</u>

Jobs during Construction	<u>314</u>
Average Wage	<u>\$65/hr</u>

Estimated length of Construction period 23 months

C. FINANCIAL INFORMATION

1. Financial Statements: Attach audited financial statements for at least the last three (3) fiscal years, including the most recent interim statement (not more than 90 days old). City of Jefferson Financial Reports are available at: <https://www.jeffersoncitymo.gov/government/acfr.php>

2. Financial Difficulties:
Has the Applicant, or any corporation formed by or on behalf of the Applicant, ever defaulted on its debt obligations, been involved in bankruptcy, creditor’s rights, or receivership proceedings, or been involved in criminal proceedings bearing on the handling of financial matters?

Yes No If yes, please give details.

3. Litigation:

Is the Applicant presently involved in any litigation which could have a material effect on its financial solvency?

Yes No If yes, please give details.

4. Please list the Applicant’s general fund and other key fund surpluses (or deficits) for the last four years.

Year	General Fund * () for deficits	Conference Center Fund ** () for deficits	Parking Fund * () for deficits
2024	1,503,341	672,597	(132,699)
2023	4,996,883	976,011	309,239
2022	47,161	841,907	282,167
2021	2,161,981	734,840	215,154

*-City of Jefferson fiscal year Nov. 1 - Oct. 31

** - Jefferson City Convention & Visitor's Bureau fiscal year Jan. 1 - Dec. 31

5. Has the Applicant ever defaulted on any obligation or failed to appropriate for any lease or any other annual appropriation obligation during the last 20 years?

Yes No If yes, please give details.

D. PROJECT REVENUES

Attach a cost benefit analysis showing the total tax revenues generated that will be collected by the local governmental jurisdictions and the state as a result of the Project, and the cost of all local and state governmental assistance provided to the Project. Revenues and costs should be identified by each recipient or payee (private and governmental). Submission of a cost benefit analysis for Small Cities category and social services-focused projects may be waived at the discretion of the Board.

See attached Economic Impact Analysis by University of Missouri Extension, Exceed: Regional Economic & Entrepreneurial Development Program.

E. IDENTIFICATION OF CONTRIBUTORS

Has the Applicant identified who the contributors would be?

Yes No

If Yes, please list below or attach a list of names of potential contributors.

If No, please explain why the Applicant believes such Contributions are likely to be obtained.

The project is envisioned to not only be the premier meeting location for statewide conferences and events but will also be developed as a showcase to feature Missouri businesses, products, materials and craftsmanship. Visitors to the facility will see, taste, and experience all that Missouri has to offer, giving the project broad appeal to contributors from across the state wishing to invest in the state's legacy. A third-party firm will be retained to assist in raising private and corporate contributions to fully leverage credits received from the MDFB Contribution Tax Credit Program.

Provide a timeline of fundraising activities. Include when you expect the first contribution to be made and when you expect to have the fundraising for this project complete. Please be as specific as possible.

Begin fundraising planning 10/1/25
Begin fundraising outreach 12/1/25
First contributions received 02/1/26
Fundraising complete 12/31/26

F. USE OF THE PROJECT

If the Project will be used for (or will substantially benefit) an entity in addition to the Applicant, please complete Exhibit B for such user of beneficiary.

G. CERTIFICATION OF APPLICANT

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application contains no information or data, contained herein or in the exhibits or attachments, that is false or incorrect.

Dated this 9th day of October, 20 05

SIGNATURE: [Signature]
NAME: Brian Crane
TITLE: City Administrator

Certification

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the applicant does NOT employ illegal aliens and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.
- I understand that if the applicant is found to have employed an illegal alien in Missouri and did not for that employee examine the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
- I attest that I have read and understand the Missouri Development Finance Board Tax Credit for Contribution Program guidelines, specifically as it relates to the Tax Credit Accountability Act of 2004 (SB 1099).
- I hereby agree to allow representatives of the Department and Board access to the property and applicable records as may be necessary for the administration of this program.

Program Assessment and Administrative Fees are due upon execution of a Tax Credit Agreement in an amount equal to 4% of the amount of all authorized Contributions.

STATE OF MISSOURI

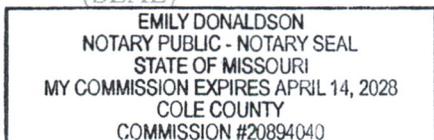
(SS)

COUNTY/CITY OF Cole

On this 9 day of October, 20 05, before me, Emily Donaldson, a Notary Public in and for said state, personally appeared Brian Crane, known to me to be the person who executed the Certification and acknowledged and states on his/her oath to me that he/she executed the same for the purposes therein stated.

[Signature] Notary Public

(SEAL)



My commission expires 4-14-28

Exhibit A Project Narratives

Please address each of the following statements. (Provide separate attachments as necessary.)

1. Provide a description of the project, including land, buildings, improvements, machinery and equipment to be acquired or constructed, and the principal use of the facilities once complete.

The project consists of constructing a new state-wide destination conference center, an attached full-service headquarters hotel and an integrated public parking garage. The land for the project is currently owned by the City of Jefferson.

A city created and controlled 501 (c)(3) corporation will lease the property from the city and will own the conference center and hotel. The conference center and hotel will be operated by a third party under a Qualified Management Agreement, and the facility managed by a third party under an Asset Management Agreement.

The City of Jefferson will operate the parking garage as a public parking facility, managed by the city's contract parking operator.

2. Describe the public policy objective(s) that will be supported by the Project.

The goal of this project is to capitalize on the need to demolish the existing municipal parking garage and the acquisition and demolition of the Jefferson City News Tribune site to create a project which will:

- 1) Redevelop a prominent location in the heart of downtown Jefferson City adjacent to the Governor's Mansion and 2 blocks from the State Capitol which will increase activity in the downtown, supporting existing businesses as well as providing opportunities for new business growth.*
- 2) Capitalize on Jefferson City's status as the state capital and central location to provide space for policy makers to host constituents and support advocacy efforts; as well as to attract events for statewide industry associations, policy summits, business groups, government agencies, and civic organizations.*
- 3) Create a civic gathering space for cultural events, trade shows, and community activities, as well as private social events.*
- 4) Encourage economic development by attracting overnight visitors, increasing local spending in hotels, restaurants, and retail businesses which encourages business growth, creates new jobs, and expands the local tax base.*
- 5) Provide new modern public structured parking to support the new development, as well as existing downtown businesses and capitol visitors.*

3. Describe and quantify the project's primary beneficiaries or targeted audience/clientele served.

The target user of the new state-of-the-art conference center and headquarters hotel in Jefferson City will be a broad range of industry, business, professional, and civic organizations as well as government agencies. The proximity to the Capitol will facilitate industry involvement in government-related events, creating opportunities for legislators and policymakers to collaborate with industry leaders to establish policies benefiting the statewide economy. Over 120 statewide industry and trade associations located in Jefferson City will benefit from hosting meetings, conferences, and professional development events in a

centrally located and accessible venue. Local organizations and residents will also benefit from a quality facility to host entertainment events, trade shows, award ceremonies, weddings and receptions.

A CBRE-Valuation & Advisory Services report estimates the facility could host approximately 51 large (+200 attendees), multi-day events per year with more frequent smaller single day, and multi-day events accounting for an increase of approximately 29,174 room nights annually into the market due to group events; it is estimated 6,600-9,900 of these room nights will overflow into existing hotels in the market. Induced demand from corporate and leisure travel is estimated to attract an additional 7,000 room nights annually.

Jefferson City residents, downtown businesses, conference center attendees and capitol visitors will all benefit from a new modern downtown parking facility.

Bringing more visitors to Jefferson City by hosting large multi-day events will drive growth of existing businesses and provide opportunities for new businesses. Restaurants and bars will benefit from increased traffic, and local shops will benefit from tourist purchases. Business growth ripples throughout the community through additional need of employment, suppliers, and vendors.

4. Explain the economic impact this project will have on the State of Missouri and the community in which it is located.

The University of Missouri Extension – Exceed program performed an Economic Impact Analysis for the project to understand the local economic impact as well as the economic impact on the rest of the state. The analysis considered impacts due to the construction of the facility as well as impacts from the first 10 years of operations. Below is a summary of the Economic Impact Analysis.

**Economic Impact —
Cole County.**



Figures may not sum due to rounding. Jobs are annual averages. Employment income includes wages and other employer compensation. Money figures are cumulative and in 2024 dollars.

Construction		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Direct		383	\$72.6 M	\$74.2 M	\$133.5 M
	Indirect		41	\$7.7 M	\$13.3 M	\$28.7 M
	Induced		80	\$12.1 M	\$23.2 M	\$41.3 M
	Total		504	\$92.4 M	\$110.7 M	\$203.5 M
Operations		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Direct		259	\$81.8 M	\$130.9 M	\$239.9 M
	Indirect		43	\$24.5 M	\$39.5 M	\$87.7 M
	Induced		31	\$15.5 M	\$29.6 M	\$52.9 M
	Total		333	\$121.9 M	\$200.1 M	\$380.4 M
Combined		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Direct		287	\$154.4 M	\$205.2 M	\$373.4 M
	Indirect		42	\$32.1 M	\$52.8 M	\$116.4 M
	Induced		42	\$27.7 M	\$52.8 M	\$94.1 M
	Total		372	\$214.3 M	\$310.8 M	\$583.9 M

**Economic Impact —
Rest of Missouri.**



Figures may not sum due to rounding. Jobs are annual averages. Employment income includes wages and other employer compensation. Money figures are cumulative and in 2024 dollars.

Construction		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Indirect		26	\$5.7 M	\$9.5 M	\$20.5 M
	Induced		58	\$9.7 M	\$17.8 M	\$31.3 M
	Total		85	\$15.4 M	\$27.3 M	\$51.8 M
Operations		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Indirect		16	\$9.2 M	\$15.2 M	\$30.5 M
	Induced		24	\$13.5 M	\$24.8 M	\$43.6 M
	Total		41	\$22.7 M	\$40.0 M	\$74.1 M
Combined		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Indirect		18	\$14.9 M	\$24.7 M	\$51.0 M
	Induced		32	\$23.1 M	\$42.6 M	\$74.8 M
	Total		51	\$38.1 M	\$67.3 M	\$125.8 M

5. Explain the non-economic benefits this project will have on the community and state.

The conference center located in the heart of downtown Jefferson City is more than an event space, it is a local asset that will enrich the community by offering a venue for local cultural events, art shows, career fairs, nonprofit fundraisers, and other community celebrations. It will be local landmark that serves as a source of civic pride and symbolizes investment in the community's quality of life. The state-of-the-art facility will expand opportunities for seminars, lectures, and educational partnerships with local schools and Lincoln University. Local residents will benefit from expanded cultural events, improved dining and entertainment options and a stronger sense of connection to the downtown. The conference center will not only serve as a catalyst for economic growth, but also for community identity, civic engagement and social vitality.

Being located in Missouri's capital city presents an opportunity to showcase the industries, agriculture, natural resources, history, and culture unique to the state while providing a venue that connects citizens and their government. The central location creates a natural venue for statewide associations, business groups, nonprofit organizations and civic groups to collaborate, host annual meetings and provide professional development opportunities. By hosting advocacy days, legislative forums, and civic events the conference center becomes a place for citizens to interact with elected representatives and government officials in a welcoming environment.

6. How did you determine the amount of local city/county cash or local non-profit cash to be dedicated to the project?

Local cash contributions to the project consist of current balances in the City of Jefferson Parking Fund, Conference Center Fund, and other available fund balances.

The Parking Fund, an enterprise fund within the City of Jefferson Budget currently has a fund balance of approximately \$4.3 million. The city plans to commit \$3.0 million from the fund balance to the project for the parking garage component of the project.

In 2011, the city voters approved collection of a 7.0% tax on sleeping rooms occupied by transient guests in the city to promote tourism (Lodging Tax). The city allocates 3/7 of the Lodging Tax to the Jefferson City Convention and Visitors Bureau to promote tourism in Jefferson City, and 4/7 of the Lodging Tax is deposited into a separate fund for the development of a conference center (Conference Center Fund). As

of April 2025, the balance in the Conference Center Fund was \$9.8 million. Prior to closing on project financing documents in early 2026, an additional \$1.4 million is expected to be deposited into the Conference Center Fund bringing the total cash available to \$11.2 million. The Conference Center Fund balance will primarily be used to fund the design phase of the project.

The City of Jefferson is anticipating dedicating \$1.0 million in additional funds toward the project from previously allocated sources.

7. Describe the fundraising history of the organization and how they intend to be successful in raising funds for this project using tax credits.

The third-party firm will implement a fund-raising strategy based on the Missouri showcase concept focusing on three areas.

- 1) Campaign development of naming opportunities for various giving levels; recognition plan such as signage, donor wall, public acknowledgements, etc; in-kind contribution strategies for utilizing Missouri-made businesses and materials; marketing materials to showcase the program.*
- 2) Political alignment & public support from statewide officials and legislative leaders by identifying the project as a statewide asset and creating consistent messaging at public events & announcements.*
- 3) Targeted donor engagement of prospective private, corporate, and industry donors by conducting initial outreach and presentations to bring awareness of the project and working to secure financial commitments to the project.*

8. Explain how this project will be financially self-sustainable upon completion.

In 2024, CBRE Valuation & Advisory Services completed a hotel market study to determine the potential market demand for a hotel and conference center facility in Jefferson City. Based on the demand estimates, CBRE provided projections of occupancy, average daily room rate, and revenue per available room that the proposed facility could reasonably be expected to achieve. CBRE further estimated the property's annual operating results, including total operating revenues and expenses, and net income from operations.

From information contained in the CBRE market study, Stifel, the anticipated bond underwriter for the project, completed a project pro forma which estimated the bonding capacity of the project based on revenues that will be generated from the operation of the hotel and conference center and public parking garage. Stifel has proposed issuing three series of bonds; Hotel/Incentive Bonds paid from the net hotel operating income including revenues generated by various incentive programs including TIF, TDD, CID, and PID; Lodging Tax Bonds paid from the city's existing lodging tax assessed on all transient room nights in the city; and Parking Revenue Bonds paid from the operation of the city's parking system.

To ensure the facility is operated and maintained to a high standard over the life of the project, the 501 (c)(3) non-profit hotel owner will engage an operator under a Qualified Management Agreement to operate and manage the facility on a day-to-day basis in conformance with the hotel brand standards. In addition, an asset management firm will be contracted to review whether the facilities are being maintained in a first class manner, review the ongoing financial stability, and review compliance with brand standards.

EXHIBIT B

PROJECT USER BENEFICIARY INFORMATION

(Only to be completed when the Project will be used by or will benefit a non-profit or for-profit business or other private person.)

A. THE PROJECT USER OR BENEFICIARY

Name: Capital City Corporation for Growth (CCCG)
Address: 320 E. McCarty St.
City: Jefferson City State: MO Zip Code: 65101
Contact: Brian Crane Telephone: 573-634-6311
Title: Executive Director Fax: _____
E-mail: bcrane@jeffersoncitymo.gov

1. Business Organization:

- Corporation
 C-Corporation
 S-Corporation
 LLC
 Partnership (General Limited)
 Sole Proprietorship
 Publicly Held
 Privately Held

Is the Project User or the Beneficiary a subsidiary or affiliated directly with any other organization?

- Yes No

If so, indicate relationship and name of related organization.

CCCG has been newly incorporated by the City of Jefferson and will be controlled by a board of directors who's membership is the City Council of the City of Jefferson, Missouri.

Is the Project User or the Beneficiary a 501(c)(3) corporation? If so, provide Proof of Status as a not-for-profit organization.

Yes

No

It is anticipated that CCCG will be authorized for 501(c)(3) status, although application for status has not yet been filed.

2. Officers and Directors

<u>Title</u>	<u>Name</u>	<u>Address of Residence</u>
Chairperson	Ron Fitzwater	Jefferson City, Mo
Vice Chairperson	TBD	
Secretary	TBD	
Treasurer	TBD	
Directors	Randy Hoselton	Jefferson City, MO
	Mike Lester	Jefferson City, MO
	Treaka Young	Jefferson City, MO
	Chris Leuckel	Jefferson City, MO
	Makenzie Job	Jefferson City, MO
	Jeff Ahlers	Jefferson City, MO
	Aaron Mealy	Jefferson City, MO
	Derek Thomas	Jefferson City, MO
	Julie Allen	Jefferson City, MO
	Shane Kampeter	Jefferson City, MO

3. Principal Stockholders, Members or Partners:

<u>Name</u>	<u>%</u>	<u>City/State</u>
City of Jefferson	100%	Jefferson City, MO

4. Legal Counsel to the Project User or the Beneficiary:

Name: Mark Grimm, Gilmore & Bell, PC
 Address: 211 N. Broadway, Suite 200
 City, State, ZIP: St. Louis, MO 63102
 Telephone: 314-444-4118
 Fax: _____
 E-mail: mgrimm@gilmorebell.com

5. Project User or the Beneficiary's Principal Banker:

Name: TBD
 Address: _____
 City, State, ZIP: _____
 Telephone: _____
 Fax: _____
 E-mail: _____

6. Project User or the Beneficiary's Current Operations:

Briefly, describe the Project User's or the Beneficiary's operations, including description of existing products, facilities, services and in general, its method of operations, customers, clients and suppliers.

CCCG has been incorporated for the sole purpose to own the conference center and hotel components of the project.

7. Financial Statements and Ongoing Sustainability:

Attach audited financial statements for at least the last three (3) fiscal years, if available, including the most recent interim statement (not more than 90 days old). If audited financial statements are not available, please explain why and submit reviewed, compilation or other type statements. Additionally, on a separate attachment explain how the project will be financially self-sustainable on an ongoing basis. Attach an annual income and expense Proforma for the project demonstrating sustainability.

CCCG is newly incorporated, therefore there are no previous financial statements. A description of the project's financial sustainability, and project proforma have been included in Exhibit A.

City of Jefferson Financial Reports are available at:
<https://www.jeffersoncitymo.gov/government/acfr.php>

8. Relationship to the Project:

Describe in detail the Project User's or the Beneficiary's relationship to the Project described in the Application to which this Exhibit is attached.

CCCG will own the conference center and hotel components of the project and will lease the property from the City of Jefferson. The City of Jefferson will retain ownership of the parking garage component. As the hotel owner, CCCG will enlist the services of a contract operator and contract asset manager to operate and manage the facility.

9. Litigation:

Is the Project User presently involved in any litigation which could have a material effect on its financial solvency?

Yes No If yes, please give details.

B. CERTIFICATION OF PROJECT USER OR THE BENEFICIARY

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Exhibit and the Application to which it relates contains no information or data contained herein or in the exhibits or attachments, is false or incorrect.

Dated this 9th day of October, 2025

SIGNATURE: 
NAME: Brian Crane
TITLE: Executive Director

Certification

- I certify that I am an authorized representative of the project user or beneficiary and as such am authorized to make the statement of affirmation contained herein.
- I certify that the project user or beneficiary does NOT employ illegal aliens and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.
- I understand that if the project user or beneficiary is found to have employed an illegal alien in Missouri and did not, for that employee examine the document(s) required by federal law, that the project user or beneficiary shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
- I attest that I have read and understand the Missouri Development Finance Board Tax Credit for Contribution Program guidelines, specifically as it relates to the Tax Credit Accountability Act of 2004 (SB 1099).
- I hereby agree to allow representatives of the Department and Board access to the property and applicable records as may be necessary for the administration of this program.

director's discretion, elect not to apply such administrative action for a first-time occurrence. Any person, corporation, partnership or other legal entity that is found to be ineligible for a state-administered or subsidized tax credit, tax abatement, or loan pursuant to this subsection may make an appeal with the administrative hearing commission pursuant to the provisions of Chapter 621, RSMo. "Negligent", for the purposes of this subsection means that a person has failed to take the steps necessary to comply with the requirements of 8 U.S.C. 1324a with respect to the examination of an appropriate document or documents to verify whether the individual is an unauthorized alien.

2. Beginning August 28, 1999, any individual, individual proprietorship, corporation, partnership, firm or association that knowingly accepts any state-administered or subsidized tax credit, tax abatement or loan in violation of subsection 1 of this section shall upon conviction be guilty of a class A misdemeanor, and such action may be brought by the attorney general in Cole county circuit court.

Section 285.525. (1) "Business entity", any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit. The term "business entity" shall not include a self-employed individual with no employees or entities utilizing the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034

Section 285.530.1. No business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the state of Missouri.

2. As a condition for the award of any contract or grant in excess of five thousand dollars by the state or by any political subdivision of the state to a business entity, or for any business entity receiving a state-administered or subsidized tax credit, tax abatement, or loan from the state, the business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Every such business entity shall also sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Any entity contracting with the state or any political subdivision of the state shall only be required to provide the affidavits required in this subsection to the state and any political subdivision of the state with which it contracts, on an annual basis

3. All public employers shall enroll and actively participate in a federal work authorization program.

4. An employer may enroll and participate in a federal work authorization program and shall verify the employment eligibility of every employee in the employer's hire whose employment commences after the employer enrolls in a federal work authorization program. The employer shall retain a copy of the dated verification report received from the federal government. Any business entity that participates in such program shall have an affirmative defense that such business entity has not violated subsection 1 of this section.

Section B.2
Project Development Budget
and Construction Cost
Estimate

**JEFFERSON CITY DOWNTOWN CONFERENCE CENTER
CONCEPTUAL DESIGN PROJECT BUDGET**

	Total
GPP Developer Fees	
Development Fee-Base Portion	\$5,252,460
Development Fee-Completion Portion	\$655,618
Developer Reimbursable Expenses	\$129,600
Developer Constructon Management Fee	\$534,765
Developer FF&E Service Fee	\$331,644
Developer OS&E Service Fee	\$157,650
Developer IT Service Fee	\$57,677
Developer Legal Services	\$485,564
Developer Insurance Cost	\$125,148
Total to GPP	\$7,730,125
HARD COSTS	
Construction	
McCown Gordon - Pre-Construction	\$177,333
McCown Gordon - Hotel Design Assist Partners	\$125,000
McCown Gordon - Existing Garage Demolition	\$920,638
McCown Gordon - Construction	\$101,002,163 *
Construction Total	\$102,225,134
Owner FF&E, OS&E, IT	
Furniture Fixtures & Equipment	\$7,959,470
Operational Supplies & Equipment	\$3,783,633
Information Technhology	\$1,384,256
Owner FF&E, OS&E, IT Total	\$13,127,358
SOFT COSTS	
Due Diligence	
City Permit Fees	\$300,000
Survey, Geotech, Env, Market Study	\$115,355
Due Diligence Total	\$415,355
Design Consultants	
Primary Consultants (Arch, Struc, MEP, Civil, Interiors)	\$3,664,713
Secondary Consultants (Food Service, Low Volt., Acoustic etc)	\$1,333,190
Total Design Fees	\$4,997,904
3rd Party Consultants	
Testing & Inspections	\$235,739
Building Commissioning	\$72,097
Total 3rd Party Consultants	\$307,835
Brand Costs	
Brand Technical Services	\$253,333
Brand Pre-Opening	\$2,005,951
Total Brand Requirements	\$2,259,284
Owner Contingency	
Owner General Contingency	\$1,520,000
Owner DAS-ER Contingency	\$202,667
Owner Model Room Contingency	\$304,000
Total Brand Requirements	\$2,026,667
Total Conceptual Design Project Cost	\$133,089,662
Schematic Design Value Engineering Target	-\$6,500,000
Project Budget	\$126,589,662

* - Project construction estimate has been increased from the McCown Gordon conceptual cost estimate dated January 8, 2025 due to cost escalation prior to beginning Schematic Design.

Jefferson City
Hotel & Conference Center
 Pre-Development Business Plan



Jefferson City Hotel and Convention Center

Jefferson City, MO

Conceptual Estimate
 January 8, 2025

CSI	CSI Description	Parking Garage	\$/SF Parking Garage	Convention Center	\$/SF Convention Center	Hotel	\$/SF Hotel	Totals
01 00 00	General Conditions	730,049	3.30	1,416,422	15.98	1,431,118	12.98	3,577,589
01 45 00	Testing & Inspections - By Owner	0	-	0	-	0	-	0
01 50 00	Division 1 General Requirements	747,432	3.38	1,450,146	16.36	1,465,192	13.29	3,662,770
01 51 00	Division 1 Direct Costs	24,434	0.11	47,934	0.54	50,137	0.45	122,505
01 54 00	Hoisting & Major Equipment	221,300	1.00	1,067,741	12.05	1,375,443	12.48	2,664,484
01 71 00	Surveying and Layout	56,673	0.26	15,456	0.17	20,608	0.19	92,737
02 40 00	Demolition	908,524	4.11	0	-	0	-	908,524
03 30 00	Concrete Work	2,301,879	10.40	1,310,889	14.79	4,014,180	36.41	7,626,947
03 40 00	Precast Concrete	7,166,275	32.38	0	-	0	-	7,166,275
04 20 00	Masonry	226,112	1.02	208,507	2.35	220,705	2.00	655,324
05 10 00	Structural Steel & Deck	0	-	3,216,972	36.29	2,213,117	20.07	5,430,089
05 50 00	Metal Fabrications	131,093	0.59	599,490	6.76	468,987	4.25	1,199,569
05 70 00	Ornamental Metal	0	-	467,929	5.28	0	-	467,929
06 10 00	Rough Carpentry	0	-	44,771	0.51	111,415	1.01	156,186
06 40 00	Interior Architectural Millwork	0	-	1,927,377	21.74	580,179	5.26	2,507,556
06 80 00	Fiberglass Reinforced Panels (FRP)	167,740	0.76	47,783	0.54	0	-	47,783
07 10 00	Waterproofing & Dampproofing	0	-	186,824	2.11	0	-	354,565
07 21 00	Building & Sound Insulation	0	-	127,324	1.44	115,250	1.05	242,574
07 24 00	Synthetic Exterior Wall System	0	-	327,308	3.69	450,976	4.09	778,284
07 41 00	Metal Roof Panels	0	-	208,823	2.36	0	-	208,823
07 42 00	Wall Panels	0	-	566,501	6.39	718,505	6.52	1,285,006
07 50 00	Roofing	5,556	0.03	772,350	8.71	505,121	4.58	1,283,027
07 60 00	Sheet Metal & Flashing	2,425	0.01	100,167	1.13	23,639	0.21	126,231
07 70 00	Roof Accessories	0	-	261,973	2.96	0	-	261,973
07 81 00	Sprayed Fireproofing	0	-	322,689	3.64	0	-	322,689
07 84 00	Firestopping	1,919	0.01	63,982	0.72	132,072	1.20	197,973
07 90 00	Caulking & Sealants	15,293	0.07	58,203	0.66	11,141	0.10	84,638
07 95 00	Expansion Joints	144,912	0.65	0	-	0	-	144,912
08 10 00	Doors, Frames & Hardware	16,417	0.07	207,911	2.35	1,558,677	14.14	1,783,005
08 30 00	Special Doors	0	-	20,204	0.23	0	-	20,204
08 40 00	Entrances, Storefronts & Curtain Walls	0	-	1,531,592	17.28	1,864,970	16.92	3,396,562
08 90 00	Glass & Glazing - Interior	0	-	0	-	45,459	0.41	45,459
09 00 00	Interior Finishes	0	-	0	-	384,264	3.49	384,264
09 20 00	Metal Stud & Drywall	11,470	0.05	2,653,204	29.93	3,994,903	36.23	6,659,577
09 30 00	Tile & Stone	0	-	607,579	6.85	809,152	7.34	1,416,731
09 50 00	Acoustical Treatment	9,900	0.04	199,703	2.25	0	-	209,603
09 64 00	Wood Flooring	0	-	17,679	0.20	40,430	0.37	58,109
09 65 00	Resilient Flooring	2,788	0.01	42,047	0.47	745,825	6.76	790,661
09 68 00	Carpeting	0	-	123,467	1.39	20,669	0.19	144,137
09 72 00	Wall Covering - Installation Only	263	0.00	119,537	1.35	164,605	1.49	284,405
09 90 00	Painting	83,515	0.38	112,313	1.27	300,065	2.72	495,893
09 97 00	Special Coatings	443,987	2.01	35,654	0.40	10,266	0.09	489,907
10 14 00	Identifying Devices	98,107	0.44	19,693	0.22	84,040	0.76	201,840
10 20 00	Toilet Partitions & Screens	0	-	73,745	0.83	16,769	0.15	90,515
10 21 00	Shower Enclosures	0	-	0	-	308,017	2.79	308,017

Jefferson City
Hotel & Conference Center
 Pre-Development Business Plan



Jefferson City Hotel and Convention Center

Jefferson City, MO

Conceptual Estimate
 January 8, 2025

CSI	CSI Description	Parking Garage	\$/SF Parking Garage	Convention Center	\$/SF Convention Center	Hotel	\$/SF Hotel	Totals
10 22 00	Operable Walls	0	0	736,090	8.30	87,918	0.80	824,008
10 26 00	Protection Covers	0	0	0	-	63,411	0.58	63,411
10 28 00	Toilet Accessories	0	0	45,459	0.51	128,236	1.16	173,696
10 44 00	Fire Extinguishers & Cabinets	13,105	0.06	9,016	0.10	13,087	0.12	35,208
10 51 00	Lockers	0	0	10,102	0.11	0	-	10,102
10 80 00	Miscellaneous Specialties	0	0	75,766	0.85	0	-	75,766
11 12 00	Parking Equipment	50,598	0.23	0	-	0	-	50,598
11 24 00	Facade Maintenance Equipment	0	0	0	-	99,034	0.90	99,034
11 40 00	Food Service Equipment	0	0	1,227,405	13.85	202,042	1.83	1,429,447
13 11 00	Water Features, Pools & Spas	0	0	324,947	3.67	0	-	324,947
14 20 00	Elevators	463,663	2.10	681,255	7.69	1,175,393	10.66	2,320,311
21 00 00	Fire Suppression	356,938	1.61	492,486	5.56	501,366	4.55	1,350,790
22 00 00	Plumbing	380,708	1.72	1,843,165	20.79	2,363,347	21.44	4,587,221
23 00 00	Mechanical	111,973	0.51	4,298,064	48.49	3,364,726	30.52	7,774,763
26 00 00	Electrical	866,588	3.92	4,893,525	55.21	3,520,707	31.93	9,280,820
27 00 00	Low Voltage	386,897	1.75	895,430	10.10	891,318	8.08	2,173,646
31 00 00	Site Clearing & Earthwork	539,269	2.44	0	-	0	-	539,269
31 40 00	Underpinning & Shoring	840,889	3.80	0	-	0	-	840,889
32 12 00	Asphalt/Paving/Striping/Bumpers	569,934	2.58	410,635	4.63	304,061	2.76	1,284,630
32 16 00	Site Concrete	44,265	0.20	0	-	0	-	44,265
32 90 00	Landscaping & Irrigation	182,109	0.82	0	-	0	-	182,109
33 00 00	Site Utilities	90,852	0.41	65,664	0.74	0	-	156,516
		443,758	2.01	0	-	0	-	443,758
	Subtotal	18,859,610	85.22	36,590,898	412.81	36,970,547	335.33	92,421,055
	Cost Escalation	0	0	0	-	0	-	0
	Subtotal	18,859,610	85.22	36,590,898	412.81	36,970,547	335.33	92,421,055
	Performance Bond	0	0	0	-	0	-	0
	Building Permit - By Owner	0	0	0	-	0	-	0
	Design Contingency	471,490	2.13	914,772	10.32	924,264	8.38	2,310,526
	Construction Contingency	386,622	1.75	750,113	8.46	757,896	6.87	1,894,632
	Contractor's Fee	591,532	2.67	1,147,674	12.95	1,159,581	10.52	2,898,786
	Total Budget Estimate	20,309,254	91.77	39,403,457	444.54	39,812,289	361.11	99,525,000

Approximate cost per component	
Parking Garage	\$ 20,309,254
Conference Center	\$ 39,403,457
Hotel	\$ 39,812,289
Total Construction Cost	\$ 99,525,000

Section B.2
Project Fund Sources

**JEEFFERSON CITY DOWNTOWN CONFERENCE CENTER
PROJECT FUND SOURCES**

Contribution Proceeds

"Missouri Made" MDFB Contributions	\$8,000,000	
		\$8,000,000

Applicant Funds

Parking Fund Contribution	\$3,000,000	
Lodging Tax Contribution	\$11,200,000	
City Non-ARPA Contribution	\$1,000,000	
		\$15,200,000

Federal Funds

No Use of Federal Funds

State Funds

Downtown Revitalization Preservation Program (DRPP)	\$7,990,000 *	
FY2024 DED State Appropriation	\$2,000,000	
		\$2,000,000

*-Estimated value of state sales taxes redirected for 25 years through DRPP. Redirected funds are utilized to support repayment of the Hotel and Incentive Revenue Bonds shown below.

