

CONCLUSIONS

The Market research and analysis, as described in this report, indicate that the composition, strength, and projected demand for lodging accommodations in Inverness, Florida are sufficient to support a Hilton Garden Inn Hotel. The following comments highlight the findings that support this market conclusion.

Market Area Analysis

(Section C)

Whether a new resident or a visitor considering relocation to the City of Inverness, the sense of community, city park facilities, miles of walking and bicycling trails, planned programs and activities provide fun for the entire family. Rich in natural resources and recreational opportunities, the City of Inverness attracts talent and leisure guests from all over the nation.

Through the years, Inverness has become a haven for those seeking a simpler lifestyle, a friendly community to enjoy their retirement, or a safe home to raise their family. Inverness, which is ranked in the Top 15 Place To Retire Nationally, may not be along either of Florida's coasts, but that doesn't mean it isn't near water. The town sits near the almost 11,000-acre lake -- The Flying Eagle Preserve.

The southern area of Inverness, site of the proposed hotel, is home to many new and growing upscale neighborhoods. All of these upscale neighborhoods are within 5-10 minutes of the proposed hotel site. These neighborhoods include: **Baymeadows** – located on Eden Drive about 5 minutes from hotel site; **Sweetwater Point** – Just past Sandpiper Road off Old Floral City Road; **Rosemont** – On Sandpiper Road and across from Inverness Golf Course; **Seven Lakes** - Also on Sandpiper Road; **The Landings and The Moorings** are located on Gospel Island Road

These upscale residential communities will help support the hotel thru visiting friends and family members of these subdivisions.

Inverness, Florida offers:

B B & T Bank	Publix Super Market
Sun Trust Bank	Winn Dixie
City National Bank	Save a Lot
Regions Bank	Sweet Bay Super Market
Bank of America	Rutabaga’s Market
Wells Fargo Bank	Walmart Super Center
Old Florida National Bank	
BBVA Bank	Applebee’s Grill & Bar
Iberia Bank	Sonny’s Barbecue
	Outback Steak House
Citrus County Courthouse	And over 40 regional and local restaurants
Citrus County Government	
Citrus County Sheriff’s Headquarters	

Most Importantly - NO HOTELS in the City of Inverness, Florida

The City continues to grow; however, growth is managed and supports the natural habitat. As new areas are identified for development, the City government ensures that services are available to support growth and to improve the quality of life for its citizens.

Site and Area Evaluation

(Section D)

The site of the proposed hotel is located at 601 US 41 South in Inverness, Florida. US 41 is a major “Blue Highway” – reflecting the color of the road asphalt reflection. It was the main North/South road through North Central Florida prior to the construction of Interstate 75.

The East Property Boundary is the 46 mile Withlacoochee State Trail of hiking, jogging, bicycling, and horseback riding. A connection to the trail from the hotel site is required to serve the hotel guests. Various Inverness City Administrators stated they support connectivity to the State of Florida Trail.

Supply and Demand Analysis

(Section E)

An analysis of 2018, Days of the Week Occupancy for a given month is presented in Tab 7 of the Smith Travel Research Trend Report is the data from the trailing twelve months ending April 2019.

Competitive Hotels

<i>Hotel</i>	<i>City</i>	<i>Franchise Date</i>	<i>Date Opened</i>	<i>Number of Rooms</i>
Hampton Inn	Crystal River	Aug 2013	Aug 2013	68
Ascend Collection	Crystal River	Aug 2013	Jun 1962	196
Holiday Inn Express	Crystal River	May 2009	May 2009	75
Comfort Suites	Dunnellon	Feb 2016	Feb 2016	71
Holiday Inn Express	Lecanto	Dec 2007	Dec 2007	75
Hampton Inn South	Ocala	Nov 2008	Nov 2008	109
		Total Properties:	6	594

Source: Smith Travel Research, Hendersonville, Tennessee

Daily consistency of excellent occupancy year after year, exhibits stable demand. It has long been stated in the Hotel Industry:

- Occupancy at 40% - The Hotel Loses Money
- Occupancy at 50% - The Hotel Breaks Even
- Occupancy at 60% - The Hotel Makes Money
- Occupancy at 70% - The Hotel Makes A Profit
- Occupancy at 80% - New Hotel Competition is Warranted
- Occupancy at 90% - The Hotel Guest is Under Served

In the Greater Inverness, Florida, when hotels achieve an 85% occupancy, and above, a Sold Out Condition is experienced at the hotel.

