



REQUEST FOR QUALIFIED CONTRACTOR #20-044

for

**PROFESSIONAL SERVICES
TO ASSIST THE CITY OF SANDY SPRINGS, GEORGIA, IN THE
DESIGN, DEVELOPMENT AND CONSTRUCTION OF A HOTEL AT CITY SPRINGS**

**(PHASE 1 OF A TWO-PHASE REQUEST FOR PROPOSALS (“RFQC”) – REQUEST FOR PROPOSALS (“RFP”)
QUALIFICATIONS-BASED COMPETITIVE PROCESS)**

**RESPONSE DUE DATE
February 20, 2020, 2:00 PM**

The City of Sandy Springs uses a procurement portal powered by Bonfire Interactive (“Bonfire”) for accepting and evaluating bids, statements of qualification, and proposals digitally, found by using the link below:

<https://sandysprings.bonfirehub.com/opportunities/22204>

Please contact Bonfire at Support@GoBonfire.com for technical questions related to your registration or submissions. You can also visit Bonfire’s help forum at bonfirehub.zendesk.com/hc

VOLUNTARY PRE-SUBMITTAL CONFERENCE

January 30, 11:00 AM
City of Sandy Springs
1 Galambos Way
Sandy Springs, Georgia 30328
Barfield Training Conference Room
(Second Floor at City Hall)

Information concerning this solicitation may be found electronically at:

<https://sandysprings.bonfirehub.com/opportunities/22204>

The Bonfire website will contain the RFQC, any addenda, and any clarifications, schedule changes and other important information regarding the solicitation. Firms interested in responding should check these electronic pages daily. The City of Sandy Springs reserves the right, among others, to reject all responses and to waive technicalities and informalities, to make award in the best interest of the City of Sandy Springs, or to cancel this solicitation at any time.

TABLE OF CONTENTS

SECTION 1: BACKGROUND AND PROJECT OVERVIEW

SECTION 2: DESIRED DEVELOPER QUALIFICATIONS

SECTION 3: PRE-SUBMITTAL INQUIRIES

SECTION 4: SUBMITTAL OF RESPONSE

SECTION 5: SUBMISSION FORMAT, CONTENTS, AND SELECTION PROCESS

SECTION 6: EVALUATION

SECTION 7: SCHEDULE OF EVENTS

SECTION 8: TERMS AND CONDITIONS

EXHIBITS:

- A: HOTEL FEASIBILITY STUDY
- B: VISITOR PROFILE STUDY
- C: MAP OF PROJECT SITES

ATTACHMENT:

- CORPORATE CERTIFICATE

SECTION 1: BACKGROUND AND PROJECT OVERVIEW

1.0 Background

The City of Sandy Springs, Georgia (“City”) became incorporated in 2005. Ten (10) years after its formation, the City still lacked an architectural identifier - a place that was uniquely Sandy Springs. City Hall was in a low density office park that was occupied by a myriad of other uses and tenants. The annual State of the City Address was held outside the corporate City limits as there was no event space large enough to seat the public.

In 2008, the City began acquiring properties, including a former shopping center anchored by a Target department store and surrounding parcels. The City led many public meetings and visioning sessions which in 2012 culminated in a mixed use public/private development master plan (“City Center Master Plan”) for City property that ultimately became known as “City Springs” (www.citysprings.com), and together with the surrounding area became known as “City Springs District.” This transformational mixed-use public-private development includes City Green, City Hall, 36,000 square feet of retail shops and restaurants, a 1,100 seat performing arts center (“Arts Center”), and Aston City Springs, a 294-unit residential project with rental flats and townhomes.

The City Center Master Plan also introduced the idea of a boutique hotel in City Springs District, distinct from current hotels in the market. City Springs District was envisioned to offer a unique setting for a hotel because of its walkable, amenity-rich environment.

Following completion of construction of City Springs in late 2018, the City commissioned Key Advisors, Inc., a hotel consulting firm, to research and present a study on the feasibility of a hotel in close proximity to the Arts Center, which opened in August 2018. The study was completed in September 2018 and concluded that a hotel with meeting space and other amenities was feasible. In addition, Visit Sandy Springs, the convention and visitors bureau operating in the City, commissioned a Visitor Profile Study in 2018. That study concluded that a lack of hotel space in close proximity limits the number and type of events that can be held at the Arts Center, and recommended that the City should attract a hotel connected to City Springs. Since that time, the Arts Center has completed its first full year of operation, which included 471 events and nearly 150,000 visitors, greatly enhancing the feasibility of a hotel in the area.

The hotel feasibility study is attached as **Exhibit A**.

The Visitor Profile Study is attached as **Exhibit B**.

1.1 Project Overview

The City desires a creative approach to development of a hotel that accommodates the market, enhances activity in City Springs and City Springs District, and improves the ability of the facilities at City Springs to attract more group business and conferences. Therefore, the City invites interested and qualified developers to submit responses (“Responses”) to this Request for Qualified Contractor (“RFQC”) in furtherance of the development, construction and operation of a hotel or mixed-use development in the City Springs District (“Project”).

The City seeks Responses from qualified developers (individuals or firms) interested in presenting a viable design concept and development and construction management plan for a hotel on one (1) of two (2) sites of real estate currently owned by the City and located directly across from City Springs. The preferred Project site (“Site #1”) is located at the southeast corner of Mount Vernon Highway and Blue Stone Road, across

from City Springs. This site is approximately 1.5 acres and currently provides 100 parking spaces for the City. Site #1 includes a small building that serves as a gym and training facility for the City's Police Department and is the primary site for consideration in a Response.

The second site of real estate (Site #2) is located at the southeast corner of Mount Vernon Highway and Sandy Springs Circle. This site is approximately 1.5 acres and contains two (2) buildings and a small parking lot. Site #2 is well-suited for a variety of uses, including office, residential or retail. If a developer submitting a Response ("Respondent") believes that Site #2 is a preferred location for the proposed hotel, it may submit an **additional** Response for that location. The Respondent may also submit a mixed-use development Response that incorporates Site #1 and Site #2.

A graphical representation of both Sites is attached as **Exhibit C**.

Any reference herein to "Site" refers to either Site #1 or Site #2 or both, depending on the context.

SECTION 2: DESIRED DEVELOPER QUALIFICATIONS

2.0 City's Intent

The City seeks Responses from qualified developers who are interested in undertaking the development opportunity described in this RFQC. In this context, the terms "developer" and "developer qualifications" apply to the Respondent development entity itself and the Respondent's professional team assembled to execute the Project ("Project Team"). The City intends to negotiate an agreement with the successful developer to develop and manage the construction of a hotel and potentially other non-public components on one (1) or both Sites.

The objective of this solicitation is to determine the level of interest and number of developers qualified to undertake a hotel development of the size and scope described herein.

Depending upon the number and quality of Responses, the City reserves the right to request additional information from some or all Respondents, or to issue additional requests to advance the review process. This RFQC does not obligate the City to select or negotiate with any Project Team or to accept Responses which the City determines, in its judgment, are not in the best interest of the City.

This RFQC is issued under authority of the City of Sandy Springs.

2.1 General Information

The City will implement a two-phase process to select a Developer for the Project. In Phase I (this RFQC process) the City anticipates selecting a list of qualified developers for the Project from Responses submitted. The City will review Responses to select developers to advance to Phase II, which will be a Request for Proposals ("RFP"). In Phase II, selected developers will submit responses ("Proposals") to an outline of more specific transaction terms, Project description and developer obligations. Proposals will be evaluated and a developer will be selected for contract award, subject to the terms and conditions of this procurement. Final approval of a developer will be made by City Council following recommendation by an evaluation committee selected by the City ("Evaluation Committee"). The City will select a developer and Project Team for contract award in the best interest of the City.

Respondents selected to move forward to Phase II ("Selected Developers") shall have the capacity and demonstrated experience to meet Project and contract requirements and successfully handle all aspects of the development process including planning, design, structuring of financing, permitting, construction, and

ongoing Project management. The City encourages participation in the RFQC process by a broad group of interested firms. Selected Developers shall have a demonstrated record of accomplishment in developing hotels and other desired land uses sought by the community and the City. Selected Developers shall have demonstrated the ability to assemble resources and a Project Team that is capable of designing, securing permits, financing, constructing, marketing and operating a hotel or mixed-use development.

2.2 Developer Qualifications – Phase I

In Phase I, the City seeks a developer and Project Team that possess the strongest combination of the following qualifications and experience:

- A. Experience developing high quality, aesthetically pleasing, hotels and mixed use developments in jurisdictions in the Atlanta metropolitan region or southeastern United States.
- B. Experience in developing mixed-use projects within multiple jurisdictions throughout a metropolitan region, particularly in urban locations which are comparable to City Springs.
- C. A minimum of ten (10) years of experience in development, management and operation of hotels.

2.3 Developer’s Responsibilities – Phase II

In Phase II, the City anticipates (subject to change at the City’s sole discretion) that a developer will be required to agree to and include in its Proposal the following, among other things:

- A. Project Components: The City is receptive to Proposals providing for mixed-use on the Site(s); however any Proposal shall address the primary desire to provide a hotel and Site #1 is the primary Site for consideration.
- B. Project Design: Working with the City, the Developer shall be responsible for all aspects of design for the Project. The Sites are located within the City Springs Zoning District (CS-3), described within Article 4, Division 4.7 of the City Development Code (“Development Code”). Proposals submitted should reflect the developer’s familiarity with the provisions of the Development Code and with applicable provisions of the City’s Next Ten Comprehensive Plan (“Comprehensive Plan”). Access to the Development Code and the Comprehensive Plan may be obtained through the City’s website. If additional building height is needed to accommodate a hotel use, the Proposal should discuss the requested height.