Private Funds (non-Contributions)

"Missouri Made" Non-MDFB Contributions	\$2,000,000	
Hotel Brand Key Money	\$2,000,000	
		\$4,000,000

Other

Hotel and Incentive Revenue Bonds	\$34,140,738	
Lodging Tax Revenue Bonds	\$22,374,363	
Parking Revenue Bonds	\$28,591,539	
Project Fund Interest Earnings	\$2,647,666	
		\$87,754,306

Total Sources

\$116,954,306

Section B.2

Income & Expense
Proforma

Hotel & Conference Center Operating Pro Forma

Year 11+ Growth Rates
Revenue: 2.00%
Expenses: 2.00%

Ops Year	1	2	3	4	5	6	7	8	9	10	11	12
Year Ended:	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032	6/30/2033	6/30/2034	6/30/2035	6/30/2036	6/30/2037	6/30/2038	6/30/2039
Fiscal/Bond Year:	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	204	204	204	204	204	204	204	204	204	204	204	204
Number of Rooms	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460
Annual Available Rooms	47,654	50,633	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122
Occupied Rooms	64.0%	68.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Average Rate	\$ 176.92	\$ 185.95	\$ 191.52	\$ 197.27	\$ 203.19	\$ 209.28	\$ 215.56	\$ 222.03	\$ 228.69	\$ 235.55	\$ 240.26	\$ 245.07
OPERATING REVENUES												
Rooms	\$ 2,353,741	\$ 9,414,965	\$ 9,982,593	\$ 10,282,070	\$ 10,590,533	\$ 10,908,248	\$ 11,235,496	\$ 11,572,561	\$ 11,919,738	\$ 12,277,330	\$ 12,522,877	\$ 12,773,334
Food & Beverage	\$ 1,722,544	\$ 6,890,176	\$ 7,262,867	\$ 7,480,753	\$ 7,705,176	\$ 7,936,331	\$ 8,174,421	\$ 8,419,654	\$ 8,672,244	\$ 8,932,411	\$ 9,111,059	\$ 9,293,280
Other Operated Departments	\$ 120,180	\$ 480,718	\$ 505,243	\$ 520,400	\$ 536,012	\$ 552,093	\$ 568,655	\$ 585,715	\$ 603,287	\$ 621,385	\$ 633,813	\$ 646,489
Miscellaneous Income (Net)	\$ 18,723	\$ 74,893	\$ 78,944	\$ 81,313	\$ 83,752	\$ 86,264	\$ 88,832	\$ 91,518	\$ 94,264	\$ 97,091	\$ 99,033	\$ 101,013
Total Operating Revenue	\$ 4,215,188	\$ 16,860,752	\$ 17,829,647	\$ 18,364,536	\$ 18,915,473	\$ 19,482,936	\$ 20,067,424	\$ 20,669,448	\$ 21,289,533	\$ 21,928,217	\$ 22,566,781	\$ 22,814,117
DEPARTMENTAL EXPENSES												
Rooms Expense	\$ 575,845	\$ 2,303,379	\$ 2,399,904	\$ 2,471,901	\$ 2,546,058	\$ 2,622,440	\$ 2,701,113	\$ 2,782,147	\$ 2,865,611	\$ 2,951,579	\$ 3,010,611	\$ 3,070,823
Food & Beverage Expense	\$ 921,489	\$ 3,685,957	\$ 3,849,320	\$ 3,964,799	\$ 4,083,743	\$ 4,206,256	\$ 4,332,443	\$ 4,462,417	\$ 4,596,289	\$ 4,734,178	\$ 4,828,862	\$ 4,925,439
Other Operated Departments Expense	\$ 37,272	\$ 149,086	\$ 155,110	\$ 159,763	\$ 164,556	\$ 169,492	\$ 174,577	\$ 179,815	\$ 185,209	\$ 190,765	\$ 194,580	\$ 198,472
Total Departmental Expenses	\$ 1,534,606	\$ 6,138,422	\$ 6,404,334	\$ 6,596,463	\$ 6,794,357	\$ 6,998,188	\$ 7,208,133	\$ 7,424,379	\$ 7,647,109	\$ 7,876,522	\$ 8,034,052	\$ 8,194,733
DEPARTMENTAL PROFIT	\$ 2,680,583	\$ 10,722,330	\$ 11,425,313	\$ 11,768,073	\$ 12,121,116	\$ 12,484,748	\$ 12,859,291	\$ 13,245,069	\$ 13,642,424	\$ 14,051,695	\$ 14,532,729	\$ 14,619,383
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	\$ 339,757	\$ 1,359,027	\$ 1,408,946	\$ 1,451,214	\$ 1,494,750	\$ 1,539,593	\$ 1,585,781	\$ 1,633,354	\$ 1,682,355	\$ 1,732,825	\$ 1,767,482	\$ 1,802,831
Information and Telecommunications	\$ 56,626	\$ 226,504	\$ 234,824	\$ 241,869	\$ 249,125	\$ 256,599	\$ 264,297	\$ 272,226	\$ 280,392	\$ 288,804	\$ 294,580	\$ 300,472
Sales and Marketing	\$ 351,678	\$ 1,406,712	\$ 1,458,382	\$ 1,502,134	\$ 1,547,198	\$ 1,593,614	\$ 1,641,422	\$ 1,690,665	\$ 1,741,385	\$ 1,793,626	\$ 1,829,499	\$ 1,866,088
Franchise Fees (Royalty)	\$ 141,225	\$ 564,898	\$ 598,956	\$ 616,924	\$ 635,432	\$ 654,495	\$ 674,130	\$ 694,343	\$ 715,184	\$ 736,640	\$ 751,373	\$ 766,400
Property Operations and Maintenance	\$ 190,242	\$ 760,968	\$ 790,987	\$ 814,717	\$ 839,158	\$ 864,333	\$ 890,273	\$ 916,971	\$ 944,480	\$ 972,814	\$ 992,270	\$ 1,012,116
Utilities	\$ 189,870	\$ 759,481	\$ 789,442	\$ 813,125	\$ 837,519	\$ 862,645	\$ 888,524	\$ 915,180	\$ 942,635	\$ 970,914	\$ 990,332	\$ 1,010,139
Total Undistributed Expenses	\$ 1,269,398	\$ 5,077,590	\$ 5,281,537	\$ 5,439,983	\$ 5,603,182	\$ 5,771,279	\$ 5,944,417	\$ 6,122,750	\$ 6,306,431	\$ 6,495,623	\$ 6,625,535	\$ 6,756,046
GROSS OPERATING PROFIT	\$ 1,411,185	\$ 5,644,740	\$ 6,143,776	\$ 6,328,090	\$ 6,517,934	\$ 6,713,469	\$ 6,914,874	\$ 7,122,319	\$ 7,335,993	\$ 7,556,072	\$ 7,707,193	\$ 7,861,337
Management Fee	\$ 126,456	\$ 505,823	\$ 534,889	\$ 550,936	\$ 567,464	\$ 584,488	\$ 602,023	\$ 620,083	\$ 638,686	\$ 657,847	\$ 671,003	\$ 684,424
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$ 1,284,729	\$ 5,138,917	\$ 5,608,887	\$ 5,777,154	\$ 5,950,470	\$ 6,128,981	\$ 6,312,851	\$ 6,502,236	\$ 6,697,307	\$ 6,898,225	\$ 7,036,190	\$ 7,176,914
NON-OPERATING (INCOME) AND EXPENSES												
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incentive Revenues	\$ (844,529)	\$ (1,839,395)	\$ (1,939,529)	\$ (1,991,772)	\$ (2,045,463)	\$ (2,100,644)	\$ (2,157,357)	\$ (2,215,645)	\$ (2,275,553)	\$ (2,337,126)	\$ (2,383,869)	\$ (2,431,546)
Insurance	\$ 64,702	\$ 258,806	\$ 266,570	\$ 274,567	\$ 282,805	\$ 291,289	\$ 300,027	\$ 309,028	\$ 318,299	\$ 327,848	\$ 334,405	\$ 341,093
Reserve for Replacement	\$ 84,304	\$ 505,823	\$ 513,186	\$ 520,581	\$ 528,019	\$ 535,581	\$ 543,278	\$ 551,019	\$ 558,811	\$ 566,654	\$ 574,551	\$ 582,501
Total Non-Operating Income and Expenses	\$ (695,524)	\$ (1,074,767)	\$ (959,773)	\$ (982,623)	\$ (1,006,040)	\$ (1,030,038)	\$ (1,054,632)	\$ (1,079,839)	\$ (1,105,672)	\$ (1,132,150)	\$ (1,154,793)	\$ (1,177,888)
NET INCOME (EBITDA)	\$ 1,980,253	\$ 6,213,684	\$ 6,568,659	\$ 6,759,777	\$ 6,956,510	\$ 7,159,019	\$ 7,367,484	\$ 7,582,074	\$ 7,802,979	\$ 8,030,375	\$ 8,190,983	\$ 8,354,802
ADDITIONAL FEES & RESERVES BEFORE DEBT SERVICE												
Senior Asset Management Fee	\$ 31,614	\$ 126,456	\$ 133,722	\$ 137,734	\$ 141,866	\$ 146,122	\$ 150,506	\$ 155,021	\$ 159,671	\$ 164,462	\$ 167,751	\$ 171,106
Main Operating Account Reserve	\$ -	\$ 126,456	\$ 133,722	\$ 137,734	\$ 141,866	\$ 146,122	\$ 150,506	\$ 155,021	\$ 159,671	\$ 162,793	\$ 162,793	\$ 91,278
Administrative Expenses	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
NET CASH FOR BOND PAYMENTS	\$ 1,936,139	\$ 5,948,273	\$ 6,288,715	\$ 6,471,809	\$ 6,660,278	\$ 6,854,275	\$ 7,053,972	\$ 7,259,532	\$ 7,471,136	\$ 7,690,620	\$ 7,919,454	\$ 8,078,093
BOND DEBT SERVICE												
Senior Bond	\$ -	\$ 2,848,388	\$ 3,797,850	\$ 3,797,850	\$ 3,802,850	\$ 3,912,500	\$ 4,029,450	\$ 4,147,650	\$ 4,266,400	\$ 4,390,000	\$ 4,522,400	\$ 4,612,200
Senior Bond DSCR	\$ -	\$ 2,09	\$ 1,66	\$ 1,70	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75
Subordinate Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate DSCR	\$ -	\$ 2,09	\$ 1,66	\$ 1,70	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75
NET CASH FOR SUBORDINATED CASH FLOW	\$ 1,936,139	\$ 3,099,885	\$ 2,490,865	\$ 2,673,959	\$ 2,857,428	\$ 2,941,775	\$ 3,024,522	\$ 3,111,882	\$ 3,204,736	\$ 3,300,620	\$ 3,397,054	\$ 3,465,893
SUBORDINATED CASH FLOW & RESERVES												
Subordinated Asset Management Fee	\$ 10,538	\$ 42,152	\$ 44,574	\$ 45,911	\$ 47,289	\$ 48,707	\$ 50,169	\$ 51,674	\$ 53,224	\$ 54,821	\$ 55,917	\$ 57,035
FFBE Reserve	\$ 84,304	\$ 505,823	\$ 713,186	\$ 734,581	\$ 756,619	\$ 779,317	\$ 803,697	\$ 826,778	\$ 851,581	\$ 877,129	\$ 894,671	\$ 912,585
Working Capital Reserve	\$ 126,456	\$ 505,823	\$ 534,889	\$ 550,936	\$ 567,464	\$ 584,488	\$ 602,027	\$ 620,083	\$ 638,686	\$ 657,847	\$ 671,003	\$ 684,424
Supplemental Senior Bond DSRF	\$ 1,714,842	\$ 1,153,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinated Development Manager Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Senior Bond DSRF #2	\$ (0)	\$ 892,230	\$ 1,198,215	\$ 778,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Subordinate Bond DSRF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ -	\$ -	\$ -	\$ 380,630	\$ 169,701	\$ 1,529,262	\$ 641,713	\$ 2,233,431	\$ 2,299,931	\$ 2,368,671	\$ 2,446,466	\$ 2,496,293
CUMULATIVE NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ -	\$ -	\$ -	\$ 380,630	\$ 550,331	\$ 2,079,593	\$ 2,721,306	\$ 4,954,737	\$ 7,254,668	\$ 9,623,339	\$ 12,069,805	\$ 14,566,098

Preliminary, subject to change.

Source: CBRE Garfield Public/Private

Hotel & Conference Center Operating Pro Forma

Ops Year	13	14	15	16	17	18	19	20	21	22	23	24
Year Ended:	6/30/2040	6/30/2041	6/30/2042	6/30/2043	6/30/2044	6/30/2045	6/30/2046	6/30/2047	6/30/2048	6/30/2049	6/30/2050	6/30/2051
Fiscal/Bond Year:	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Number of Rooms	204	204	204	204	204	204	204	204	204	204	204	204
Annual Available Rooms	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460	74,460
Occupied Rooms	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122	52,122
Occupancy	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Average Rate	\$ 249.97	\$ 254.97	\$ 260.07	\$ 265.27	\$ 270.57	\$ 275.98	\$ 281.50	\$ 287.13	\$ 292.88	\$ 298.73	\$ 304.71	\$ 310.80
OPERATING REVENUES												
Rooms	\$ 13,028,801	\$ 13,289,377	\$ 13,555,164	\$ 13,826,268	\$ 14,102,793	\$ 14,384,849	\$ 14,675,546	\$ 14,965,997	\$ 15,265,317	\$ 15,570,623	\$ 15,882,035	\$ 16,199,676
Food & Beverage	\$ 9,479,146	\$ 9,668,729	\$ 9,862,104	\$ 10,059,346	\$ 10,260,532	\$ 10,465,743	\$ 10,675,058	\$ 10,888,559	\$ 11,106,330	\$ 11,328,457	\$ 11,555,026	\$ 11,786,127
Other Operated Departments	\$ 659,419	\$ 672,607	\$ 686,059	\$ 699,780	\$ 713,776	\$ 728,052	\$ 742,613	\$ 757,465	\$ 772,614	\$ 788,066	\$ 803,828	\$ 819,904
Miscellaneous Income (Net)	\$ 103,034	\$ 105,094	\$ 107,196	\$ 109,340	\$ 111,527	\$ 113,758	\$ 116,033	\$ 118,353	\$ 120,720	\$ 123,135	\$ 125,598	\$ 128,110
Total Operating Revenue	\$ 23,270,399	\$ 23,735,807	\$ 24,210,523	\$ 24,694,734	\$ 25,188,629	\$ 25,692,401	\$ 26,206,249	\$ 26,730,374	\$ 27,264,982	\$ 27,810,281	\$ 28,366,487	\$ 28,933,817
DEPARTMENTAL EXPENSES												
Rooms Expense	\$ 3,132,239	\$ 3,194,884	\$ 3,258,782	\$ 3,323,957	\$ 3,390,436	\$ 3,458,245	\$ 3,527,410	\$ 3,597,958	\$ 3,669,917	\$ 3,743,316	\$ 3,818,182	\$ 3,894,546
Food & Beverage Expense	\$ 5,023,948	\$ 5,124,427	\$ 5,226,915	\$ 5,331,453	\$ 5,438,082	\$ 5,546,844	\$ 5,657,781	\$ 5,770,937	\$ 5,886,355	\$ 6,004,082	\$ 6,124,164	\$ 6,246,647
Other Operated Departments Expense	\$ 202,441	\$ 206,490	\$ 210,620	\$ 214,832	\$ 219,129	\$ 223,512	\$ 227,982	\$ 232,541	\$ 237,192	\$ 241,936	\$ 246,775	\$ 251,710
Total Departmental Expenses	\$ 8,358,628	\$ 8,525,801	\$ 8,695,317	\$ 8,870,243	\$ 9,047,648	\$ 9,228,601	\$ 9,413,173	\$ 9,601,436	\$ 9,793,465	\$ 9,989,334	\$ 10,189,121	\$ 10,392,904
DEPARTMENTAL PROFIT	\$ 14,911,771	\$ 15,210,007	\$ 15,514,207	\$ 15,824,491	\$ 16,140,981	\$ 16,463,800	\$ 16,793,076	\$ 17,128,938	\$ 17,471,517	\$ 17,820,947	\$ 18,177,366	\$ 18,540,913
UNDISTRIBUTED OPERATING EXPENSES												
Administrative and General	\$ 1,838,888	\$ 1,875,666	\$ 1,913,179	\$ 1,951,442	\$ 1,990,471	\$ 2,030,281	\$ 2,070,886	\$ 2,112,304	\$ 2,154,550	\$ 2,197,641	\$ 2,241,594	\$ 2,286,426
Information and Telecommunications	\$ 306,481	\$ 312,611	\$ 318,863	\$ 325,240	\$ 331,745	\$ 338,380	\$ 345,148	\$ 352,050	\$ 359,091	\$ 366,273	\$ 373,599	\$ 381,071
Systems	\$ 1,903,410	\$ 1,941,478	\$ 1,980,308	\$ 2,019,914	\$ 2,060,318	\$ 2,101,519	\$ 2,143,549	\$ 2,186,420	\$ 2,230,148	\$ 2,274,751	\$ 2,320,246	\$ 2,366,651
Sales and Marketing	\$ 781,728	\$ 797,363	\$ 813,310	\$ 829,576	\$ 846,168	\$ 863,091	\$ 880,353	\$ 897,960	\$ 915,919	\$ 934,238	\$ 952,922	\$ 971,981
Franchise Fees (Royalty)	\$ 1,032,358	\$ 1,053,005	\$ 1,074,065	\$ 1,095,547	\$ 1,117,457	\$ 1,139,807	\$ 1,162,603	\$ 1,185,855	\$ 1,209,572	\$ 1,233,763	\$ 1,258,439	\$ 1,283,607
Property Operations and Maintenance	\$ 1,030,342	\$ 1,050,949	\$ 1,071,968	\$ 1,093,407	\$ 1,115,275	\$ 1,137,580	\$ 1,160,332	\$ 1,183,539	\$ 1,207,210	\$ 1,231,354	\$ 1,255,981	\$ 1,281,100
Utilities	\$ 6,893,207	\$ 7,031,071	\$ 7,171,693	\$ 7,315,127	\$ 7,461,429	\$ 7,610,658	\$ 7,762,871	\$ 7,918,128	\$ 8,076,491	\$ 8,238,021	\$ 8,402,781	\$ 8,570,837
Total Undistributed Expenses	\$ 8,018,564	\$ 8,178,935	\$ 8,342,514	\$ 8,509,364	\$ 8,679,552	\$ 8,853,143	\$ 9,030,205	\$ 9,210,810	\$ 9,395,026	\$ 9,582,926	\$ 9,774,585	\$ 9,970,077
GROSS OPERATING PROFIT	\$ 6,981,815	\$ 7,556,872	\$ 8,177,909	\$ 8,845,370	\$ 9,511,031	\$ 10,209,258	\$ 10,942,873	\$ 11,718,144	\$ 12,529,956	\$ 13,377,355	\$ 14,261,802	\$ 15,183,840
Management Fee	\$ 698,112	\$ 712,074	\$ 726,316	\$ 740,842	\$ 755,659	\$ 770,772	\$ 786,187	\$ 801,911	\$ 817,949	\$ 834,308	\$ 850,995	\$ 868,014
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$ 7,320,452	\$ 7,466,861	\$ 7,616,198	\$ 7,768,522	\$ 7,923,893	\$ 8,082,371	\$ 8,244,018	\$ 8,408,898	\$ 8,577,076	\$ 8,748,618	\$ 8,923,590	\$ 9,102,062
NON-OPERATING (INCOME) AND EXPENSES												
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incentive Revenues	\$ (2,480,177)	\$ (2,529,781)	\$ (2,580,376)	\$ (2,631,984)	\$ (2,684,623)	\$ (2,738,316)	\$ (2,793,082)	\$ (2,848,944)	\$ (2,905,923)	\$ (2,964,041)	\$ (3,023,322)	\$ (3,082,866)
Insurance	\$ 347,915	\$ 354,873	\$ 361,971	\$ 369,210	\$ 376,594	\$ 384,126	\$ 391,809	\$ 399,645	\$ 407,638	\$ 415,790	\$ 424,106	\$ 432,588
Reserve for Replacement	\$ 930,816	\$ 949,432	\$ 968,421	\$ 987,789	\$ 1,007,545	\$ 1,027,691	\$ 1,048,215	\$ 1,069,215	\$ 1,090,699	\$ 1,112,641	\$ 1,134,659	\$ 1,157,353
Total Non-Operating Income and Expenses	\$ (1,201,446)	\$ (1,225,475)	\$ (1,249,985)	\$ (1,274,984)	\$ (1,300,484)	\$ (1,326,494)	\$ (1,353,024)	\$ (1,380,084)	\$ (1,407,686)	\$ (1,435,839)	\$ (1,464,556)	\$ (1,493,900)
NET INCOME (EBITDA)	\$ 5,521,898	\$ 5,692,336	\$ 5,866,183	\$ 6,043,507	\$ 6,224,377	\$ 6,408,864	\$ 6,597,042	\$ 6,788,982	\$ 6,984,762	\$ 7,184,457	\$ 7,388,146	\$ 7,595,512
ADDITIONAL FEES & RESERVES BEFORE DEBT SERVICE												
Senior Asset Management Fee	\$ 174,528	\$ 178,019	\$ 181,579	\$ 185,211	\$ 188,915	\$ 192,693	\$ 196,547	\$ 200,478	\$ 204,487	\$ 208,577	\$ 212,749	\$ 217,004
Main Operating Account Reserve	\$ 94,965	\$ 96,865	\$ 98,802	\$ 100,778	\$ 102,794	\$ 104,850	\$ 106,947	\$ 109,085	\$ 111,267	\$ 113,493	\$ 115,762	\$ 118,076
Administrative Expenses	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
NET CASH FOR BOND PAYMENTS	\$ 8,239,905	\$ 8,404,953	\$ 8,573,302	\$ 8,745,018	\$ 8,920,168	\$ 9,098,822	\$ 9,281,048	\$ 9,466,919	\$ 9,656,508	\$ 9,849,888	\$ 10,047,135	\$ 9,528,048
BOND DEBT SERVICE												
Senior Bond	\$ 4,706,500	\$ 4,799,250	\$ 4,894,750	\$ 4,991,950	\$ 5,094,800	\$ 5,196,900	\$ 5,303,200	\$ 5,409,300	\$ 5,516,800	\$ 5,623,300	\$ 5,737,400	\$ 5,844,000
Senior Bond DSCR	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75
Subordinate Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate DSCR	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75	\$ 1,75
NET CASH FOR SUBORDINATED CASH FLOW	\$ 3,533,405	\$ 3,605,703	\$ 3,678,552	\$ 3,753,068	\$ 3,825,368	\$ 3,901,922	\$ 3,978,848	\$ 4,057,619	\$ 4,139,708	\$ 4,226,588	\$ 4,309,735	\$ 4,086,048
SUBORDINATED CASH FLOW & RESERVES												
Formula												
Subordinated Asset Management Fee	\$ 58,176	\$ 59,340	\$ 60,526	\$ 61,737	\$ 62,972	\$ 64,231	\$ 65,516	\$ 66,826	\$ 68,162	\$ 69,526	\$ 70,916	\$ 72,335
FFBE Reserve	\$ 930,816	\$ 949,432	\$ 968,421	\$ 987,789	\$ 1,007,545	\$ 1,027,696	\$ 1,048,250	\$ 1,069,215	\$ 1,090,599	\$ 1,112,411	\$ 1,134,659	\$ 1,157,353
Working Capital Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Senior Bond DSRF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinated Development Manager Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Senior Bond DSRF #2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Subordinate Bond DSRF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ 2,544,413	\$ 2,596,931	\$ 2,649,605	\$ 2,703,542	\$ 2,754,852	\$ 2,809,995	\$ 2,865,083	\$ 2,921,578	\$ 2,980,946	\$ 3,044,651	\$ 3,104,160	\$ 2,856,361
CUMULATIVE NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ 17,110,510	\$ 19,707,442	\$ 22,357,046	\$ 25,060,588	\$ 27,815,440	\$ 30,625,435	\$ 33,490,517	\$ 36,412,095	\$ 39,393,041	\$ 42,437,692	\$ 45,541,852	\$ 48,398,213

Preliminary, subject to change.
Source: CBRE Garfield Public/Private

Hotel & Conference Center Operating Pro Forma

Ops Year	25	26	27	28
Year Ended:	6/30/2052	6/30/2053	6/30/2054	6/30/2055
Fiscal/Bond Year:	2052	2053	2054	2055
Number of Rooms	204	204	204	204
Annual Available Rooms	74,460	74,460	74,460	74,460
Occupied Rooms	52,122	52,122	52,122	52,122
Occupancy	70.0%	70.0%	70.0%	70.0%
Average Rate	\$ 317.02	\$ 323.36	\$ 329.83	\$ 336.42
OPERATING REVENUES				
Rooms	\$ 16,523,670	\$ 16,854,143	\$ 17,191,226	\$ 17,535,051
Food & Beverage	\$ 12,021,849	\$ 12,262,286	\$ 12,507,532	\$ 12,757,682
Other Operated Departments	\$ 836,302	\$ 853,028	\$ 870,089	\$ 887,491
Miscellaneous Income (Net)	\$ 130,672	\$ 133,285	\$ 135,951	\$ 138,670
Total Operating Revenue	\$ 29,512,493	\$ 30,102,743	\$ 30,704,798	\$ 31,318,894
DEPARTMENTAL EXPENSES				
Rooms Expense	\$ 3,972,437	\$ 4,051,885	\$ 4,132,923	\$ 4,215,582
Food & Beverage Expense	\$ 6,371,580	\$ 6,499,012	\$ 6,628,992	\$ 6,761,572
Other Operated Departments Expense	\$ 256,745	\$ 261,879	\$ 267,117	\$ 272,459
Total Departmental Expenses	\$ 10,600,762	\$ 10,812,777	\$ 11,029,032	\$ 11,249,613
DEPARTMENTAL PROFIT	\$ 18,911,731	\$ 19,289,966	\$ 19,675,765	\$ 20,069,281
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	\$ 2,332,154	\$ 2,378,797	\$ 2,426,373	\$ 2,474,901
Information and Telecommunications Systems	\$ 388,692	\$ 396,466	\$ 404,395	\$ 412,483
Sales and Marketing	\$ 2,413,984	\$ 2,462,264	\$ 2,511,509	\$ 2,561,740
Franchise Fees (Royalty)	\$ 991,420	\$ 1,011,249	\$ 1,031,474	\$ 1,052,103
Property Operations and Maintenance	\$ 1,309,280	\$ 1,335,465	\$ 1,362,174	\$ 1,389,418
Utilities	\$ 1,306,722	\$ 1,332,857	\$ 1,359,514	\$ 1,386,704
Total Undistributed Expenses	\$ 8,742,253	\$ 8,917,098	\$ 9,095,440	\$ 9,277,349
GROSS OPERATING PROFIT	\$ 10,169,478	\$ 10,372,868	\$ 10,580,325	\$ 10,791,931
Management Fee	\$ 885,375	\$ 903,082	\$ 921,144	\$ 939,567
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$ 9,284,103	\$ 9,469,785	\$ 9,659,181	\$ 9,852,365
NON-OPERATING (INCOME) AND EXPENSES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Incentive Revenues	\$ (2,290,339)	\$ (1,180,002)	\$ (1,203,602)	\$ (1,227,674)
Insurance	\$ 441,240	\$ 450,065	\$ 459,066	\$ 468,248
Reserve for Replacement	\$ 1,180,500	\$ 1,204,110	\$ 1,228,192	\$ 1,252,756
Total Non-Operating Income and Expenses	\$ (668,599)	\$ 474,173	\$ 483,656	\$ 493,329
NET INCOME (EBITDA)	\$ 9,952,703	\$ 8,995,613	\$ 9,175,525	\$ 9,359,035
ADDITIONAL FEES & RESERVES BEFORE DEBT SERVICE				
Senior Asset Management Fee	\$ 221,344	\$ 225,771	\$ 230,286	\$ 234,892
Main Operating Account Reserve	\$ -	\$ -	\$ 6,903	\$ 118,216
Administrative Expenses	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
NET CASH FOR BOND PAYMENTS	\$ 9,718,859	\$ 8,757,342	\$ 8,925,836	\$ 8,993,428
BOND DEBT SERVICE				
Senior Bond	\$ 5,549,050	\$ 5,000,550	\$ 5,095,600	\$ 5,135,450
Senior Bond DSCR	1.75	1.75	1.75	1.75
Subordinate Bond	\$ -	\$ -	\$ -	\$ -
Aggregate DSCR	1.75	1.75	1.75	1.75
NET CASH FOR SUBORDINATED CASH FLOW	\$ 4,169,809	\$ 3,756,792	\$ 3,830,236	\$ 3,857,978
SUBORDINATED CASH FLOW & RESERVES				
Subordinate Asset Management Fee	\$ 73,781	\$ 75,257	\$ 76,762	\$ 78,297
FF&E Reserve	\$ 1,180,500	\$ 1,204,110	\$ 1,228,192	\$ 1,252,756
Working Capital Reserve	\$ -	\$ -	\$ -	\$ -
Supplemental Senior Bond DSRF	\$ -	\$ -	\$ -	\$ -
Subordinated Development Manager Fee	\$ -	\$ -	\$ -	\$ -
Supplemental Senior Bond DSRF #2	\$ -	\$ -	\$ -	\$ -
Supplemental Subordinate Bond DSRF	\$ -	\$ -	\$ -	\$ -
NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ 2,915,528	\$ 2,477,426	\$ 2,525,282	\$ 2,526,925
CUMULATIVE NET CASH AFTER SUBORDINATED CASH FLOW & RESERVES	\$ 51,313,741	\$ 53,791,166	\$ 56,316,448	\$ 58,843,374

Preliminary, subject to change.