**Daily Occupancy
Competitive Market Set of Hotels
Inverness, Florida**

Current Year Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Weekly Average
May - 18	57.3	58.7	69.8	68.6	66.6	74.3	79.6	67.9
Jun - 18	49.8	62.3	64.3	64.9	66.1	86.0	90.3	70.4
Jul - 18	65.4	75.6	77.7	79.2	84.3	96.3	94.5	81.0
Aug - 18	49.7	60.2	61.5	62.7	65.7	89.4	92.7	69.2
Sep - 18	51.1	46.8	53.4	57.3	52.0	66.6	81.5	58.9
Oct - 18	45.0	55.7	64.8	67.1	66.5	72.1	80.0	64.3
Nov - 18	50.2	61.8	63.4	69.6	70.8	76.2	76.0	67.3
Dec - 18	49.7	57.0	51.5	58.3	61.7	65.2	69.2	58.9
Jan - 19	50.9	59.9	59.3	65.8	67.7	74.6	74.3	64.6
Feb - 19	69.9	77.4	82.1	84.0	89.1	86.0	87.5	82.3
Mar - 19	71.4	80.0	84.0	85.3	87.5	95.9	96.3	86.0
Apr - 19	51.6	66.3	72.3	74.4	74.8	88.9	92.7	74.1
Average Prior Year	55.5	63.5	67.2	69.5	70.8	81.4	84.5	70.3
Three Year Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Weekly Average
May 16 – Apr 17	54.7	61.1	65.8	66.9	69.0	83.7	85.5	69.5
May 17 – Apr 18	58.3	65.5	69.3	71.5	71.6	83.8	84.8	72.1
May 18 – Apr 19	55.5	63.5	67.2	69.5	70.8	81.4	84.5	70.3
Average Past 3 Years	56.2	63.4	67.4	69.3	70.5	83.0	85.0	70.6

Source: Smith Travel Research, Hendersonville, Tennessee – Tab 7 of the Market Trend Report

All Highlighted Data above – The Hotel Makes Money

The data reflects 41 days of the week at 4.3 weeks per month for a total of 176 days of over 70% occupancy or nearly 50% of the past twelve months (Yellow Highlighted)

Tab 7 reveals 16 days x 4.3 weeks per month for 69 days or nearly 27% of the year occupancy above 80% (Blue Highlighted)

Tab 7 reveals 7 days of the week at 4.3 weeks per month for a total of 30 days of over 90% occupancy (**a sold out condition**) or nearly 8.2% of the past twelve months (Green Highlighted)

The new Select-Service Hilton Garden Inn Hotel will be the leading hotel in the Greater Inverness, Florida area.

Facilities and Services - Hilton Garden Inn Hotel

(Section F)

The Market research for this Feasibility Study has revealed that there is sufficient demand for an 80-room First-Class Select-Service Hotel. For the purposes of this study, the developer has chosen a Hilton Garden Inn Hotel. The Market Research reveals that the hotel should incorporate the following amenities:

Hotel Amenities

The hotel building should be designed to incorporate as many as possible of the Hilton Garden Inn Hotel recommended requirements. In addition, each room will offer:

- Free High Speed Internet
- Free Wi-fi in all Rooms
- Work Area with Flexible Ergonomic desk and chairs
- Complimentary newspapers
- Free Hot Breakfast featuring scrambled eggs, sausage, and other healthy options for Hilton Honors Members, Non Hilton Honors Members will be charged a reasonable fee for breakfast
- Free Coffee and tea
- Mini refrigerator
- Microwave
- Spacious and modern guest rooms
- Comfy mattress, fluffy pillows, cozy blankets and crisp linens
- Suites offer separate spaces for work and rest
- Large 46" Flat screen TV
- In-room hair dryers, irons and ironing boards
- Tables and chairs for working or eating

Other exciting amenities for the valued guests include:

- Business Center with printing capabilities
- Flexible workspaces in the lobby
- 24/7 Market
- Fully equipped fitness center
- Swimming Pool with deck and a conversation fire pit.
- Knowledgeable, helpful staff
- Happy Hour Monday – Thursday providing snacks and beverages
- A minimum of 12 bicycle lockers for guest use.
- A Horse Water Trough

Hilton Garden Inn Hotel Inverness, Florida		
Proposed Room Mix		
Room Type	% Of Mix	Number
King/Sofa	60%	48
Queen/Queen	38%	30
Executive King Suite	2%	2
Total Rooms		80

Source: Interim Hospitality Consultants

Projected Utilization of the Hotel

(Section G)

Based upon the occupancy of the Hilton Garden Inn Hotel, the proposed hotel's Total Market Penetration and underlying assumptions are summarized as follows:

1. *Leisure:* Due to the hotel being marketed as the number-one quality product in the First-Class Select-Service Hotel classification, the hotel's projected penetration of fair market share will range from 104.1% to 104.3% over the five-year projection period.
2. *Commercial:* The fair market share of commercial business is projected to run from 104.1% to 104.3%. This can be achieved with a professional sales marketing effort. If for any reason the tourist business declines through seasonality or energy shortages, state and local commercial solicitation must be made to offset the decline.
3. *Occupancy:* The projected occupancy should be attainable if the property is built as described, professionally operated in all facets, and business of the area continues to be positive. In years 3 to 5, additional competition may materialize to substantially reduce the projections.

These projections are based on estimates and assumptions developed in connection with the Feasibility Study. However, certain assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the projection period may vary from the forecasts, and the variations may be material.

Hilton Garden Inn Hotel Inverness, Florida Projected Average Room Rate (Current Year Dollars)			
Year	Occupancy	ADR	Room Revenue
2021	72%	130.00	2,733,120
2022	73%	134.00	2,856,340
2023	74%	138.00	2,981,900
2024	75%	142.00	3,118,320
2025	76%	146.00	3,240,030

Source: Interim Hospitality Consultants

Financial Analysis (Section H)

Projections of annual operating returns for the proposed hotel were prepared for five years, 2021 through 2025. The projections are based on the results of operations of comparable facilities and our conclusions regarding the environment in which the proposed hotel would operate.