Proposals shall evidence the Offeror’s familiarity with urban design principles, with emphasis on pedestrian-friendly street edges and landscaping. The Offeror shall reference the Development Code for requirements.

Ideally, Proposals will present a sustainable Site and building design. Preference will be given to those firms that propose green infrastructure, green building certifications, and other creative sustainable approaches to development.

- C. Professional Services: The City’s preference is that the successful developer will provide all professional services necessary to implement the Project, to be more fully defined in the contract.

D. Construction: The City's preference is that the successful developer will be solely responsible for management of construction on the Project.

E. Finance: The successful developer will be required to identify the funding sources necessary for the Project, including any required equity. The City is open to Proposals that consider all types of public-private partnership opportunities and financing alternatives.

The City reserves the right to alter this scope of responsibilities and requirements for Proposals and to negotiate final Project Team members.

SECTION 3: PRE-SUBMITTAL INQUIRIES

3.0 Communications

From the date this RFQC is issued until a contract is awarded, Respondents shall not communicate with any staff or elected officials of the City regarding this procurement. Any unauthorized contact may disqualify the Respondent from further consideration of contract award. Contact information for the single point of contact is as follows:

Procurement Manager:	Charise Glass
Address:	1 Galambos Way Sandy Springs, GA 30328
Telephone Number:	770-730-5600
E-mail Address:	purchasing@sandyspringsga.gov

3.1 Inquiries

Respondents with questions or requiring clarification or interpretation of any section of this RFQC shall address such matters in writing. All questions or requests for clarification shall be sent via Bonfire under:

Message - Opportunity Q&A: <https://sandysprings.bonfirehub.com/opportunities/22204>

Questions are due **no later than February 6, 2020 at 2:00 PM**. Questions received after this date and time may not be answered. **Each question shall provide clear reference to the section, page, and item in question. Questions received after the deadline may not be considered.**

3.2 Answers

Questions and clarifications will be answered by the City in the form of an addendum. Any addenda, schedule changes and other important information regarding the solicitation related to this solicitation will be posted on the Bonfire website no later than February 13, 2020 at:

<https://sandysprings.bonfirehub.com/opportunities/22204>

Respondent shall be responsible for checking the Bonfire portal frequently for any addenda or other communications related to this solicitation.

3.3 Addenda

The City may revise this RFQC by issuing an addendum prior to its opening. All addenda will be posted on the Bonfire website no later than February 13, 2020 at:

<https://sandysprings.bonfirehub.com/opportunities/22204>

Addenda will become part of the solicitation documents and subsequent contract. Respondents shall sign and return any addendum with its Response. Failure to submit a Response in accordance with an addendum may be cause for rejection. In unusual circumstances, the City may postpone an opening in order to notify firms and to give Respondents sufficient time to respond to the addendum.

SECTION 4: SUBMITTAL OF RESPONSE

Responses shall be submitted through the Bonfire portal at:

<https://sandysprings.bonfirehub.com/opportunities/22204>

no later than 2:00 PM on February 20, 2020. A Response received after this date and time or at any other location will not be accepted or considered. The City is not responsible for delays caused for any reason. It is Respondent's sole responsibility to submit its Response before the required deadline. Hard copy, electronic and facsimile submittals **will not** be accepted.

SECTION 5: SUBMISSION FORMAT, CONTENTS, AND SELECTION PROCESS

Responses will enable the City to gather information and identify qualified firms to perform the services described in the Desired Developer Qualifications (Section 2). The City will conduct a comprehensive, fair and impartial evaluation of all Responses received. The City reserves the right, among others, to determine that no qualified Responses have been received and reject all Responses.

5.0 Format and Contents

For Phase I, each Response shall include the information described in this section. Failure to include all of the elements specified may be cause for rejection. Additional information may be provided, but should be succinct and relevant to the goals of this RFQC. Excessive information will not be considered favorably. Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size. Respondents are cautioned to follow and clearly mark each section of the Response according to the sections below. The Response shall not exceed twenty five (25) pages. Resumes may be included in an appendix.

Respondents shall address the following sections in the order given to be considered complete and to ensure consideration.

A. Section I – Team Qualifications

Responses shall include a cover letter providing an introduction to the Respondent and summarizing how the Project Team meets the minimum qualifications as outlined in Section 2 of the RFQC. The cover letter shall be signed by an authorized representative of the Respondent. The Response shall also include the Project Team and a Qualifications Statement containing the following information:

1. Experience and Qualifications of the Project Team (six (6) pages): Each Respondent shall submit a brief explanation of why the proposed Project Team is qualified for this Project. Specifically, Respondents shall identify the following:

a. Project Team Management. The person (or persons) who will:

- i. Be the primary point of contact between the City and the Project Team.
- ii. Be responsible for ensuring that adequate personnel and other resources are made available for this Project.
- iii. Be authorized to handle all contractual matters for the Project Team and coordinate all applications, submittals, and meetings related to the Project.
- iv. Be ultimately responsible for the quality, cost and timeliness of the Project Team's performance.
- v. Be responsible for all development aspects of the Project. State the person's position and authority within the Project Team. Discuss previous projects similar in nature for which this person has performed a similar function. Discuss relevant experience, professional registrations, education, awards and other components of qualifications applicable to this Project.
- vi. Be responsible for the operation and management of the Project.

b. Other Team Members. Identify other members of the Project Team that provide special expertise or will perform key tasks. Describe their anticipated roles and provide a brief statement of qualifications and experience for each. Make sure to highlight any notable expertise or other special capabilities of members of the Project Team that uniquely qualify the Respondent to accomplish the requirements and specifications of the solicitation.

c. Indicate the resources available to perform the work for this Project. Discuss how this Project would impact current and anticipated workload.

d. Provide a brief conclusion supportive of the Project Team's information/qualifications, including any unique capabilities and/or qualifications of the Project Team that may be of special interest to the City.

Resumes for this section may be included in an Appendix.

B. Section II -- Experience

Responses shall include examples of three (3) to five (5) projects similar to the requirements of this solicitation (two (2) pages each). Discuss each project and Respondent's success in achieving budgets and timelines. These examples should best illustrate Respondent's experience of the experience of personnel assigned to the Project described in this solicitation. Provide contact information (name, title, email and phone) for references. Project descriptions should include:

1. Description of architectural and engineering design experience and capability to develop mixed-use projects in an urban setting including working with all types of uses proposed in this Project.
2. Description of construction management experience including:
 - a. The technical and financial capability to plan, construct and hotels or mixed-use projects within a specified time frame
 - b. Prior experience of the construction members of the Project Team on projects of similar scale and complexity
3. Description of financing experience including:
 - a. Prior experience in providing financing for similar projects within specified financial closing time parameters and ability to provide financing for the Project
 - b. Ability and demonstrated experience with alternative financial delivery methods, including, but not limited to, taxable and tax-exempt financing or other creative financing mechanisms
4. Description of Respondent's procedure for developing, monitoring and maintaining Project budgets and schedules. The Respondent shall describe its internal policies/procedures to assure a quality product and completion of tasks on schedule and within budget.

C. Section III -- Structure of the Respondent (four (4) pages):

1. Identify the legal structure of the Respondent and/or consortium of entities. Describe the business experience of the Respondent as relates to carrying out projects of this type.
2. Describe the organizational structure of the Respondent, including roles. Describe the role of each entity comprising a partnership or consortium presenting a Response with respect to carrying out the specifications and requirements of this RFQC.

D. Section IV – Financial Structure Example

The City will be seeking financial proposals which maximize the value of the resulting developments and their positive economic and fiscal impacts on the City as a whole. Provide a financial structure example or examples that your firm has used in the past with success for a project that is similar in scope and size to the Project. The example provided should include information on the public and private sources of funding.

E. Section V - Financial Stability

Respondent shall provide evidence of the firm's financial capability to undertake the Project. Evidence should cover the last (5) years. If the Response is being submitted by a syndicate of two (2) or more entities, provide evidence for each firm that would be a part of the Project. Suitable documentation includes audited or reviewed financial statements, partnership or corporation tax returns, bank or financial institution commitments, or other verifiable information demonstrating financial stability necessary to support a project of this size. Submission of a Response provides consent to the City or its assigns to confirm

the information provided by a Respondent. Financial Statements will be submitted separately and should be marked as "Confidential".

5.1 Selection Process

The process for selection of a firm for contract award shall be as follows:

- A. Based on information provided in the Responses, firms will be selected for further consideration.
- B. Firms selected for further consideration will be asked to respond to a detailed RFP.
- C. Presentations / interviews with selected firms may be conducted, and a final selection will be made after the interviews are concluded and the Evaluation Committee has had an opportunity to evaluate all information received.

