



Project Overview / Plan of Finance

City of Lawrenceville, Georgia

Hotel Project



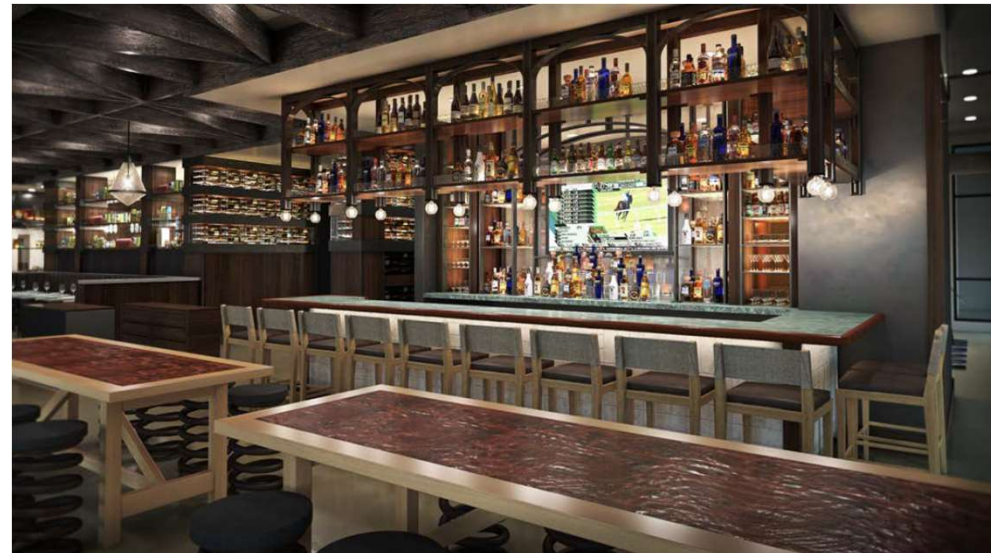
- The Lawrenceville will be an upscale three-story, 120-room hotel featuring a wood-fired open kitchen for upscale indoor and outdoor dining and a bar. It will include a 5,000 square foot conference center with a pre-function area and 113 designated hotel parking spaces on top of a 270-space existing public parking deck located on a 1.94 acre site at 120 East Crogan Street, Lawrenceville, Georgia 30046.
- Lawrenceville is the county seat of Gwinnett County, one of the fastest growing and most diverse counties in the U.S. with over 1.0 million residents and is experiencing an economic boom. In recent years, the city has seen over \$330 million invested in public and private ventures. The hotel's prime location offers proximity to restaurants, retail shops, and the new \$35 million Lawrenceville Arts Center, featuring multiple theaters. Nearby attractions include the Gwinnett County Historic Courthouse, which hosts over 100 weddings annually, and the \$400 million expansion of Northside Hospital, set to add 6,000 jobs over 4-5 years.





Hotel Project (Continued)