Hilton Garden Inn Hotel Inverness, Florida			
Year	Total Revenue	Net Operating Income Before Debt Service	
2021	3,622,690	1,084,350	29.9%
2022	3,758,260	1,156,210	30.8%
2023	3,896,180	1,248,090	32.0%
2024	4,046,080	1,339,580	33.1%
2025	4,179,020	1,421,970	34.0%

Source: Interim Hospitality Consultants

Information on Hilton Corporation, the Franchisor for Hilton Garden Inn Hotel is presented on the following pages.

Wow

THE WORLD

BRAND PORTFOLIO



Hilton

W
WALDORF
ASTORIA
HOTELS & RESORTS

CONRAD
HOTELS & RESORTS™

canopy
BY HILTON

Hilton
HOTELS & RESORTS

CURIO
A COLLECTION BY HILTON™

DOUBLETREE
BY HILTON™

TAPESTRY
COLLECTION
BY HILTON™

E
EMBASSY
SUITES
BY HILTON

Hilton
Garden
Inn

Hampton
BY HILTON

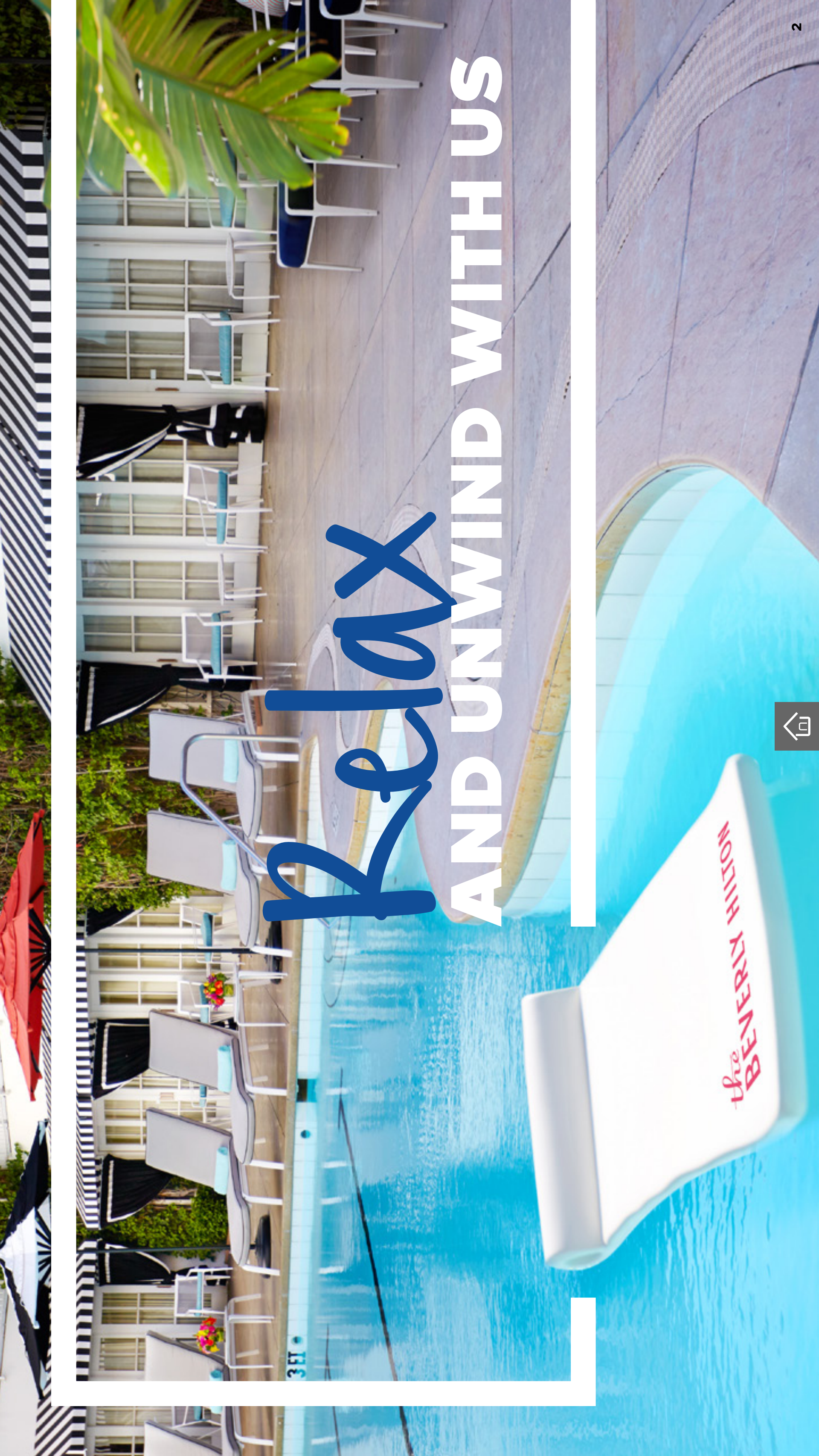
tru
BY HILTON

HOMEWOOD
SUITES
BY HILTON

HOME2
SUITES BY HILTON

Hilton
Grand Vacations

Hilton
—HONORS—



Relax AND UNWIND WITH US





OUR VISION

TO FILL THE EARTH WITH THE LIGHT OF AND WARMTH OF HOSPITALITY.