SECTION 6: EVALUATION

6.0 Evaluation

With the development of City Springs, the City has a proven track record in the creation of a vibrant urban neighborhood and entertainment district, and the operation of a successful Arts Center. Accordingly, developer qualifications and experience will be evaluated on whether the Company meets or does not meet the following criteria as more fully described in Section 5:

- A. Developer Team Qualifications
- B. Developer Experience
- C. Financial Structure Example
- D. Financial History/Stability

SECTION 7: SCHEDULE OF EVENTS (SUBJECT TO CHANGE)

RFQC*	
EVENT	DATE
RFQC Released	January 15, 2020
Pre-Submittal Conference	January 30, 2020 (11:00 AM)
RFQC Deadline for Receipt of Inquiries	February 6, 2020 (2:00 PM)
RFQC Deadline for Posting Written Answers to Inquiries	February 13, 2020
RFQC Response Due Date	February 20, 2020 (2:00 PM)
RFQC Evaluations Completed	March 5, 2020

RFP*	
EVENT	DATE
RFP Released	March 9, 2020
RFP Deadline for Receipt of Inquiries	March 16, 2020 (2:00 PM)
RFP Deadline for Posting Written Answers to Inquiries	March 19, 2020
RFP Proposal Due Date	March 26, 2020 (2:00 PM)
Presentations/Interviews	April 9, 2020
Final Selection	April / May, 2020

*This proposed schedule of events is informational and is subject to change at the discretion of the City.

SECTION 8: TERMS AND CONDITIONS

The Response and supporting materials as well as correspondence relating to the Response become property of the City when received. Any proprietary information contained in a Response shall be so indicated; however, a general indication that the entire contents, or a major portion, of the Response is proprietary will not be honored. The following terms and conditions shall also apply:

A. All applicable federal, state and local laws, ordinances, licenses and regulations of all agencies having jurisdiction shall apply to this procurement and are incorporated herein.

B. Professionals requiring special licenses shall be licensed in the State of Georgia and shall be responsible for obtaining licenses for applicable portions of the work as may be required by law.

C. No Response shall be accepted from, and no contract shall be awarded to, any person, firm, or corporation that (i) is in arrears to the City with respect to any debt, (ii) is in default with respect to any obligation to the City, or (iii) is deemed irresponsible or unreliable by the City.

D. The City reserves the right to request of the Respondents satisfactory evidence that they have the necessary financial resources to accomplish the requirements of this procurement.

E. From the date this RFQC is issued until a firm is selected, Respondents shall not communicate with any staff or elected officials of the City regarding this procurement, except at the direction of Charise Glass, Purchasing Manager for the City and procurement agent in charge of this solicitation. Any unauthorized contact may disqualify the Respondent from further consideration. Contact information for this single point of contact is as follows:

Charise Glass, Procurement Manager
City of Sandy Springs
1 Galambos Way
Sandy Springs, GA 30328
E-mail Address: purchasing@sandyspringsga.gov

F. All costs for developing and delivering a Response or other materials in connection with this RFQC and any subsequent interviews or presentations of a Response as requested by the City are entirely the responsibility of the Respondent. The City shall not be liable for any expense incurred by the Respondent in the preparation and presentation of its Response.

G. While the City has every intention to make an award as a result of this solicitation, issuance of the RFQC in no way constitutes a commitment by the City to award and execute a contract. Upon a determination such actions would be in its best interest, the City, in its sole discretion, reserves the right to:

1. Cancel or terminate this solicitation at any time. If the City terminates the solicitation, notice of cancellation will be issued. In such event, the City will not reimburse any Respondent for preparation of its Response. Responses may be returned upon request if unopened;

2. Reject any or all Responses received, make a contract award based directly on the Responses received in the best interest of the City, in its sole discretion, or enter into further discussions with one (1) or more Respondents;

3. Waive and/or amend any undesirable, inconsequential, or inconsistent provisions/specifications of this RFQC which would not have significant impact on any Response;

4. Make partial award or no award if it is in the best interest of the City to do so; and

5. Terminate any contract if the City determines adequate funds are not available.

H. The contract term shall be as stated in the contract awarded as a result of this procurement.

I. The successful Respondent will be the prime contractor if a contract is awarded and shall be responsible, in total, for all work of any subcontractors. All subcontractors, if any, shall be listed in the Response. The City reserves the right to approve all subcontractors. The successful Respondent shall be responsible to the City for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the successful Respondent. Further, nothing contained within this document or any contract documents created as a result of any contract award derived from this procurement shall create any contractual relationships between any subcontractor and the City and its partners.

J. The City reserves the right to award multiple contracts for the Scope of Work described in this procurement. If the contract awarded pursuant to this procurement is terminated for any reason, the City reserves the right to request from an eligible Respondent a cost proposal and an executed contract for consideration of award. The City also reserves the right to request such other documents at that time as deemed necessary to consider whether or not to make a contract award, or it may determine to pursue other methods available to it to procure required services.

EXHIBIT A
HOTEL FEASIBILITY STUDY

Market and Financial
Assessment Report for a
Proposed Boutique Hotel
at



Prepared for



Prepared by



November 28, 2018

KEY

a d v i s o r s

2526 Dellwood Dr. NW • Atlanta, Georgia 30305

www.keyadvisors.net

November 28, 2018

Andrea Worthy
Economic Development Director
City of Sandy Springs
1 Galambos Way
Sandy Springs, GA 30328

Re: A Proposed Boutique Hotel at City Springs
Sandy Springs, Georgia

Dear Ms. Worthy:

We have completed certain market, financial and economic impact analyses for a proposed Boutique Hotel to be located adjacent to the City Springs mixed-use development. The research and analysis was designed to help assess the demand, positioning, financial potential and anticipated economic impact for a new hotel development to be located in the City of Sandy Springs, Fulton County, Georgia.

Based upon our research and analysis, a 125-room upscale Boutique Hotel with full-service amenities including a lobby bar/restaurant and approximately 2,000 square feet of meeting space under a soft brand affiliation should perform well within the robust Perimeter Center hotel market context and provide significant economic impact to the region. Key performance and economic impact estimates for the project are summarized as follows:

- Stabilized occupancy of 74 percent with an ADR of \$150 (2018\$\$) resulting in a RevPAR Index of 108 percent;
- Stabilized annual revenues of approximately \$6.8M with profit of \$2.1M (2018\$\$); and
- Total economic impact from construction (materials and labor) of \$47.9M, and ongoing annual impact of \$13.9M in total regional spending.

The research and analyses undertaken to prepare the market and financial assessment for the proposed Boutique Hotel included:

- Touring the potential sites, the City Springs development and surrounding environs;
- Analyzing economic, demographic, and visitor information pertaining to the area including planned transportation improvements and commercial development projects;

Ms. Andrea Worthy
Economic Development Director
City of Sandy Springs
Page 2

- Researching boutique hotel trends in the U.S.;
- Interviewing competitive hotel facilities to determine potential utilization, target market(s); seasonality; demand trends; and identify success stories which could benefit the proposed Boutique Hotel;
- Preparing estimates of occupancy, ADR, and cash flow from operations for the proposed Boutique Hotel's first five full years of operation; and
- Estimating the economic impact the proposed Boutique Hotel would have on the City and other relevant jurisdictions (prepared as a separate report).

Key assumptions inherent in the estimates of occupancy, average daily rate ("ADR"), cash flow, and economic impact for the proposed Boutique Hotel include:

- The proposed Hotel will be developed as described and will be operated by an experienced hotel management company under an upscale soft brand to provide access to global distribution and central reservation systems as well as a guest loyalty reward program.
- Any use of City Springs facilities, including catering services, meeting space, and parking will be seamless to the guest; and
- New supply and demand will occur as anticipated.

This analysis is intended for your internal use and can be shared with potential development partners, lenders, and franchise company representatives for the purpose of your continued discussions. The report does not constitute a market valuation or appraisal of the property. Terms and conditions can be found at the conclusion of the report.

We appreciate the opportunity to complete this assignment for you and look forward to working with you on future engagements.

Very truly yours,



Linda C. Wilson, President
Key Advisors, Inc.

TABLE OF CONTENTS

<u>Report Section</u>	<u>Page</u>
❖ Project Plan	1
❖ Boutique Hotel Trends	6
❖ Key Demographics	12
❖ Lodging Market Trends	22
❖ Estimated Hotel Performance	30
❖ Financial Analysis	32
❖ Terms and Conditions	39
❖ Economic Impact Analysis*	

** prepared under separate cover by Bleakly Advisory Group*



City Springs Complex

PROJECT PLAN

The project location and recommended facilities have been presented in the following section.

City Springs Complex

The City Springs Complex is located in Sandy Springs, Georgia. City Springs, a 14-acre master plan development was completed in 2018. Carter/Selig Enterprises was the Master Developer. The mixed-use project contains the new City Hall, more than 20,000 square feet of street-level retail space including four restaurants, and 275 flats and 19 townhome apartments. The Sandy Springs Performing Arts Center (“PAC”) includes the 1,100 seat Byers Theatre, the 350-seat Studio Theatre, six conference rooms and outdoor terrace, and the four-acre City Green.

City Springs	
Conference Room	Square Feet
Terrace Meeting Room	4,832
Meeting Room A	867
Meeting Room B	710
Meeting Room C	663
Meeting Room D	472
Meeting Room E	327

In its inaugural year, the PAC facility is scheduled to host more than 300 events including concerts by classical, popular and jazz musicians, dance, theater, comedy and family entertainment. An ice skating rink is planned for the City Green this winter for a six-week period. Spectra Venue Management, a division of Global Spectrum LP manages the facility.