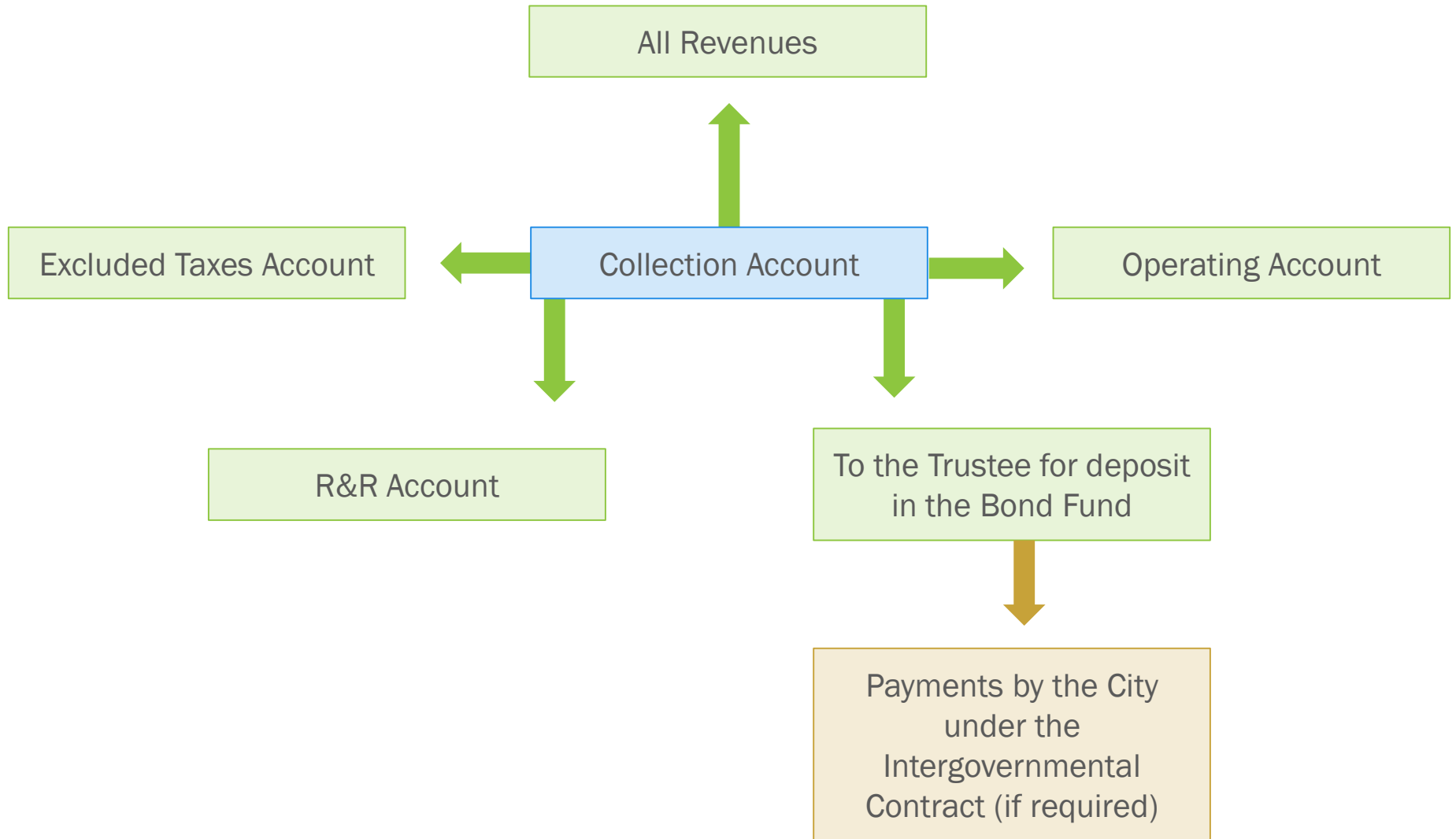
- The hotel is strategically located near the Gwinnett County Justice and Administration Center and within 2 miles of Georgia Gwinnett College, connected by the Grizzly Parkway, a 2-mile, \$30 million linear park connecting downtown to the college.
- The hotel is designed with the lobby, other public areas, and back-of-the-house spaces on the first floor, while 112 standard guestrooms and 8 suites, totaling 120 rooms, will occupy the second and third floors. Amenities will include a restaurant, lounge, meeting room, fitness center, business center, cafe/market pantry, and guest laundry facilities. Services include bellhop service, room service, and dry-cleaning service.