CONRAD N. HILTON

1950s

Hilton pioneers the airport hotel concept in San Francisco.

1970s

Hilton develops the first computerized, centralized reservation service.

1980s

The Hampton brand is the first hotel chain to offer a 100% Satisfaction Guarantee.

1990s

Hilton Honors rewards program is the first guest loyalty program to offer both points and airline miles.

2000s

Hilton Vancouver, WA, is the first hotel that is both LEED (Leadership in Environmental and Energy Design) and Green Seal certified.

2015

Hilton introduces the Hilton Honors app, which allows guests to check-in, choose their room, customize their stay and use a digital key, all from their mobile device.

2017

Hilton Worldwide spins off into three companies: Hilton, Park Hotels and Hilton Grand Vacations.



TABLE OF Contents

Hilton

[Global Overview](#)

[Our Brands](#)

[Waldorf Astoria Hotels & Resorts](#)

[Conrad Hotels & Resorts](#)

[Canopy by Hilton](#)

[Hilton Hotels & Resorts](#)

[Curio Collection by Hilton](#)

[DoubleTree by Hilton](#)

[Tapestry Collection by Hilton](#)

[Embassy Suites by Hilton](#)

[Hilton Garden Inn](#)

[Hampton by Hilton](#)

[Tru by Hilton](#)

[Homewood Suites by Hilton](#)

[Home2 Suites by Hilton](#)

[Hilton Grand Vacations](#)

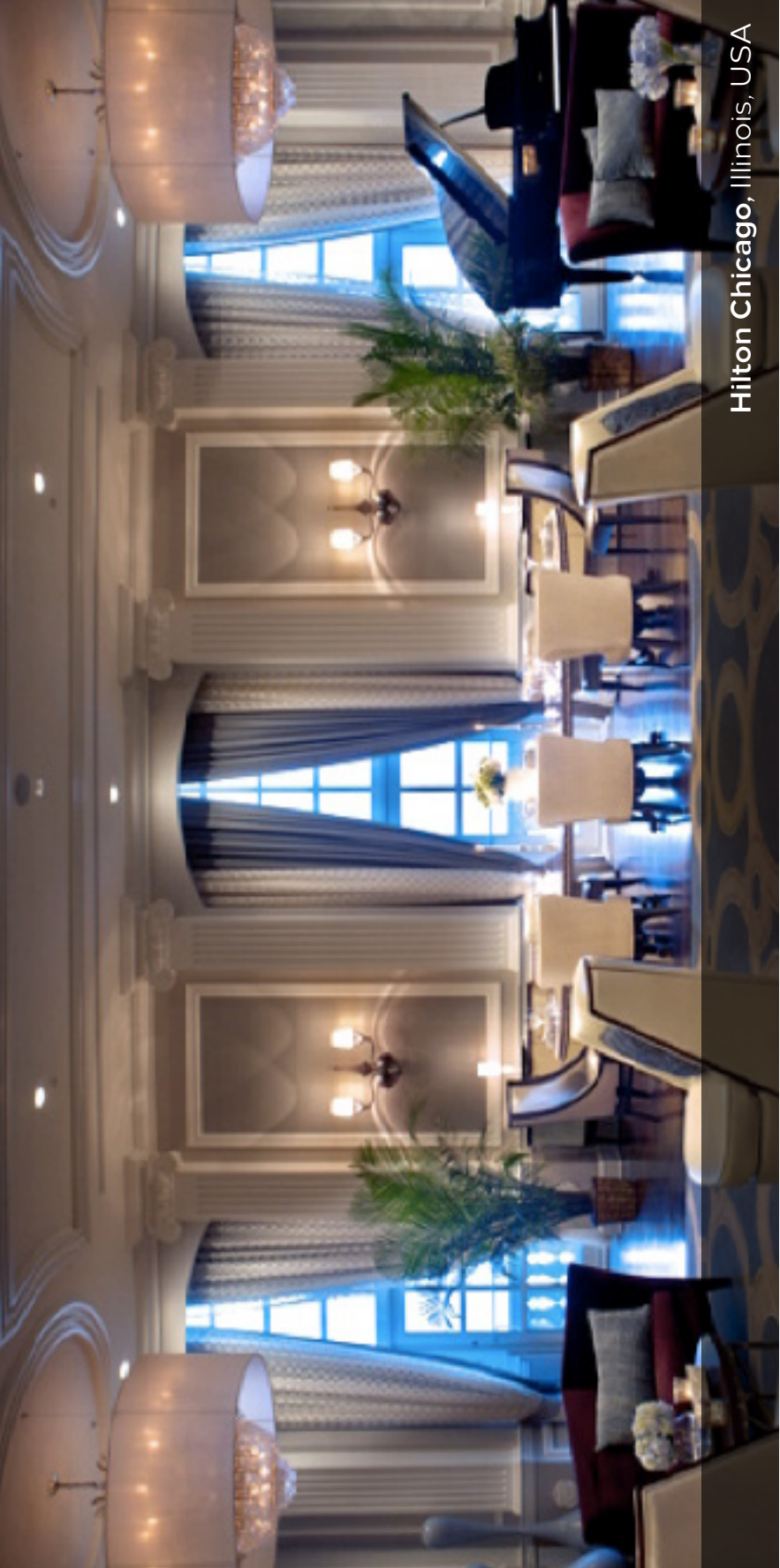
[Hilton Honors](#)