City Hall and Performing Arts Center



Retail



Apartments and ground floor retail

Project Location

Two City-owned sites are available for the proposed Boutique Hotel, both located on the southern end of the City Springs Complex.



The sites have frontage on Mount Vernon Highway and Blue Stone Road. Mount Vernon Highway is a major east-west thoroughfare in the Perimeter Center. Blue Stone Road is planned as a pedestrian friendly street linking City Springs with other community assets, including Heritage Green, City Walk, and a future visitor center. A portion of Blue Stone Road is often closed for festivals and special events. While directly across from PAC, Site 2 is hindered by the substation found abutting its eastern boundary.



Area Map



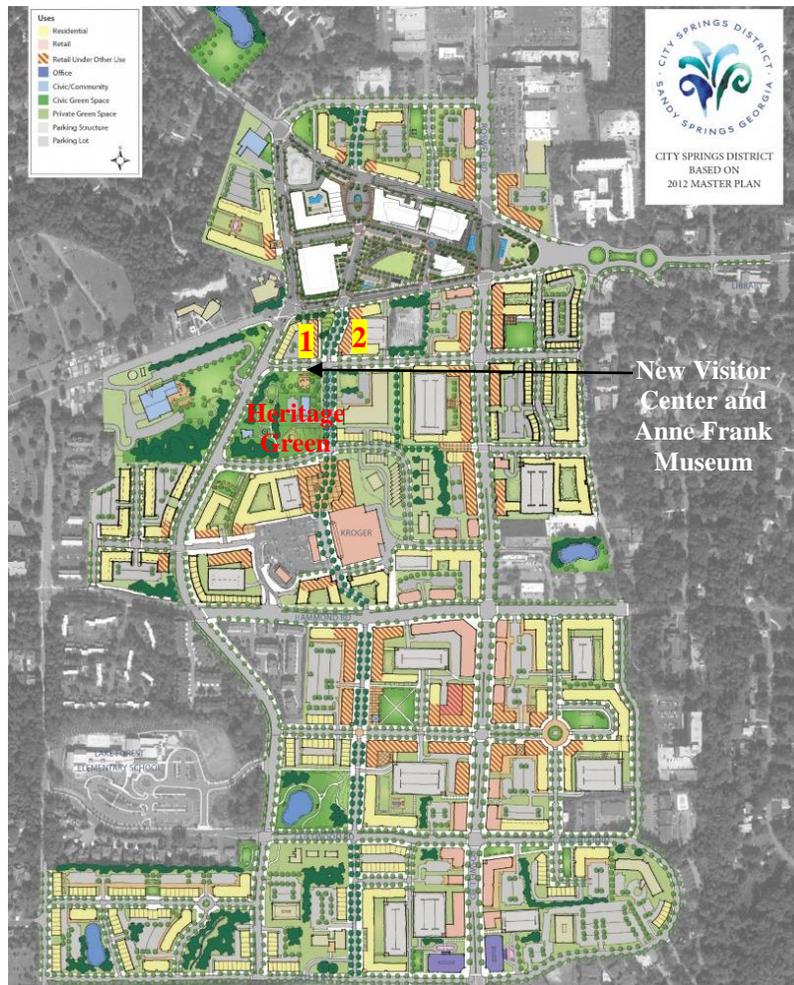
View of Site 1 looking west



View of Site 2 looking north

City Springs District

City Springs, located in the center of the City Springs District, is positioned as the cultural hub and downtown of Sandy Springs.



City Springs District Map

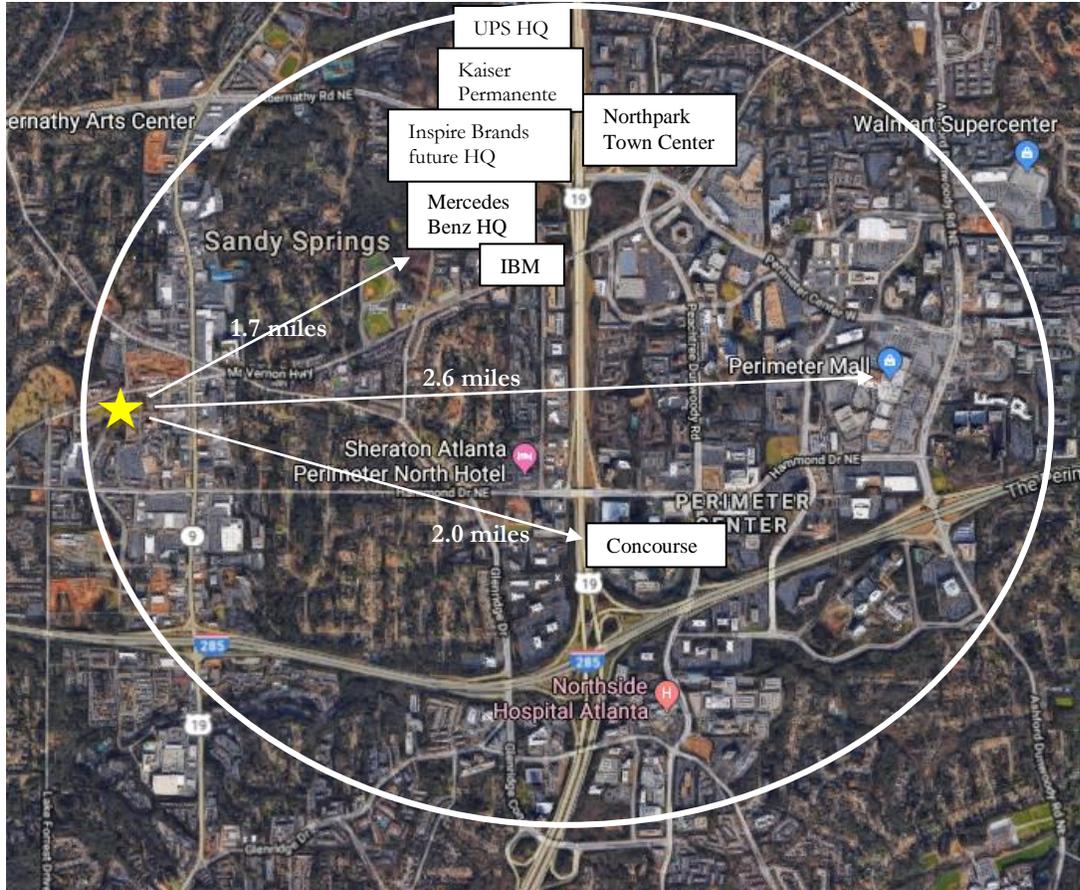
Heritage Green hosts approximately 330 annual events including 50 weddings in several meeting spaces and its 1.5 acre green space. Heritage Green is the location of the original sandy spring. Also located on the four acre property is a museum that showcases local history and cultural interests. The Anne Frank Exhibit is moving into a new visitor center planned between Site 1 and Heritage Green.

Site Access

The proposed Boutique Hotel will be accessible from Interstate 285 via Roswell Road. Mt. Vernon Road provides access to the Perimeter Center submarket which lies primarily to the east. The Hotel should be visible from Roswell Road and local thoroughfares assuming it is constructed as a multi-story building. Both sites have sloped topography which should allow for underground parking in addition to surface parking as well as the potential for shared parking within the City Springs garage.

Surrounding Environs

In addition to the City Springs mixed-use development, the area immediately surrounding the site is primarily developed with retail and residential uses. Several large employers are located on the west side of SR 400 and within a two mile (driving) radius, of which a few are highlighted below.



Perimeter Center Submarket Map

- The new Mercedes-Benz USA Headquarters, home to executive training for all of North America, contains 200,000 square feet and is part of a 76-acre master-planned campus (47 acres on the north side and 29 acres on the south side of Abernathy Road). The master plan calls for a 1,000+ unit residential town center which is being developed by Ashton Woods. Approximately 600 housing units including lofts, townhomes, and single-family homes priced between \$300,000 and \$1 million are underway as part of the Aria project, designed by the acclaimed architect that pioneered new urbanism. This is a significant development located on the west side of SR 400 which could be a catalyst for additional development in the immediate area.
- At the northeast quadrant of SR 400 and Abernathy Road lie the One/Three Glenlake Buildings including the UPS headquarters and the future home of Inspire Brands/former Rubbermaid Newell HQ, followed by the Northpark Town Center campus which currently includes three towers totaling 1.5 million square feet of space. Northpark 100 is a speculative office building planned with 400,000 square feet of office, 40,000 square feet of retail and a 200 to 600 room hotel.

- Concourse Corporate Center, located at the northeast quadrant of SR 400 and I-285 contains 2.16 million square feet of Class-A office space, the Westin Hotel and the Concourse Athletic Club.

Project Description

We recommend the proposed Boutique Hotel be positioned as an upscale, full-service 125-room property taking advantage of the existing meeting space and restaurants located within City Springs and nearby.

- For guest convenience and to create an upscale experience, the Hotel should operate a restaurant/bar offering a limited menu throughout the day. It is envisioned as a stylish residential setting that flows into the lobby and that can attract local residents, office workers, and area visitors.
- The Hotel should also include approximately 2,000 square feet of meeting space to handle small in-house groups. The Hotel should provide simple catering menus and could potentially team with PAC for any elaborate catering needs. Providing a seamless experience to group meeting planners is essential and therefore operational details will need to be worked out between both entities for shared services to be effective.
- The Hotel will benefit from its proximity to the facilities found at the PAC and Heritage Green; however, corporate meeting planners generally prefer facilities to be under one roof with a single billing entity. Shared parking can also be arranged to limit the number of parking spaces required by the Hotel.