Source: CBRE Garfield Public/Private

Tax Generation & Incentive Revenue Pro Forma

Ops Year	1	2	3	4	5
Year Ended:	5/31/2028	5/31/2029	5/31/2030	5/31/2031	5/31/2032
Fiscal/Bond Year:	2028	2029	2030	2031	2032
Rooms	\$ 2,353,741	\$ 9,414,965	\$ 9,982,593	\$ 10,282,070	\$ 10,590,533
Food & Beverage	\$ 1,722,544	\$ 6,890,176	\$ 7,262,867	\$ 7,480,753	\$ 7,705,176
Other Operated Departments	\$ 120,180	\$ 480,718	\$ 505,243	\$ 520,400	\$ 536,012
Misc Income (Net)	\$ 18,723	\$ 74,893	\$ 78,944	\$ 81,313	\$ 83,752
Total Revenue	\$ 4,215,188	\$ 16,860,752	\$ 17,829,647	\$ 18,364,536	\$ 18,915,473

TAX REVENUE

Occupancy Tax Revenues	Tax Rate	Pledge	Capture	Start	Term	End	Growth Rate
Onsite 4% Local Occupancy Tax	4.0000%	100%	4.0000%	2055	2055	2055	
Citywide 4%	4.0000%	100%	4.0000%	2055	2055	2055	2.00%
Onsite Other 3% Local Occupancy Tax	3.0000%	0%	0.0000%	2055	2055	2055	

Special District Sales Taxes

TDD (40 years)	Tax Rate	Pledge	Capture	Start	Term	End
TDD (40 years)	1.0000%	100%	1.0000%	2025	40	2065
CID (27 years)	1.0000%	100%	1.0000%	2025	27	2052
PID (40 years)	1.0000%	100%	1.0000%	2025	40	2065

Statutory TIF (Downtown Revitalization)

State (incl. tax on rooms)	Tax Rate	Pledge	Capture	Start	Term	End
State (incl. tax on rooms)	3.0000%	50%	1.5000%	2025	25	2050
City	2.2500%	50%	1.1250%	2025	25	2050
County	1.5000%	50%	0.7500%	2025	25	2050

City Additional EATs (30 years)

Non-Room Sales Taxes	Tax Rate	Pledge	Capture	Start	Term	End
Non-Room Sales Taxes	1.5000%	50%	0.7500%	2026	30	2056
Hotel Room Sales Taxes	1.5000%	100%	1.5000%	2026	30	2056
Top Half after TIF	1.5000%	50%	0.7500%	2051	5	2056

CID Hotel Room Surcharge

Rate	Start	Term	End	Growth Rate
Rate	2025	27	2052	2.00%
Occupancy (%)	10.00		10.20	10.40
Rooms	64%		68%	70%
Revenue	204		204	204
	476,544		516,455	542,277
				553,123
				564,185

Energy-Based Revenues

C-Pace Loan "energy fee"	Start	Term	End
C-Pace Loan "energy fee"	2025	14	2039
Utility tax - \$50K	2025	25	2050

GRAND TOTAL REVENUES

REVENUE FOR CITY BONDS	\$ 1,769,529	\$ 3,159,494	\$ 3,301,203	\$ 3,384,672	\$ 3,470,334
REVENUE FOR HOTEL BOND	\$ 925,000	\$ 1,320,099	\$ 1,361,674	\$ 1,392,900	\$ 1,424,871
	\$ 844,529	\$ 1,839,395	\$ 1,939,529	\$ 1,991,772	\$ 2,045,463

Preliminary, subject to change.

Estimates based on information provided by CBRE and Garfield Public/Private

Tax Generation & Incentive Revenue Pro Forma

Ops Year	6	7	8	9	10	11	12	13
Year Ended:	5/31/2033	5/31/2034	5/31/2035	5/31/2036	5/31/2037	5/31/2038	5/31/2039	5/31/2040
Fiscal/Bond Year:	2033	2034	2035	2036	2037	2038	2039	2040
Rooms	\$ 10,908,248	\$ 11,235,496	\$ 11,572,561	\$ 11,919,738	\$ 12,277,330	\$ 12,522,877	\$ 12,773,334	\$ 13,028,801
Food & Beverage	\$ 7,936,331	\$ 8,174,421	\$ 8,419,654	\$ 8,672,244	\$ 8,932,411	\$ 9,111,059	\$ 9,293,280	\$ 9,479,146
Other Operated Departments	\$ 552,093	\$ 568,655	\$ 585,715	\$ 603,287	\$ 621,385	\$ 633,813	\$ 646,489	\$ 659,419
Misc Income (Net)	\$ 86,264	\$ 88,852	\$ 91,518	\$ 94,264	\$ 97,091	\$ 99,033	\$ 101,013	\$ 103,034
Total Revenue	\$ 19,482,936	\$ 20,067,424	\$ 20,669,448	\$ 21,289,533	\$ 21,928,217	\$ 22,366,781	\$ 22,814,117	\$ 23,270,939
TAX REVENUE								
Occupancy Tax Revenues	Tax Rate	Pledge						
Onsite 4% Local Occupancy Tax	4.0000%	100%	\$ 436,330	\$ 449,420	\$ 462,902	\$ 476,790	\$ 491,093	\$ 510,933
Citywide 4%	4.0000%	100%	\$ 1,021,275	\$ 1,041,700	\$ 1,062,534	\$ 1,083,785	\$ 1,105,461	\$ 1,127,570
Onsite Other 3% Local Occupancy Tax	3.0000%	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special District Sales Taxes	Tax Rate	Pledge						
TDD (40 years)	1.0000%	100%	\$ 194,829	\$ 200,674	\$ 206,694	\$ 212,895	\$ 219,282	\$ 223,668
CID (27 years)	1.0000%	100%	\$ 194,829	\$ 200,674	\$ 206,694	\$ 212,895	\$ 219,282	\$ 223,668
PID (40 years)	1.0000%	100%	\$ 194,829	\$ 200,674	\$ 206,694	\$ 212,895	\$ 219,282	\$ 223,668
Statutory TIF (Downtown Revitalization)	Tax Rate	Pledge						
State (incl. tax on rooms)	3.0000%	50%	\$ 292,244	\$ 301,011	\$ 310,042	\$ 319,343	\$ 328,923	\$ 335,502
City	2.2500%	50%	\$ 219,183	\$ 225,759	\$ 232,531	\$ 239,507	\$ 246,692	\$ 251,626
County	1.5000%	50%	\$ 146,122	\$ 150,506	\$ 155,021	\$ 159,671	\$ 164,462	\$ 167,751
City Additional EATs (30 years)	Tax Rate	Pledge						
Non-Room Sales Taxes	1.5000%	50%	\$ 64,310	\$ 66,239	\$ 68,227	\$ 70,273	\$ 72,382	\$ 73,829
Hotel Room Sales Taxes	1.5000%	100%	\$ 163,624	\$ 168,532	\$ 173,588	\$ 178,796	\$ 184,160	\$ 187,843
Top Half after TIF	1.5000%	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CID Hotel Room Surcharge								
Rate	\$ 11.04	\$ 11.26	\$ 11.49	\$ 11.72	\$ 11.95	\$ 12.19	\$ 12.43	\$ 12.68
Occupancy (%)	70%	70%	70%	70%	70%	70%	70%	70%
Rooms	204	204	204	204	204	204	204	204
Revenue	\$ 575,469	\$ 586,978	\$ 598,718	\$ 610,692	\$ 622,906	\$ 635,364	\$ 648,072	\$ 661,033
Energy-Based Revenues								
C-Pace Loan "energy fee"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility tax - \$50K	\$ 55,204	\$ 56,308	\$ 57,434	\$ 58,583	\$ 59,755	\$ 60,950	\$ 62,169	\$ 63,412
GRAND TOTAL REVENUES	\$ 3,558,249	\$ 3,648,477	\$ 3,741,081	\$ 3,836,127	\$ 3,933,680	\$ 4,012,354	\$ 4,092,601	\$ 4,174,453
REVENUE FOR CITY BONDS	\$ 1,457,605	\$ 1,491,120	\$ 1,525,437	\$ 1,560,574	\$ 1,596,554	\$ 1,628,485	\$ 1,661,055	\$ 1,694,276
REVENUE FOR HOTEL BOND	\$ 2,100,644	\$ 2,157,357	\$ 2,215,645	\$ 2,275,553	\$ 2,337,126	\$ 2,383,869	\$ 2,431,546	\$ 2,480,177

Preliminary, subject to change.

Estimates based on information provided by CBRE and Garfield Public/Private

Tax Generation & Incentive Revenue Pro Forma

Ops Year	14	15	16	17	18	19	20	21
Year Ended:	5/31/2041	5/31/2042	5/31/2043	5/31/2044	5/31/2045	5/31/2046	5/31/2047	5/31/2048
Fiscal/Bond Year:	2041	2042	2043	2044	2045	2046	2047	2048
Rooms	\$ 13,289,377	\$ 13,555,164	\$ 13,826,268	\$ 14,102,793	\$ 14,384,849	\$ 14,672,546	\$ 14,965,997	\$ 15,265,317
Food & Beverage	\$ 9,668,729	\$ 9,862,104	\$ 10,059,346	\$ 10,260,532	\$ 10,465,743	\$ 10,675,058	\$ 10,888,559	\$ 11,106,330
Other Operated Departments	\$ 672,607	\$ 686,059	\$ 699,780	\$ 713,776	\$ 728,052	\$ 742,613	\$ 757,465	\$ 772,614
Misc Income (Net)	\$ 105,094	\$ 107,196	\$ 109,340	\$ 111,527	\$ 113,758	\$ 116,033	\$ 118,353	\$ 120,720
Total Revenue	\$ 23,735,807	\$ 24,210,523	\$ 24,694,734	\$ 25,188,629	\$ 25,692,401	\$ 26,206,249	\$ 26,730,374	\$ 27,264,982

TAX REVENUE

Occupancy Tax Revenues	Tax Rate	Pledge
Onsite 4% Local Occupancy Tax	4.0000%	100%
Citywide 4%	4.0000%	100%
Onsite Other 3% Local Occupancy Tax	3.0000%	0%

Special District Sales Taxes

TDD (40 years)	Tax Rate	Pledge
TDD (40 years)	1.0000%	100%
CID (27 years)	1.0000%	100%
PID (40 years)	1.0000%	100%

Statutory TIF (Downtown Revitalization)

State (incl. tax on rooms)	Tax Rate	Pledge
State (incl. tax on rooms)	3.0000%	50%
City	2.2500%	50%
County	1.5000%	50%

City Additional EATs (30 years)

Non-Room Sales Taxes	Tax Rate	Pledge
Non-Room Sales Taxes	1.5000%	50%
Hotel Room Sales Taxes	1.5000%	100%
Top Half after TIF	1.5000%	50%

CID Hotel Room Surcharge

Rate	\$ 12.94	\$ 13.19	\$ 13.46	\$ 13.73	\$ 14.00	\$ 14.28	\$ 14.57	\$ 14.86
Occupancy (%)	70%	70%	70%	70%	70%	70%	70%	70%
Rooms	204	204	204	204	204	204	204	204
Revenue	\$ 674,254	\$ 687,739	\$ 701,493	\$ 715,523	\$ 729,834	\$ 744,431	\$ 759,319	\$ 774,506

Energy-Based Revenues

C-Pace Loan "energy fee"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility tax - \$50K	\$ 64,680	\$ 65,974	\$ 67,293	\$ 68,639	\$ 70,012	\$ 71,412	\$ 72,841	\$ 74,297

GRAND TOTAL REVENUES

REVENUE FOR CITY BONDS	\$ 4,257,942	\$ 4,343,101	\$ 4,429,963	\$ 4,518,562	\$ 4,608,933	\$ 4,701,112	\$ 4,795,134	\$ 4,891,037
REVENUE FOR HOTEL BOND	\$ 1,728,161	\$ 1,762,724	\$ 1,797,979	\$ 1,833,938	\$ 1,870,617	\$ 1,908,030	\$ 1,946,190	\$ 1,985,114
REVENUE FOR HOTEL BOND	\$ 2,529,781	\$ 2,580,376	\$ 2,631,984	\$ 2,684,623	\$ 2,738,316	\$ 2,793,082	\$ 2,848,944	\$ 2,905,923

Preliminary, subject to change.

Estimates based on information provided by CBRE and Garfield Public/Private

Tax Generation & Incentive Revenue Pro Forma

Ops Year	22	23	24	25	26	27	28
Year Ended:	5/31/2049	5/31/2050	5/31/2051	5/31/2052	5/31/2053	5/31/2054	5/31/2055
Fiscal/Bond Year:	2049	2050	2051	2052	2053	2054	2055
Rooms	\$ 15,570,623	\$ 15,882,035	\$ 16,199,676	\$ 16,523,670	\$ 16,854,143	\$ 17,191,226	\$ 17,535,051
Food & Beverage	\$ 11,328,457	\$ 11,555,026	\$ 11,786,127	\$ 12,021,849	\$ 12,262,286	\$ 12,507,532	\$ 12,757,682
Other Operated Departments	\$ 788,066	\$ 803,828	\$ 819,904	\$ 836,302	\$ 853,028	\$ 870,089	\$ 887,491
Misc Income (Net)	\$ 123,135	\$ 125,598	\$ 128,110	\$ 130,672	\$ 133,285	\$ 135,951	\$ 138,670
Total Revenue	\$ 27,810,281	\$ 28,366,487	\$ 28,933,817	\$ 29,512,493	\$ 30,102,743	\$ 30,704,798	\$ 31,318,894
TAX REVENUE							
Occupancy Tax Revenues							
Onsite 4% Local Occupancy Tax	\$ 622,825	\$ 635,281	\$ 647,987	\$ 660,947	\$ 674,166	\$ 687,649	\$ 701,402
Citywide 4%	\$ 1,401,991	\$ 1,430,031	\$ 1,458,632	\$ 1,487,804	\$ 1,517,561	\$ 1,547,912	\$ 1,578,870
Onsite Other 3% Local Occupancy Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special District Sales Taxes							
TDD (40 years)	\$ 278,103	\$ 283,665	\$ 289,338	\$ 295,125	\$ 301,027	\$ 307,048	\$ 313,189
CID (27 years)	\$ 278,103	\$ 283,665	\$ 289,338	\$ 295,125	\$ -	\$ -	\$ -
PID (40 years)	\$ 278,103	\$ 283,665	\$ 289,338	\$ 295,125	\$ 301,027	\$ 307,048	\$ 313,189
Statutory TIF (Downtown Revitalization)							
State (incl. tax on rooms)	\$ 417,154	\$ 425,497	\$ -	\$ -	\$ -	\$ -	\$ -
City	\$ 312,866	\$ 319,123	\$ -	\$ -	\$ -	\$ -	\$ -
County	\$ 208,577	\$ 212,749	\$ -	\$ -	\$ -	\$ -	\$ -
City Additional EATs (30 years)							
Non-Room Sales Taxes	\$ 91,797	\$ 93,633	\$ 95,506	\$ 97,416	\$ 99,364	\$ 101,352	\$ 103,379
Hotel Room Sales Taxes	\$ 233,559	\$ 238,231	\$ 242,995	\$ 247,855	\$ 252,812	\$ 257,868	\$ 263,026
Top Half after TIF	\$ -	\$ -	\$ 217,004	\$ 221,344	\$ 225,771	\$ 230,286	\$ 234,892
CID Hotel Room Surcharge							
Rate	\$ 15.16	\$ 15.46	\$ 15.77	\$ 16.08	\$ -	\$ -	\$ -
Occupancy (%)	70%	70%	70%	70%	70%	70%	70%
Rooms	204	204	204	204	204	204	204
Revenue	\$ 789,996	\$ 805,796	\$ 821,911	\$ 838,350	\$ -	\$ -	\$ -
Energy-Based Revenues							
C-Pace Loan "energy fee"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility tax - \$50K	\$ 75,783	\$ 77,299	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL REVENUES	\$ 4,988,857	\$ 5,088,635	\$ 4,352,050	\$ 4,439,091	\$ 3,371,728	\$ 3,439,163	\$ 3,507,946
REVENUE FOR CITY BONDS	\$ 2,024,816	\$ 2,065,313	\$ 2,106,619	\$ 2,148,751	\$ 2,191,726	\$ 2,235,561	\$ 2,280,272
REVENUE FOR HOTEL BOND	\$ 2,964,041	\$ 3,023,322	\$ 2,245,431	\$ 2,290,339	\$ 1,180,002	\$ 1,203,602	\$ 1,227,674

Preliminary, subject to change.

Estimates based on information provided by CBRE and Garfield Public/Private

City Parking Revenue Pro Forma

Fiscal Year (10/31)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Bond Year	Actual	Budget	2027	2028	2029	2030	2031	2032	2032	2033
Revenue Summary										
Madison St. Garage	351,970	329,000	-	-	-	1,200,000	1,224,000	-	-	-
New Parking Garage	-	-	-	-	600,000	750,000	765,000	780,300	1,248,480	1,273,450
Parking Lots Monthly	373,034	315,000	669,737	837,171	887,522	571,805	583,241	594,906	780,300	795,906
Parking Meters	284,237	200,000	355,296	444,120	555,150	177,250	180,795	184,411	594,906	606,804
Parking Fines	88,109	90,000	110,136	137,670	172,088	-	-	-	184,411	188,099
Misc	136,983	124,135	-	-	-	-	-	-	-	-
Total Parking Revenue	1,234,333	1,058,135	1,135,169	1,418,961	2,214,760	2,699,055	2,753,036	2,808,097	2,808,097	2,864,259
Total Parking Expenses	1,103,995	1,058,135	867,000	884,340	902,027	920,067	938,468	957,238	957,238	976,382
Net Parking Revenue	130,338	-	268,169	534,621	1,312,733	1,778,988	1,814,568	1,850,859	1,850,859	1,887,876

City Parking Revenue Pro Forma

Fiscal Year (10/31)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
<i>Bond Year</i>	2034	2035	2036	2037	2038	2039	2040	2041	2042	2042
Revenue Summary										
Madison St. Garage	-	-	-	-	-	-	-	-	-	-
New Parking Garage	1,298,919	1,324,897	1,351,395	1,378,423	1,405,991	1,434,111	1,462,793	1,492,049	1,521,890	1,521,890
Parking Lots Monthly	811,824	828,061	844,622	861,514	878,745	896,319	914,246	932,531	951,181	951,181
Parking Meters	618,940	631,319	643,945	656,824	669,961	683,360	697,027	710,968	725,187	725,187
Parking Fines	191,861	195,698	199,612	203,605	207,677	211,830	216,067	220,388	224,796	224,796
Misc	-	-	-	-	-	-	-	-	-	-
Total Parking Revenue	2,921,544	2,979,975	3,039,574	3,100,366	3,162,373	3,225,621	3,290,133	3,355,936	3,423,054	3,423,054
Total Parking Expenses	995,910	1,015,828	1,036,145	1,056,868	1,078,005	1,099,565	1,121,557	1,143,988	1,166,867	1,166,867
Net Parking Revenue	1,925,634	1,964,146	2,003,429	2,043,498	2,084,368	2,126,055	2,168,576	2,211,948	2,256,187	2,256,187

City Parking Revenue Pro Forma

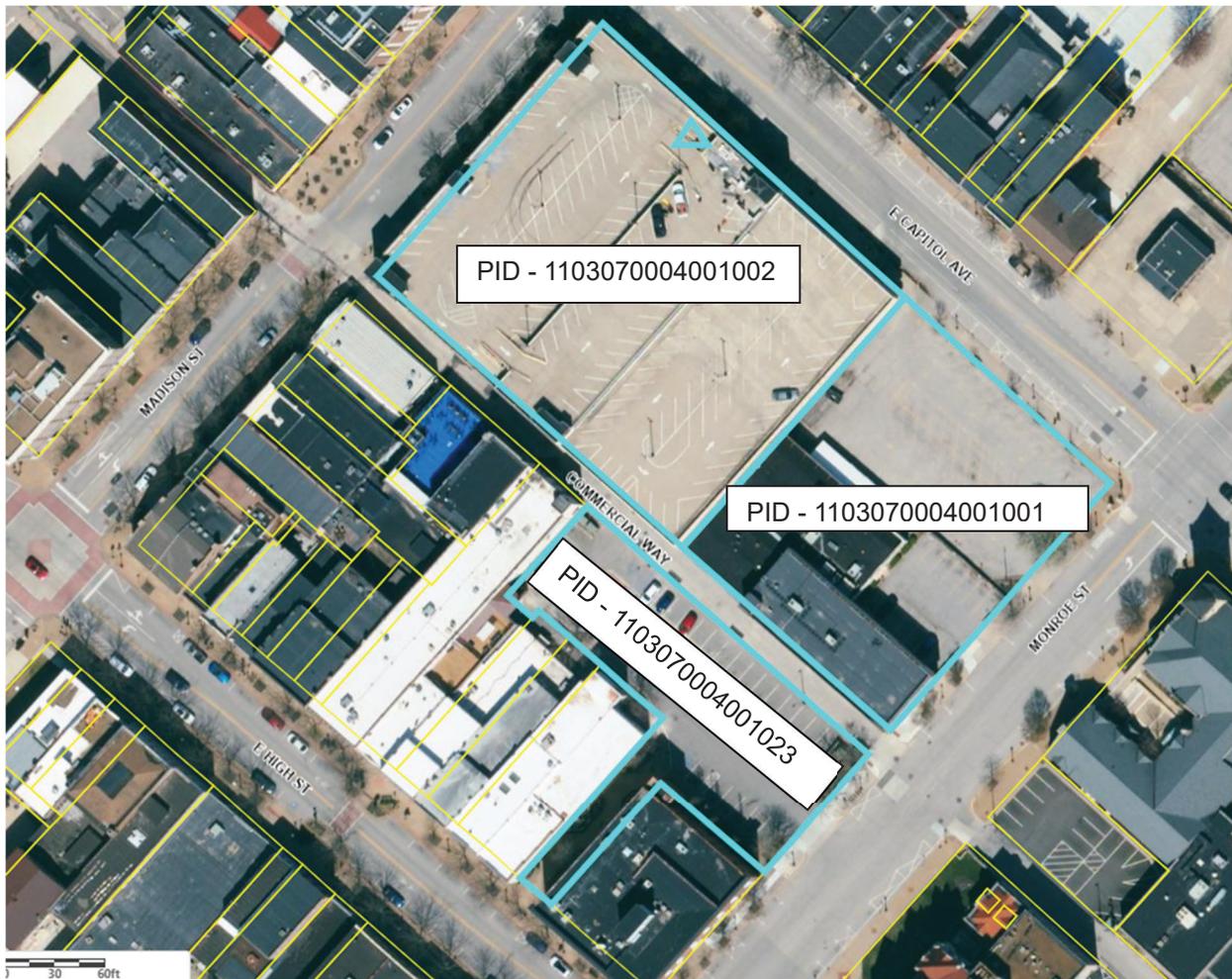
Fiscal Year (10/31)	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Bond Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	
Revenue Summary										
Madison St. Garage	-	-	-	-	-	-	-	-	-	-
New Parking Garage	1,552,328	1,583,375	1,615,042	1,647,343	1,680,290	1,713,895	1,748,173	1,783,137	1,818,800	
Parking Lots Monthly	970,205	989,609	1,009,401	1,029,589	1,050,181	1,071,185	1,092,608	1,114,461	1,136,750	
Parking Meters	739,691	754,485	769,574	784,966	800,665	816,678	833,012	849,672	866,666	
Parking Fines	229,292	233,878	238,555	243,326	248,193	253,157	258,220	263,384	268,652	
Misc	-	-	-	-	-	-	-	-	-	-
Total Parking Revenue	3,491,515	3,561,346	3,632,573	3,705,224	3,779,329	3,854,915	3,932,013	4,010,654	4,090,867	
Total Parking Expenses	1,190,205	1,214,009	1,238,289	1,263,055	1,288,316	1,314,082	1,340,364	1,367,171	1,394,515	
Net Parking Revenue	2,301,311	2,347,337	2,394,284	2,442,169	2,491,013	2,540,833	2,591,650	2,643,483	2,696,352	

City Parking Revenue Pro Forma

Fiscal Year (10/31)	2051	2052	2053	2054	2055	2055
<i>Bond Year</i>	2052	2053	2054	2055	2055	2056
Revenue Summary						
Madison St. Garage	-	-	-	-	-	-
New Parking Garage	1,855,176	1,892,279	1,930,125	1,968,727	2,008,102	
Parking Lots Monthly	1,159,485	1,182,674	1,206,328	1,230,454	1,255,064	
Parking Meters	883,999	901,679	919,712	938,107	956,869	
Parking Fines	274,025	279,505	285,096	290,797	296,613	
Misc	-	-	-	-	-	-
Total Parking Revenue	4,172,684	4,256,138	4,341,261	4,428,086	4,516,648	
Total Parking Expenses	1,422,405	1,450,853	1,479,870	1,509,467	1,539,657	
Net Parking Revenue	2,750,279	2,805,285	2,861,391	2,918,618	2,976,991	

Section B.4
Project Site Ownership

Project Site



PID 1103070004001002

- Book 166, page 504 – 1/4/1960
- Book 167, page 469 – 4/12/1960
- Book 309, page 356 – 7/6/1988

Purchased for construction of municipal parking garage

Current use: municipal parking garage

PID 1103070004001023

- Book 309, page 356 – 6/20/1988

Purchased for municipal parking lot

Current use: municipal parking lot

PID 1103070004001001

- Book 755, page 226 – 11/30/2023

Purchased for conference center development

Current use: vacant / parking lot

Section D
Economic Impact Analysis

Jefferson City Conference Center & Hotel Economic Impact Analysis



Prepared for the
Jefferson City Regional Economic Partnership and Jefferson City Convention and Visitors Bureau



**Exceed: Regional Economic &
Entrepreneurial Development**

University of Missouri Extension

January 2025

Executive Summary

The primary purpose of this report is to understand the economic impact of the proposed conference center and hotel in Jefferson City, Missouri. The proposed facility would be an upscale, full-service hotel and conference center projected to include:

- 200 guest rooms,
- 36,000 square feet of meeting space including a 15,000- to 20,000-square-foot ballroom,
- a ground-level restaurant/bar and market, and
- a flagship terrace-level lounge.

The facility will be located at the southeast quadrant of Madison Street and East Capital Avenue and will be built in conjunction with a new parking garage to service both conference center and hotel patrons and existing downtown parking demand (see Exhibit 1).

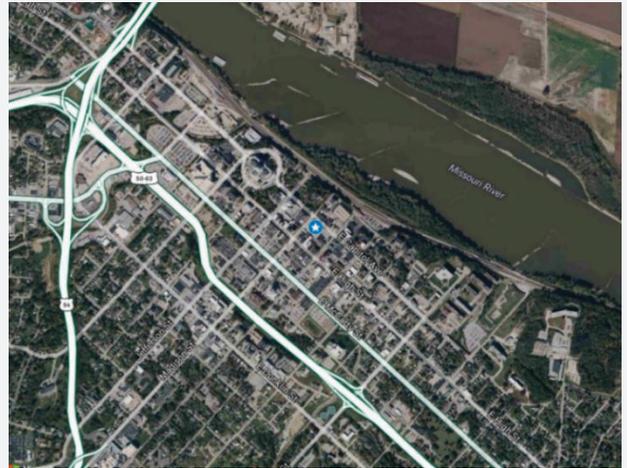


Exhibit 1. Project site.

Facility construction would begin in mid-2025, lasting approximately 24 months and spanning three calendar years. During this period (2025–27), construction spending of \$130 million is projected to support 588 jobs in Missouri, 504 of which would be in Cole County. Additionally, construction activities are projected to generate \$255 million in total sales when supply-chain and worker spending impacts are considered, \$203 million of which would accrue in Cole County. The rest of Missouri would also benefit from these construction activities, with 85 jobs and \$52 million in new sales during this period.

The conference center and hotel are projected to generate \$455 million in Missouri sales during the first 10 years of operation (2028–37), including \$380 million in Cole County business sales. This spending would support 373 Missouri jobs on an annual basis — with most employment (333 jobs) in Cole County. When considered in its entirety, the combined impact of the construction and operations of the proposed conference center and hotel is projected to generate \$710 million in Missouri sales, supporting an annual average of 423 jobs, during the 13-year period (2025–37).

Background

Interviews with the Jefferson City Convention and Visitors Bureau, Jefferson City Regional Economic Partnership, and business community stakeholders revealed significant demand for a modern facility capable of hosting multiday conferences and meetings. To access state government, statewide professional associations, government agencies, and private business desire to hold conferences and events in Jefferson City. The loss of meeting space and degrading quality of existing facilities has led many groups to move their events to facilities outside of Jefferson City.

Destinations such as Kansas City, St. Louis, Branson and Lake of the Ozarks have accommodated the excess demand that cannot be met locally, drawing business out of Jefferson City. This facility is expected to meet local demand, enabling the City of Jefferson to host conferences it currently cannot accommodate. In addition to accommodating these events, this facility will make Jefferson City a more competitive market for attracting new conferences and visitors to the area.

Cole County Economic Impacts

The conference center, hotel, and parking garage are estimated to cost \$130 million to construct over a 24-month period, assumed to begin in 2025. The facility would begin operations in mid-2027. Direct spending in Cole County of \$19.1 million at the hotel, conference center, and from induced visitor spending is expected in 2028 (estimates derived from analysis of the conference center [market study \[PDF\]](#) and data provided by Jefferson City officials). Annual spending will increase yearly and is projected to reach \$29.6 million by 2037. This direct spending will spur indirect (i.e., supply-chain) and induced (i.e., worker) spending that will ripple through the community and Missouri to create additional benefits.