Hotel Project (Continued)



Flow of Funds



Hotel Project Fund Budget



Hotel Project Fund Budget	
Fees	\$277,000
Hotel Manager Provided Services	1,379,000
Design / Professional Services	604,900
Project Administration	1,313,000
Construction	24,005,000
Systems and Equipment	5,017,459
Permits, Testing, Fees and Special Taxes	35,000
Insurance, Finance and Transaction Costs	1,293,393
Contingency	1,575,248
Total	\$35,500,000



Key Assumptions

■ At this time, Davenport has assumed the following generic key assumptions for the Hotel Project:

- \$35.5 million Project Fund – \$10 million Taxable and \$25.5 million Tax-Exempt
- Current Public Market Rates as of October 22, 2024 + 0.25%;
- Closing December 17, 2024;
- 25-Year Amortization;
- Semi-Annual Interest Payments on June 1 and December 1 Commencing June 1, 2025;
 - Capitalized Interest through December 1, 2026 (midway FY 2027)
 - Interest Only through December 1, 2029 (FY 2030)
- Annual Principal Payments Commencing December 1, 2030;
- Early 5-Year Call Provision; and,
- Inclusive of Estimated Costs of Issuance and Underwriter’s Discount.

The debt is structured so that the taxable portion will amortize first, followed by the tax-exempt portion.

The assumption of a 5-year call is due to the possibility of the City to sell the asset once it becomes stabilized and use the proceeds to redeem the bonds.

Projected Debt Service



Projected Debt Service				
Fiscal Year	Principal	Interest	Capitalized Interest	Total
2025	\$0	\$861,113	(\$861,113)	\$0
2026	0	1,834,323	(1,834,323)	0
2027	0	1,834,323	(917,161)	917,161
2028	0	1,834,323	0	1,834,323
2029	0	1,834,323	0	1,834,323
2030	0	1,834,323	0	1,834,323
2031	250,000	1,828,448	0	2,078,448
2032	500,000	1,810,698	0	2,310,698
2033	750,000	1,780,823	0	2,530,823
2034	1,000,000	1,738,573	0	2,738,573
2035	1,250,000	1,683,698	0	2,933,698
2036	1,315,000	1,620,526	0	2,935,526
2037	1,380,000	1,553,480	0	2,933,480
2038	1,450,000	1,482,368	0	2,932,368
2039	1,530,000	1,406,740	0	2,936,740
2040	1,610,000	1,326,268	0	2,936,268
2041	2,170,000	1,230,205	0	3,400,205
2042	2,285,000	1,118,475	0	3,403,475
2043	2,390,000	1,010,563	0	3,400,563
2044	2,495,000	906,756	0	3,401,756
2045	2,600,000	798,488	0	3,398,488
2046	3,125,000	676,831	0	3,801,831
2047	3,260,000	541,150	0	3,801,150
2048	3,400,000	399,625	0	3,799,625
2049	3,555,000	247,388	0	3,802,388
2050	3,720,000	83,700	0	3,803,700
Total	\$40,035,000	\$33,277,524	(\$3,612,596)	\$69,699,928

Sources	
Par Amount	\$40,035,000
Net Premium	31,223
Total Sources	\$40,066,223

Uses	
Project Fund	\$35,500,000
Capitalized Interest Fund	3,612,596
Cost of Issuance	750,000
Underwriter's Discount	200,175
Additional Proceeds	3,452
Total Uses	\$40,066,223

All-In True Interest Cost: 4.73%

Projected Debt Service (Continued)