With strong occupancy levels found in the area, a soft brand or lifestyle boutique hotel operated by an experienced management company should be well received given the lack of any unique product in the market. Affiliation with a lifestyle or soft brand will allow the hotel to capture corporate demand typically seeking loyalty programs while offering a differentiated product.



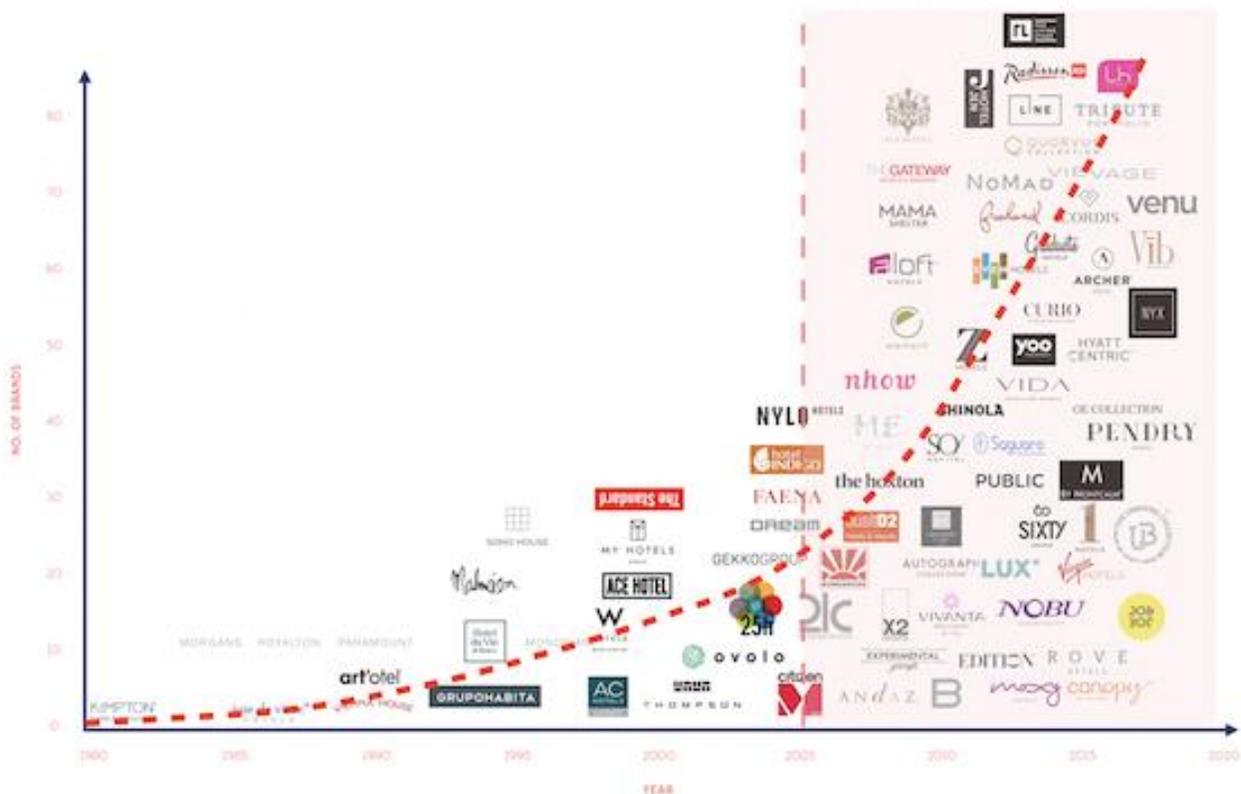
Stylish, residential design illustration

BOUTIQUE HOTEL TRENDS

Lifestyle hotels, soft brand collections, and independent boutiques are collectively a \$15.8 billion industry and growing. Over the past few years, the demand for unique, tech savvy, and authentic experiences has driven this segment of the industry. As younger generations and millennials become a more important component of the consumer base, their limited brand affinity and focus on experience is gaining ground.

Millennial Impact

According to *Hotels Magazine*, as of June 2017, there are more than 100 lifestyle brands, a number that has grown dramatically from 2007 given growth in millennial spending power.



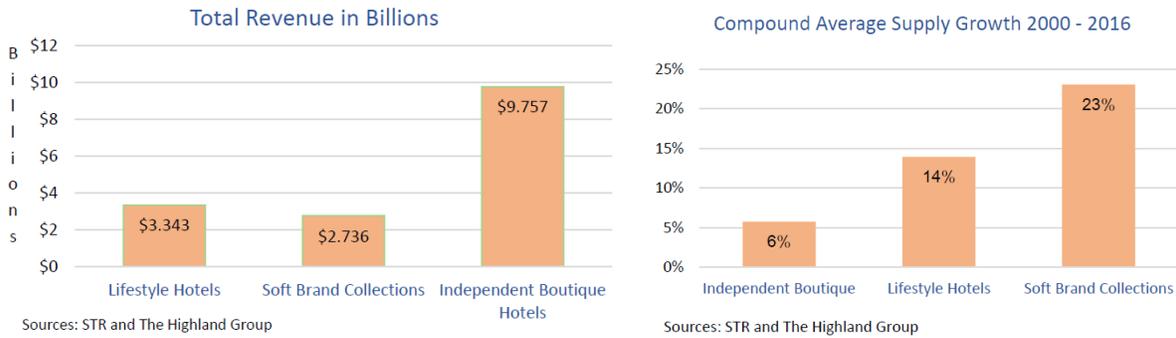
As the first-born millennials turned 25 in 2005, their disposable incomes and corporate budgets increased to the point where they graduated into a viable customer segment. With 92 million millennials in the U.S. alone, the combined spending power of this group will only continue to increase, and well into the middle of the next decade.

Lifestyle hotels all offer the same core ingredients:

- Design that reflects the unique community and culture of the area
- High-tech – or all-tech – approach
- A high-energy social environment
- Amenities that cater to Gen Y’s desire for healthy, authentic experiences

The Boutique Hotel Report

According to *The Boutique Hotel Report 2017 - Lifestyle Hotels, Soft Brand Collections & Independent Boutiques*, the Soft Brand segment represent \$2.7 billion of total revenue for the industry. The segment has been experiencing phenomenal growth, reported to be 23 percent on a compound annual basis between 2000 and 2016.



Boutique Categories

Lifestyle Hotels and Soft Brand Collections are more recent additions to the boutique landscape. Lifestyle Hotels have rigid brand standards while Soft Brand Collections allow for much greater flexibility in product and services, however, the majority require full-service amenities and service standards and are offered at a high-end price point. The following table provides a description of the three boutique categories as found in *The Boutique Hotel Report 2017*.

Independent Boutique	Lifestyle Hotels	Soft Brand Collections
Independent or part of small groups	Nationally franchised	Affiliated with a major national franchise distribution system
40 to 300 guest rooms	Prescriptive	Signature hotels, individually named and branded
Design centric	Design centric	Unique in design
Less than 10,000 square feet of meeting space	Planned for travelers who are interested in boutique lodging	Restaurant and lounge in almost all cases
Restaurant and lounge on site or a selection of proximate interesting local dining and entertainment alternatives	With a lounge and, at least, light food on site	Upscale to luxury in almost all cases
Generally upscale to luxury	Generally upper upscale and upscale	

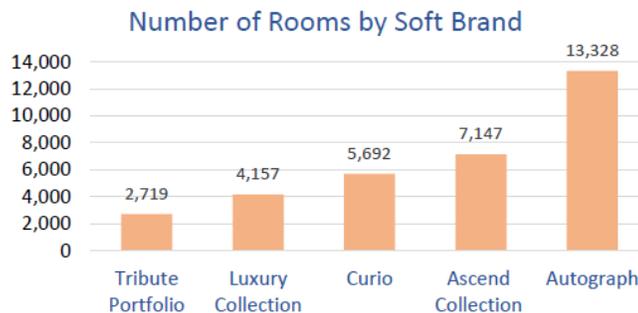
The following table provides examples of brands within each boutique category as found in *The Boutique Hotel Report 2017*.

Independent Boutique	Lifestyle Hotels	Soft Brand Collections
Some Relais et Chateaux	AC by Marriott	Ascend by Choice
Some Historic Hotels of America	▶ Aloft by Marriott	Autograph by Marriott
Some Small Luxury Hotels	Andaz by Hyatt	Curio by Hilton
Some Preferred Hotel Group	Cambria by Choice	Luxury by Marriott
Two Roads	Canopy by Hilton	Registry Collection by Wyndham
Dream Hotels	Centric by Hyatt	▶ Tapestry by Hilton
Delano by SBE	Edition by Marriott	▶ Tribute Portfolio by Marriott
SLS Hotels	Even by IHG	Trademark by Wyndham
Joie de Vivre	GLo by Best Western	Unbound by Hyatt
Mondrian by SBE	▶ Indigo by IHG	
21 C Museum Hotels	Kimpton by IHG	
The Graduate Hotels	Le Meridien by Marriott	
Sixty Hotels	Moxy by Marriott	
NYLO Hotels	Red by Radisson	
CitizenM	Tru by Hilton	
Ace	Tryp by Wyndham	
Virgin	Vib by Best Western	
And many other unique and independent hotels	W by Marriott	

▶ Recommended brands for Proposed Hotel. Hyatt's recent purchase of Two Roads Hospitality allows for potential additional boutique brands not found in the table above.