The results for both phases are noted in Exhibit 2. In summary:

- The **construction** phase is anticipated to create an annual average of 504 jobs in Cole County over 24-months. This activity would support nearly \$204 million in cumulative new Cole County gross sales, and \$111 million in value added (gross domestic product or GDP).
- The **operations** phase is anticipated to support an annual average of 333 jobs in Cole County between 2028 and 2037. Cumulative gross sales would increase by \$380 million during the same period. The county would also gain \$200 million in value added (GDP).
- The **combined** phases would create an annual average of 372 jobs over the 13 years and \$584 million in cumulative Cole County gross sales. Total value added (GDP) amounts to \$311 million.

The **\$311 million** in value added, or GDP, represents new wealth to the community as the total sum of wages, profits, rents, interests and taxes that accrue over this time period (2025-37) to benefit Cole County.

Exhibit 2. Economic Impact — Cole County.



Figures may not sum due to rounding. Jobs are annual averages. Employment income includes wages and other employer compensation. Money figures are cumulative and in 2024 dollars.

Construction	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
	2025 - 27				
	Direct	383	\$72.6 M	\$74.2 M	\$133.5 M
	Indirect	41	\$7.7 M	\$13.3 M	\$28.7 M
	Induced	80	\$12.1 M	\$23.2 M	\$41.3 M
	Total	504	\$92.4 M	\$110.7 M	\$203.5 M
Operations	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
	2028 - 37				
	Direct	259	\$81.8 M	\$130.9 M	\$239.9 M
	Indirect	43	\$24.5 M	\$39.5 M	\$87.7 M
	Induced	31	\$15.5 M	\$29.6 M	\$52.9 M
	Total	333	\$121.9 M	\$200.1 M	\$380.4 M
Combined	Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
	2025 - 37				
	Direct	287	\$154.4 M	\$205.2 M	\$373.4 M
	Indirect	42	\$32.1 M	\$52.8 M	\$116.4 M
	Induced	42	\$27.7 M	\$52.8 M	\$94.1 M
	Total	372	\$214.3 M	\$310.8 M	\$583.9 M

Direct effects represent construction activities associated with the proposed facility and the annual operation of the conference center and hotel. The direct activities would support 287 jobs and employment income of \$154 million in Cole County over 13 years. Total sales, of \$373 million would generate \$205 million in new value-added wealth (GDP).

Indirect effects estimate the impacts on supply chains needed to provide materials, equipment and services for the construction and operations of the conference center and hotel, along with other businesses impacted by additional visitor spending once the facility is open. Analysis shows supply-chain ripple effects would support an annual average of 42 jobs in Cole County over the 13 years and \$32 million in employment income. Supply-chain sales of \$116 million in Cole County would add \$53 million in value-added wealth (GDP) during that time.

Induced effects measure household spending from workers employed in the construction and operation of the facility, at other businesses that benefit directly from new visitor spending, and from supply chain workers. An annual average of 42 additional jobs would be supported by direct and indirect worker spending, providing nearly \$28 million in employment income to Cole County workers over the 13 years. Worker purchases would add \$94 million in sales and \$53 million in value-added wealth (GDP) to the county during that time.

Exhibit 3 highlights the top five industries in Cole County by jobs supported through either direct, indirect or induced spending during the operations phase. Figures are for 2037.

Exhibit 3. Top 5 Industries, by Jobs Supported.

IMPLAN Industry	Jobs
Hotels and motels	113
Full-service restaurants	100
Other personal services	30
Limited-service restaurants	30
Museums, historical sites, & parks	8

Exhibit 4 estimates the cumulative taxes that would accrue to Cole County, Jefferson City, and other towns within the county over the 13 years (2025–37) due to the project. During that time, more than \$13.8 million in new tax revenues are projected for local governments in the county. See the methodology section for details on how the economic model estimates local taxes.

Exhibit 4. Fiscal Benefits to Cole County and Municipalities.

County/City Fiscal Benefits (2025 - 2037)
\$13,846,006

Rest-of-Missouri Economic Impacts

The construction and operation of the Jefferson City conference center and hotel will have spillover impacts in other Missouri communities. Although direct spending will occur in Cole County, some supply chain businesses and workers will be located or live outside the county. These rest-of-Missouri indirect and induced spending impacts bring employment and financial benefits to other parts of the state, as shown in Exhibit 5.

Exhibit 5. Economic Impact — Rest of Missouri.



Figures may not sum due to rounding.
Jobs are annual averages. Employment
income includes wages and other
employer compensation. Money figures
are cumulative and in 2024 dollars.

Construction		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Indirect		26	\$5.7 M	\$9.5 M	\$20.5 M
	Induced		58	\$9.7 M	\$17.8 M	\$31.3 M
	Total		85	\$15.4 M	\$27.3 M	\$51.8 M
Operations		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Indirect		16	\$9.2 M	\$15.2 M	\$30.5 M
	Induced		24	\$13.5 M	\$24.8 M	\$43.6 M
	Total		41	\$22.7 M	\$40.0 M	\$74.1 M
Combined		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Indirect		18	\$14.9 M	\$24.7 M	\$51.0 M
	Induced		32	\$23.1 M	\$42.6 M	\$74.8 M
	Total		51	\$38.1 M	\$67.3 M	\$125.8 M

Total Missouri Economic Impacts

The economic activity due to the construction and operation of the conference center would be felt primarily in Cole County; however, the ripple effects would extend beyond county borders. Exhibit 6 highlights the expected economic impacts to Cole County and the rest of Missouri throughout the 13 years (2025-37).

Exhibit 6. Economic Impact — Total Missouri.

Construction		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 27	Direct		383	\$72.6 M	\$74.2 M	\$133.5 M
	Indirect		67	\$13.4 M	\$22.8 M	\$49.2 M
	Induced		139	\$21.8 M	\$41.0 M	\$72.5 M
	Total		588	\$107.8 M	\$138.0 M	\$255.3 M
Operations		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2028 - 37	Direct		259	\$81.8 M	\$130.9 M	\$239.9 M
	Indirect		59	\$33.7 M	\$54.8 M	\$118.1 M
	Induced		55	\$29.0 M	\$54.5 M	\$96.4 M
	Total		373	\$144.5 M	\$240.2 M	\$454.5 M
Combined		Impact	Employment	Employment Income	Value Added (GDP)	Gross Sales
2025 - 37	Direct		287	\$154.4 M	\$205.2 M	\$373.4 M
	Indirect		61	\$47.1 M	\$77.5 M	\$167.4 M
	Induced		75	\$50.8 M	\$95.4 M	\$169.0 M
	Total		423	\$252.3 M	\$378.1 M	\$709.7 M

Economic Impact Methodology

The estimates for new jobs, employment income, value added (GDP), gross sales, and fiscal impacts were derived using IMPLAN, an input-output economic model. This model is widely used by development professionals and researchers to analyze the broader effects of business activities. IMPLAN data are updated annually from three main sources: the U.S. Bureau of Labor Statistics, the Bureau of Economic Analysis and the Census Bureau.

The fiscal projections from the IMPLAN model are county-level tax revenue estimates primarily based on U.S. Census Bureau state-level data on sales, income, property and other taxes that are allocated to counties using a variety of factors. Due to this tax allocation process, IMPLAN figures should be considered a broad estimate. The fiscal revenue estimate was adjusted for this project to add the local 7% city lodging tax, and to subtract direct property taxes IMPLAN estimates because the facility would be exempt as it is proposed to be publicly owned and would thus be exempt from property taxes.

The impact analysis was informed by interviews with Jefferson City Regional Economic Partnership (JCREP), Global Commercial Real Estate Services (CBRE), and other city officials. A [market study \(PDF\)](https://jcrep.org/wp-content/uploads/2024/07/CB24US027018-1_Proposed-JC-Conference-Hotel-PUBLIC.pdf) (jcrep.org/wp-content/uploads/2024/07/CB24US027018-1_Proposed-JC-Conference-Hotel-PUBLIC.pdf) of the conference center hotel, conducted by CBRE, provided key figures and the share of spending generated from induced demand — group activity and leisure travel sales that would not occur in Jefferson City unless the new facility was in operation.

Induced group and leisure travel demand provides benefits to the city beyond the hotel and conference center sales, as travelers eat, shop, and visit other businesses and sites in the area. Average visitor spending on transportation, food and beverage, retail, and recreation services were informed by spending analysis provided by the Jefferson City Convention and Visitors Bureau. It was assumed that 75% of corporate and group visitor food and beverage spending would occur at the conference center hotel, sales already captured in the market study, and 25% of this spending would occur at other area restaurants. The leisure travel visitor was assumed to spend 75% of their food and beverage daily spending outside of the conference center and hotel, with 25% captured by the conference center and hotel restaurant.

Regional Spending Effects in an Economic Model

Economic models track the flow of spending that moves around an economy through primary relationships between businesses and consumers. Models consider items companies typically purchase to produce goods or services, where those companies are located, and how workers spend the income they earn from making consumer products and services. The models follow these spending patterns to understand the larger economic impacts that circulate within a county and to what extent income leaks out due to imports. Spending effects describe how a business' final sales cause money to flow to regional supply chains and consumer-oriented firms to support additional jobs, wages, profits and taxes. These spending impacts can be broken out as direct, ripple and total effects.

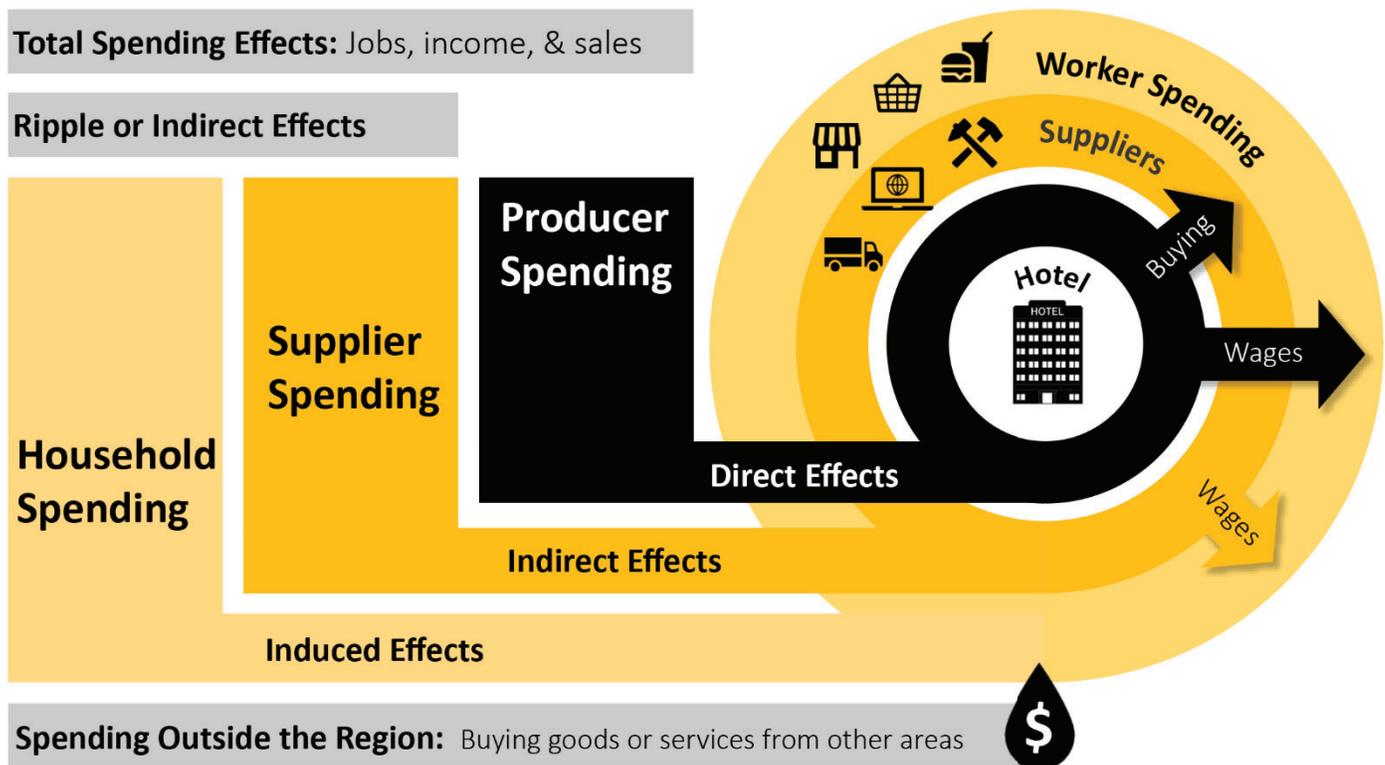
Direct effects include the revenue, employment income and jobs that come from selling a product or service for consumption. For the conference center and hotel, services include hotel room, restaurant, retail and rental sales. To make these sales, the owners invest in buildings, equipment and technology; buy supplies and services; and employ full- and part-time workers. Direct effects drive the other ripple spending effects in a county's economy.

Ripple effects are impacts of spending that have two parts:

- *Indirect effects* are impacts from supply-chain purchases. For example, a hotel buys supplies from a wholesaler, which purchases goods from a manufacturer. At each step in the supply chain, some purchases are made outside the county or state for specialized inputs or price considerations. That spending leaks out of the county during each cycle of purchasing.
- *Induced effects* capture the household spending of individuals who own and work for the hotel, restaurants or suppliers. For example, the workers purchase groceries and clothing in the local economy.

Total effects combine the direct effect of jobs and income from a business with the indirect effects of supplier and induced household spending within a county; these effects support additional employment and wealth. The diagram of spending flows in Exhibit 7 further illustrates the regional spending ripple effect that input-output models like IMPLAN describe.

Exhibit 7. Economic Model of Spending Flows: Hotel Example.



Economic Analysis Terms

The IMPLAN model shows how direct spending can have monetary and labor ripple effects that benefit businesses and workers in a community. Key spending effect figures include:

- **Gross Sales** (or Gross Output) estimates the total value of all sales, including the input cost of making a good or service along with the money received when that product is sold for final use.

- **Value Added, or Gross Domestic Product (GDP)**, is the value-added part of total sales that represents new wealth to the community. Value-added deducts the cost of goods and services from total sales to show what new money from final sales is left to pay wages, profits, rents, interests and taxes.
- **Employment Income**, which captures wages, benefits and owner pay, are a part of the value-added impact. It represents all spending, including health, retirement and other benefits directed to workers, and income earned by proprietors.
- **Employment** estimates annual average numbers of full- or part-time jobs needed for business operations.

Economic Model Limitations

Although IMPLAN is an excellent tool for understanding spending impacts, input-output models have some underlying limitations, including these:

- **No supply constraints:** The model assumes no supply constraints on products, services or labor that would alter industry inputs. Although the model can be adjusted if specific constraints are known, rarely will such detailed industry information be available, and those constraints can change periodically depending on broader economic conditions.
- **Static input structure:** The model is based on national and state survey information and assumes that the type and ratio of inputs needed by an industry are fixed. The model also assumes a constant return to scale and technology use.
- **Backward-linked structure:** The model considers an industry's input supply chain effects and does not account for forward-linkage effects.



**Exceed: Regional Economic &
Entrepreneurial Development**

University of Missouri Extension

Exhibit A
Question #8
Market Study



MARKET STUDY

The hotel and conference center market study is a foundational element in the development of a hospitality project as the information it provides is relied upon by the project design team, project financing team, and future bond investors. The purpose of the market study is to:

- Understand the existing local hospitality market and assess the demand for a planned facility.
- Assess the project's location, accessibility, visibility, and proximity to demand generators.
- Provide recommendations on the type, size, and amenities for the planned facility that align with the market demand.
- Estimate hotel performance measures within the market, namely average daily rate (ADR), occupancy rate and revenue per available room (RevPAR).
- Estimate net operating income (NOI) available to finance project capital costs.

CBRE was selected to develop the hotel and conference center market study for the Jefferson City project. CBRE spent time in Jefferson City assessing the proposed project location, identifying the competitive properties in the market, and meeting with local stakeholders to determine the unmet demand in the community. This information, in conjunction with an analysis of local economic trends and historical performance of existing hotel properties in the market was utilized in the development of the market study.

Based on this analysis CBRE initially recommended a 250-room full-service upscale hotel with 36,000 square feet of flexible meeting space. CBRE

was additionally requested to determine the impacts of a project with a slight reduction in the number of rooms and meeting space. The amended CBRE market study estimates a reduction in the program would continue to meet the demands of the market, while allowing the additional demand not captured by the new facility to overflow into existing facilities in the market. The amended program includes:

- 204 room full service upscale hotel with a mix of standard rooms and suites branded as Marriott, Hilton or Hyatt.
- 29,000 square feet of flexible meeting space including a 15,000 square foot ballroom capable of seating up to 1000 people.
- On-site food and beverage outlets to include
 - Lobby level signature restaurant with direct street frontage
 - Lobby café
 - Terrace level lounge
- Additional amenities such as fitness center, pool, hot tub, and laundry valet.

The proposed facility is expected to generate over 52,000 room night stays annually with an expected occupancy of 70%, ADR of \$191.52, and RevPAR of \$134.07. The NOI is expected to be \$4,623,800 in the first year of stabilized operations, growing by 3% annually.

Because the new 204-key hotel will not be able to accommodate all the estimated room-night demand for meetings at the new conference center, CBRE has estimated the new development will induce 6,600-9,900 additional room nights per year into other hotels in the Jefferson City market.



CBRE Valuation & Advisory Services

CBRE

Market Study

Proposed JC Conference Hotel
E Capitol Ave
Jefferson City, Missouri 65101
CBRE File No. CB24US027018-1

CLIENT: Garfield Public/Private LLC

January 10, 2025



VALUATION & ADVISORY SERVICES



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January 10, 2025
Page 2



As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors should such arise.

Since the proposed hotel's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of the assignment and on our experience in the industry. This report is subject to the Terms and Conditions presented in the Addenda.

After you have had an opportunity to review this report, please feel free to contact us with any questions. We appreciate the opportunity to work with you on this assignment.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Andrew Hartley
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Date of Report: January 10, 2025

Walter Peseski
Senior Vice President, Asset Management
Garfield Public/Private LLC
14911 Quorum Drive, Suite 380
Dallas, Texas 75254

RE: Demand Analysis of Proposed JC Conference Hotel Development
E Capitol Ave
Jefferson City, Cole County, Missouri 65101
CBRE, Inc. File No. CB24US207018-3

Dear Mr. Peseski:

At your request and authorization, CBRE, Inc. has prepared a demand and revised market study of a proposed conference hotel in Jefferson City. This report serves as an addendum report to a previous report produced by CBRE Hotels in May of 2024 referenced as CBRE Job number: CB24US2018-1.

The scope of this analysis includes an update of the estimated operational performance of the proposed hotel with revised facilities. Primarily, the proposed number of rooms decreased from 250 to 204 rooms. Additionally, you requested we analyze the induced demand from the addition of the proposed hotel and conference center to determine potential new room nights captured in the local market. Specifically, you wish us to estimate induced room nights that may not be captured by the proposed hotel but would "overflow" into the competitive market as a result of large event bookings.

The following report summarizes our conclusions. After review of the area, as well as our understanding of the site, Downtown Jefferson City, and the regional market area activity is generally consistent with the previous report and are not included in this concise analysis but are referenced. The updated estimate of operation performance utilized a revised competitive set of hotels with recent market performance.



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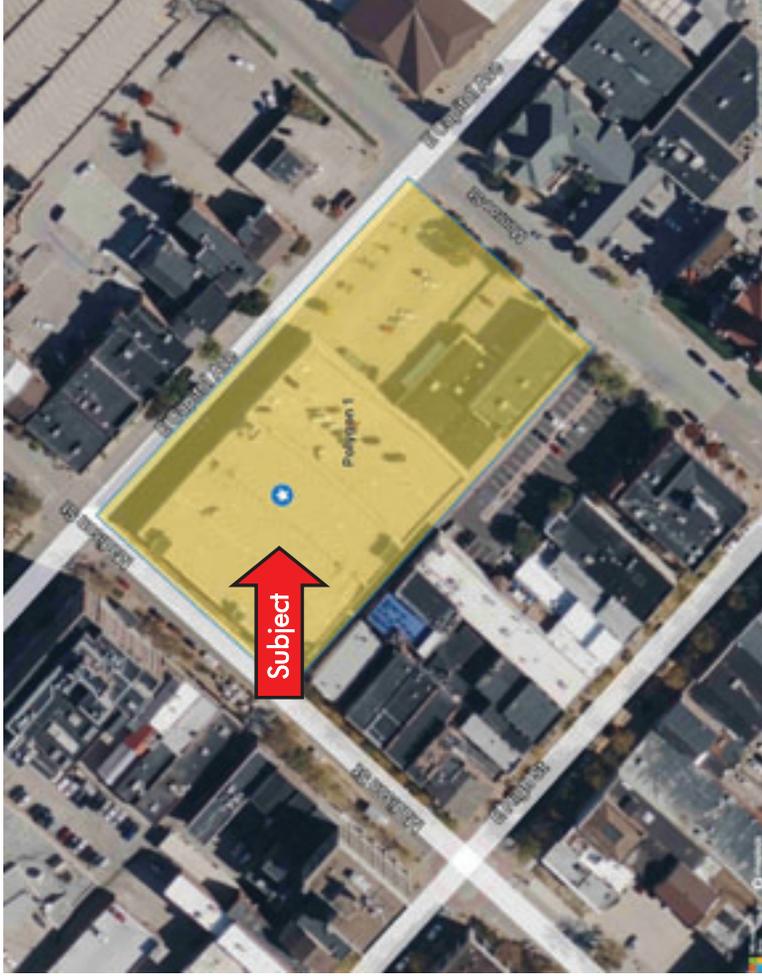
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Subject Photographs

CBRE

Subject Photographs



Source: CBRE Maps

Aerial View



Executive Summary



Executive Summary

Recommended Facilities

Property Type	Full-Service	Upscale
Number of Rooms	204	
GBA	142,800 SF	
GBA per Room	700 SF	
Guestroom	Number	SF/Room
King Standard Rooms	82	40%
Double Queen Standard Rooms	82	40%
King Junior Suites	20	10%
Double Queen Junior Suites	10	5%
King Suites	10	5%
Totals	204	100%

Meeting Space

	Potential SF	Divisible by	Potential Capacity
Ballroom	15,000 SF	9	1,000
Jr. Ballroom	5,500 SF	6	370
Breakout	5,500 SF	6	370
Board Room	1,000 SF	2	70
Pre-Function	2,000 SF	0	130
Totals	29,000 SF	23	1,940
	Per Room		142 SF

Food and Beverage

	Potential SF	Seats	Potential Capacity
Restaurant/Bar	2,500 SF	170	170
Terrace Restaurant/Bar	2,400 SF	160	160
Café	200 SF	20	20
Totals	5,100 SF	350	350
	Per Room		25 SF

Amenities

Property	In Room
Fitness Center	Walk In Shower
Indoor Pool	Iron/Iron board
Hot Tub	Minifridge
Laundry Valet	Safe
Parking Garage	Sofa Sleeper
Ice Machine/Vending	Living Area

Potential Brands

Sub-brand	Parent Brand
Marriott, Delta, Sheraton	Marriott
Hilton, Embassy Suites	Hilton
Hyatt Regency	Hyatt

The potential guestrooms mix, as well as size and capacity of all the facilities are presented as estimates and standards for illustrative purposes based on comparable, prototypical, and market benchmarks. Upon final planning, the above estimates are likely to change.

Source: CBRE Hotels



Executive Summary



Stabilized Year Estimate

Analysis Premise	Stabilized Cash Flow	Period Ending: 6/30/2030
Number of Rooms	74,460	204
Annual Available Rooms	52,122	
Occupied Rooms	70.0%	
Average Rate	\$191.52	
RevPAR	\$134.07	

	Total	Ratio to Sales	PAR	POR
REVENUE				
Rooms	\$9,982,593	56.0%	\$48,934	\$191.52
Food & Beverage	\$7,262,867	40.7%	35,602	139.34
Other Operated Departments	\$505,243	2.8%	2,477	9.69
Miscellaneous Income (Net)	\$78,944	0.4%	387	1.51
Total Operating Revenue	\$17,829,647	100.0%	\$87,400	\$342.08
DEPARTMENTAL EXPENSES				
Rooms Expense	\$2,399,904	24.0%	\$11,764	\$46.04
Food & Beverage Expense	\$3,849,320	53.0%	18,869	73.85
Other Operated Departments Expense	\$155,110	30.7%	760	2.98
Total Departmental Expenses	\$6,404,333	35.9%	\$31,394	\$122.87
DEPARTMENTAL PROFIT	\$11,425,314	64.1%	\$56,006	\$219.20
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	\$1,408,946	7.9%	\$6,907	\$27.03
Information and Telecommunications Systems	\$234,824	1.3%	1,151	4.51
Sales and Marketing	\$1,458,382	8.2%	7,149	27.98
Franchise Fees (Royalty)	\$598,956	6.0%	2,936	11.49
Property Operations and Maintenance	\$790,987	4.4%	3,877	15.18
Utilities	\$789,442	4.4%	3,870	15.15
Total Undistributed Expenses	\$5,281,537	29.6%	\$25,890	\$101.33
GROSS OPERATING PROFIT	\$6,143,777	34.5%	\$30,117	\$117.87
Management Fee	\$534,889	3.0%	\$2,622	\$10.26
INCOME BEFORE NON-OPERATING INCOME AND	\$5,608,888	31.5%	\$27,495	\$107.61
NON-OPERATING INCOME AND EXPENSES				
Property Taxes	\$0	0.0%	\$0	\$0.00
Insurance	\$271,902	1.5%	1,333	5.22
Reserve for Replacement	\$713,186	4.0%	3,496	13.68
Total Non-Operating Income and Expenses	\$985,088	5.5%	\$4,829	\$18.90
NET INCOME (EBITDA)	\$4,623,800	25.9%	\$22,666	\$88.71



Introduction



Introduction



Introduction

Overview of the Demand Analysis

CBRE Hotels was retained by Garfield Public/Private LLC (client and intended user) to perform a study of the potential market demand for a proposed hotel (the "Hotel" or "Subject") to be located at E Capitol Ave in Jefferson City, Cole County, Missouri.

As a component of this analysis, after we identified the potential market demand in the Jefferson City lodging market, we then provided our projections of the occupancy, average daily room rate ("ADR"), and revenue per available room ("RevPAR") the proposed subject hotel could reasonably be expected to achieve for its first five years of operation. Given these projections, we have also estimated the subject's annual operating results, including total operating revenues and expenses, net income from operations, and ratio to total revenues for ten years of operation. For this analysis, we concluded the subject will include a total of 204 guest rooms.

We also conducted an analysis to determine potential induced demand in the local competitive market as a result of the development of the project. Furthermore, CBRE isolated and extracted the induced demand which would be accommodated by the subject conference hotel to understand the potential net benefit to the surrounding hotel market in Downtown Jefferson City. We assumed the proposed hotel would be open and available for occupancy on June 1, 2027. This report represents the culmination of our market research, analysis, and assessments relative to the potential market demand for the proposed hotel.

Assumptions Used For Projections

Our analysis was based on the following set of assumptions:

- The proposed hotel is to be located at the intersection of Madison Street and East Capital Avenue in Jefferson City, Cole County, Missouri;
- The proposed hotel will contain 204 guest rooms;
- The subject will be positioned as a full-service, branded hotel;
- The subject will offer facilities and services consistent with a prototypical full-service hotel and conference center;
- The subject will be professionally and competently managed by a brand or reputable third-party operator;
- The ownership/developer of the subject will obtain approvals from local government Planning and Development to develop the property into a hotel; and,
- The hotel project will open on June 1, 2027.

Methodology

In conducting the study, we:

- Physically inspected the subject site as well as existing and planned surrounding developments;
- Assessed the impact of the proposed subject's accessibility, visibility, and location relative to demand generators and overall marketability;
- Researched and analyzed current economic and demographic trends in the Jefferson City MSA to determine the trends' impact on future lodging demand within the market;
- Identified the competitive supply of lodging facilities in the area;
- Reviewed the historical performance levels for the competitive lodging supply on a composite basis;
- Estimated the anticipated growth in demand for, and supply of, lodging accommodations in the competitive market area;
- Assessed the positioning of the hotel to be located at the subject site within the competitive market and prepared a forecast of the potential annual occupancy, average daily rate, and RevPAR for the first five years of operation of the proposed subject; and,
- Prepared a statement of estimated annual operating results for the hotel for the ten-year period beginning June 1, 2027.
- Estimated a hypothetical schedule of large events the JC Conference Hotel center could accommodate that would likely be citywide events overflowing room nights into the market.
- Collected visitor traffic data from Placer.ai to track conference and convention attendee travel patterns.
- Concluded to a range of additional room nights the development of the JC Conference Hotel could potentially induce into the local market.

Several sources were used in compiling the background information and preparing the analysis contained in this report. These resources included *Trends in the Hotel Industry*, published by CBRE Hotels; data on the local lodging market gathered through direct interviews with market participants; data provided by sources in the lodging chains, ownership entities, and management companies with which the competitive properties are affiliated; data provided by Smith Travel Research; and economic data on the region from various local governmental and planning entities.

Reliance Language

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy



Introduction

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of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Statement of Competency

Andrew Hartley has the appropriate knowledge, education, and experience to complete this assignment competently.

Market Analysis

CBRE

Market Analysis

Understanding the relationship between supply and demand is a critical component of any market study, particularly with respect to hotels. Unlike other property types, hotels essentially lease their rooms on a daily basis. While this characteristic allows for an immediate response to changes in market conditions, it also requires a high level of management intensity. There is an inverse relationship between occupancy and average daily rate (ADR) and raising or lowering rates typically has an immediate impact on room-nights sold. Effective management entails finding the proper balance that allows for the maximization of revenue.

In this section we first identify the subject property's competitive set (e.g., those hotels that tend to compete for the same sources of demand). We then identify relevant demand sources, analyze historical growth patterns and assess the potential for growth (or lack thereof) in demand by segment. The result is a projection of future market performance. Lastly, we conclude with a projection of occupancy and ADR for the subject property, taking into consideration its competitive strengths and weaknesses relative to the overall market.