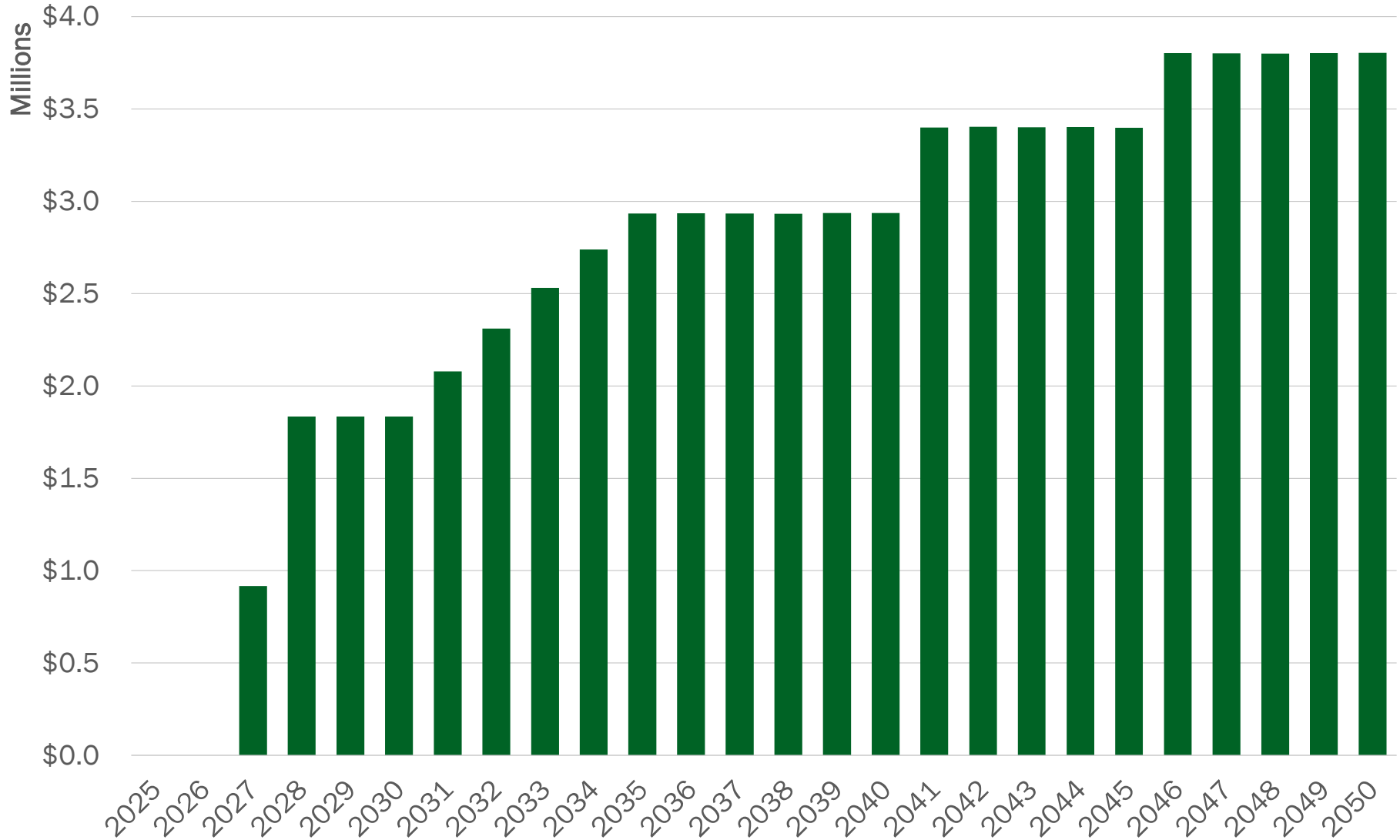


Fiscal Year	Taxable Portion (\$10 Million)				Tax-Exempt Portion (\$25.5 Million)				Aggregate Debt Service			
	Principal	Interest	Capitalized Interest	Total	Principal	Interest	Capitalized Interest	Total	Principal	Interest	Capitalized Interest	Total
2025	\$0	\$266,632	(266,632)	\$0	\$0	\$594,481	(594,481)	\$0	\$0	\$861,113	(861,113)	\$0
2026	0	567,973	(567,973)	0	0	1,266,350	(1,266,350)	0	0	1,834,323	(1,834,323)	0
2027	0	567,973	(283,986)	283,986	0	1,266,350	(633,175)	633,175	0	1,834,323	(917,161)	917,161
2028	0	567,973	0	567,973	0	1,266,350	0	1,266,350	0	1,834,323	0	1,834,323
2029	0	567,973	0	567,973	0	1,266,350	0	1,266,350	0	1,834,323	0	1,834,323
2030	0	567,973	0	567,973	0	1,266,350	0	1,266,350	0	1,834,323	0	1,834,323
2031	250,000	562,098	0	812,098	0	1,266,350	0	1,266,350	250,000	1,828,448	0	2,078,448
2032	500,000	544,348	0	1,044,348	0	1,266,350	0	1,266,350	500,000	1,810,698	0	2,310,698
2033	750,000	514,473	0	1,264,473	0	1,266,350	0	1,266,350	750,000	1,780,823	0	2,530,823
2034	1,000,000	472,223	0	1,472,223	0	1,266,350	0	1,266,350	1,000,000	1,738,573	0	2,738,573
2035	1,250,000	417,348	0	1,667,348	0	1,266,350	0	1,266,350	1,250,000	1,683,698	0	2,933,698
2036	1,315,000	354,176	0	1,669,176	0	1,266,350	0	1,266,350	1,315,000	1,620,526	0	2,935,526