Click this icon at the bottom of any page to return to the table of contents.

**WOW EXPERIENCES
ARE BORN FROM**
Wow places

- Over 4,900 properties, spanning 6 continents and 104 countries and territories
- 804,097 rooms around the globe



Hilton Chicago, Illinois, USA



LUXURY & LIFESTYLE



FULL SERVICE



FOCUSED SERVICE



ALL SUITES



VACATION OWNERSHIP





WALDORF ASTORIA[®]

HOTELS & RESORTS

- 29 locations in 12 countries and territories on 4 continents
- Average of 36,000 square feet of meeting space per hotel
- Average of 360 rooms per hotel





WALDORF ASTORIA

**TRUE WALDORF SERVICE
MAKES FOR
UNFORGETTABLE**
Experiences

- Exclusive and exceptional stays that become lifelong memories
- Iconic and legendary landmark destinations around the world

 **Key Amenity**
Personal concierge





CONRAD

HOTELS & RESORTS™

- 35 locations in 24 countries on 5 continents
- Average of 21,000 square feet of meeting space per hotel
- Average of 335 rooms per hotel





CONRAD

A PLACE TO CONNECT WITH THE WORLD. A PLACE TO STAY *Inspired*

- Sought-after, urban locations and luxury resort destinations
- Service uniquely tailored to each guest
- Inspired experiences with sophisticated, locally inspired surroundings

★ **Key Amenity**

Conrad Concierge on the Hilton Honors app





canopy

BY HILTON

- Canopy Reykjavik City Centre, Iceland, was the first Canopy hotel to open in 2016
- Hotels coming to neighborhoods in DC, Dallas, Portland and other cities in 2018