Some hotels are more directly competitive than others based on their locations, facilities, branding, etc. This disparity in the level of competitiveness can be handled in a number of ways. Some consultants assign a percentage to each property and include only a portion of their guest rooms in the competitive set. This technique, while theoretically sound, is highly subjective and the overall analysis can be extremely sensitive to the assumptions made. Alternatively, we chose to address this issue through our projected penetration rates. For example, the introduction of a new property that is only marginally competitive will have a limited impact on the subject property's penetration level, whereas a directly competitive property will likely have a substantial effect. Regardless of the method employed, properly assessing the relationship between supply and demand and its impact on the subject property and market occupancy requires a level of professional judgment.

Summary of Competitive Properties

A summary of the subject's competitive hotel set is illustrated in the following map and tables. These hotels were selected based on their similarities to the subject property in terms of general geographic location, size, price point, chain affiliation, services, facilities, and amenities offered.

During the course of our research and analysis, we attempted to obtain estimated occupancy, ADR, and market segmentation information for each of the competitive hotels. However, such information is not always readily provided, as hotels are often hesitant to share specific operating data which may be confidential to a potential competitor. This information is

Jefferson City
Hotel & Conference Center
 Pre-Development Business Plan

estimated to the best of our ability, based on interviews with competitive hotels, discussions with other knowledgeable hotel market professionals, and other sources.

STR ID	Property Name	City/State	No. Rooms	Open Date
0	Proposed JC Conference Hotel	Jefferson City, MO	204	Jul 2027
1543	Doubletree by Hilton Hotel Jefferson City	Jefferson City, MO	151	Jun 1968
70117	Courtyard Jefferson City	Jefferson City, MO	121	Dec 2020
37155	Hampton by Hilton Inn Jefferson City at Capital Mall	Jefferson City, MO	73	Oct 1998
37233	Fairfield Inn & Suites Jefferson City	Jefferson City, MO	83	Oct 1998
67743	Holiday Inn & Suites Jefferson City	Jefferson City, MO	131	Feb 2019

Relative to the previous study, the revised competitive set no longer includes the Capital Plaza Hotel as it is in severe disrepair and deemed non-competitive. The year-end 2023 occupancy and ADR achieved by these properties without the Capital Plaza was estimated to be approximately 55.16% and \$139.05, respectively.

Historical Performance of the Competitive Market

As noted, the preceding properties all compete for area lodging demand and are considered directly competitive with the subject. To more precisely identify hotel market trends, as they relate to the subject, CBRE has relied on a customized report prepared by STR, Inc., a national firm specializing in tracking hotel data.

The trends in room supply, occupancy, average daily rate, and room-night demand (defined as the number of occupied rooms) for the subject's competitive set are illustrated in the following table.

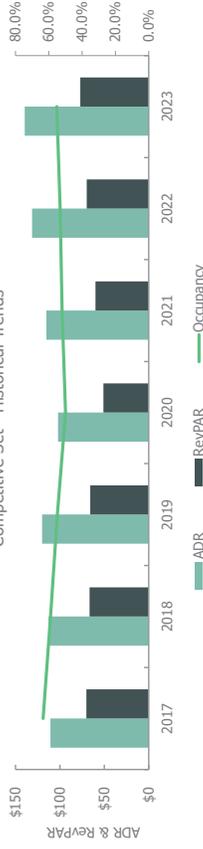
Market Analysis



Historical Market Performance STR Trend Competitive Properties

Year	Room Night Supply		Room Night Demand		Market Occupancy		Average Daily Rate		RevPAR	% Δ
	2017	2018	2019	2020	2021	2022	2023	2024		
2017	112,420	112,420	71,300	66,307	63.4%	59.0%	\$110.64	\$112.83	\$70.17	22.6%
2018	112,420	112,420	66,307	65,307	59.0%	54.8%	\$112.83	\$120.04	\$66.55	-5.2%
2019	156,082	156,082	85,593	85,593	54.8%	50.0%	\$120.04	\$102.07	\$50.99	-22.5%
2020	163,621	163,621	81,734	81,734	50.0%	52.0%	\$102.07	\$115.24	\$59.97	17.6%
2021	204,035	204,035	106,187	106,187	52.0%	53.2%	\$115.24	\$131.38	\$69.85	16.5%
2022	204,035	204,035	108,470	108,470	53.2%	55.2%	\$131.38	\$139.61	\$77.04	10.3%
2023	204,035	204,035	112,601	112,601	55.2%	52.3%	\$139.61	\$130.66	\$68.35	---
CAG *	10.4%	10.4%	7.9%	7.9%	4.0%	4.0%	4.7%	4.7%	4.1%	8.5%
Oct TTM 2022	204,035	204,035	106,732	106,732	52.3%	55.9%	\$130.66	\$138.25	\$77.22	13.0%
Oct TTM 2023	204,035	204,035	113,966	113,966	55.9%	54.4%	\$138.25	\$147.78	\$80.40	4.1%
Oct TTM 2024	204,035	204,035	111,004	111,004	54.4%	57.6%	\$147.78	\$139.88	\$80.62	12.3%
CAG *	0.0%	0.0%	2.0%	2.0%	6.4%	6.4%	6.4%	6.4%	5.0%	11.1%
Oct YTD 2021	169,936	169,936	91,904	91,904	54.1%	56.7%	\$114.11	\$149.31	\$84.65	5.0%
Oct YTD 2022	169,936	169,936	92,448	92,448	54.4%	57.7%	\$131.92	\$149.31	\$84.65	11.1%
Oct YTD 2023	169,936	169,936	97,944	97,944	57.6%	56.7%	\$139.88	\$149.31	\$84.65	11.1%
Oct YTD 2024	169,936	169,936	96,348	96,348	56.7%	56.7%	\$149.31	\$149.31	\$84.65	11.1%
CAGR *	0.0%	0.0%	1.6%	1.6%	9.4%	9.4%	9.4%	9.4%	11.1%	11.1%

Competitive Set - Historical Trends



* Compound Annual Growth Rate
 Source: STR Custom Trends Report



Market Analysis

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Demand Growth

Demand in a particular market can grow due to numerous external factors. For typical hotel analysis, demand growth is a function of an increase in hotel demand generators to a particular market. This can come in the form of many different types of changes in the market area. Examples of common changes in demand generators that affect demand growth include:

- Economic factors. Consumer and Corporate spend, industry boom and bust cycles, etc.
- An office complex. New corporate tenants could potentially increase corporate travel and hotel demand to an area. Or the exit of a major corporate tenant in a market would decrease demand.
- Theme Park/Entertainment/Sports developments. Changes in the market area which bring in leisure activity could change demand for leisure travelers.
- Airports, logistics, roadways, access, etc. Effects to travel linkages and access could increase or decrease demand in a given market.
- Singular events, natural disasters, and short-term changes to a market places. Events that are not common in a hotel market during a long period of time would cause short term or temporary change to demand. For example, the Super Bowl can increase demand in a market substantially for 1 year but the following year would likely see a decrease in demand as the event would no longer impact the market.

Induced Demand

Induced demand represents new room nights accruing to the market area due to the introduction of a new hotel. It can overlap but is considered distinct from Demand Growth. In summary, Induced Demand is not considered an *increase* in demand to a local market but, rather, an *increase* to the existing demand that can be *accommodated* in the market.

For example, if a market has only 100 rooms of supply but there is demand for 150 rooms, 50 room nights are turned away. In this case, supply could be able to accommodate a portion of the turned away demand. New supply inducing demand into a market can also be caused for various other more nuanced reasons. Common supply additions which could induce demand include:

- High occupancy and sellout markets. Due to capacity restraints high occupancy markets turn away demand that can't be accommodated. New supply will generally induce demand into the market by increasing potential capacity to accommodate the pent up demand.
- New brand representation. If a brand with substantial distribution and loyalty is not fully represented in a competitive market, the addition of that hotel will bring in loyal guests that were not previously accommodated.

Market Analysis

CBRE

- New or distinct facilities. If a particular competitive market does not have a particular chain scale or class of hotel, the introduction of such could induce travelers seeking that type of lodging. Examples; if there is no luxury supply but a potential market for it, the addition of a new luxury hotel may bring in additional hotel guests seeking high quality. Or the addition of an extended-stay hotel in a market that is lacking those types of facilities would potentially induce more extended stay guests into a market.
- Conference/Convention Hotels. While a Convention/Conference center by itself potentially increases demand into the market, it can be considered induced demand if there is a headquarter or associated hotel connected to the facility. In many cases, without the hotel, the addition of these events facilities could be considered demand growth and not induced. However, with the addition of a hotel as part of the complex, it is likely additional demand would be induced into the market as the groups and meetings planners prefer events facilities that are linked with a specific hotel or cluster of hotels.

Based on the interviews, a significant portion of the subject's demand will come from the return of conference and group demand to the market, as well as the addition of a branded full-service hotel in new condition. We have estimated 60% to 70% of the subject's room nights will be induced from the previously turned away demand. For the proposed Hotel, this equates to 36,258 room nights on a stabilized basis, broken out in the following demand segments.

Corporate - 3,542
Leisure - 3,542
Group - 29,174

For the Induced Demand Analysis in the next section, the induced demand estimate will be further isolated to estimate induced demand NOT captured by the Subject JC Hotel and Conference Center.

Market Demand Summary

Based on the preceding discussion of demand characteristics, expected growth rates, our projections of supply and demand are presented below, along with the resulting projection of market area occupancy.



Jefferson City
Hotel & Conference Center
 Pre-Development Business Plan

Market Analysis



Projected Base Demand, Annual Growth, and Market-Wide Occupancy

Competitive Set Year Ending 12/31/	2023	2024	2025	2026	2027	2028	2029
CORPORATE							
Annual Growth		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Nightly Demand	188	194	200	206	212	218	225
Annual Room Nights	68,654	70,713	72,835	75,020	77,270	79,589	81,976
Induced Demand					1,694	3,439	3,542
Subtotal	68,654	70,713	72,835	75,020	78,964	83,028	85,518
Initial Displaced Demand Rate	0.0%	-	-	-	-	-	-
Displaced Demand*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Captured	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accommodated Displaced Demand	0	0	0	0	0	0	0
Unsatisfied Displaced Demand	-	-	-	-	-	-	-
Total Segment Demand	68,654	70,713	72,835	75,020	78,964	83,028	85,518
LEISURE							
Annual Growth		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Nightly Demand	74	76	78	81	83	86	88
Annual Room Nights	26,922	27,730	28,562	29,419	30,301	31,210	32,147
Induced Demand					1,694	3,439	3,542
Subtotal	26,922	27,730	28,562	29,419	31,995	34,649	35,689
Initial Displaced Demand Rate	0.0%	-	-	-	-	-	-
Displaced Demand*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Captured	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accommodated Displaced Demand	0	0	0	0	0	0	0
Unsatisfied Displaced Demand	-	-	-	-	-	-	-
Total Segment Demand	26,922	27,730	28,562	29,419	31,995	34,649	35,689
GROUP							
Annual Growth		3.0%	3.0%	3.0%	4.0%	7.0%	4.0%
Base Nightly Demand	46	48	49	51	53	57	59
Annual Room Nights	16,972	17,481	18,005	18,545	19,287	20,637	21,463
Induced Demand					13,552	28,052	29,174
Subtotal	16,972	17,481	18,005	18,545	32,839	48,689	50,637
Initial Displaced Demand Rate	0.0%	-	-	-	-	-	-
Displaced Demand*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Captured	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accommodated Displaced Demand	0	0	0	0	0	0	0
Unsatisfied Displaced Demand	-	-	-	-	-	-	-
Total Segment Demand	16,972	17,481	18,005	18,545	32,839	48,689	50,637
Accommodated Totals							
CORPORATE	68,654	70,713	72,835	75,020	78,964	83,028	85,518
LEISURE	26,922	27,730	28,562	29,419	31,995	34,649	35,689
GROUP	16,972	17,481	18,005	18,545	32,839	48,689	50,637
Accommodated Market Demand¹	112,548	115,924	119,402	120,981	142,346	164,312	164,312
Growth over Prior Year		3.0%	3.0%	0.8%	18.2%	15.4%	0.0%
Market Statistics							
Existing Rooms Supply	559	559	559	559	559	559	559
Proposed Rooms Supply	-	-	-	-	102	204	204
Total Available Room Nights	204,035	204,035	204,035	204,035	241,265	278,495	278,495
Growth over Prior Year	0.0%	0.0%	0.0%	0.0%	18.2%	15.4%	0.0%
Potential Market-wide Occupancy	55.2%	56.8%	58.5%	60.3%	59.6%	59.7%	61.7%
Accommodated Market Occupancy	55.2%	56.8%	58.5%	59.0%	59.0%	59.0%	59.0%

¹ After the base year, displaced demand grows at the respective segments annual growth rate.
² If a market occupancy cap is used, accommodated market demand may not equal implied accommodated room night demand.

Source: CBRE

Market Analysis



As shown in the table above, the accommodated market occupancy is forecast to remain stable based on year-to-date trends. The occupancy decrease in 2027 is attributed to the subject property entering the market. It is then anticipated to reach stabilization in 2029 at 59%, accounting for the additional groups and meeting business generated by the Subject Hotel's conference center.

Forecast of Occupancy and Average Daily Rate

The subject's occupancy, ADR, RevPAR, Revenue Yield and corresponding room revenue for the first several years of our projection analysis are illustrated as follows:

	1	2	3	4
Occupancy, ADR, and Rooms Revenue Conclusions				
As Complete - Fiscal Year Ending 6/30/	2028	2029	2030	2031
Avg. Available Rooms	204	204	204	204
Annual Room Nights	74,460	74,460	74,460	74,460
Occupancy	64%	68%	70%	70%
Occupied Rooms	47,654	50,633	52,122	52,122
ADR	\$176.92	\$185.95	\$191.52	\$197.27
RevPAR	\$113.23	\$126.44	\$134.07	\$138.09
RevPAR Growth	---	11.7%	6.0%	3.0%
Revenue Yield	118.0%	128.0%	131.7%	131.7%
Total Rooms Revenue	\$9,430,887	\$9,414,965	\$9,982,593	\$10,282,070

Source: CBRE

Our projections include a sustainable occupancy and market supported ADR. The stabilized revenue yield for the subject of 131.7% is considered reasonable based on the subject's brand positioning, location, amenities, and age/condition relative to local competitors.

As an additional test of reasonableness, regional hotel and conference/convention centers were analyzed as a benchmark. The properties were selected based on their facilities, branding, location, types of group demand and/or the available data. The conclusions for the subject hotel fall within the range of these additional benchmark properties. The table below summarizes the 2023 performance of the select benchmark hotels.



Market Analysis



Regional Conferences/Convention Hotels				
Hotel	Rooms	Meeting Space	Meeting Space Per Room	
Hyatt Regency Saint Louis Riverfront	910	56,554	62	
Westin Crown Center	724	62,631	87	
Marriott St. Louis Grand	917	54,871	60	
InterCon Kansas City	371	29,000	78	
Hilton Branson Convention Center	293	110,000	375	
Hilton Branson Promenade	242	110,000	455	
Total/Avg	3,457	423,056	122	
Hyatt Regency Saint Louis Riverfront	910	56,554	62	
Westin Crown Center	724	62,631	87	
Marriott St. Louis Grand	917	54,871	60	
Marriott Kansas City Downtown	983	72,589	74	
Margaritaville Lake of the Ozarks	507	76,000	150	
InterContinental Kansas City	371	29,000	78	
The Skirvin OKC	225	16,982	75	
Chateau on the Lake	301	53,000	176	
Omni Oklahoma City	605	76,000	126	
Live! By Loews	216	10,500	49	
Total/Avg	5,759	508,127	88	
2023 Performance	Weighted Average	Min	Max	
ADR	\$172.92	\$159.44	\$204.60	
Occupancy	58.5%	51.9%	70.9%	
RevPAR	\$101.24	\$83.54	\$125.83	
Subject (As if Open in 2023)				
ADR	\$155.00			
Occupancy	70.9%			
RevPAR	\$108.50			

Source: CBRE Hotels, Hotel Website

Based on the foregoing analysis, the indicated occupancy and ADR figures are achievable. Although it is possible that the subject will experience growth in occupancy and ADR above those estimated in this report, it is also possible that sudden economic downturns, unexpected additions to rooms supply, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the subject over the projected holding period based on our analysis of the market as of the date of this market study.

Induced Demand Analysis

The purpose of this analysis is to isolate the induced demand from the addition of the proposed JC Conference Hotel that would likely **NOT** be accommodated by the subject due to capacity constraints. The facilities with 29,000 SF of meeting space can hold events for 1,000 attendees; however, the guestrooms at 204-rooms are undersized to accommodate all of the attendees needing guestrooms. Thus, for large events utilizing a significant portion of the conference space, many of the overnight attendees will 'overflow' to the surrounding hotel market. This is a common market factor for conference and convention facilities where the meeting space can accommodate more overnight attendees than the primary or headquarter hotel's number of guestrooms. In many cases, this is akin to a 'headquarter hotel' accommodating large groups at a convention/conference space but sized to allow additional group room nights to flow to the surround market area.

Groups and Meetings

After interviews with the Jefferson City Convention & Visitors Bureau, Jefferson City Regional Economic Partnership, local hoteliers, as well as other key stakeholders in the business community, there is significant demand in Jefferson City for a facility to host multiple day conferences and meetings for statewide professional associations, government agencies, and private businesses. The existing facilities in Jefferson City are not large enough to accommodate many of the groups and do not offer the quality facilities that meeting planners expect.

Downtown Jefferson City is strategically located to attract numerous conference and meeting functions which would benefit from the central location, access to the capitol, and nearby downtown shops and restaurants. Historically, state association business, corporate conferences, and various other functions have utilized the city's conference and hotel facilities, however the size of the available facilities has been a limiting factor. In recent years, one conference facility has closed, and others have not maintained the quality standards conference attendees expect. Eventually, the majority of groups which previously hosted events in Jefferson City had significantly reduced their footprints and were pushed out to other regional or state destinations such as Kansas City, St. Louis, Branson, or Lake of the Ozarks.

The CVB has indicated more than 50 groups have held their meetings in Jefferson City in the past but have not returned due to lack of quality facilities. These groups consist of various statewide professional associations, governmental agencies, medical institutions, and corporate meeting planners. After interviews with a sample of key meeting planners in Jefferson City, the following sentiments were expressed:

- Many groups are in need of facilities to host 1,000 person events annually or biannually. These events need minimum 400 hotel rooms. There is not an adequate facility in the market that can accommodate that many people in an event.

- Need for periodic 300-400 person events.
- Significant need for weekly/monthly small conferences/trainings for 40-60 people.
- The attendees related to state government prefer to be walking distance to the capitol.
- Quoted room block rates in regional conference hotels range from \$147 to \$180.
- The central location is a significant draw for attendees since most parts of the state are within a 2-hour drive of Jefferson City.
- A major hotel franchise is recommended.
- The restaurants in downtown along and adjacent to East High Street are a desirable location for travelers and residents alike.

Methodology

To determine a reasonable number of large groups that could be hosted by the subject conference hotel, CBRE Hotels generated a hypothetical annual schedule of large events. This build up of events were based on various interviews with meeting planners, regional hotel conference sales managers, as well as visitor statistics utilizing Placer.ai data. It does not present any specific event but is informed by actual events referenced in the interviews.

Number of events

The hypothetical events consist of a minimum of 200 attendees and a maximum of 1,000 attendees. In general, based on the proposed and recommended plans, this range of group sizes are likely to utilize a significant portion of the hotel's facilities, as well as generate substantial room nights. The following is a breakdown of the size of events, an estimate of the number of events that could be accommodated, as well as an average number of nights the events would need to be accommodated.

- 1,000 person events – Based on interviews with operators of similar sized hotels and conference centers in comparable markets, a sales and marketing team would target an event of this size once per quarter at a minimum. They generally need hotel rooms from 2 to 4 nights per event.
- 600 - 800 person events – the interviews indicated events in these categories would be more frequent and total roundly 16 per year, a little over 1 per month. They generally need hotel rooms from 2 to 4 nights per event.
- 200 - 400 person events – Interviews indicated events of this size could occur approximately 30 time per year. They generally need hotel rooms for 2 to 3 nights per event.
- 50 - 200 person events – interviews indicated events of this size would be most frequent, have shorter lead times, more locally sourced, and would generally induce less



Demand Analysis

CBRE

demand to the other competitive hotels in the market. As such, CBRE hotels did not include these potential events in this analysis.

The following table breaks down the number of hypothetical large events that could be hosted in the subject's stabilized operating year.

Number of Events (200+)			
Event Sizes	Number of Events	Nights per Event	Total Event Nights
1,000	5	2.75	14
800	8	2.75	22
600	8	2.75	22
400	10	2.50	25
200	20	2.50	50
Total	51		133

Source: CBRE Hotels, Market Interviews

Potential Room Nights per Event

The following table summarizes CBRE Hotel's estimate for the hypothetical number of room nights per event and is calculated below based on industry interviews for like kind Hotel and Conference Centers to the subject.

Potential Room Nights per Large Event			
Event Sizes	Attendees Needing Accommodation	Number of potential Hotel Guests	Number of Potential Room Nights
1,000	50%	500	400
800	50%	400	320
600	50%	300	240
400	60%	240	192
200	60%	120	96

Source: CBRE Hotels, Market Interviews

Not all the attendees for events to this facility would need hotel rooms, specifically, since the Jefferson City market is likely be most attractive to local, regional and state groups. Most of the attendees would be driving into this market rather than flying. As such, less hotel rooms are likely needed. Based on interviews, the largest events would average roughly 50% of the attendees potentially needing accommodations. For smaller events, the hotel sales and marketing team would generally attempt to attract groups that need more accommodations per attendee, as such CBRE assumes roughly 60% of attendees needing accommodation in the 200-400 size category. The interviews indicated a desire for attendees to not share rooms with other attendees, specifically since COVID as social distancing and work from home trends increased the desire for personal space and privacy. For this analysis, CBRE assumes roughly 1.25 guests per room as a reasonable metric in today's market.

Demand Analysis

CBRE

Proposed JC Hotel Rooms Available for Events

The following table summarizes CBRE Hotels estimate for the potential number of guest rooms from the proposed JC Hotel that could be available for the potential events. While large events may be able to 'buy out' all of the proposed hotel's 204-guestroom inventory, it's unlikely management would open up all inventory for every large event due to seasonality from transient (non-group) demand such as corporate, government, and/or leisure travel. This is especially true for Jefferson City, a capital city, in which the Missouri House of Representatives is in session from January to June. Group room blocks are typically discounted from a hotel's daily rate or 'rack rate'. As such, when revenue managing the property, the hotel would likely allocate a portion of rooms to still remain open for transient demand to drive significant revenues.

Event Sizes	Subject Hotel Rooms Available For Events			
	Potential Room Nights	Hotel Inventory	% available for Group	Rooms Available for Groups
1,000	400	204	85%	173
800	320	204	85%	173
600	240	204	85%	173
400	192	204	85%	173
200	96	204	85%	173

Source: CBRE Hotels, Market Interviews

For this analysis of the available hotel inventory, CBRE estimates an average of 85% of the inventory would be allocated to group room blocks per large event. The table above presents an estimate for induced room nights per event per night. This is calculated by subtracting the potential room nights by the rooms available for groups. For 1,000 attendee events, potential rooms need for attendees (per night) is 400. The hotel will likely only allocate 173 rooms to groups, as such the remaining attendees would have to be accommodated within the competitive market (400 room nights - 173 available rooms = 227 room nights induced into the market). After applying all factors, event sizes of roughly 200 attendees are likely to not overflow to the local market and be fully accommodated by the subject JC Conference Hotel.

Induced Room Nights

Utilizing the estimate of potential room nights induced into the local market per event per night, CBRE applied industry-based estimates for the total number of events, as well as the number of nights per event. These estimates were derived from interviews with comparable hotels. The following table presents the total number of hotel room nights induced into the local market hotels in a stabilized year.



Summary of Potential Room Night Induced into Market Hotels					
Event Sizes	Number of Events	Nights per Event	Room Nights		Total
			Induced	per Room	
1,000	5	2.75	227		3,116
800	8	2.75	147		3,225
600	8	2.75	67		1,465
400	10	2.50	19		465
200	20	2.50	0		0
Totals	51		458		8,271

Source: CBRE Hotels, Market Interviews

In summary, building out a hypothetical schedule of large events greater than 200 attendees, could potentially yield roundly 8,300 room nights induced into the local market. To clarify, these induced room nights **ARE NOT** captured by the subject conference hotel but are effectively 'overflow' to the local competitive market and considered a net benefit to Downtown Jefferson City.

Visitor Travel Patterns

As a test of reasonableness, CBRE utilized Placer.ai data to measure estimated travel patterns of visitors attending conventions and conferences in similar locations to Jefferson City. Furthermore, CBRE isolated the percentage of visitors attending these meeting facilities that stayed in the host or headquarter hotel against those staying in an alternative market hotel. This provides an alternative estimate of how citywide group activity potentially overflows into the local hotel market.

Place.ai is a location analytics platform which uses geofencing to track visitor traffic in a defined area. Primarily a marketing tool, it also allows the tracking of points of interest a particular visitor will go in a day. It effectively tracks cell phone traffic of visitors when they enter into primary points of interest. The platform can isolate for numerous variable to estimate potential visitors that are not residents, employees, or based locally. For this analysis, CBRE applied the following variables to isolate visitors that would likely attend an event at the local conference/convention center, as well as a hotel. The variables are as follows:

- Distance from Home: 100 miles
- Visit duration: over 30 minutes
- Non-Employee
- Non-Resident

Visit duration selected is relatively short to account for conference attendees as the base set of visitors and the primary destination being a conference center. A driving distance of greater than 100 miles could likely lead to a hotel stay for an average event attendee, and most employees and local residents are not tracked in this data set, as well. However, since the data

provided through geofencing doesn't necessarily account for visitor intentions, attitudes, purpose, etc. but is raw data, there are some limitations to the data set.

The following comparables included locations with similar size and demographics to Jefferson City, however, the meeting and conference facilities varied significantly, as well as the square feet of meeting space per host hotel room. Each table of the comparables includes total visitor traffic to the convention/conference facility, as well as the percent traveling to Hotels and Casinos as a point of interest category versus the host or headquarter hotel. The traffic patterns indicated both coming from (pre-visit) and going to (post-visit) hotels.

Demand Analysis



St Charles, MO Convention Center				
Visitors	Hotels and Casinos		Embassy Suites - St Charles	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
37,000	61.7%	22,829	39.8%	14,726
			47.8%	17,686
			31.30%	11,581
Non-Headquarter Visitors		5,143	3,145	
Total Pre and Post Non-Headquarter Visits		8,288		
Convention/Conference Space		83,000		
Total Host Hotel Rooms		296		
Meeting Space/SF		280		
Source: Placer.ai				

Cox Business Center - Tulsa, OK				
Visitors	Hotels and Casinos		Doubletree & Aloft	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
137,700	48.6%	66,922	34.0%	46,818
			29.4%	40,484
			21.70%	29,881
Non-Headquarter Visitors		26,438	16,937	
Total Pre and Post Non-Headquarter Visits		43,376		
Convention/Conference Space		275,000		
Total Host Hotel Rooms		591		
Meeting Space/SF		465		
Source: Placer.ai				

Branson, MO Convention Center				
Visitors	Hotels and Casinos		2 Hilton Hotels	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
94,800	48.4%	45,883	33.8%	32,042
			39.3%	37,256
			27.20%	25,786
Non-Headquarter Visitors		8,627	6,257	
Total Pre and Post Non-Headquarter Visits		14,884		
Convention/Conference Space		83,690		
Total Host Hotel Rooms		534		
Meeting Space/SF		157		
Source: Placer.ai				

Abilene, Texas Convention Center				
Visitors	Hotels and Casinos		Doubletree Abilene	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
17,600	37.8%	6,653	22.4%	3,942
			21.3%	3,749
			14.40%	2,534
Non-Headquarter Visitors		2,904	1,408	
Total Pre and Post Non-Headquarter Visits		4,312		
Convention/Conference Space		91,150		
Total Host Hotel Rooms		200		
Meeting Space/SF		456		
Source: Placer.ai				

Amarillo, Texas Civic Center				
Visitors	Hotels and Casinos		Embassy Suites Downtown	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
59,800	34.7%	20,751	29.8%	17,820
			16.0%	9,568
			11.60%	6,937
Non-Headquarter Visitors		11,183	10,884	
Total Pre and Post Non-Headquarter Visits		22,066		
Convention/Conference Space		110,000		
Total Host Hotel Rooms		226		
Meeting Space/SF		487		
Source: Placer.ai				

Overland Park Convention Center				
Visitors	Hotels and Casinos		Sheraton	
	Pre-Visit	Post-Visit	Pre-Visit	Post-Visit
49,700	64.1%	31,858	53.4%	26,540
			35.2%	17,494
			28.90%	14,363
Non-Headquarter Visitors		14,363	12,177	
Total Pre and Post Non-Headquarter Visits		26,540		
Convention/Conference Space		112,433		
Total Host Hotel Rooms		412		
Meeting Space/SF		273		
Source: Placer.ai				



Comparable Visitor Traffic Summary	
Market	Total Pre and Post Non-Headquarter Visits
St Charles, MO Convention Center	8,288
Abilene, Texas Convention Center	4,312
Cox Business Center - Tulsa, OK	43,376
Amarillo, Texas Civic Center	22,066
Branson, MO Convention Center	14,884
Overland Park Convention Center	26,540
Min	4,312
Max	43,376
Average	19,911
Median	18,475
Subject Induced Demand Analysis (Large events annually)	8,271

Source: Placer.ai, CBRE Hotels

Based on the referenced comparables, the non-headquarter hotel visits ranged from 4,312 to 43,376. The subject market area and attributes are likely most comparable to St Charles, MO, Branson, MO, and Abilene, TX. Our estimate of induced demand from the previous build up approach is within the range of these comparables. Furthermore, given the size of the Jefferson City market and proposed facilities, the lower end of the range is likely the most reasonable benchmark.

Conclusions

There are limitations in all studies forecasting potential performance as the analysis presented a hypothetical schedule of events as there does not exist a robust summary or Pace report of was based on interviews of meeting planners, hotel/conference operators, visitor traffic, and property group bookings reports. Furthermore, the Jefferson City Market has not demonstrated significant citywide conference demand in recent history due to lack of adequate and quality facilities. The primary data sources contributed to these estimates are based on the following:

- Interviews with Meeting Planners seeking Jefferson City as a destination.
- Interviews with Hotel and conference operators and sales and marketing teams.
- Multiple Group pace reports and booking summaries.
- Placer.ai location intelligence and visitor traffic data.

CBRE is concluding to a reasonable range as an estimate for the subject hotel to account for market uncertainty. Approximately 6,600 to 9,900 room nights could potentially be induced into the local hotel market as overflow from large events.

Conclusion of Induced Room Nights

6,600 - 9,900

Potential room nights induced into the Jefferson City competitive market NOT accommodated by the Subject Hotel.