2037	1,380,000	287,130	0	1,667,130	0	1,266,350	0	1,266,350	1,380,000	1,553,480	0	2,933,480
2038	1,450,000	216,018	0	1,666,018	0	1,266,350	0	1,266,350	1,450,000	1,482,368	0	2,932,368
2039	1,530,000	140,390	0	1,670,390	0	1,266,350	0	1,266,350	1,530,000	1,406,740	0	2,936,740
2040	1,610,000	59,918	0	1,669,918	0	1,266,350	0	1,266,350	1,610,000	1,326,268	0	2,936,268
2041	355,000	9,230	0	364,230	1,815,000	1,220,975	0	3,035,975	2,170,000	1,230,205	0	3,400,205
2042	0	0	0	0	2,285,000	1,118,475	0	3,403,475	2,285,000	1,118,475	0	3,403,475
2043	0	0	0	0	2,390,000	1,010,563	0	3,400,563	2,390,000	1,010,563	0	3,400,563
2044	0	0	0	0	2,495,000	906,756	0	3,401,756	2,495,000	906,756	0	3,401,756
2045	0	0	0	0	2,600,000	798,488	0	3,398,488	2,600,000	798,488	0	3,398,488
2046	0	0	0	0	3,125,000	676,831	0	3,801,831	3,125,000	676,831	0	3,801,831
2047	0	0	0	0	3,260,000	541,150	0	3,801,150	3,260,000	541,150	0	3,801,150
2048	0	0	0	0	3,400,000	399,625	0	3,799,625	3,400,000	399,625	0	3,799,625
2049	0	0	0	0	3,555,000	247,388	0	3,802,388	3,555,000	247,388	0	3,802,388
2050	0	0	0	0	3,720,000	83,700	0	3,803,700	3,720,000	83,700	0	3,803,700
Total	\$11,390,000	\$6,683,843	(\$1,118,590)	\$16,955,253	\$28,645,000	\$26,593,681	(\$2,494,006)	\$52,744,675	\$40,035,000	\$33,277,524	(\$3,612,596)	\$69,699,928

Projected Debt Service (Continued)