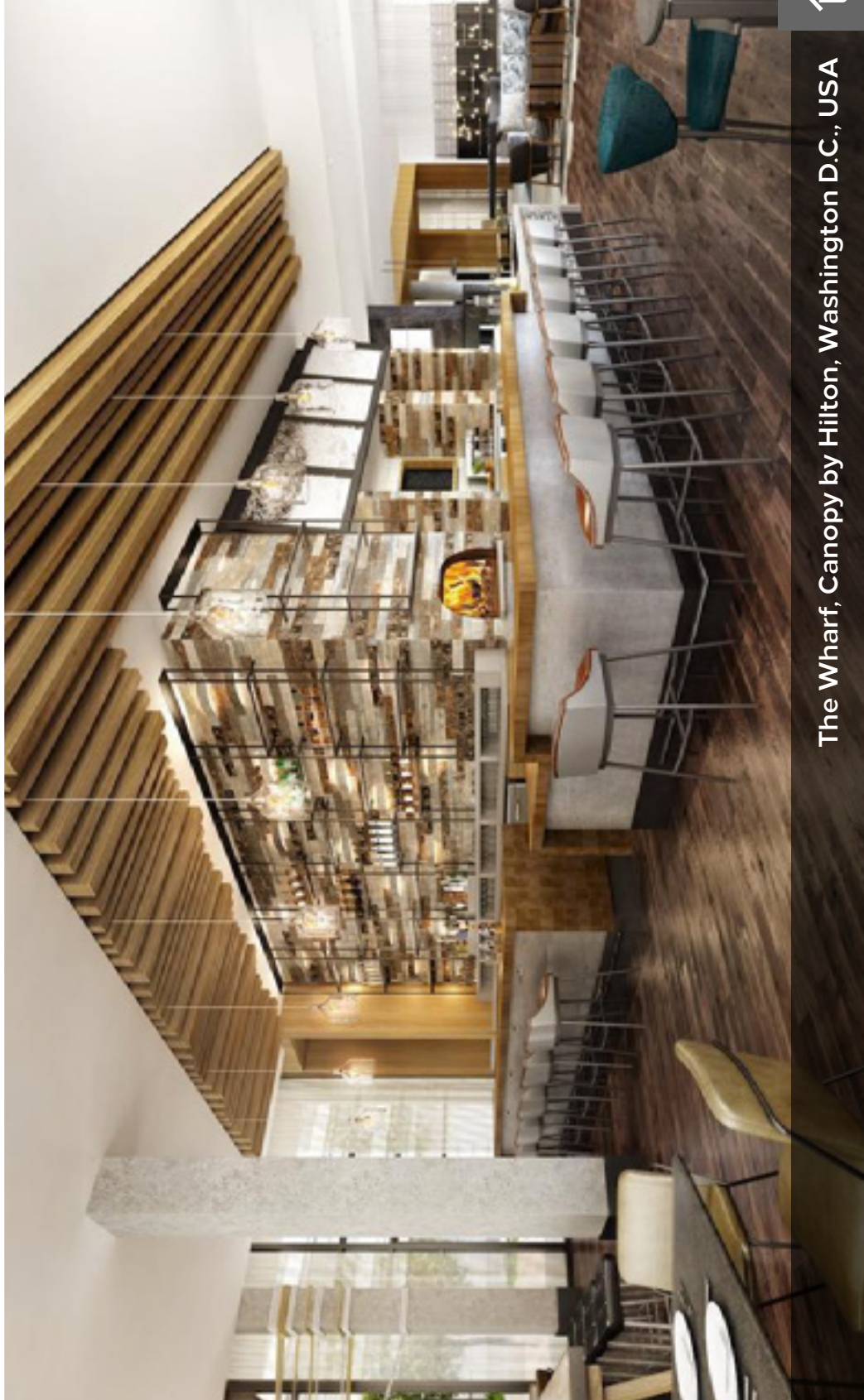


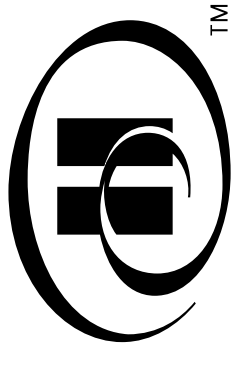
POSITIVELY fours

- Guests experience a contemporary lifestyle infused with local food, art and music
- Surprising extras, such as a delicious artisanal breakfast, a welcome gift and evening tastings
- Unique people-first approach to design

★ Key Amenity

Complimentary evening tasting of local beers, wines and spirits





Hilton

HOTELS & RESORTS

- 570 locations in 85 countries on 6 continents
- Average of 35,000 square feet of meeting space per hotel
- Average of 365 rooms per hotel





HILTON

IT'S NOT JUST ABOUT THE NAME, IT'S ABOUT *The Legacy*

- Located in the heart of some of the worlds most sought after destinations
- High global standards that set industry benchmarks
- Each hotel or resort is designed to reflect unique local culture



Key Amenity

Executive Lounge





CURIO

A COLLECTION BY HILTON™

- 33 one-of-a-kind hotels in 7 countries and territories on 4 continents
- 40-plus hotels in the development pipeline, including The Statler Hotel in Dallas, TX and The Darcy in Washington, DC





CURIO

ONE-OF-A-KIND

Discoveries

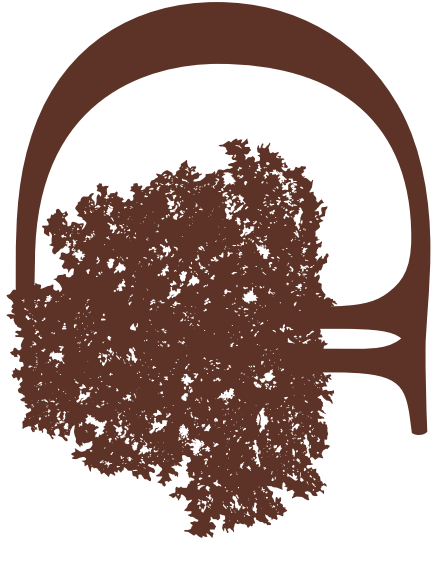
- Global portfolio of hotels handpicked for unique character and personality
- Experience the insider knowledge of a local and our passion for creating moments of discovery for every guest
- From downtown landmarks to local gems, each hotel is part of its local community



Did you know?

Water taxis and trolleys make regular stops at The Diplomat Beach Resort so that you can explore the city by water.





DOUBLETREE

BY HILTON™

- 500 locations in 40 countries and territories on 6 continents
- Average of 14,000 square feet of meeting space per hotel
- Average of 250 rooms per hotel



WE HAVE Cookies

- Fastest-growing Full Service brand, with restaurant and room service
- Welcoming and warm service, providing thoughtful touches that make a difference

★ Key Amenity

Signature warm Cookie welcome



DoubleTree by Hilton Hotel Edinburgh City Centre, United Kingdom





TAPESTRY COLLECTION

Hilton

- 7 letters of intent signed in markets including Syracuse, Chicago, Nashville and Indianapolis
- Targets the upscale market segment and the second collection brand in the Hilton portfolio





TAPESTRY

Anything BUT GENERIC

- Caters to independent travelers who enjoy upscale hotels
- Best of both worlds—personality and reliability—with original hotels that include the dependable Hilton experience



Key Amenity

Approachable yet unique experiences for guests





EMBASSY SUITES

by HILTON™

- 232 locations in 6 countries and territories on 2 continents



EMBASSY SUITES

MORE SPACE AND MORE ROOM TO Indulge

- All guests experience spacious two-room suites
- Free Made-to-Order breakfast each day

★ Key Amenity

Complimentary nightly Evening Reception





Hilton Garden Inn[®]

- 717 hotels in 33 countries and territories on 4 continents
- Average of 3,600 square feet of meeting space per hotel
- Average of 140 rooms per hotel



UNLOCK THE KEY TO SATISFACTION AND Connection

- Laid back sophistication blended with light and airy spaces
- Vibrant and heartfelt service
- Hilton Garden Inn Promise

Key Amenity

Full service restaurant and bar, offering cooked to order breakfast with an upscale mixture of healthy and fresh options. Evening room service available.