Source: CBRE Hotels



Projection of Cash Flows

CBRE

Projection of Cash Flows

The following section presents estimates of future operating results for the proposed subject hotel. We have assumed that the property will be open and operating as of June 1, 2027. Our projections inherently assume competent and efficient management of the property.

The 10-year projection of cash flow is presented in a format that conforms to the *Uniform System of Accounts for the Lodging Industry*, an industry-standard accounting format. The *Uniform System of Accounts for the Lodging Industry* was developed by the American Hotel & Lodging Association and is in general use throughout the hospitality industry. In conformance with this system of account classifications, only direct operating expenses are charged to operating departments of the hotel. The general overhead items which are applicable to operations as a whole are classified as undistributed operating expenses and include administration and general expenses, information and telecommunications systems expenses, marketing expenses, property operations and maintenance expenses, energy and utility costs. Other property expenses include management fees, property taxes, insurance, and a reserve for replacement.

Income and Expense Comparables

This analysis incorporates revenue estimates based on our survey of comparable and competitive properties, and general market trend information. The revenue and expense comparisons include comparable full-service conference hotels in similar markets such as small cities and state capitals, with comparable RevPAR levels as those projected for the subject (in current dollars). For reasons of confidentiality, we have not disclosed the identity of the comparable hotels. The following charts summarize income and expenses taken from regional revenue/expense comparables as well as data from the *Trends® in the Hotel Industry* (U.S. edition) report.

We note that there are some inherent differences in the comparable data and how it is categorized. For example, the Trends Report includes all franchise fees within the marketing expense line item, while we have estimated franchise royalty fees separately in our analysis.



Pages 22-26 of this document are redacted and closed under Sec. 610.021(12) RSMo., in that redacted and closed portions are related to a negotiated contract

Assumptions and Limiting Conditions

- The Terms and Conditions herein are part of an assignment agreement (the "Agreement") for consulting services ("Services") between CBRE, Inc. ("CBRE") and the client signing this Agreement and for whom the Services will be performed (the "Client") for the property identified herein (the "Property") and shall be deemed a part of such Agreement as though fully set forth therein. In addition, with respect to any report prepared by CBRE pursuant to the Agreement (the "Report"), any use of, or reliance on, the Report by any Intended User constitutes acceptance of these Terms and Conditions as well as acceptance of all qualifying statements, limiting conditions, and assumptions stated in the Report. The Agreement shall be governed and construed by the laws of the state where the CBRE office executing this Agreement is located without regard to conflicts of laws principles.
- Client shall be responsible for the payment of all fees stipulated in this Agreement. Payment of the fees and preparation of the Report are not contingent upon any predetermined value or on any action or event resulting from the analyses, opinions, conclusions, or use of the Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft Report is requested, the fee is considered earned upon delivery of the draft Report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed Report. In such event, the Client is obligated to pay CBRE for the time and expenses incurred (including, but not limited to, travel expenses to and from the job site) prior to the effective date of cancellation, with a minimum charge of \$500. Hard copies of the Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per Report.
- If CBRE is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Consulting Report, the CBRE's expertise, or the Property, Client shall pay CBRE's additional costs and expenses, including but not limited to CBRE's attorneys' fees, and additional time incurred by CBRE based on CBRE's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Consulting Report), meeting participation, and CBRE's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional consulting services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
- CBRE shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
- In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the CBRE executing the Agreement. **EACH PARTY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION IN ANY WAY RELATED TO THIS AGREEMENT.**
- CBRE assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for CBRE to prepare a valid report hereunder. Client acknowledges that such additional expertise is not covered in the fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
- Client acknowledges that CBRE is being retained hereunder as an independent contractor to perform the Services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and CBRE. Unless otherwise stated in this Agreement, Client shall not

- This assignment shall be deemed concluded and the Services hereunder completed upon delivery to Client of the Report discussed herein.
- All statements of fact in the report which are used as the basis of the CBRE's analyses, opinions, and conclusions will be true and correct to CBRE's actual knowledge and belief. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to CBRE by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, CBRE DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY CONSULTING REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO CBRE. Furthermore, the conclusions and any permitted reliance on and use of the Consulting Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
- CBRE shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsurface conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
- Client shall provide CBRE with such materials with respect to the assignment as are requested by CBRE and in the possession or under the control of Client. Client shall provide CBRE with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
- The data gathered in the course of the assignment (except data furnished by Client, "Client Information") and the Report prepared pursuant to the Agreement are, and will remain, the property of CBRE. With respect to Client Information provided by Client, CBRE shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential and proprietary Client Information furnished to CBRE. Notwithstanding the foregoing to the contrary, CBRE is authorized by Client to disclose all or any portion of the Report and related data as may be required by applicable law, statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CBRE or its employees and agents to comply with the Bylaws and Regulations of the Appraisal Institute as now or hereafter in effect.
- Unless specifically noted, in preparing the Report CBRE will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Materials") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there are no major or significant repairs, improvements or deferred maintenance of the Property that would require the expertise of a professional cost estimator, engineer, architect or contractor. If any such repairs, improvements or maintenance are needed, the estimates for such repairs, improvements or maintenance are to be prepared by other parties pursuant to a separate written agreement in Client's sole discretion and direction, and are not deemed part of the Services or otherwise covered as part of the fee hereunder.
- In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that CBRE provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that CBRE shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from CBRE relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
- LIMITATION OF LIABILITY. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY:**
 - EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER PARTY, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR OTHER EXEMPLARY LOSSES OR DAMAGES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY,



NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, REGARDLESS OF THE FORESEEABILITY OR THE CAUSE THEREOF.

- (b) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES AND COSTS REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO CBRE UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000).
- (c) CBRE SHALL HAVE NO LIABILITY WITH RESPECT TO ANY LOSS, DAMAGE, CLAIM OR EXPENSE INCURRED BY OR ASSERTED AGAINST CLIENT ARISING OUT OF, BASED UPON OR RESULTING FROM CLIENT'S OR ANY INTENDED USER'S FAILURE TO PROVIDE ACCURATE OR COMPLETE INFORMATION OR DOCUMENTATION PERTAINING TO ANY SERVICES OR REPORT ORDERED UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING CLIENT'S OR ANY INTENDED USER'S FAILURE, OR THE FAILURE OF ANY OF CLIENT'S OR ANY INTENDER USER'S RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, PRINCIPALS, AGENTS OR EMPLOYEES, TO PROVIDE A COMPLETE AND ACCURATE COPY OF THE REPORT TO ANY THIRD PARTY. CBRE SHALL HAVE NO LIABILITY WHATSOEVER FOR REPORTS OR DELIVERABLES THAT ARE SUBMITTED IN DRAFT FORM.
- (d) THE LIMITATIONS OF LIABILITY IN SUBSECTIONS 15(A) AND 15(B) ABOVE SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other third parties) except (i) to any third party (a) identified in the Agreement as an Intended User subject to the terms and conditions of this Agreement or (b) otherwise expressly acknowledged in a separate writing executed by CBRE, such third party and Client, setting forth that such third party is an "Intended User" of the Report and providing CBRE with an acceptable release from such third party with respect to such Report or wherein Client provides acceptable indemnity protections to CBRE against any claims resulting directly from the distribution of the Report to such third party; (ii) to any third party service provider (including accountants, attorneys, rating agencies and auditors) using the Report in the course of providing Services for the sole benefit of an Intended User and limited to the Intended Use of the Report as defined in this Agreement, or (iii) to the extent required by applicable law, statute, government regulation, legal process, or judicial decree.

(b) In the event CBRE consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such other materials available to any such parties unless and until Client has provided CBRE with complete copies of such offering or other materials and CBRE has approved the inclusion of the Report, or reference to the Report and/or CBRE, in such offering and other materials in writing. Further, CBRE's consent to such inclusion of the Report, or reference to the Report and/or CBRE, in any securities offering is subject to (i) CBRE's and CBRE's securities counsel's review and approval, in writing, of any inclusion of the Report, or reference to the Report and/or CBRE, in such securities offering; (ii) Client shall not modify the Report, any such inclusion of or reference to the Report and/or CBRE in such securities offering once approved by CBRE and its securities counsel in writing; and (iii) Client shall reimburse CBRE for its out-of-pocket costs and expenses, including attorneys' fees, arising from legal review of such securities offering and related materials on CBRE's behalf.

(c) In the absence of satisfying the conditions of this Section 16 with respect to any party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such Report, and CBRE shall have no liability for such unauthorized use and reliance on any Report.

(d) In the event Client breaches the provisions of this Section 16, Client shall indemnify, defend and hold CBRE and its affiliates and their officers, directors, employees, contractors, agents and other representatives (CBRE and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.



17. In the event Client incorporates or references the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the Report or the engagement of or performance of Services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of CBRE (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with Section 16 and Section 17, CBRE and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement, (b) any Services or Reports under this Agreement or (c) any acts or conduct relating to such Services or Reports, shall be filed within two (2) years from the date of delivery to Client of the Report to which the claims or causes of action in the legal action or lawsuit relate. The time period in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

19. Miscellaneous.

(a) This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by written agreement of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

(b) Neither party shall assign this Agreement in whole or in part (other than by operation of law) to any person or entity without the prior written consent of the other party. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

(c) No consent or waiver, either expressed or implied, by a party to or of any breach or default, shall be construed to be a consent or waiver to or of any other breach or default in the performance of any obligations hereunder. Failure of a party to complain or declare the other party in default shall not constitute a waiver by such party of rights and remedies hereunder.

(d) Except as hereinafter provided, no delay or failure in performance by a party shall constitute a default hereunder to the extent caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, CBRE promptly shall notify Client. Once the Force Majeure event ceases, CBRE shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, fire, acts of terrorism, catastrophes, changes in laws, condemnation of property, governmental actions or delays, national emergency, war, civil disturbance, floods, unusually severe weather conditions, endemic or pandemic, or other acts of God. Inability to pay



Assumptions and Limiting Conditions

CBRE

or financial hardship shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a party's control.

- (e) The parties acknowledge that CBRE or an affiliate may be involved in representing other parties in real estate transactions involving Client or its affiliates or involved in the ownership or management of the Property. If, at any time, any CBRE personnel performing the Services hereunder actually becomes aware that Client is involved in any material way in any proposed transaction whereby CBRE or an affiliate represents any other party to that transaction, CBRE agrees to notify Client promptly upon discovering such facts. In the event of a conflict between CBRE's engagement by Client under this Agreement with respect to such transaction and the obligations of CBRE or its affiliate to another party with respect to such transaction, at Client's request, CBRE shall establish appropriate internal procedures and confidentiality barriers to prevent any communication or collusion between those employees of CBRE or CBRE's affiliates who represent parties in such transactions in which such a conflict of interest may exist, or Client may require that CBRE cancel this assignment with respect to such transaction.
- (f) Any provision of this Agreement that, by its language, contemplates performance or observation subsequent to any termination or expiration of this Agreement shall survive such termination or expiration and shall continue in full force and effect.
- (g) If any provision of this Agreement, or application thereof to any person or circumstance, shall to any extent be invalid, then such provision shall be modified, if possible, to fulfill the intent of the parties reflected in the original provision. The remainder of this Agreement, or the application of such provision to person or circumstance other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.



CBRE Valuation & Advisory Services

CBRE

Market Study

Proposed JC Conference Hotel
E Capitol Ave
Jefferson City, Missouri 65101
CBRE File No. CB24US027018-1

CLIENT: Garfield Public/Private LLC

July 23, 2024



VALUATION & ADVISORY SERVICES

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July 23, 2024
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After you have had an opportunity to review this report, please feel free to contact us with any questions. We appreciate the opportunity to work with you on this assignment.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

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Andrew Hartley
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Consultant
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Date of Report: July 23, 2024

RE: Market Study of Proposed Hotel Development
E Capitol Ave
Jefferson City, Cole County, Missouri 65101
CBRE, Inc. File No. CB24US027018-1

Dear Mr. Binford:

At your request and authorization, CBRE, Inc. has prepared a market study of a proposed conference hotel in Jefferson City. Our analysis is presented in the following report.

The subject is recommended to be a 250-room upscale, full-service hotel with 36,000 SF of meeting space including a 15,000 SF ballroom, a ground level restaurant/bar and market, and flagship terrace level restaurant/bar in Jefferson City, Missouri. The site is at the southeast quadrant of Madison Street and East Capital Avenue. The proposed subject will be built in conjunction with a new parking garage that will service existing downtown parking demand as well as induced demand from the hotel and conference center. The estimated opening date is June 1, 2027. We understand the plans are not currently final, as such we will refer to the subject as the Proposed JC Conference Hotel.

As in all studies of this type, the estimated results are based on competent and efficient management and presume no significant change in the status of the competitive lodging market from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise our conclusions to reflect events or conditions that occur subsequent to the date of completion of our fieldwork. However, we are available to discuss the necessity for revisions in view of changes in the economy or market factors should such arise.

Since the proposed hotel's future performance is based on estimates and assumptions that are subject to uncertainty and variation, we do not present them as results that will actually be achieved. However, our analysis has been conscientiously prepared on the basis of information obtained during the course of the assignment and on our experience in the industry. This report is subject to the Terms and Conditions presented in the Addenda.



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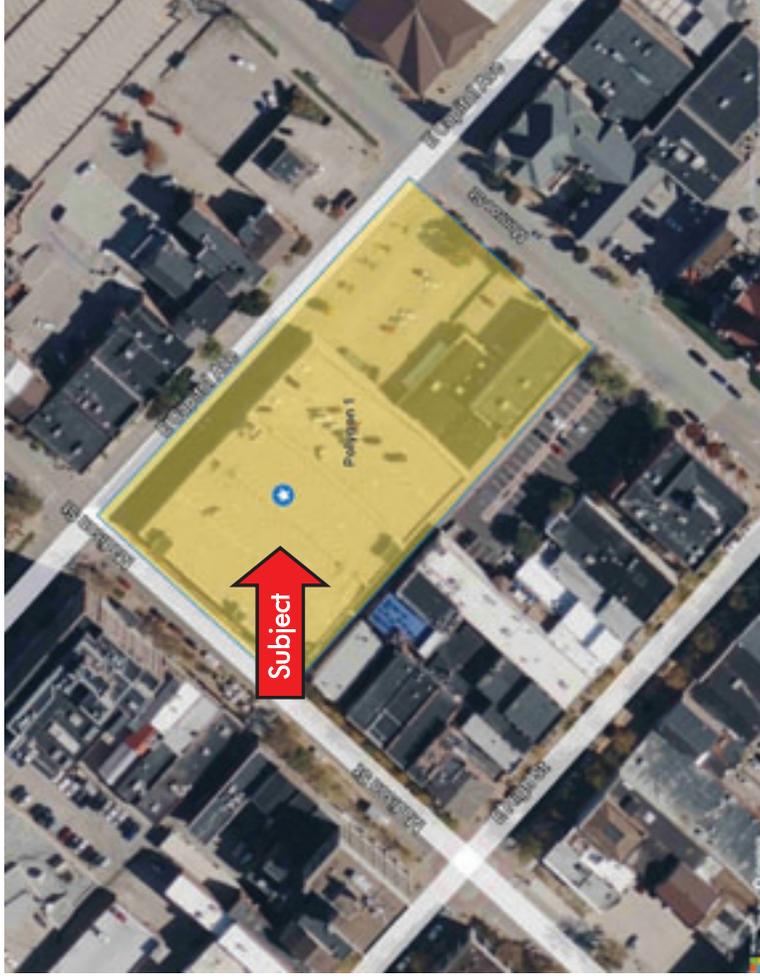
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Subject Photographs

CBRE

Subject Photographs



Source: CBRE Maps

Aerial View



Executive Summary



Executive Summary

Recommended Facilities

Property Type	Full-Service	Upscale
Number of Rooms	250	
GBA	175,000 SF	
GBA per Room	700 SF	
Guestroom	Number	SF/Room
King Standard Rooms	100	40%
Double Queen Standard Rooms	100	40%
King Junior Suites	25	10%
Double Queen Junior Suites	13	5%
King Suites	12	5%
Totals	250	100%

Meeting Space

	Potential SF	Divisible by	Potential Capacity
Ballroom	18,000 SF	11	1,200
Jr. Ballroom	7,000 SF	7	470
Breakout	7,000 SF	8	470
Board Room	1,500 SF	3	100
Pre-Function	2,500 SF	0	170
Totals	36,000 SF	29	2,410

Per Room 144 SF

Food and Beverage

	Potential SF	Seats	Potential Capacity
Restaurant/Bar	3,000 SF	200	200
Terrace Restaurant/Bar	3,000 SF	200	200
Café	300 SF	30	30
Totals	6,300 SF	430	430

Per Room 25 SF

Amenities

Property	In Room
Fitness Center	Walk In Shower
Indoor Pool	Iron/Iron board
Hot Tub	Minifridge
Laundry Valet	Safe
Parking Garage	Sofa Sleeper
Ice Machine/Vending	Living Area

Potential Brands

Sub-brand	Parent Brand
Marriott, Delta, Sheraton	Marriott
Hilton, Embassy Suites	Hilton
Hyatt Regency	Hyatt

The potential guestrooms mix, as well as size and capacity of all the facilities are presented as estimates and standards for illustrative purposes based on comparable, prototypical, and market benchmarks. Upon final planning, the above estimates are likely to change.

Source: CBRE Hotels



Introduction



Introduction



Introduction

Overview of the Market Study

CBRE Hotels was retained by Garfield Public/Private LLC (client and intended user) to perform a study of the potential market demand for a proposed hotel (the "Hotel" or "Subject") to be located at E Capitol Ave in Jefferson City, Cole County, Missouri.

As a component of this analysis, after we identified the potential market demand in the Jefferson City lodging market, we then provided our projections of the occupancy, average daily room rate ("ADR"), and revenue per available room ("RevPAR") the proposed subject hotel could reasonably be expected to achieve for its first five years of operation. Given these projections, we have also estimated the subject's annual operating results, including total operating revenues and expenses, net income from operations, and ratio to total revenues for ten years of operation. For this analysis, we concluded the subject will include a total of 250 guest rooms. We assumed the proposed hotel would be open and available for occupancy on June 1, 2027. This report represents the culmination of our market research, analysis, and assessments relative to the potential market demand for the proposed hotel.

Assumptions Used For Projections

Our analysis was based on the following set of assumptions:

- The proposed hotel is to be located at the intersection of Madison Street and East Capital Avenue in Jefferson City, Cole County, Missouri;
- The proposed hotel will contain 250 guest rooms;
- The subject will be positioned as a full-service, branded hotel;
- The subject will offer facilities and services consistent with a prototypical full-service hotel and conference center;
- The subject will be professionally and competently managed by a brand or reputable third-party operator;
- The ownership/developer of the subject will obtain approvals from local government Planning and Development to develop the property into a hotel; and,
- The hotel project will open on June 1, 2027.

Methodology

In conducting the study, we:

- Physically inspected the subject site as well as existing and planned surrounding developments;
- Assessed the impact of the proposed subject's accessibility, visibility, and location relative to demand generators and overall marketability;

- Researched and analyzed current economic and demographic trends in the Jefferson City MSA to determine the trends' impact on future lodging demand within the market;
- Identified the competitive supply of lodging facilities in the area;
- Reviewed the historical performance levels for the competitive lodging supply on a composite basis;
- Estimated the anticipated growth in demand for, and supply of, lodging accommodations in the competitive market area;
- Assessed the positioning of the hotel to be located at the subject site within the competitive market and prepared a forecast of the potential annual occupancy, average daily rate, and RevPAR for the first five years of operation of the proposed subject; and,
- Prepared a statement of estimated annual operating results for the hotel for the ten-year period beginning June 1, 2027.

Several sources were used in compiling the background information and preparing the analysis contained in this report. These resources included *Trends in the Hotel Industry*, published by CBRE Hotels; data on the local lodging market gathered through direct interviews with market participants; data provided by sources in the lodging chains, ownership entities, and management companies with which the competitive properties are affiliated; data provided by Smith Travel Research; and economic data on the region from various local governmental and planning entities.

Reliance Language

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Statement of Competency

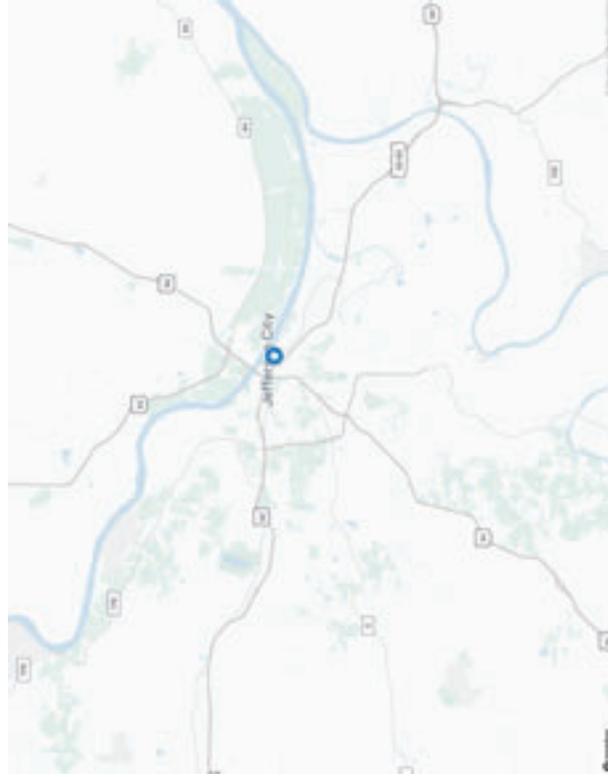
Andrew Hartley has the appropriate knowledge, education, and experience to complete this assignment competently.



Area Analysis

CBRE

Area Analysis



The subject is located in the Jefferson City, MO Metropolitan Statistical Area. Key information about the area is provided in the following tables.

Population

The area has a population of 150,817 and a median age of 40, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



Population has increased by 1,010 since 2020, reflecting an annual increase of 0.2%. Population is projected to decrease by an additional -102 by 2028, reflecting 0.0% annual population growth.

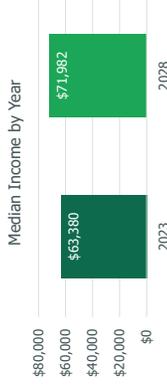


Area Analysis

CBRE

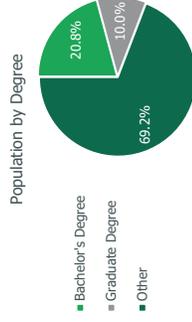
Income

The area features an average household income of \$86,888 and a median household income of \$63,380. Over the next five years, median household income is expected to increase by 13.6%, or \$1,720 per annum.

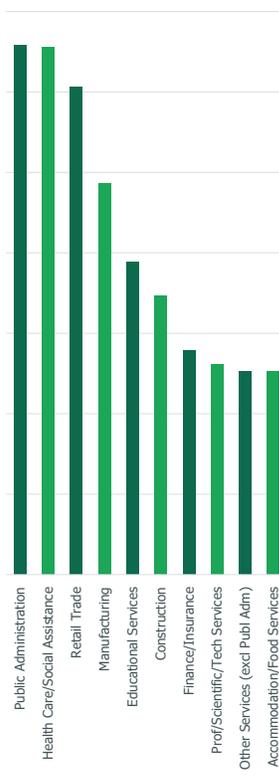


Education

A total of 30.8% of individuals over the age of 24 have a college degree, with 20.8% holding a bachelor's degree and 10.0% holding a graduate degree.



Employment



The area includes a total of 72,754 employees and has a 3.2% unemployment rate. The top three industries within the area are Public Administration, Health Care/Social Assistance and Retail Trade, which represent a combined total of 38% of the workforce.

Major Employers

The primary employer in Jefferson City is state government since it is the capital city of Missouri. Non-government employment consists of major manufacturing, distribution, and healthcare. Top industries include Scholastic Inc., Hitachi Energy, and Quaker Windows & Doors. The following table presents the largest employers.



Area Analysis

CBRE

Major Employers:
 Jefferson City/Cole County
Includes full and part-time employees

Employer	Industry	# Employed
State of Missouri	Government	6,256
Quaker Windows & Doors	Manufacturing	1,619
Jefferson City School District	Education	1,557
Capital Region Medical Center	Healthcare	1,445
Scholastic Inc.	Book Distribution	1,285
Central Bancorpny	Financial	1,216
Hitachi Energy	Manufacturing	1,089
SSM Health - St. Mary's Hospital	Healthcare	887
City of Jefferson	City Government	788
Wal-Mart Supercenter (2)	Retail	685
Jefferson City Public Library	Healthcare	629
Shrews Jones & Perwood Care	Manufacturing	457
WPHQ Microscopy	Information Technology	445
We See Your Streets	Retail	445
Louisiana University	Education	288
County of Cole	Government	263
Seibers Super Market (2)	Retail	256
Missouri Farm Bureau	Insurance	215
Midwest's Independent (3)	Restaurant	208
State Technical College of Missouri	Education	208

Area Analysis

CBRE

- The City of Jefferson is performing site clearing, demolition and planning as the initial step to redevelop the historic Missouri State Penitentiary (MSP) site into an active mixed-use development. MSP was the oldest operating prison west of the Missouri River at the time it was decommissioned in 2004. In addition, the City is soliciting private interest in redeveloping the historic Capitol Avenue District which connects MSP with downtown.
- The State of Missouri is constructing a \$183 million state-of-the-art laboratory campus as part of the MSP redevelopment which will consolidate laboratory services for several state agencies including Public Safety, Health and Senior Services, Agriculture, Conservation, and Natural Resources under one roof.
- The Missouri Department of Natural Resources is investing over \$25 million to renovate the historic International Shoe Factory building adjacent to MSP.
- Hitachi Energy, manufacturer of electric transformers in Jefferson City since 1972, recently invested \$10 million and added 75 new jobs to expand manufacturing capacity to their flagship facility.
- Scholastic, the world's largest publisher and distributor of children's books, recently invested over \$40 million to install state-of-the-art equipment in their national fulfillment center that has been in operation for over 30 years.

Soccer Complex

United Capital City Soccer Club (UCC) is in the process of developing a major Soccer complex in South Jefferson City. The complex is expected to open in Spring of 2025 and is anticipated to bring new events and sports tourism to the City. As of now, the Convention and Visitors Bureau have provided the following list of booked events which would be new to the area that are expected to impact the hotel market. Despite any potential delays in the development of the soccer complex, these events will still be scheduled in Jefferson City.

Economic Highlights

- In recent years, Jefferson City has experienced significant investment by state government, as well as local business and industry indicating a vibrant economy with potential for further growth. Some examples include:
- Unilever, one of the world's largest consumer goods companies, recently announced over \$100 million in investment to add Liquid I.V. production to its health and wellbeing business in addition to optimizing its North American body care products distribution operations.
 - Quaker Windows and Doors, a premier manufacturer of top-quality windows and doors is investing more than \$30 million and creating 220 new jobs by adding new paint lines and increasing capabilities for glass production.



Committed New Events with the New Sports Complex

2025	EVENT TYPE	Participants	Total % out of Town	% In town
Jan 31-Feb 2	JC SuperCup	540	20%	80%
Feb 15-16	Pre-Season UCC Kickoff	1,000	40%	60%
Feb 22-23	UCC SPRING TOURNAMENT	1,315	40%	60%
Feb 28-Mar 2	Soccer Leagues	2,850	35%	65%
March 7-9	Missouri Governors Cup	2,350	60%	40%
March 15-16	Soccer League	2,850	35%	65%
March 21-23	Presidents Cup	1,600	80%	20%
March 29-30	BASEBALL	650	40%	60%
April 5-6	Soccer League	2,850	35%	65%
April 12-13	SOMO/SPENSA	600	55%	45%
April 18-20	President Cup Semi/Finals	720	70%	30%
April 25-27	BASEBALL	650	40%	60%
April 25-27	Baseball	650	40%	60%
May 3-4	Soccer League	2,508	35%	65%
May 9-11	Baseball	650	40%	60%
May 16-18	Capital Cup	2,350	80%	20%
May 23-25	Softball	780	40%	60%
May 30-June 1	Baseball	650	40%	60%
June 13-15	Baseball	650	40%	60%
June 20-22	Baseball	650	40%	60%
June 27-29	Lincoln HS Nike Showcase	1,320	60%	40%
July 4-6	Baseball	1,040	40%	60%
July 11-13	Softball	780	40%	60%
July 19-20	3v3 Sizzling Summer Classic	700	35%	65%
July 26-27	Show-Me games 5v5	720	40%	60%
August 9-10	Softball	780	40%	60%
August 16-17	PRE-SEASON FRIENDLIES	1,000	40%	60%
August 22-23	Luebbert Family Classic	1,300	40%	60%
August 30-31	Baseball	650	40%	60%
September 6-7	CMDL/MADL/JUCC REC	2,850	35%	65%
September 13-14	CMDL/MADL/JUCC REC	2,850	35%	65%
September 19-21	Governors Cup	2,623	80%	20%
September 26-28	Presidents Cup	1,600	80%	20%
October 4-5	CMDL/MADL/JUCC REC	2,850	35%	65%
October 11-12	Presidents Cup	720	80%	20%
October 18-19	CMDL/MADL/JUCC REC	2,850	35%	65%
October 24-26	SOMO/SPENSA TOURNEY	1,020	55%	45%
November 1-2	Haunted Capital Cup	2,500	80%	20%
November 1-2	SOFTBALL	650	40%	60%
November 7-9	Eddie Horn College Showcase	1,380	65%	35%
November 29-30	Show-Me Games 5v5	675	35%	65%
December 13-14	Lincoln University NIKE Showcase	1,000	65%	35%
December 20-21	UCC Outdoor 5v5 Tournament	1,200	30%	70%

Source: Jefferson City CVB

Area Analysis



Transportation

Highway Transportation

Jefferson City is centrally located in the State of Missouri and is within a 2-hour drive of most of the state including both St. Louis to the east and Kansas City to the west. Three major U.S. Highways converge in Jefferson City; US-50, US-54, and US-63. Interstate 70 connecting St. Louis and Kansas City is located approximately 30 miles north via US-54 or US-63, while Interstate 44 connecting St. Louis and Springfield is approximately 60 miles south via US-63.

Air Transportation

The closest airport, Columbia Regional Airport, is located 30 miles north, with American Airlines with multiple daily flights servicing Dallas/Fort Worth and Chicago. Within an approximately 2-hour drive is St. Louis Lambert International Airport and Kansas City International Airport servicing direct flights to nearly all major metros in the US.