Soft Brands

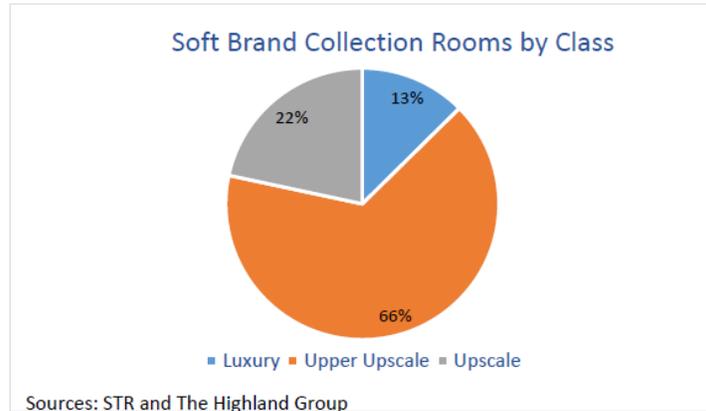
Soft Brands enable unique boutique hotels to access large national sales and marketing platforms, reservation systems and loyalty programs. However, these hotels retain their name and branding, as well as unique designs, orientation toward their local community, and boutique operations. Autograph and Ascend have the largest share of inventory in the Soft Brand category.



Sources: STR and The Highland Group

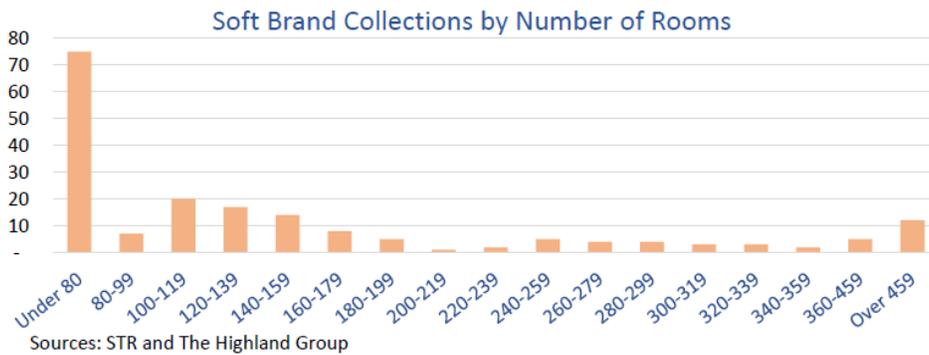
Soft Brand Hotel Pricing

In terms of price point, the majority of Soft Brand rooms are classified as Upper Upscale (66%) This segment includes Curio by Hilton, as well as Tribute & Autograph by Marriott. The upscale class has 22 percent of rooms largely represented by Ascend by Choice. Tapestry had not yet entered the market in 2016. Thirteen percent of Soft Brand rooms are luxury primarily represented by the Luxury Brand by Marriott.



Soft Brand Room Counts

Regarding room count, the average number of rooms for a Soft Brand hotel falls between 100 and 139 rooms. The majority, however, are under 80 rooms, represented by Ascend.



Soft Brand Hotel Performance

Soft Brand hotels have seen moderate growth in key performance metrics. In 2016, the average occupancy was 70.8 percent with an average daily rate of \$201.93.

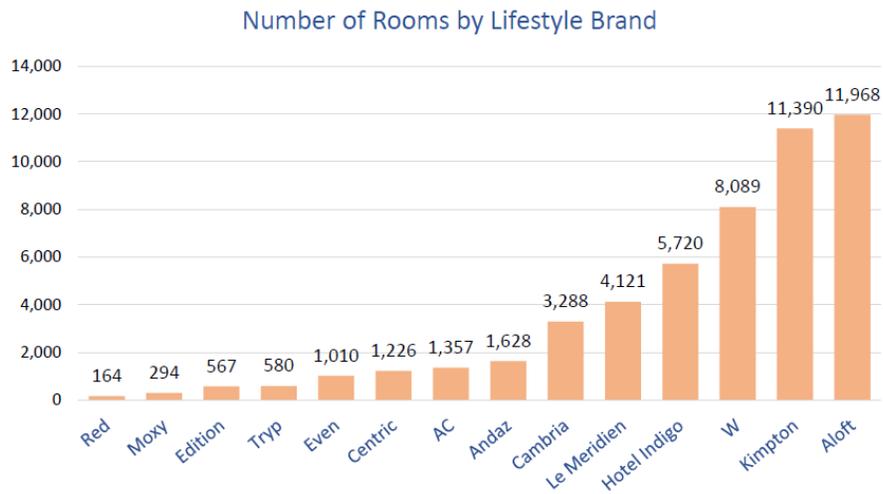
Soft Brand Collections Market Performance

	Occupancy	Change	Average Rate	Change	RevPar	Change
2011	65.8%		\$170.61		\$112.26	
2012	67.2%	2%	\$180.80	6.0%	\$121.56	8.3%
2013	67.7%	1%	\$190.13	5.2%	\$128.64	5.8%
2014	68.8%	2%	\$195.40	2.8%	\$134.50	4.6%
2015	70.1%	2%	\$198.17	1.4%	\$138.83	3.2%
2016	70.8%	1%	\$201.93	1.9%	\$142.88	2.9%
Compound		1.5%		3.4%		4.9%

Note: Includes 186 hotels and 29,741 rooms
Source: STR

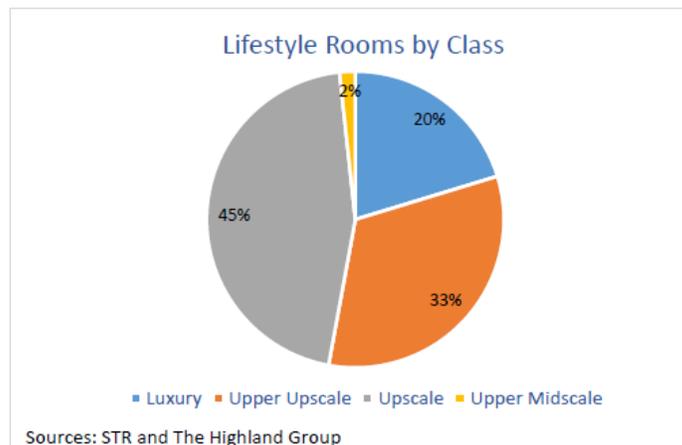
LifeStyle Brands

Currently Kimpton and Aloft hotels have the largest share of lifestyle inventory. The newest lifestyle hotel concepts which include AC, Centric, Moxy, and Red have relatively few hotels open but are expected to gain significant traction over the next several years. The current mix of rooms by brand is shown in the following table.



Lifestyle Hotel Pricing

In terms of price point, the majority of Lifestyle rooms are classified as Upscale (45%) and one-third are Upper Upscale.



Lifestyle Room Count

Regarding room count, the majority of Lifestyle Hotels are 120 to 159 rooms. There are, however, many properties that are in the 80 to 99 room range.



Lifestyle Hotel Performance (Upscale and Upper Midscale Class)

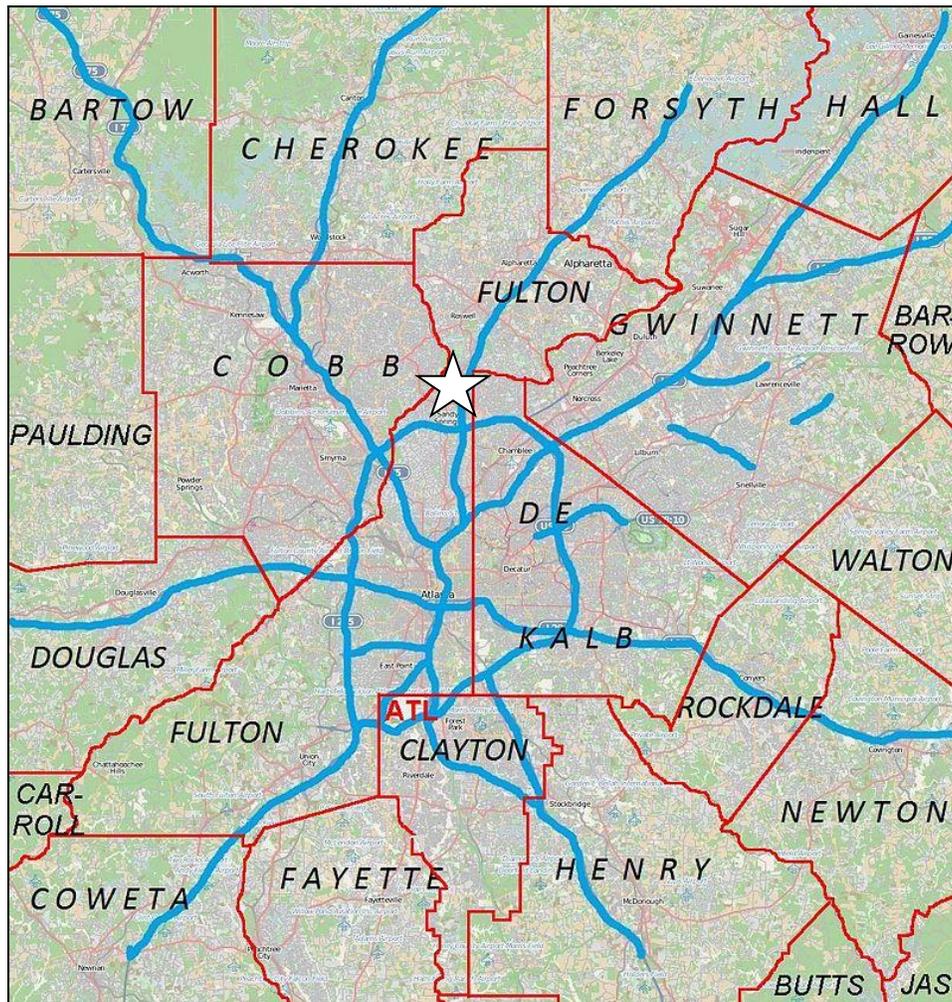
Upscale and Upper Midscale Lifestyle Hotels have seen strong growth in key performance metrics. In 2016, the average occupancy was 72.4 percent with an average daily rate of \$148.17.