- 2,221 locations in 19 countries and territories on 4 continents
- Over 208,000 rooms serving 50 million guests annually



ONE UNSTOPPABLE BRAND WITH IRRESISTIBLE *Personality*

- 100% Hampton Guarantee®
- Friendly, authentic, caring and thoughtful service
- Many of Hampton's inventions have become industry standards (e.g. white bed linens and irons in room)

★ Key Amenity

Free hot breakfast served daily





by HILTON™

- First Tru by Hilton hotels opens in 2017
- Over 200 signed deals and 200 deals in progress, making Tru the fastest growing Hilton brand
- First mid-scale brand and hotels will average 98 rooms.



SIMPLIFIED, SPIRITED AND GROUNDED IN *Value*

- Work, play, lounge or eat in the reimaged lobby with a 24/7 market.
- Modern guestrooms with large, bright bathrooms designed to make every space functional and efficient.

★ Key Amenity

Free build-your-own Top It breakfast features 6 bases and a toppings bar with 30 sweet, savory, healthy and indulgent items





HOMewood SUITES

BY HILTON®

- 418 locations in 3 countries and territories
- 49 hotels in the development pipeline



HOMEWOOD SUITES

EVERY EXTENDED STAY MADE Personal

- Spacious studio, one-bedroom and two-bedroom suites
- All-inclusive valuable services for maximum comfort and optimum value
- A full kitchen with refrigerator where guests can prepare food and dine in