Rail Transportation

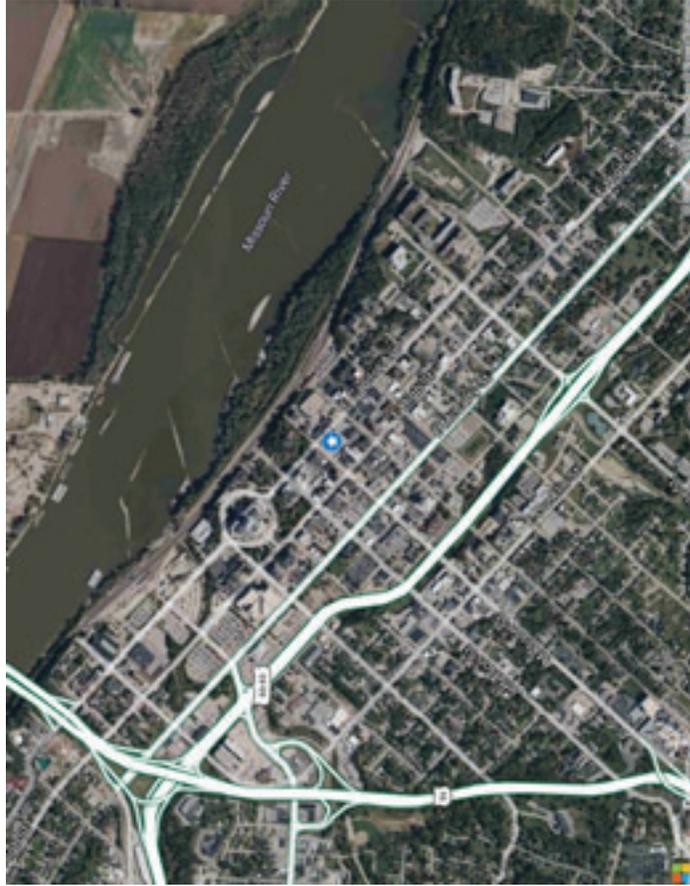
Amtrak's Missouri River Runner route provides daily passenger rail service between St. Louis and Kansas City with stops in Warrensburg, Sedalia, Herman, and Washington.



Neighborhood Analysis

CBRE

Neighborhood Analysis



Source: Google Maps

Location

Jefferson City is the capital city of the State of Missouri as well as the county seat of Cole County. The subject is in the heart of downtown Jefferson City, two blocks east of the Missouri State Capitol Building. The historic neighborhood has been redeveloped in recent years to become a vibrant commercial and entertainment district.

Boundaries

The subject neighborhood is South of the Missouri River Bound by the following streets:

Neighborhood Analysis

CBRE

- North: Missouri River
- South: US-Route 50/63 (Rex M Whitton Expressway)
- East: Lafayette Street
- West: US-Route 54

Land Use

Land uses within the subject neighborhood consist of a mixture of retail, restaurant, business and government offices, and residential living. Much of the downtown land uses are within redeveloped historic buildings. The Missouri Capitol Complex is located west of the subject site and includes the State Capitol Building, Governor's Mansion, Carnahan Memorial Garden, Jefferson Landing State Historic Site, Deborah Cooper Park, as well as numerous monuments and memorial statues. Directly surrounding the subject site are office, restaurant, retail and municipal uses.

Missouri State Capitol

The Missouri State Capitol is the home of the Missouri General Assembly and the executive branch of government of the State of Missouri. The Capitol is one of Jefferson City's leading tourist attractions. It is a destination for school groups, industry representatives, statewide professional associations, and other state government-related business. The structure houses the Missouri State Museum; the offices of Governor, Lieutenant Governor, and State Treasurer; as well as the 34-member Senate and 163-member House of Representatives which meet annually from January through mid-May.



Tourism

Jefferson City offers a blend of historical charm, natural beauty, and a vibrant cultural scene, making it a captivating destination for tourists. As the state capital, it boasts historic landmarks featuring stunning architecture and historical exhibits. Visitors can visit the vibrant, tree-lined streets of the downtown area with its unique shops, eateries, and a local cinema.



Neighborhood Analysis

CBRE

Outdoor enthusiasts will appreciate the 240-mile Katy Trail State Park, the longest developed rails to trails project in the country, the picturesque Missouri River, an extensive local greenway system and a variety of city parks.

The Missouri State Capitol houses an impressive and diverse art collection that celebrates the state's rich history and cultural heritage including the famous Thomas Hart Benton murals in the House Lounge, the bronze busts in the Hall of Famous Missourians, and numerous other statues, mosaics and murals located throughout the building. The Missouri State Penitentiary and Museum offers guided tours of what was the oldest operating prison west of the Mississippi River. The museum includes displays depicting life inside the walls, prison industries, and various prison memorabilia. The penitentiary and museum draw over 30,000 visitors per year, 25% of which generate overnight stays. The MU Health Care Amphitheater is a newly constructed outdoor entertainment venue that hosts local, regional, and national entertainment acts.

Groups and Meetings

After interviews with the Jefferson City Convention & Visitors Bureau, Jefferson City Regional Economic Partnership, local hoteliers, as well as other key stakeholders in the business community, there is significant demand in Jefferson City for a facility to host multiple day conferences and meetings for statewide professional associations, government agencies, and private businesses. The existing facilities in Jefferson City are not large enough to accommodate many of the groups and do not offer the quality facilities that meeting planners expect.

Downtown Jefferson City is strategically located to attract numerous conference and meeting functions which would benefit from the central location, access to the capitol, and nearby downtown shops and restaurants. Historically, state association business, corporate conferences, and various other functions have utilized the city's conference and hotel facilities, however the size of the available facilities has been a limiting factor. In recent years, one conference facility has closed, and others have not maintained the quality standards conference attendees expect. Eventually, the majority of groups which previously hosted events in Jefferson City had significantly reduced their footprints and were pushed out to other regional or state destinations such as Kansas City, St. Louis, Branson, or Lake of the Ozarks.

The CVB has indicated more than 50 groups have held their meetings in Jefferson City in the past but have been pushed out due to lack of quality facilities. These groups consist of various statewide professional associations, governmental agencies, medical institutions, and corporate meeting planners. After interviews with a sample of key meeting planners in Jefferson City, the following sentiments were expressed:

- Many groups are in need of facilities to host 1,000 person events annually or biannually. These events need minimum 400 hotel rooms. There is not an adequate facility in the market that can accommodate that many people in an event.

Neighborhood Analysis

CBRE

- Need for periodic 300-400 person events.
- Significant need for weekly/monthly small conferences/trainings for 40-60 people.
- The attendees related to state government prefer to be walking distance to the capital.
- Quoted room block rates in regional conference hotels range from \$147 to \$180.
- The central location is a significant draw for attendees since most parts of the state are within a 2-hour drive of Jefferson City.
- A major hotel franchise is recommended.
- The restaurants in downtown along and adjacent to East High Street are a desirable location for travelers and residents alike.

Conclusion

Jefferson City is a desired state-wide destination for professional association and government agency conferences, corporate meetings, local sight-seeing, shopping, dining, as well as hotel demand. The City is proactive in promoting economic growth in the region with a master plan to increase population and activity in the immediate area. The subject's proposed use as a full-service conference hotel is a conforming use to the other land uses prevalent in the neighborhood.



Facilities Recommendations

The following tables show a summary of the suggested improvements.

Recommended Facilities

Property Type	Full-Service	Upscale
Number of Rooms	250	
GBA	175,000 SF	
GBA per Room	700 SF	
Guestroom	Number	SF/Room
King Standard Rooms	100	40%
Double Queen Standard Rooms	100	40%
King Junior Suites	25	10%
Double Queen Junior Suites	13	5%
King Suites	12	5%
Totals	250	100%

Meeting Space

	Potential SF	Divisible	Potential
		By	Capacity
Ballroom	18,000 SF	11	1,200
Jr. Ballroom	7,000 SF	7	470
Breakout	7,000 SF	8	470
Board Room	1,500 SF	3	100
Pre-Function	2,500 SF	0	170
Totals	36,000 SF	29	2,410
	Per Room		144 SF

Food and Beverage

	Potential SF	Seats	Potential
			Capacity
Restaurant/Bar	3,000 SF	200	200
Terrace Restaurant/Bar	3,000 SF	200	200
Café	300 SF	30	30
Totals	6,300 SF	430	430
	Per Room		25 SF

Amenities

Property	In Room
Fitness Center	Walk In Shower
Indoor Pool	Iron/Iron board
Hot Tub	Minifridge
Laundry Valet	Safe
Parking Garage	Sofa Sleeper
Ice Machine/Vending	Living Area

Potential Brands

Sub-brand	Parent Brand
Marriott, Delta, Sheraton	Marriott
Hilton, Embassy Suites	Hilton
Hyatt Regency	Hyatt

The potential guestrooms mix, as well as size and capacity of all the facilities are presented as estimates and standards for illustrative purposes based on comparable, prototypical, and market benchmarks. Upon final planning, the above estimates are likely to change.

Design and Layout

We recommend a traditional rectangular-shaped building to coincide with prototypical full-service conference hotel standards at minimum. There should be easy access to the front of the hotel for guest arrival and a separate entrance for conference attendees, and local food and beverage patrons. We recommend the ground level of the hotel to house the registration desk, administrative areas, a small business center, and an oversized lobby with a seamless transition to a restaurant space with a dedicated area for guests. This floor could also contain a cafe, sundry shop, as well as a boardroom. Based on market interviews, a rooftop or terrace level restaurant with views of the capital would make a successful upscale food and beverage outlet. The second floor should house the primary ballrooms and breakout spaces. The guest rooms will reside on the remaining floors along with the gym, laundry, and meeting rooms.

Parking

The site will include a new parking garage to replace the existing 600 space parking garage that currently services downtown. In conjunction with this market study, a parking study is being performed to create a shared parking model which will determine the optimal size of the new parking structure based on existing parking demand, increased demand due to the conference center & hotel, as well as increased demand due to induced downtown redevelopment.

Guest Rooms

The recommended room count of approximately 250 will mitigate the impact to the local market. The hotel is likely to induce a significant portion of demand into the local market as conference demand returns. While the recommended room count is less than some of the large conferences identified in interviews, it will allow the subject hotel to overflow and push demand out to the competitive market. This has the potential effect to uplift the market rather than cannibalize. The subject's guest rooms will be located on floors above the meeting facilities and should be accessible via interior corridors. Based on our knowledge of the full-service brands, each of the guest units should contain a coffee/tea maker, iron and ironing board, and a desk for writing/work with an ergonomic chair.

Meeting Facilities

A sizeable ballroom (15,000 – 20,000 SF) that can fit approximately 1,000 attendees in a banquet setting is recommended to attract the pent-up large conference demand indicated through market interviews. Furthermore, conferences, shows, and events which need to rent the entire ballroom would likely require all other meeting facilities (Junior Ballroom, breakout space) to accommodate multiple staging, registration, breakout sessions, etc. The Junior ballroom should be sized appropriately to handle various smaller groups and functions that occur on a more frequent basis.

The interviews indicated, as well as our understanding of various current needs in the meetings business, the dedicated breakout space is considered a key component to a successful event. Breakout space needs to be easily accessible with flexible configurations. Furthermore, the ballrooms should be divisible with partitions to create additional breakout space. Pre-functions space should serve as the transition to the different meeting venues. In the event of a rental of all rooms for single conference, the pre-function should be positioned in a manner to be absorbed into additional support/registration space.

There is a recent trend of re-invigorating hotel meeting space concepts by providing unique placemaking attributes and experiences. The space needs the latest in audio/visual technology and smart light features with flexibility to support various uses being theatre, classroom, social/galas/dance, entertainment, and other. Additionally, a number of meeting facilities should have windows and terraces incorporated into the programming element to provide flexible points of interest and natural lighting.

Food and Beverage Facilities

After review of the area dining establishments and interviews with key restaurateurs in the area, we recommend the Hotel feature unique but functional outlets that could create a community-driven experience. The hotel restaurant concept has typically been treated as a standard amenity rather than a feature due to operational inefficiencies. Recent trends in the hotel industry have been innovating in this space to re-establish the hotel restaurant as a destination feature for the facility. When successful, the dining facilities have the benefit of increasing F&B departmental income, as well as *indirectly* uplifting ADR in the guestrooms.

We recommend 2 or 3 F&B outlets. First, there should be a ground floor restaurant/bar and café space that function as a seamless transition into the lobby or a distinct area with clear visibility and access to the street. This space should be the primary breakfast and daytime dining establishment and should meet any brand-required standards. Due to the state government business, there is high demand for breakfast and lunch options as the Downtown activity upticks during mid weekday.

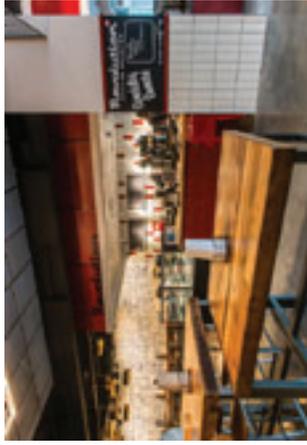
One example of a concept that re-defined the Hotel F&B offering is the Marriott Marquis McCormick Place in Chicago. This hotel incorporated a marketplace/food hall concept adjacent to the lobby bar offering multiple counter-service touch points, images are presented below. This model could potentially operate as a leased operation or a streamlined department with minimal staffing needs, allowing competitively priced breakfast and lunch options.



Facilities Recommendations



Facilities Recommendations



The other primary F&B facility should be the ‘flagship’ destination. A rooftop or terrace restaurant/bar. After interviews with various restaurateurs, there appears to be a vacuum of upscale dining offerings. Other than 2 or 3 upscale establishments like Grand Café and Madisons, most of the offerings are bars, grills, cafes, or fast-casual offerings. Multiple concepts were recommended such as a steakhouse or seafood. However, the venue should be iconic and benefit from views of the capital, river, and overall downtown area and it should be flexible to double as prized meeting and reception space. Having a rooftop/terrace F&B space converted into additional event space allows maximum flexibility in realizing revenues. In some cases, the highest revenue PSF of meeting space has been small intimate settings within rooftop/terrace venues.

O Bar - Ambassador Hotel, OK



The Roof – Broadway Hotel, Columbia, MO



To fully realize a unique concept, we recommend commissioning an F&B consultant to establish an F&B program as the designing and planning of the building come to fruition. The examples presented before should be considered hypothetical and representative for illustrative purposes. For the purposes of this study, we have assumed the following.

- A Lobby Restaurant, Bar, and Café
- Terrace Signature Bar and Restaurant

Brand Recommendations

Based on the subject’s location and current market, as well as the desire to host statewide groups and events, we recommend a full-service branded hotel. While local market’s ADRs are generally not supportive of a full-service rate, the newest property, the Courtyard by Marriott has been able to maintain a healthy market lead. Due to competitive ADR achieved in the market and through market interviews, upscale full-service brands are recommended. Generally, these brands still accommodate full-service guests but feature slightly downscaled fixtures and fit outs relative to upper-upscale hotels that can be feasible in rate sensitive markets.

Amenities/Additional Services

Additional amenities at the subject should include valet parking, fitness center, valet laundry, a sundry/market shop, small business center, and an outdoor patio area.

Conclusion

The facilities discussed above will support the subject’s intended use and market positioning as a mid to upscale, full-service hotel at the above-referenced location. The proposed hotel will be well-suited to successfully attract lost conference business and integrate into Downtown Jefferson City. With its newer facilities and contemporary design, as well as its affiliation with a major brand, the proposed hotel will be positioned to capture its fair share. Our market projections for the proposed subject assume the facilities, amenities, and services discussed herein will be provided.



Market Analysis



Market Analysis

Understanding the relationship between supply and demand is a critical component of any market study, particularly with respect to hotels. Unlike other property types, hotels essentially lease their rooms on a daily basis. While this characteristic allows for an immediate response to changes in market conditions, it also requires a high level of management intensity. There is an inverse relationship between occupancy and average daily rate (ADR) and raising or lowering rates typically has an immediate impact on room-nights sold. Effective management entails finding the proper balance that allows for the maximization of revenue.

In this section we first identify the subject property's competitive set (e.g., those hotels that tend to compete for the same sources of demand). We then identify relevant demand sources, analyze historical growth patterns and assess the potential for growth (or lack thereof) in demand by segment. The result is a projection of future market performance. Lastly, we conclude with a projection of occupancy and ADR for the subject property, taking into consideration its competitive strengths and weaknesses relative to the overall market.

Some hotels are more directly competitive than others based on their locations, facilities, branding, etc. This disparity in the level of competitiveness can be handled in a number of ways. Some consultants assign a percentage to each property and include only a portion of their guest rooms in the competitive set. This technique, while theoretically sound, is highly subjective and the overall analysis can be extremely sensitive to the assumptions made. Alternatively, we chose to address this issue through our projected penetration rates. For example, the introduction of a new property that is only marginally competitive will have a limited impact on the subject property's penetration level, whereas a directly competitive property will likely have a substantial effect. Regardless of the method employed, properly assessing the relationship between supply and demand and its impact on the subject property and market occupancy requires a level of professional judgment.

Summary of Competitive Properties

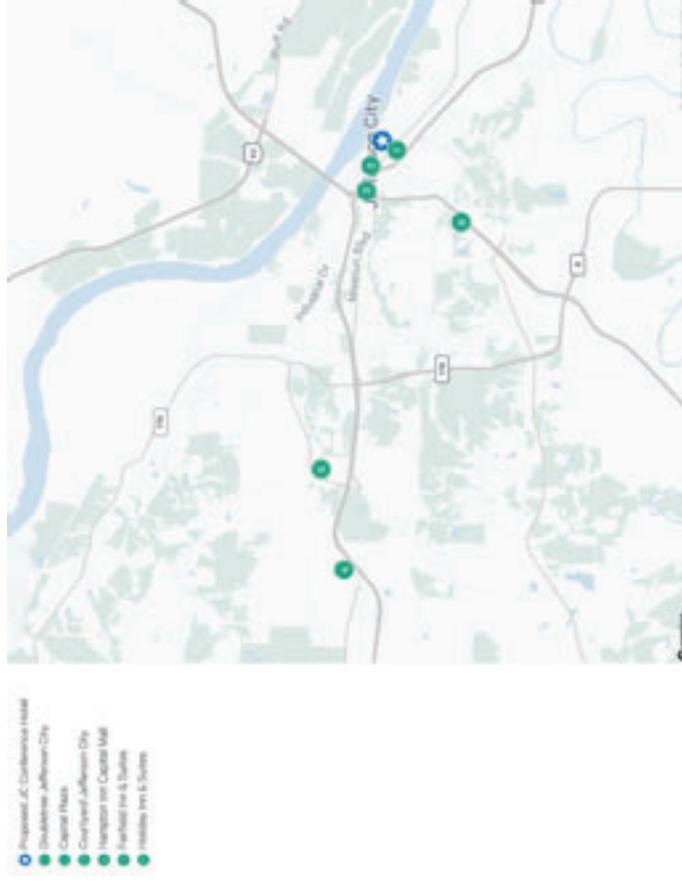
A summary of the subject's competitive hotel set is illustrated in the following map and tables. These hotels were selected based on their similarities to the subject property in terms of general geographic location, size, price point, chain affiliation, services, facilities, and amenities offered.

During the course of our research and analysis, we attempted to obtain estimated occupancy, ADR, and market segmentation information for each of the competitive hotels. However, such information is not always readily provided, as hotels are often hesitant to share specific operating data which may be confidential to a potential competitor. This information is

Market Analysis



estimated to the best of our ability, based on interviews with competitive hotels, discussions with other knowledgeable hotel market professionals, and other sources.



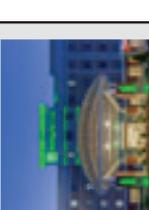
Comp Subject	STR ID	Property Name	City/State	No. Rooms	Open Date
1	1543	Proposed JC Conference Hotel	Jefferson City, MO	250	Jun 2027
2	10634	DoubleTree by Hilton Hotel Jefferson City	Jefferson City, MO	151	Jun 1968
3	70117	Capital Plaza Hotel	Jefferson City, MO	255	Aug 1987
4	37155	Courtyard Jefferson City	Jefferson City, MO	121	Dec 2020
5	37233	Hampton by Hilton Inn Jefferson City at Capital Mall	Jefferson City, MO	73	Oct 1998
6	67743	Fairfield Inn & Suites Jefferson City	Jefferson City, MO	83	Oct 1998
		Holiday Inn & Suites Jefferson City	Jefferson City, MO	131	Feb 2019

Jefferson City
Hotel & Conference Center
 Pre-Development Business Plan



Market Analysis



Hotel	Proposed JC Conference Hotel (SUBJECT)	DoubleTree by Hilton Hotel Jefferson City	Capitol Plaza Hotel	Courtyard Jefferson City	Hampton by Hilton Inn Jefferson City at Capital Mall	Fairfield Inn & Suites Jefferson City	Holiday Inn & Suites Jefferson City
							
Address	E Capitol Ave Jefferson City, MO	422 Monroe Street Jefferson City, MO	415 W McCarty St Jefferson City, MO	610 Bolivar St Jefferson City, MO	4800 Country Club Drive Jefferson City, MO	3621 West Truman Boulevard Jefferson City, MO	1590 Jefferson Street Jefferson City, MO
City, State	Jefferson City, MO	Jefferson City, MO	Jefferson City, MO	Jefferson City, MO	Jefferson City, MO	Jefferson City, MO	Jefferson City, MO
Year Built	-	1968	1987	2020	1998	1998	2019
Number of Rooms	250	151	255	121	73	84	131
Price Tier	Upper	Middle	Middle	Middle	Middle	Middle	Middle
Chain Scale	Upscale	Upscale	Upper Midscale	Upscale	Upper Midscale	Upper Midscale	Upper Midscale
Renovation Details							
Renovation Year	--	2011	Unknown				
Renovation Comments		The property converted to a Doubletree from a Holiday Inn. Currently, The interior of the hotel is in good condition but showing signs of a need for an interim refresh.	The Hotel facilities are in poor condition and appear to be lacking any major renovation since the 1990s. Overall, the facilities are in need of significant renovation.				
Meeting Space							
Total Meeting Space (SF)	36,000	8,152	22,756	6,245	0	0	1,930
Meeting Space Per Room (SF/RM)	144	54	89	52	0	0	15
Restaurant/Lounge							
Complimentary Breakfast	N	N	N	N	Y	Y	N
Bar / Lounge	Y	Y	Y	Y	N	N	Y
Amenities							
Conference Center	Y	N	Y	N	N	N	Y
Restaurant	Y	Y	Y	Y	N	N	Y

Source: STR Census Report; Compiled by CBRE



Market Analysis



The primary competitive set, excluding the subject, has a total of 814 rooms. The year-end 2023 occupancy and ADR achieved by these properties was estimated to be approximately 48.06% and \$126.65, respectively.

Additions/Deletions to Supply

Throughout our research, we did not identify any potential addition to supply.

While CBRE has made several attempts to determine the level of new hotel supply entering the marketplace, it is impossible to determine every hotel that will be developed in the future, when they will be completed, or their potential impact to the subject. Should any competitive supply additions occur beyond those listed above and the subject, the estimates of occupancy (and possibly ADR) contained herein would thus be affected and a revision might be required. ***The inherent risk of any future new hotel supply has been implicitly considered in the selection of a stabilized occupancy level for the subject property.***

Hotel Demand

Demand for hotel rooms is categorized in three ways:

1. Demonstrated Demand: the demand already captured at competitive hotels;
2. Induced Demand: the demand that does not presently seek accommodations in the competitive market but could be persuaded to do so through marketing efforts, room rates, facilities, services and amenities.
3. Displaced/Unsatisfied Demand: the demand that seeks accommodations in the market but is not satisfied due to one of a number of factors: sell-outs during peak season; lack of a particular type of accommodation; lack of meeting space; or high room rates.

Historical Performance of the Competitive Market

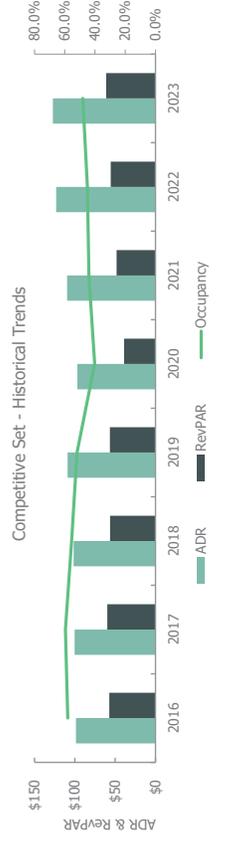
As noted, the preceding properties all compete for area lodging demand and are considered directly competitive with the subject. To more precisely identify hotel market trends, as they relate to the subject, CBRE has relied on a customized report prepared by STR, Inc., a national firm specializing in tracking hotel data.

The trends in room supply, occupancy, average daily rate, and room-night demand (defined as the number of occupied rooms) for the subject's competitive set are illustrated in the following table.

Market Analysis



Historical Market Performance STR Trend Competitive Properties									
Year	Room Night Supply	% Δ	Room Night Demand	% Δ	Market Occupancy	Average Daily Rate	% Δ	RevPAR	% Δ
2016	205,495	---	119,209	---	58.0%	\$98.63	---	\$57.22	---
2017	205,495	0.0%	122,398	2.7%	59.6%	\$100.29	1.7%	\$59.73	4.4%
2018	205,495	0.0%	113,961	-6.9%	55.5%	\$101.51	1.2%	\$56.29	-5.8%
2019	249,157	21.2%	129,245	13.4%	51.9%	\$108.99	7.4%	\$56.54	0.4%
2020	256,696	3.0%	103,141	-20.2%	40.2%	\$96.87	-11.1%	\$38.92	-31.2%
2021	297,110	15.7%	130,759	26.8%	44.0%	\$109.62	13.2%	\$48.24	23.9%
2022	297,110	0.0%	133,786	2.3%	45.0%	\$123.16	12.3%	\$55.46	15.0%
2023	297,110	0.0%	142,850	6.8%	48.1%	\$127.25	3.3%	\$61.18	10.3%
CAGR *		5.4%		2.6%			3.7%		1.0%
Feb TTM 2022	297,110	---	131,663	---	44.3%	\$112.53	---	\$49.87	---
Feb TTM 2023	297,110	0.0%	136,467	3.6%	45.9%	\$123.60	9.8%	\$56.77	13.8%
Feb TTM 2024	297,110	0.0%	141,255	3.5%	47.5%	\$128.45	3.9%	\$61.07	7.6%
CAGR *		0.0%		3.6%			6.8%		10.7%
Feb YTD 2021	48,026		17,840	---	37.1%	\$99.04	---	\$36.79	---
Feb YTD 2022	48,026	0.0%	18,744	5.1%	39.0%	\$120.02	21.2%	\$46.84	27.3%
Feb YTD 2023	48,026	0.0%	21,425	14.3%	44.6%	\$123.23	2.7%	\$54.98	17.4%
Feb YTD 2024	48,026	0.0%	19,830	-7.4%	41.3%	\$131.47	6.7%	\$54.28	-1.3%
CAGR *		0.0%		3.6%			9.9%		13.8%



* Compound Annual Growth Rate
 Source: STR Custom Trends Report

Prior to the COVID-19 Pandemic, occupancy was between 52% and 60% rounded. Post COVID, occupancy has been struggling to achieve pre-COVID levels. This is driven by the continued loss of conference demand in the market due to aging and inadequate facilities and the additional supply from the Courtyard.

Coming out of the Pandemic, the competitive market significantly pushed ADR to the \$120 range. Well above the previous peak of \$109, rounded, in 2019. Year to date through February is showing a continued increase in ADR for the competitive set. As a function of both Occupancy and ADR, RevPAR has been increasing exponentially coming out of the pandemic. Year to date February is showing a slight decrease in RevPAR driven by an occupancy decline over the two-month period. However, trailing twelve months through February 2024 is positive, indicating seasonality. Generally, occupancy below 65% indicates a market that could not support additional supply.



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However, the competitive set is being heavily impacted by some of the larger properties that are underperforming. After review of individual performance, the older full-service properties appear to be skewing the competitive set. The most recently built property is achieving an occupancy in the 70-percentile range and a market leading ADR and it is well over-penetrating the market in overall RevPAR. It's likely that a new branded hotel and conference center could over penetrate the market as it brings in lost groups and conferences.

Demand Segmentation

In most markets, the lodging demand is generated from three different segments: Corporate, Group/Meeting and Leisure travelers. In some markets, a fourth classification may be present, such as extended stay, airline contract, government, university, or medical. For these purposes, Government demand is consolidated into Corporate. A breakdown of the overall market segments is illustrated in the following table.

Historical Demand Segmentation		Competitive Set	
Segment	2023 Demand	2023 Demand	%
CORPORATE	77,729	77,729	54%
LEISURE	35,997	35,997	25%
GROUP	29,071	29,071	20%
Total	142,797	142,797	100%

Compiled by CBRE

The following analysis illustrates our projections of future demand growth for the local market by demand segment.

Corporate Demand Segment

The corporate demand segment consists of transient demand generated by vendors, service representatives, corporate executives and other visitors to area businesses, industries, and institutions. Transient government demand is also included here as it is the primary source of transient demand. Major corporate demand generators in the subject market area include the State Capital, various lobbying groups or government contractors, various offices, municipal, educational institutes, healthcare services, logistics, distribution, and manufacturing entities in the region.

Leisure Demand Segment

Leisure travelers generally include vacationers or travelers passing through the area. This category effectively includes all non-commercial related travelers too small to be defined as a group. This segment is typically attracted by a hotel's location relative to area attractions

Market Analysis



(including friends/relatives). During peak periods leisure/transient travelers may be generated throughout the week. But generally, this demand is likely to be concentrated on weekends. Leisure travelers tend to have a higher level of double occupancy and can be somewhat price sensitive. Key leisure demand in the area consists of various state capital tours, youth sports events, family visitations, and weekend getaways.

Meeting and Group Demand Segment

Meeting and group demand in the competitive set includes meetings held at individual properties which have meeting space. The group meeting market can be further delineated as follows:

- **Conventions:** Private groups or associations meeting to exchange ideas. National and regional associations generally prefer large markets with activities for spouses.
- **Conferences:** Small private groups conducting training sessions, sales presentations or exchanging ideas. Statewide professional and trade associations can be categorized as conference users as well. These events are typically held in hotels, although some of the larger ones may accrue to the convention center.
- **Assemblies:** These groups are typically large and usually require tiered seating. Examples are large religious events.
- **Trade Shows:** The primary purpose of a trade show is to bring buyers and sellers together within a particular industry. These events typically require large amounts of exhibit space. In general, trade show promoters try to attract as many participants as possible; accordingly, they are often held in major cities with extensive transportation networks and large populations.
- **Consumer Shows:** These events are organized to sell goods and/or services directly to the public and are usually space intensive. Most attendees are from the local area which serves to limit economic impact. Accordingly, few hotel room nights are generated.