Projected Debt Service



Hotel Pro-Forma



	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034
Revenues									
Rooms	\$4,407,220	\$5,797,372	\$6,327,140	\$6,641,982	\$6,839,291	\$7,036,600	\$7,250,225	\$7,464,103	\$7,677,728
Food and Beverage	1,927,249	2,494,436	2,695,952	2,819,979	2,900,976	2,987,976	3,077,475	3,169,974	3,264,973
Other Operated Departments	396,948	513,487	554,990	580,496	596,995	614,995	633,495	652,495	671,994
Miscellaneous Income	128,483	167,495	182,996	192,499	197,998	203,998	209,998	215,998	222,498
Total Revenues	\$6,859,899	\$8,972,790	\$9,761,078	\$10,234,955	\$10,535,260	\$10,843,569	\$11,171,192	\$11,502,570	\$11,837,194
Departmental Costs and Expenses									
Rooms	\$1,241,555	\$1,495,722	\$1,580,454	\$1,607,360	\$1,655,108	\$1,702,857	\$1,754,554	\$1,806,313	\$1,858,010
Food and Beverage	1,443,760	1,853,366	1,961,386	2,010,645	2,068,396	2,130,427	2,194,239	2,260,191	2,327,926
Other Operated Departments	138,932	179,720	194,246	203,174	208,948	215,248	221,723	228,373	235,198
Total Departmental Costs and Expenses	\$2,824,247	\$3,528,808	\$3,736,086	\$3,821,178	\$3,932,453	\$4,048,532	\$4,170,517	\$4,294,877	\$4,421,134
Total Departmental Profit (Loss)	\$4,035,652	\$5,443,982	\$6,024,993	\$6,413,777	\$6,602,808	\$6,795,037	\$7,000,675	\$7,207,693	\$7,416,060
Undistributed Operating Expenses									
Administrative & General	\$529,227	\$681,932	\$711,732	\$716,447	\$737,468	\$759,050	\$781,983	\$805,180	\$828,604
Information and Telecommunications Systems	75,459	98,701	102,354	102,350	105,353	108,436	111,712	115,026	118,372
Sales & Marketing	300,225	385,830	399,653	399,163	410,875	422,899	435,677	448,600	461,651
Franchise Fees	397,874	520,422	566,143	593,627	611,045	628,927	647,929	667,149	686,557
Property Operations & Maintenance	283,881	367,884	385,149	388,928	400,340	412,056	424,505	437,098	449,813
Utilities	235,861	305,075	316,822	317,284	326,593	336,151	346,307	356,580	366,953
Total Undistributed Operating Expenses	\$1,822,528	\$2,359,844	\$2,481,853	\$2,517,799	\$2,591,674	\$2,667,518	\$2,748,113	\$2,829,632	\$2,911,950
Gross Operating Profit (Loss)	\$2,213,124	\$3,084,138	\$3,543,140	\$3,895,978	\$4,011,134	\$4,127,519	\$4,252,562	\$4,378,060	\$4,504,110
Management Fees									
Base Management Fee	\$240,096	\$314,048	\$341,638	\$358,223	\$368,734	\$379,525	\$390,992	\$402,590	\$414,302
Total Management Fees	\$240,096	\$314,048	\$341,638	\$358,223	\$368,734	\$379,525	\$390,992	\$402,590	\$414,302
Income before Fixed Expenses	\$1,973,028	\$2,770,090	\$3,201,502	\$3,537,755	\$3,642,400	\$3,747,994	\$3,861,570	\$3,975,470	\$4,089,808
Non-Operating Income and Expenses									
Insurance	\$102,898	\$134,592	\$146,416	\$153,524	\$158,029	\$162,654	\$167,568	\$172,539	\$177,558
FF&E Reserve	179,548	269,184	343,015	409,398	421,410	433,743	446,848	460,103	473,488
Total Non-Operating Income and Expenses	\$282,447	\$403,776	\$489,431	\$562,923	\$579,439	\$596,396	\$614,416	\$632,641	\$651,046
EBTDA	\$1,690,581	\$2,366,315	\$2,712,071	\$2,974,832	\$3,062,960	\$3,151,598	\$3,247,155	\$3,342,829	\$3,438,762
Series 2024 Bonds	\$0	\$917,161	\$1,834,323	\$1,834,323	\$1,834,323	\$2,078,448	\$2,310,698	\$2,530,823	\$2,738,573
Annual Net Income	\$1,690,581	\$1,449,154	\$877,748	\$1,140,509	\$1,228,637	\$1,073,150	\$936,457	\$812,006	\$700,189
Cumulative Earnings	\$1,690,581	\$3,139,735	\$4,017,483	\$5,157,992	\$6,386,629	\$7,459,779	\$8,396,236	\$9,208,242	\$9,908,431