Key Amenity

Complimentary Evening Social on Monday through Thursday





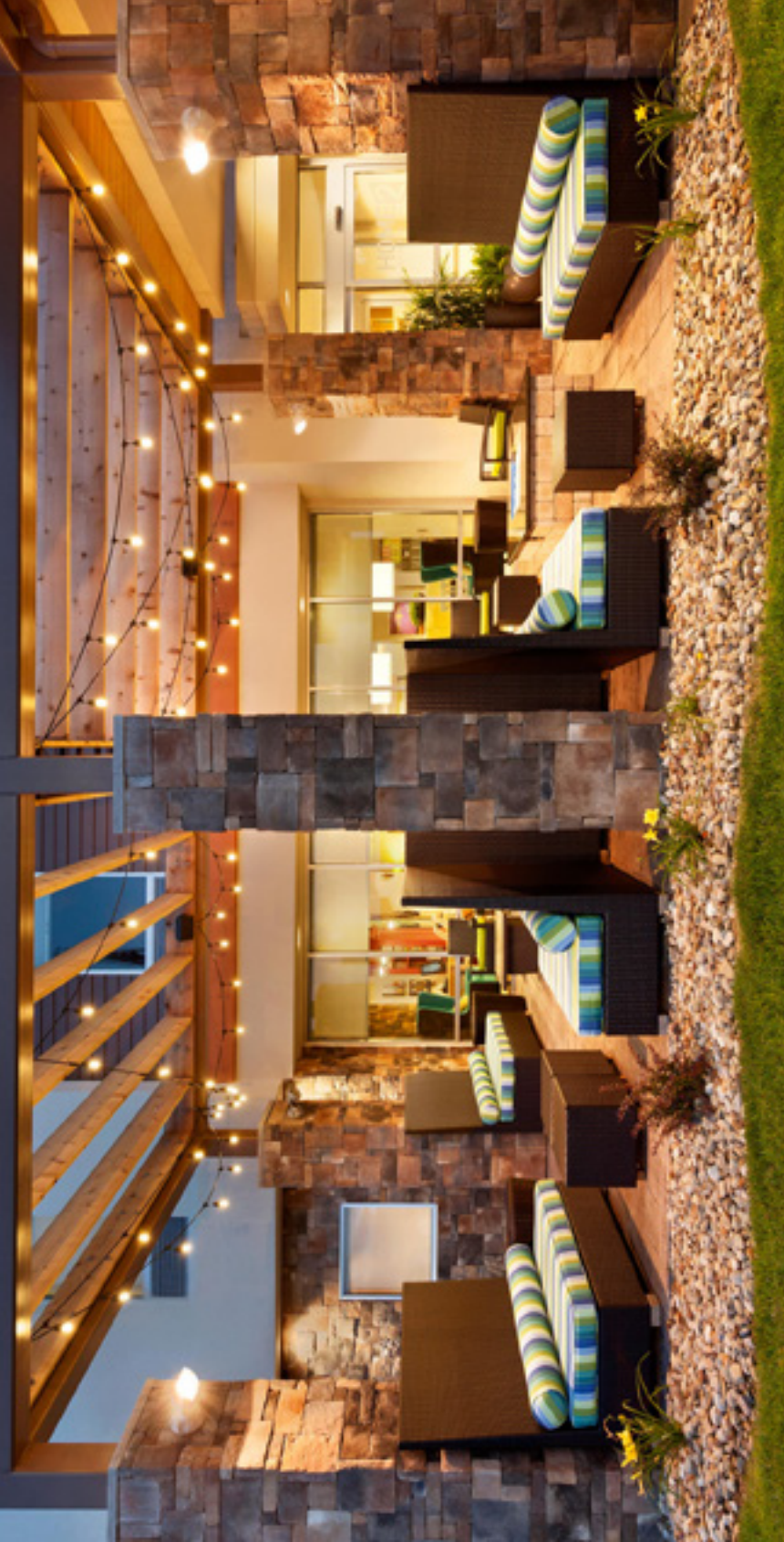
HOME 2

SUITES BY HILTON

- 129 locations in 2 countries and territories
- 81 hotels in the development pipeline



EXTENDED STAY THE *Green Way*

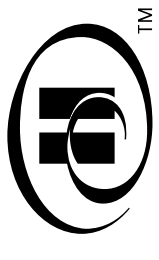


- Roomy suites with a kitchen
- Earth-conscious products and services that guests can feel good about
- Free breakfast served daily



 **Key Amenity**
Pet-friendly suites





Hilton Grand Vacations

- 23 locations in 2 countries and territories
- World-class collection of hotels and resorts in the world's most popular vacation settings
- Average of 360 rooms per property





HILTON GRAND VACATIONS

EXCEPTIONAL LOCATIONS CREATE EXTRAORDINARY Experiences

- Expanded accommodations and extensive amenities that set the stage for great getaways
- Signature service and hospitality
- Ideal setting for both leisure and business travelers



Key Amenity

Studios and 1- to 4-bedroom suites appointed with all the comforts of home





GET REWARDED WITH



- Allows Members to earn a free night quicker than anyone in the industry
- Offers the ability to earn Points by staying at any of our 4,900+ hotels, booking a qualifying event or using any of our car, air or rail partners



Did you know?

Hilton Honors is the only program that allows Members to pay with nearly any combination of Points and Money for a stay

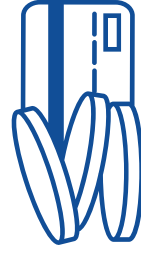


GET REWARDED FROM DAY 1

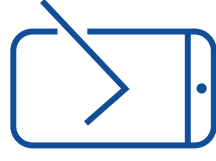
All Hilton Honors Members receive:



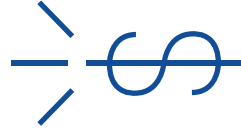
**Free
Wi-Fi**



**Points towards
free nights**



**Check-in
and choose your
room on the
Hilton Honors app**



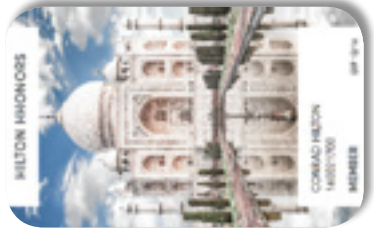
**Great
rates**

HILTON HONORS OFFERS FLEXIBILITY AND VALUE WITH REDEEMING POINTS:

- Room nights
- Points and Money: Use the Points slider to book with nearly any combination of Points and Money for your stay
- Points Pooling: Combine Points with up to 10 other Members for a stay
- Coming Soon: Members can shop on Amazon.com using Points
- Eligible Diamond Members can keep their status for an additional year when life puts travel plans on pause
- Hilton Honors Shopping Mall
- Vacation packages
- Charitable donations
- Unique experiences on our auction platform, such as Live Nation concerts and cultural experiences



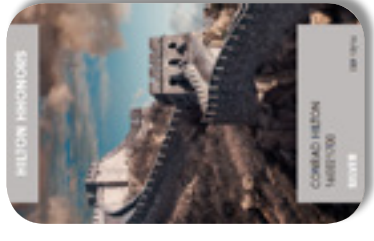
REACH ELITE STATUS FASTER THAN ANY OTHER HOTEL LOYALTY PROGRAM



MEMBER

(at enrollment)

- Flexible earning-style: Points & Points or Points & Miles
- Reward stays with no blackout dates
- Check-in and Choose Your Room on the Hilton Honors app
- Free Standard Wi-Fi
- Late checkout
- Express checkout
- 2nd guest stays free



SILVER

(4 Stays or 10 Nights)

All Member benefits, plus:

- 15% Elite Status Bonus on all Base Points
- 5th night free on Standard Room Reward stays
- Complimentary access to fitness centers
- Two complimentary bottles of water per stay



GOLD

(20 Stays or 40 Nights)

All Silver benefits, plus:

- 25% Elite Status Bonus on all Base Points
- Space-available room upgrades
- Complimentary continental breakfast at select brands



DIAMOND

(30 Stays or 60 Nights)

All Gold benefits, plus:

- 50% Elite Status Bonus on all Base Points
- Access to Executive Lounge, regardless of room type
- Free Premium Wi-Fi
- 48-hour room guarantee

*Standard Wi-Fi is free. Premium (if available) has a fee. Not free at properties with a resort charge.



Now THE WORLD

