

The Novelist - Project Pro Forma

	Stabilization	
HOTEL RENTAL FORECAST	Year 1	Year 2
Rooms	84	84
Room Nights Available	30,660	30,660
Room Nights Sold	20,849	22,075
Occupancy Percentage	68.0%	72.0%
Average Daily Rate	\$154.50	\$159.14
REVPAR	\$105.06	\$114.58

REVENUES:	Year 1	Year 2
Rooms	\$3,221,140	\$3,512,937
Food/Beverage/Catering	\$3,200,000	\$3,296,000
Other Income	\$237,639	\$249,521
TOTAL REVENUES	\$6,658,779	\$7,058,458

EXPENSES:	Year 1	Year 2
Total Departmental Expenses	\$3,611,738	\$3,739,139
Total Undistributed Operating Expenses	\$1,138,651	\$1,157,587
TOTAL FIXED EXPENSES	\$411,939	\$434,143

NOI before INCENTIVES	\$1,496,451	\$1,727,589
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INCENTIVE REVENUE	Year 1	Year 2
TIF EATS (100% of Eligible Sales Tax)	\$134,000	\$138,020

NOI AFTER INCENTIVES	\$1,630,451	\$1,865,609
Unleveraged Return	6.14%	7.03%

These are preliminary estimates, subject to change

The Novelist - Incentive and Financing Proposal: By the Numbers

Summary of Incentives

Incentive	Net Present Value at 7% Discount Rate	Total Amount	Timing
TIF EATS (100% of Eligible Sales Tax)	\$1,804,826	\$3,901,806	Over 23 years
Property Tax Abatement	\$2,908,540	\$5,803,534	Over 25 years
Construction Materials Sales Tax Exemption	\$716,985	\$716,985	Construction Phase
Land	\$576,444	\$576,444	Project Commencement

Ratio of Incentive NPV to Project Costs

Total Incentive Net Present Value	\$6,006,795
Project Costs	\$27,254,172
Ratio of Incentives to Project Costs	22.04%

Municipal Loan

Principal Amount	\$4,000,000
Interest Rate	4.00%
Term (Years)	25
Total Interest Payments to the City	\$2,334,041
Personal Guaranty	Yes
Loan Position	Secondary

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The Novelist - Breakdown of EATS Only TIF Sales Tax Recapture

Sales Tax Components	Sales Tax Component Percentages	TIF Recapture Rate	% of Taxable Sales Redirected	NPV of Funds Redirected over 23 Years (7% Discount)	Total Funds Redirected over 23 Years
State General	3.000%	0%	0%	0%	\$0
State Education	1.000%	0%	0%	0%	\$0
State Parks & Soil Conservation	0.100%	0%	0%	0%	\$0
State Conservation	0.125%	0%	0%	0%	\$0
County General	0.500%	50%	0.250%	\$107,751	\$232,944
County CIP	0.375%	0%	0%	0%	\$0
County Drug Enforcement	0.250%	50%	0.125%	\$53,875	\$116,472
County Law Enforcement	0.000%	50%	0.000%	\$0	\$0
County Children's Services	0.250%	0%	0%	0%	\$0
City General	1.000%	100%	1.000%	\$431,003	\$931,774
City Parks	0.250%	100%	0.250%	\$107,751	\$232,944
City CIP	0.500%	100%	0.500%	\$215,502	\$465,887
City Transportation	0.500%	100%	0.500%	\$215,502	\$465,887
City PSST	0.500%	100%	0.500%	\$215,502	\$465,887
Zoo	0.125%	50%	0.063%	\$26,938	\$58,236
DT CID	1.000%	100%	1.000%	\$431,003	\$931,774
Total	9.475%		4.188%	\$1,804,826	\$3,901,806

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