	Occupancy	Change	Average Rate	Change	RevPar	Change
2011	64.7%		\$112.98		\$73.14	
2012	68.1%	5.1%	\$120.36	6.5%	\$81.91	12.0%
2013	69.9%	2.8%	\$125.61	4.4%	\$87.85	7.3%
2014	72.7%	3.9%	\$130.95	4.2%	\$95.20	8.4%
2015	72.5%	-0.2%	\$140.90	7.6%	\$102.19	7.3%
2016	72.4%	-0.2%	\$148.17	5.2%	\$107.21	4.9%
Compound		2.2%		5.6%		7.9%

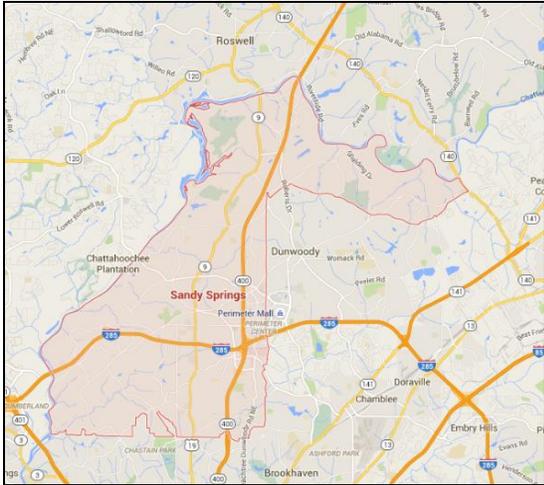
Note: Includes 162 hotels totaling 22,413 rooms
Source: STR

KEY DEMOGRAPHICS

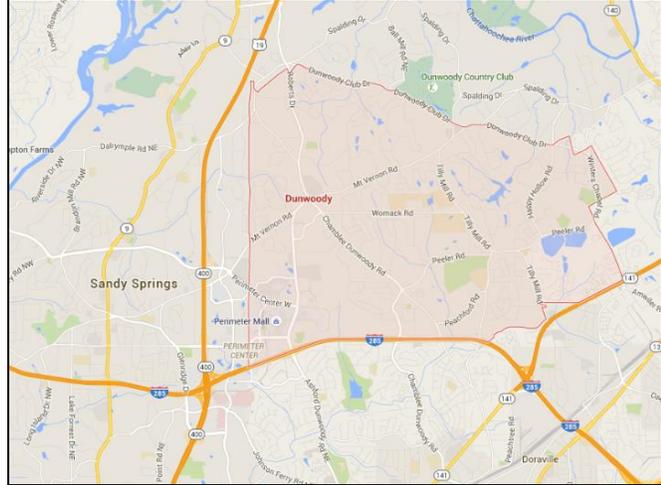
Part of the Atlanta Metropolitan Statistical Area, the City of Sandy Springs is located in north Fulton County, in close proximity to Cobb and DeKalb Counties.



Sandy Springs, which incorporated as a city in 2005 is home to one of the largest business districts in the State. The City is family-oriented and supports a number of low density neighborhoods, but at the same time encourages and maintains consistent commercial growth in the Perimeter Center core.



City of Sandy Springs



City of Dunwoody

The City of Dunwoody, another high income residential area which abuts Sandy Springs also benefits from the dense commercial development in the Perimeter Center. Dunwoody, which incorporated in 2008 is located in DeKalb County.

Population

The Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (“MSA”), defined to include 29 counties, reports an estimated population of 5.9 million. The MSA has experienced very strong growth, especially between 2000 and 2010 and should continue to grow at a strong pace over the next five years. The Atlanta MSA is the most populous metro area in the state and the ninth-largest metropolitan statistical area in the United States. When combined with Athens-Clarke, the Atlanta CBSA with 39 counties is the third largest metropolitan region in the Southeast behind Greater Washington and South Florida.

Population		
	Atlanta-Sandy Springs-Roswell, GA (MSA)	City of Sandy Springs
Population		
2000 Census	4,263,447	85,656
2010 Census	5,286,728	93,853
2018 Estimate	5,919,767	105,958
2023 Projection	6,303,658	112,841
CAGR 2000-2010	2.2%	0.9%
CAGR 2000-2018	1.8%	1.2%
CAGR 2010-2018	1.4%	1.5%
CAGR 2018-2023	1.3%	1.3%

Source: Sitenworks

With a population of more than one million, Fulton County is the largest of all the counties in Georgia. Sandy Springs, the sixth largest city in the state and the second largest population of all

cities in the MSA has approximately 106,000 residents. The City of Dunwoody reports a population of approximately 49,000.

Wealth Indices

The 2018 estimated average household income is \$91,330 for the Atlanta MSA. In comparison, the average household income for Sandy Springs is \$131,375. More than 18 percent of Sandy Springs households have annual incomes of \$200,000 or more and the median house value is just under \$500,000.

Wealth Indices		
2018 Estimated	Atlanta-Sandy Springs- Roswell, GA (MSA)	City of Sandy Springs
Average Household Income	\$91,330	\$131,375
Median Household Income	\$64,321	\$73,998
<i>Source: Sitenworks</i>		

The City of Sandy Springs has received numerous accolades including ranking fourth in *CNN Money's* list of Best Places to Live, *Forbes'* list of America's Top 25 Towns to Live Well, and ranked ninth by Portfolio.com as the most affluent municipality in the U.S.

Transportation

The Atlanta MSA has an impressive transportation infrastructure, including an efficient freeway system, MARTA, and the world's largest international airport.

Roadways

Converging near the Central Business District, Interstate 85 links the Southeast to the Northeastern United States; Interstate 75 ("I-75") is the link running between Florida and Midwestern economic centers; and Interstate 20 ("I-20") is the main East/West artery for the Southeast. Interstate 285 ("I-285") is the Perimeter Highway that encircles Atlanta serving as a by-pass and providing additional connections for all three major interstates. Georgia 400 ("SR 400"), a controlled access state highway, links Buckhead with Perimeter Center and the northern suburbs.

Sandy Springs and the Perimeter Center area are well served by SR 400 and I-285 providing access to I-85, I-75, and I-20. Connectivity within the area is provided by Peachtree Dunwoody, Ashford Dunwoody, Hammond, Roswell and Abernathy Roads as well as other major arterials such as Perimeter Center Parkway, Perimeter Center East/West, Mt. Vernon Road and the Glenridge Connector. The presence of these major freeways and arterials provides good access to the Perimeter Center from all four directions with effectively ten to twelve gateways into the area. However, due to the significant office, retail and multi-family development concentrated in the area, traffic is problematic during certain times of the day.

Road Projects

Two major road projects are planned to help alleviate traffic and support new construction in the Perimeter Center:

- A \$1.1 billion overhaul of the Interstate 285/SR 400 interchange began in 2016, with an initial \$800 million phase anticipated to take four years to complete. The project includes rebuilding

the interchange and improvements that will extend on the top end of I-285, beginning west of Roswell Road in Fulton County and ending east of Ashford Dunwoody Road in DeKalb County, a length of approximately 4.3 miles. It also includes approximately 1.2 miles of improvements on SR 400 from the Glenridge Connector south of the interchange to Hammond Drive to the north of the interchange in Fulton County. Bike and pedestrian crossings are also being considered under SR 400 at the Abernathy Road exit.

- The Westside Connector is proposed as a vital east-west link providing additional access onto I-285 and link Ashford Dunwoody Road and Perimeter Center Parkway just south of Hammond Drive. The project is under study with another five years estimated before construction would take place.

MARTA Transit

Atlanta’s transit system, MARTA operates a network of bus routes linked to a rapid transit system consisting of 48 miles of rail track with 38 train stations. MARTA has three heavy-rail transit stations in the Perimeter Center area -- Medical Center, Dunwoody, and North Springs Station, each of which is approximately two miles from the proposed hotel sites. MARTA also provides frequent bus service (Route 5) along Roswell Road adjacent to City Springs, connecting the site to the Dunwoody station near Perimeter Center and the Lindbergh Center Station in midtown Atlanta.

Air Service

Air service is provided by Atlanta’s Hartsfield-Jackson International Airport (“Hartsfield”), the world’s largest airport since 1998. Hartsfield served nearly 104 million passengers in 2017 and is trending up 2.8 percent through August 2018 over the same period in 2017.