Special Events: Most of these events are entertainment-oriented (e.g., athletic events, concerts, festivals, large banquets, etc.). Depending upon the event, a substantial number of room-nights can be generated. Major Jefferson City events include the following:



Market Analysis



Jefferson City Events - Sellout of Local Hotels				
Event	Dates	Estimated Attendance	Estimated Participants	
Futsal Super Cup	Feb 2nd-4th	1,500	630	
Lutheran Sports Assn Missouri Basketball	Feb 23-25	800	n/a	
Missouri State Gymnastics	March 7-10	2,100	925	
Missouri State Basketball Championships	March 15-17	1,500	650.0	
Skills USA Missouri 2024	April 4-6	3,500	3,500	
Missouri Presidents Cup	April 13-14	1,700	720.0	
Shelby Fest	May 2-4	15,000	n/a	
Lincoln University Commencement	May 11	10,000+	n/a	
Missouri State High School Athletic	May 17 -18	9,264	2,316	
Missouri State High School Athletic Assn State Track Championships 2nd weekend	May 24-25	6,500	1,798.0	
Salute to America	July 4	13,900	n/a	
Show Me State Air Show	September 13-14	6,500	n/a	
Special Olympics Missouri Outdox	October 11-13	2,500	1,000	
Lincoln University Homecoming 2024	October 18-19	10,000+	n/a	
Lutheran Sports Assn Missouri Vo	October 25-26	400	150	

Source: Jefferson City CVB

Segmented Demand Growth Conclusions

In estimating demand growth for the subject's market, we considered several factors. Market demand is expected to improve throughout the year in line with projected general economic growth trends. Group demand is anticipated to return around 2027 and 2028 due to the opening of the Subject hotel

Considering the above factors, we estimated a stabilized demand increase of 3% annually. For years 2027, 2028, and 2029, the group segment is project to increase at 4%, 7%, and 4%, respectively as the new Subject hotel facility compresses room nights into the other competitive hotels before returning 3% by 2030. Based on historic trends for the various demand

Market Analysis



segments, the state of the local and national economies, and conversations with local hotel operators in the marketplace, the applicable demand segments are projected to exhibit the following annual demand growth trends.

Annual Demand Growth Rates							
Segment	2024	2025	2026	2027	2028	2029	2030 and beyond
CORPORATE	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
LEISURE	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
GROUP	3.0%	3.0%	3.0%	4.0%	7.0%	4.0%	3.0%

Compiled by CBRE

Latent Demand

Latent demand represents potential room nights in the marketplace that is not being satisfied. It comes in two forms: induced demand and displaced demand.

Induced Demand

Induced demand represents room nights accruing to the market area due to the introduction of a new demand generator (such as a convention center or a major company), or the introduction of a new hotel that has distinct advantages over the existing competitors.

Based on the interviews, a significant portion of the subject's demand will come from the return of conference and group demand to the market. We have estimated 60% to 70% of the subject's demand will be induced from the previously turned away demand.

Market Demand Summary

Based on the preceding discussion of demand characteristics, expected growth rates, our projections of supply and demand are presented below, along with the resulting projection of market area occupancy.



Market Analysis



Market Analysis



Projected Base Demand, Annual Growth, and Market-Wide Occupancy							
Competitive Set Year Ending 12/31/	2023	2024	2025	2026	2027	2028	2029
CORPORATE							
Annual Growth		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Nightly Demand	213	219	226	233	240	247	254
Annual Room Nights	80,060	82,462	84,936	87,464	90,109	92,812	95,542
Induced Demand	-	-	-	2,078	3,621	3,730	3,730
Subtotal	77,729	80,060	82,462	84,936	89,562	93,730	96,542
LEISURE							
Annual Growth		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Nightly Demand	99	102	105	108	111	114	118
Annual Room Nights	35,997	37,077	38,189	39,335	40,515	41,731	42,983
Induced Demand	-	-	-	2,078	3,621	3,730	3,730
Subtotal	35,997	37,077	38,189	39,335	42,593	45,352	46,712
GROUP							
Annual Growth		3.0%	3.0%	3.0%	4.0%	7.0%	4.0%
Base Nightly Demand	80	82	84	87	91	97	101
Annual Room Nights	29,071	29,943	30,842	31,767	33,038	35,350	36,764
Induced Demand	-	-	-	16,626	29,634	30,819	30,819
Subtotal	29,071	29,943	30,842	31,767	49,664	64,984	67,584
Totals							
CORPORATE	77,729	80,060	82,462	84,936	89,562	93,730	96,542
LEISURE	35,997	37,077	38,189	39,335	42,593	45,352	46,712
GROUP	29,071	29,943	30,842	31,767	49,664	64,984	67,584
Total Market Demand	142,797	147,081	151,493	156,038	181,820	204,066	210,838
Growth over Prior Year		3.0%	3.0%	3.0%	16.5%	12.2%	3.3%
Market Statistics							
Existing Rooms Supply	814	814	814	814	814	814	814
Proposed Rooms Supply	-	-	-	-	146	250	250
Total Available Room Nights	297,110	297,110	297,110	297,110	350,400	388,360	388,360
Growth over Prior Year		0.0%	0.0%	0.0%	17.9%	10.8%	0.0%
Accommodated Market Occupancy	48.1%	49.5%	51.0%	52.5%	51.9%	52.5%	54.0%

*After the base year, displaced demand grows at the respective segment's annual growth rate.
 **A market occupancy cap is used; accommodated market demand may not equal implied accommodated room night demand.
 Source: CBRE

As shown in the table above, the accommodated market occupancy is forecast to remain stable based on year-to-date trends. The occupancy decrease in 2027 is attributed to the subject property entering the market. It is then anticipated to reach stabilization in 2029 at 54%, accounting for the additional groups and meeting business generated by the Subject Hotel's conference center.

Forecast of Occupancy and Average Daily Rate

The average daily rate and the overall occupancy of a lodging facility are the foundation for the property's financial performance. While a property's other revenue components (food and beverage, telephone, spa, other income, etc.) are crucial to the operation of the hotel, they are dependent on the overall number of occupied rooms. Furthermore, the occupancy and average daily rate of a hotel are highly correlated. In reality, one cannot make a projection of one

without a projection of the other. Therefore, while we have made specific projections of occupancy, we have also considered the subject's positioned rate in our forecast.

To project the future occupancy levels of the subject, we estimated the level of patronage by market segment that can be reasonably captured (penetration). The extent to which the subject can capture demand from each market segment was estimated by performing a fair share penetration analysis.

A hotel's fair share is defined as the number of available rooms divided by the total supply of available rooms in the competitive market, including the subject.

Penetration

Penetration is the relationship between a market's fair share and its actual share of the overall demand. For example, a 100-room hotel would equate to 10% of a 1,000-room competitive set. If this hotel were to capture 10% of the overall lodging demand, it would penetrate the market by 100 percent.

Market penetration, or penetration rate, is the ratio of captured demand to fair share of demand. Factors indicating competitive advantages are typically reflected in penetration rates above 100 percent, while, conversely, competitive disadvantages are reflected in penetration rates below 100 percent. Actual penetration of each market segment by the subject may deviate from fair market share for many reasons, including the following:

- The competitive advantages or disadvantages of the hotel versus the competition taking into consideration such factors as age, location, room rate structure, chain affiliation, quality of management, marketing efforts, and image;
- The physical characteristics of the property, e.g., size, amenities, food & beverage outlets, meeting facilities, property condition, etc.
- Management objectives and marketing strategies.
- Capacity constraints of both the subject property and the market.

The estimated stabilized (2029) market penetration rates of the subject is illustrated as follows:

Proposed JC Conference Hotel			
2029 Mix Of Demand And Market Penetration			
Market Segment	Room Nights	Ratio	Penetration
Corporate	19,855	33%	88%
Leisure	8,734	15%	80%
Group	31,590	52%	200%
Total	60,179	100%	122%

Compiled by CBRE



Market Analysis



Corporate Penetration

The subject will under-penetrate in the Corporate segment as more room nights are allocated to the groups.

Leisure Penetration

The subject will under-penetrate in the Leisure segment due to the focus on group bookings and the higher price point as leisure demand is price sensitive.

Group Penetration

The subject will be the premier headquarter conference Hotel in the market. At this time, no other competitive property will be able to attract the groups that are anticipated to come to the market once the subject hotel and conference center opens. As such, it will be over-penetrating the local market significantly.

Total Penetration

The projections of captured penetration rates for the subject by demand segment along with the resulting projections of occupied room-nights are illustrated as follows:

Market Analysis



Projected Subject Penetration Schedule						
Year Ending 12/31/	2027	2028	2029	2030	2031	
Subject Property Fair Share						
Market Room Supply	960	1,064	1,064	1,064	1,064	1,064
Subject Avg. Room Count	146	250	250	250	250	250
Fair Share	15.2%	23.5%	23.5%	23.5%	23.5%	23.5%
Room Nights Captured by Subject						
CORPORATE						
Fair Share	15.2%	23.5%	23.5%	23.5%	23.5%	23.5%
Penetration Factor	85.0%	85.0%	88.0%	88.0%	88.0%	88.0%
Market Share	12.9%	20.0%	20.7%	20.7%	20.7%	20.7%
Demand	89,562	93,730	96,027	96,027	96,027	96,027
Capture	11,578	18,720	19,855	19,855	19,855	19,855
LEISURE						
Fair Share	15.2%	23.5%	23.5%	23.5%	23.5%	23.5%
Penetration Factor	78.0%	79.0%	80.0%	80.0%	80.0%	80.0%
Market Share	11.9%	18.6%	18.8%	18.8%	18.8%	18.8%
Demand	42,593	45,352	46,463	46,464	46,464	46,464
Capture	5,053	8,418	8,734	8,734	8,734	8,734
GROUP						
Fair Share	15.2%	23.5%	23.5%	23.5%	23.5%	23.5%
Penetration Factor	190.0%	195.0%	200.0%	200.0%	200.0%	200.0%
Market Share	28.9%	45.8%	47.0%	47.0%	47.0%	47.0%
Demand	49,664	64,984	67,223	67,224	67,224	67,224
Capture	14,351	29,774	31,590	31,590	31,590	31,590
Total Capture	30,981	56,912	60,179	60,179	60,179	60,179
Subject Occupancy	58.1%	62.4%	65.9%	65.9%	65.9%	65.9%
Penetration as % of Fair Market Share	112.0%	118.7%	122.1%	122.1%	122.1%	122.1%

Compiled by CBRE

The subject is projected to open in June 2027 and achieve a rounded 58% occupancy for the partial calendar year. It will ramp to 62% in year 2 (2028), the first full year of operation. We project a rounded 66% as the stabilized occupancy for the subject in 2029. This is roughly 4 percentage points below the occupancy leader in the market, the 121-room Courtyard. Since the subject is a 250-room hotel, it will be one of the largest properties in the market, therefore it is reasonable to position occupancy below the market leader. The stabilized occupancy figure is intended to be an average figure over the projected holding period.

Conversion to a Fiscal Year

The proposed Subject hotel will open June 1, 2027. The first full operating year will be the year ending May 31, 2028. The following table presents the previous estimates of occupancy in calendar years converted to the fiscal year beginning June 1, 2027, the first full year of the projected cash flows.

Hotel & Conference Center Pre-Development Business Plan

Market Analysis



Subject Property Estimated Occupancy Adjusted to Projection Dates

Year Ending 12/31/	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Room Nights Captured	--	0	0	0	30,981	56,912	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179
Available Room Nights	--	0	0	0	53,250	91,250	91,250	91,250	91,250	91,250	91,250	91,250	91,250	91,250
Potential Subject Occupancy	--	0.0%	0.0%	0.0%	58.1%	62.4%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%
Rounded Occupancy	---	0%	0%	0%	58%	62%	66%							
Overall Potential Subject Market Share	---	0%	0%	0%	17%	28%	29%	29%	29%	29%	29%	29%	29%	29%
Overall Potential Subject Penetration	---	0%	0%	0%	112%	119%	122%	122%	122%	122%	122%	122%	122%	122%
Adjusted to Fiscal Year Ending 5/31/	2028	2029	2030	2031	2032	2033	2034	2035	2036					
First Year %	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
Second Year %	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Adjusted Room Nights Accommodated	54,884	58,284	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179	60,179
Projected Period Fiscal Year Occupancy	60.1%	63.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%	65.9%
Rounded Occupancy	60%	64%	66%											
Overall Market Occupancy	52%	53%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Overall Market Share	22%	28%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Overall Penetration	115%	120%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%	122%
Captured Room Nights	54,750	58,400	60,225											

Compared to CBRE

Average Daily Rate

As noted previously, one of the most important considerations in deriving an opinion of market feasibility of a hotel is its forecast of a supportable Average Daily Rate (ADR). The ADR of a hotel can be calculated by dividing the total rooms revenue by the total number of occupied rooms achieved during a specified period of time.

Subject's Competitive Positioning

Although the forecast of average daily rate follows the discussion of future occupancy, these two figures are highly correlated, and one cannot make projections of occupancy without specific assumptions of ADR. This relationship is defined by RevPAR, or Revenue Per Available Room. Theoretically, for example, if a lodging property's ADR increases substantially (with no market influencing factors), its occupancy would decrease. Conversely, if a property's ADR decreases, an increase in occupancy would be anticipated. In each instance, RevPAR would remain unchanged.

After review of proprietary data and interviews, the competitive set properties suggest an ADR range of approximately \$75 to \$160, as of 2023. Furthermore, the weighted average for the market, excluding the subject, was estimated at \$126.65 in 2023.

As previously discussed, the subject is considered to have upscale brand positioning and be a flagship property in the market bringing significant group demand to the market. As such, we assume the property will be a rate leader in the market and positioned at \$150, as if it were open and stabilized in 2023. New properties often offer discounted rates to build a market reputation. As such in year 1 (2027) and year 2 (2028), ADR was discounted by 5% and 2%,



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respectively. Since this is within the market range and takes into consideration the recommended facilities, branding, and location, we consider this positioning reasonable.

As shown previously, the market data provided by Smith Travel Research for the subject's competitive lodging market show that ADR increased at an average annual rate of 3.7% between 2016 and 2023. ADR also increased significantly in 2021 and 2022 as well as a slight increase in 2023. Furthermore, year to date through February is indicating a year of significant ADR gains.

Considering all of these factors, the market ADR is estimated to increase 5% in the base year and stabilize at 3% in 2025. We assume the subject's ADR would follow a similar trajectory to the market as if it were open.

The calendar year and fiscally adjusted projections of ADR growth for the competitive market and the subject are illustrated in the following table.

Competitive Market & Subject's Calendar Year and Fiscally Adjusted ADR Estimates

Competitive Set Average Including Subject (Calendar Year 2023)										\$127.25	
Calendar Year	% Growth	Indicated ADR	Constant 2023 Dollars	Fiscal Yr Ending 6/30/23	Fiscal Yr Ending 6/30/24	% Growth	Indicated ADR	Indicated ADR	Index	Discount	Adj. ADR
2024	5.0%	\$133.61	\$129.72	2024	2024	2.07%	\$129.88	\$135.30	117.9%	0.0%	\$159.49
2025	3.0%	\$137.62	\$129.72	2025	2025	4.17%	\$139.30	\$139.36	117.9%	0.0%	\$159.49
2026	3.0%	\$141.75	\$129.72	2026	2026	3.00%	\$139.36	\$143.54	117.9%	0.0%	\$159.49
2027	3.0%	\$146.00	\$129.72	2027	2027	3.00%	\$143.54	\$147.84	117.9%	0.0%	\$159.49
2028	3.0%	\$150.38	\$129.72	2028	2028	3.00%	\$147.84	\$152.28	117.9%	0.0%	\$159.49
2029	3.0%	\$154.89	\$129.72	2029	2029	3.00%	\$152.28	\$156.85	117.9%	0.0%	\$159.49
2030	3.0%	\$159.54	\$129.72	2030	2030	3.00%	\$156.85	\$161.55	117.9%	0.0%	\$159.49
2031	3.0%	\$164.32	\$129.72	2031	2031	3.00%	\$161.55	\$166.40	117.9%	0.0%	\$159.49
2032	3.0%	\$169.25	\$129.72	2032	2032	3.00%	\$166.40	\$171.39	117.9%	0.0%	\$159.49
2033	3.0%	\$174.33	\$129.72	2033	2033	3.00%	\$171.39	\$176.47	117.9%	0.0%	\$159.49
Subject's Positioned ADR (Calendar Year 2023)										\$150.00	
Calendar Year	% Growth	Indicated ADR	Constant 2023 Dollars	As Complete: Fiscal Yr Ending 6/30/23	As Complete: Fiscal Yr Ending 6/30/24	% Growth	Indicated ADR	Indicated ADR	Index	Discount	Adj. ADR
2024	5.0%	\$157.50	\$152.91	2024	2024	2.07%	\$153.10	\$159.49	117.9%	0.0%	\$159.49
2025	3.0%	\$162.23	\$152.91	2025	2025	4.17%	\$159.49	\$164.28	117.9%	0.0%	\$159.49
2026	3.0%	\$167.09	\$152.91	2026	2026	3.00%	\$164.28	\$169.20	117.9%	0.0%	\$159.49
2027	3.0%	\$172.10	\$152.91	2027	2027	3.00%	\$169.20	\$174.28	117.9%	0.0%	\$159.49
2028	3.0%	\$177.27	\$152.91	2028	2028	3.00%	\$174.28	\$179.51	117.9%	0.0%	\$159.49
2029	3.0%	\$182.59	\$152.91	2029	2029	3.00%	\$179.51	\$184.89	117.9%	0.0%	\$159.49
2030	3.0%	\$188.06	\$152.91	2030	2030	3.00%	\$184.89	\$190.44	117.9%	0.0%	\$159.49
2031	3.0%	\$193.71	\$152.91	2031	2031	3.00%	\$190.44	\$196.15	117.9%	0.0%	\$159.49
2032	3.0%	\$199.52	\$152.91	2032	2032	3.00%	\$196.15	\$202.04	117.9%	0.0%	\$159.49
2033	3.0%	\$205.50	\$152.91	2033	2033	3.00%	\$202.04	\$208.04	117.9%	0.0%	\$159.49

Compared to CBRE

We assume the property will open with discounted introductory rates in years 1 and 2. Our projections result in an ADR index for the subject of 112.0% in the first projection year and a stabilized ADR index of 117.9%. These estimates are considered reasonable based on the subject's brand positioning, location, amenities, and age/condition relative to its competitors.



Market Analysis



Conclusion

The subject's occupancy, ADR, RevPAR, Revenue Yield and corresponding room revenue for the first several years of our projection analysis are illustrated as follows:

	Stab'd Year			
	2028	2029	2030	2031
Avg. Available Rooms	250	250	250	250
Annual Room Nights	91,250	91,250	91,250	91,250
Occupancy	60%	64%	66%	66%
Occupied Rooms	54,750	58,400	60,225	60,225
ADR	\$170.79	\$179.51	\$184.89	\$190.44
RevPAR	\$102.48	\$114.89	\$122.03	\$125.69
RevPAR Growth	---	12.1%	6.2%	3.0%
Revenue Yield	132.8%	141.9%	144.1%	144.1%
Total Rooms Revenue	\$9,351,006	\$10,483,305	\$11,135,236	\$11,469,293

Source: CBRE

Our projections include a sustainable occupancy and market supported ADR. The stabilized revenue yield for the subject of 144.1% is considered reasonable based on the subject's brand positioning, location, amenities, and age/condition relative to local competitors.

As an additional test of reasonableness, regional hotel and conference/convention centers were analyzed as a benchmark. The properties were selected based on their facilities, branding, location, types of group demand and/or the available data. The conclusions for the subject hotel fall within the range of these additional benchmark properties. The table below summarizes the 2023 performance of the select benchmark hotels.

Market Analysis



Regional Conference/Convention Hotels

Hotel	Rooms	Meeting Space	Meeting Space Per Room
Hyatt Regency Saint Louis Riverfront	910	56,554	62
Westin Crown Center	724	62,631	87
Marrriott St. Louis Grand	917	54,871	60
Marrriott Kansas City Downtown	983	72,589	74
Margartaville Lake of the Ozarks	507	76,000	150
InterContinental Kansas City	371	29,000	78
The Skirvin OKC	225	16,982	75
Chateau on the Lake	301	53,000	176
Omni Oklahoma City	605	76,000	126
Live! By Loews	216	10,500	49
Total/Avg	5,759	508,127	88

2023 Performance	Weighted Average	Min	Max
ADR	\$172.92	\$159.44	\$204.60
Occupancy	58.5%	51.9%	70.9%
RevPAR	\$101.24	\$83.54	\$125.83

Subject (As if Open in 2023)	
ADR	\$150.00
Occupancy	66.0%
RevPAR	\$99.00

Source: CBRE Hotels, Hotel Website

Based on the foregoing analysis, the indicated occupancy and ADR figures are achievable. Although it is possible that the subject will experience growth in occupancy and ADR above those estimated in this report, it is also possible that sudden economic downturns, unexpected additions to rooms supply, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the subject over the projected holding period based on our analysis of the market as of the date of this market study.



Pages 35-56 of this document are redacted and closed under Sec. 610.021(12) RSMo., in that redacted and closed portions are related to a negotiated contract



Assumptions and Limiting Conditions

1. The Terms and Conditions herein are part of an assignment agreement (the "Agreement") for consulting services ("Services") between CBRE, Inc. ("CBRE") and the client signing this Agreement and for whom the Services will be performed (the "Client") for the property identified herein (the "Property") and shall be deemed a part of such Agreement as though fully set forth therein. In addition, with respect to any report prepared by CBRE pursuant to the Agreement (the "Report"), any use of, or reliance on, the Report by any Intended User constitutes acceptance of these Terms and Conditions as well as acceptance of all qualifying statements, limiting conditions, and assumptions stated in the Report. The Agreement shall be governed and construed by the laws of the state where the CBRE office executing this Agreement is located without regard to conflicts of laws principles.
2. Client shall be responsible for the payment of all fees stipulated in this Agreement. Payment of the fees and preparation of the Report are not contingent upon any predetermined value or on any action or event resulting from the analyses, opinions, conclusions, or use of the Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft Report is requested, the fee is considered earned upon delivery of the draft Report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed Report. In such event, the Client is obligated to pay CBRE for the time and expenses incurred (including, but not limited to, travel expenses to and from the job site) prior to the effective date of cancellation, with a minimum charge of \$500. Hard copies of the Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per Report.
3. If CBRE is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Consulting Report, the CBRE's expertise, or the Property, Client shall pay CBRE's additional costs and expenses, including but not limited to CBRE's attorneys' fees, and additional time incurred by CBRE based on CBRE's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Consulting Report), meeting participation, and CBRE's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional consulting services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. CBRE shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the CBRE executing the Agreement. **EACH PARTY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION IN ANY WAY RELATED TO THIS AGREEMENT.**
6. CBRE assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for CBRE to prepare a valid report hereunder. Client acknowledges that such additional expertise is not covered in the fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. Client acknowledges that CBRE is being retained hereunder as an independent contractor to perform the Services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and CBRE. Unless otherwise stated in this Agreement, Client shall not

8. This assignment shall be deemed concluded and the Services hereunder completed upon delivery to Client of the Report discussed herein.
9. All statements of fact in the report which are used as the basis of the CBRE's analyses, opinions, and conclusions will be true and correct to CBRE's actual knowledge and belief. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to CBRE by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, CBRE DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY CONSULTING REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO CBRE. Furthermore, the conclusions and any permitted reliance on and use of the Consulting Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
10. CBRE shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsurface conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
11. Client shall provide CBRE with such materials with respect to the assignment as are requested by CBRE and in the possession or under the control of Client. Client shall provide CBRE with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
12. The data gathered in the course of the assignment (except data furnished by Client, "Client Information") and the Report prepared pursuant to the Agreement are, and will remain, the property of CBRE. With respect to Client Information provided by Client, CBRE shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential and proprietary Client Information furnished to CBRE. Notwithstanding the foregoing to the contrary, CBRE is authorized by Client to disclose all or any portion of the Report and related data as may be required by applicable law, statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CBRE or its employees and agents to comply with the Bylaws and Regulations of the Appraisal Institute as now or hereafter in effect.
13. Unless specifically noted, in preparing the Report CBRE will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Materials") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there are no major or significant repairs, improvements or deferred maintenance of the Property that would require the expertise of a professional cost estimator, engineer, architect or contractor. If any such repairs, improvements or maintenance are needed, the estimates for such repairs, improvements or maintenance are to be prepared by other parties pursuant to a separate written agreement in Client's sole discretion and direction, and are not deemed part of the Services or otherwise covered as part of the fee hereunder.
14. In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that CBRE provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that CBRE shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from CBRE relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
15. LIMITATION OF LIABILITY. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY:
 - (A) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER PARTY, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR OTHER EXEMPLARY LOSSES OR DAMAGES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY,



NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, REGARDLESS OF THE FORESEEABILITY OR THE CAUSE THEREOF.

- (b) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES AND COSTS REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO CBRE UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000).
- (c) CBRE SHALL HAVE NO LIABILITY WITH RESPECT TO ANY LOSS, DAMAGE, CLAIM OR EXPENSE INCURRED BY OR ASSERTED AGAINST CLIENT ARISING OUT OF, BASED UPON OR RESULTING FROM CLIENT'S OR ANY INTENDED USER'S FAILURE TO PROVIDE ACCURATE OR COMPLETE INFORMATION OR DOCUMENTATION PERTAINING TO ANY SERVICES OR REPORT ORDERED UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING CLIENT'S OR ANY INTENDED USER'S FAILURE, OR THE FAILURE OF ANY OF CLIENT'S OR ANY INTENDER USER'S RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, PRINCIPALS, AGENTS OR EMPLOYEES, TO PROVIDE A COMPLETE AND ACCURATE COPY OF THE REPORT TO ANY THIRD PARTY. CBRE SHALL HAVE NO LIABILITY WHATSOEVER FOR REPORTS OR DELIVERABLES THAT ARE SUBMITTED IN DRAFT FORM.
- (d) THE LIMITATIONS OF LIABILITY IN SUBSECTIONS 15(A) AND 15(B) ABOVE SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other third parties) except (i) to any third party (a) identified in the Agreement as an Intended User subject to the terms and conditions of this Agreement or (b) otherwise expressly acknowledged in a separate writing executed by CBRE, such third party and Client, setting forth that such third party is an "Intended User" of the Report and providing CBRE with an acceptable release from such third party with respect to such Report or wherein Client provides acceptable indemnity protections to CBRE against any claims resulting directly from the distribution of the Report to such third party; (ii) to any third party service provider (including accountants, attorneys, rating agencies and auditors) using the Report in the course of providing Services for the sole benefit of an Intended User and limited to the Intended Use of the Report as defined in this Agreement, or (iii) to the extent required by applicable law, statute, government regulation, legal process, or judicial decree.

(b) In the event CBRE consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such other materials available to any such parties unless and until Client has provided CBRE with complete copies of such offering or other materials and CBRE has approved the inclusion of the Report, or reference to the Report and/or CBRE, in such offering and other materials in writing. Further, CBRE's consent to such inclusion of the Report, or reference to the Report and/or CBRE, in any securities offering is subject to (i) CBRE's and CBRE's securities counsel's review and approval, in writing, of any inclusion of the Report, or reference to the Report and/or CBRE, in such securities offering; (ii) Client shall not modify the Report, any such inclusion of or reference to the Report and/or CBRE in such securities offering once approved by CBRE and its securities counsel in writing; and (iii) Client shall reimburse CBRE for its out-of-pocket costs and expenses, including attorneys' fees, arising from legal review of such securities offering and related materials on CBRE's behalf.

(c) In the absence of satisfying the conditions of this Section 16 with respect to any party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such Report, and CBRE shall have no liability for such unauthorized use and reliance on any Report.

(d) In the event Client breaches the provisions of this Section 16, Client shall indemnify, defend and hold CBRE and its affiliates and their officers, directors, employees, contractors, agents and other representatives (CBRE and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.



17. In the event Client incorporates or references the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the Report or the engagement of or performance of Services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of CBRE (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with Section 16 and Section 17, CBRE and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement, (b) any Services or Reports under this Agreement or (c) any acts or conduct relating to such Services or Reports, shall be filed within two (2) years from the date of delivery to Client of the Report to which the claims or causes of action in the legal action or lawsuit relate. The time period in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

19. Miscellaneous.

(a) This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by written agreement of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

(b) Neither party shall assign this Agreement in whole or in part (other than by operation of law) to any person or entity without the prior written consent of the other party. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

(c) No consent or waiver, either expressed or implied, by a party to or of any breach or default, shall be construed to be a consent or waiver to or of any other breach or default in the performance of any obligations hereunder. Failure of a party to complain or declare the other party in default shall not constitute a waiver by such party of rights and remedies hereunder.

(d) Except as hereinafter provided, no delay or failure in performance by a party shall constitute a default hereunder to the extent caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, CBRE promptly shall notify Client. Once the Force Majeure event ceases, CBRE shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, fire, acts of terrorism, catastrophes, changes in laws, condemnation of property, governmental actions or delays, national emergency, war, civil disturbance, floods, unusually severe weather conditions, endemic or pandemic, or other acts of God. Inability to pay



Assumptions and Limiting Conditions

CBRE

Addenda

CBRE

or financial hardship shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a party's control.

(e) The parties acknowledge that CBRE or an affiliate may be involved in representing other parties in real estate transactions involving Client or its affiliates or involved in the ownership or management of the Property. If, at any time, any CBRE personnel performing the Services hereunder actually becomes aware that Client is involved in any material way in any proposed transaction whereby CBRE or an affiliate represents any other party to that transaction, CBRE agrees to notify Client promptly upon discovering such facts. In the event of a conflict between CBRE's engagement by Client under this Agreement with respect to such transaction and the obligations of CBRE or its affiliate to another party with respect to such transaction, at Client's request, CBRE shall establish appropriate internal procedures and confidentiality barriers to prevent any communication or collusion between those employees of CBRE or CBRE's affiliates who represent parties in such transactions in which such a conflict of interest may exist, or Client may require that CBRE cancel this assignment with respect to such transaction.

(f) Any provision of this Agreement that, by its language, contemplates performance or observation subsequent to any termination or expiration of this Agreement shall survive such termination or expiration and shall continue in full force and effect.

(g) If any provision of this Agreement, or application thereof to any person or circumstance, shall to any extent be invalid, then such provision shall be modified, if possible, to fulfill the intent of the parties reflected in the original provision. The remainder of this Agreement, or the application of such provision to person or circumstance other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.