Hotel Pro-Forma Operation Assumptions

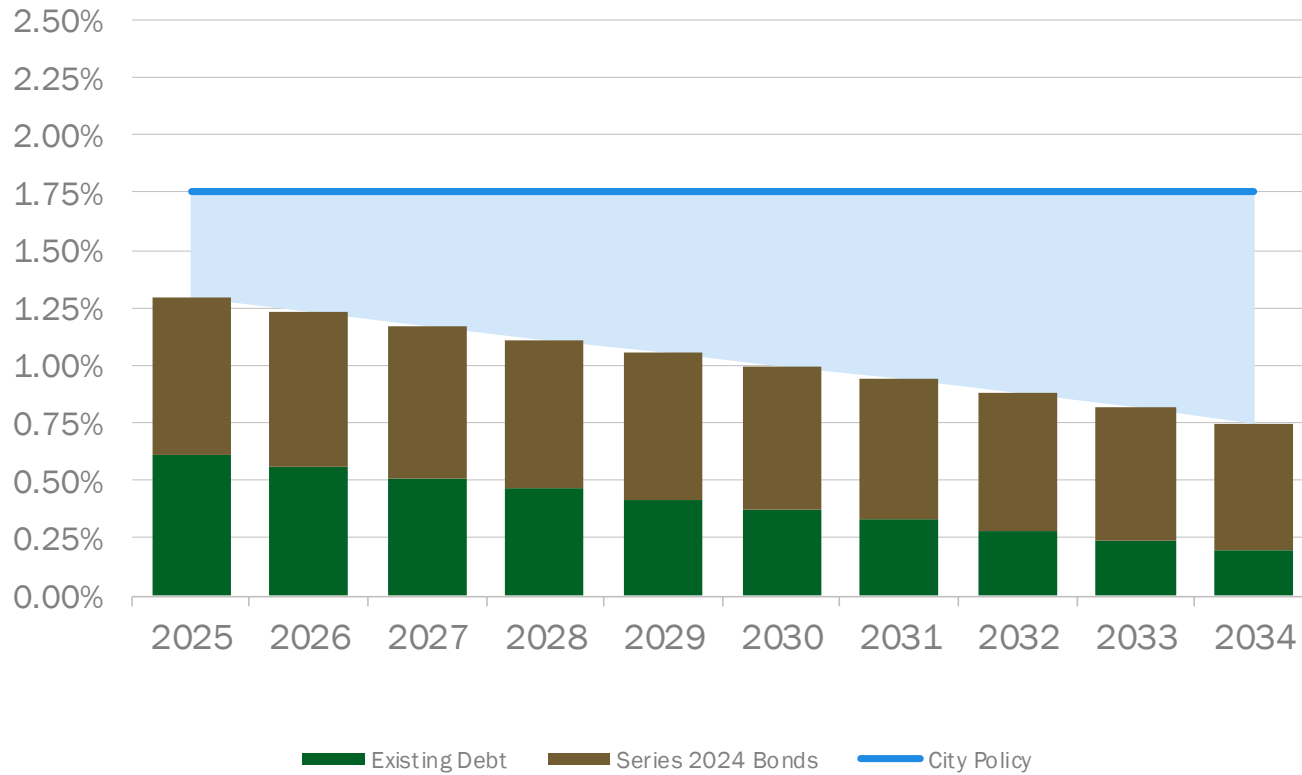


Pro-Forma Operation Assumptions						
Year	Number of Rooms	Number of Nights	Total Room Nights	Occupancy Percentage	Average Room Rate	Revenue per available Room
2025	120	182	21,840	65%	\$176	\$115
2026	120	365	43,800	68%	184	125
2027	120	365	43,800	73%	191	139
2028	120	366	43,920	75%	199	149
2029	120	365	43,800	75%	205	154
2030	120	365	43,800	75%	211	158
2031	120	365	43,800	75%	217	163
2032	120	366	43,920	75%	224	168
2033	120	365	43,800	75%	230	173
2034	120	365	43,800	75%	237	178

Impact on Debt as a Percentage of Full Value



Debt as a Percentage of Full Value



Note: Series 2015 and 2023 Bonds are considered self-supporting and are not included.