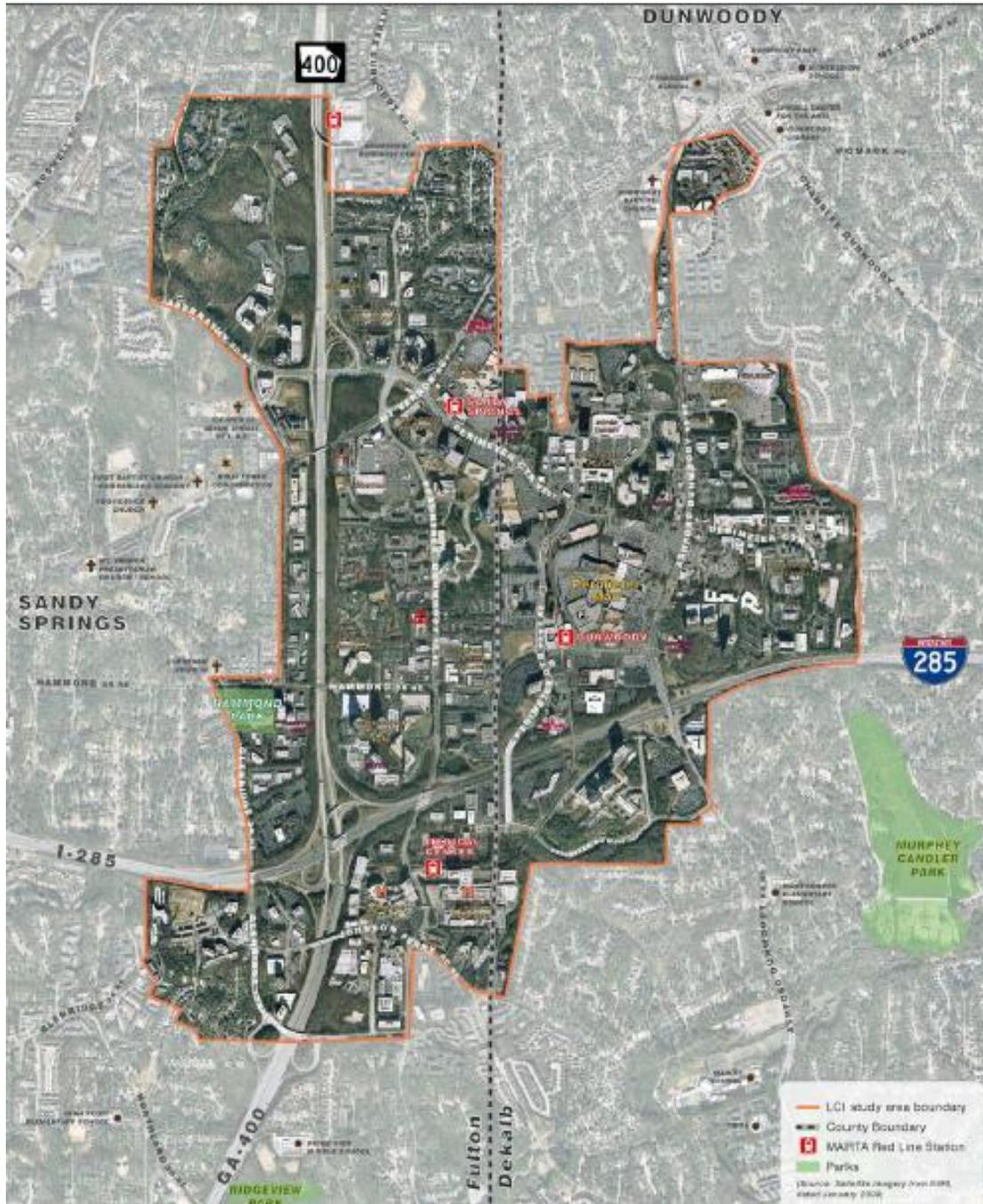
Hartsfield Jackson International Airport - Passenger Activity				
Year	Domestic	International	Total	Percent Change
2005	78,774,044	6,734,452	85,508,496	
2006	76,264,446	8,073,855	84,338,301	-1.4%
2007	79,796,551	8,897,291	88,693,842	5.2%
2008	80,416,839	9,180,491	89,597,330	1.0%
2009	79,061,501	8,832,195	87,893,696	-1.9%
2010	80,099,037	9,139,022	89,238,059	1.5%
2011	82,532,069	9,856,954	92,389,023	3.5%
2012	85,659,485	9,854,343	95,513,828	3.4%
2013	84,173,091	10,258,133	94,431,224	-1.1%
2014	85,394,680	10,784,219	96,178,899	1.9%
2015	90,257,803	11,233,303	101,491,106	5.5%
2016	92,696,320	11,475,615	104,171,935	2.6%
2017	91,869,127	12,065,290	103,934,417	-0.2%
2018E	94,359,319	12,511,691	106,871,010	2.8%

Source: Department of Aviation - 2018 estimate based on August YTD data

Hartsfield has 2,000 daily arrivals and departures serving 150 U.S. destinations and 75 international destinations in 50 countries. The completion of the new International Terminal was part of a ten-year \$5.4 billion program to ensure Atlanta’s airport maintains its global leadership role.

Perimeter Center Development

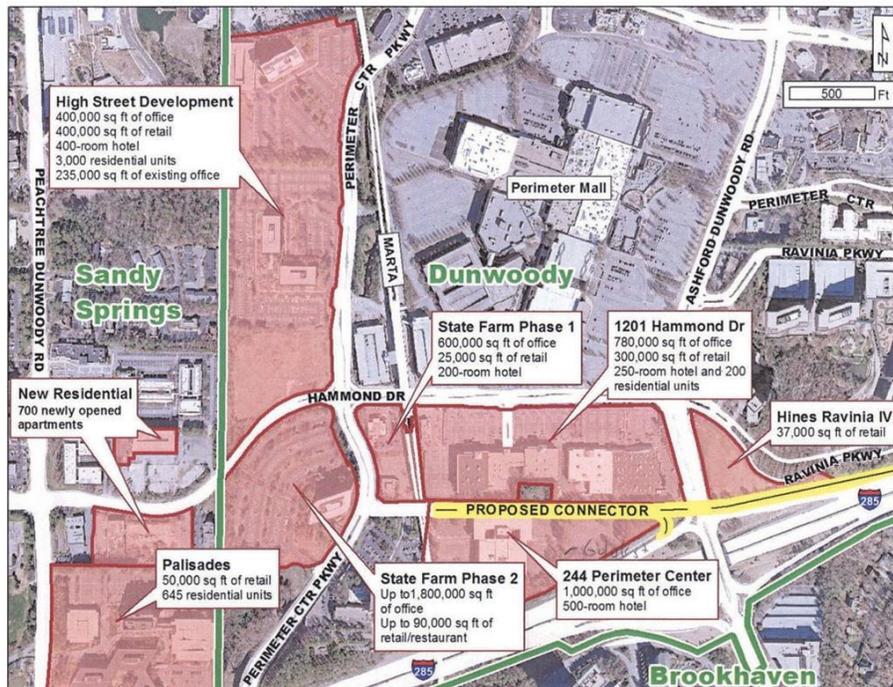
The Perimeter Center area includes the cities of Sandy Springs and Dunwoody and spans across Fulton and DeKalb county lines. Starting with the development of Perimeter Center Mall in the early 1970's, the area has grown into one of the largest commercial centers in the southeast. A Community Improvement District, delineated in the map below, was created to help unify efforts and support continued development. The proposed project is proximate to the CID.



Perimeter Center CID

The CID is home to approximately 10,500 companies employing approximately 135,000 persons. With a central location and tremendous infrastructure including a network of roadways, affluent housing, dense retail and the largest Class A office market in all of Atlanta, both Dunwoody and Sandy Springs are experiencing a strong influx of development. In efforts to not over burden the public infrastructure, both jurisdictions have put in place a lengthy permitting process which is slowing developer plans to some degree. Nonetheless, plans for major growth are underway.

In Dunwoody, 4.6 million square feet of office space has either recently opened, is underway or planned along Hammond Drive and Perimeter Center Parkway including continued expansion of State Farm’s campus that will eventually house an estimated 8,000 employees. The entire master plan for State Farm includes 2.2 million square feet of office, 100,000 square feet of retail and potentially a 200-room hotel. Other projects in the area are zoned for another 800,000 square feet of retail and more than 1,000 hotel rooms as shown below. High Street has shown interest in being considered for the potential Amazon second headquarters site; however, is not large enough to house the required eight million square feet of office space by 2027.



Dunwoody Developments

According to the City of Sandy Springs, recently completed and approved projects include a number of mixed-use residential developments along Hammond Drive and Roswell Road as well as Ashton Woods Town Center now under construction which is part of the Mercedes-Benz USA campus (“MBUSA”). The 200,000 square foot MBUSA headquarters building which opened in 2018 will eventually house 1,000 employees. Executive training for all of North America will take place at the facility resulting in significant international executive travel. The relocation of its North American headquarters from New Jersey began in 2015 with 90,000 square feet of temporary office space in the Perimeter Center.

Two large mixed-use office projects in Sandy Springs have been announced but are waiting on a lead tenant before construction can begin.

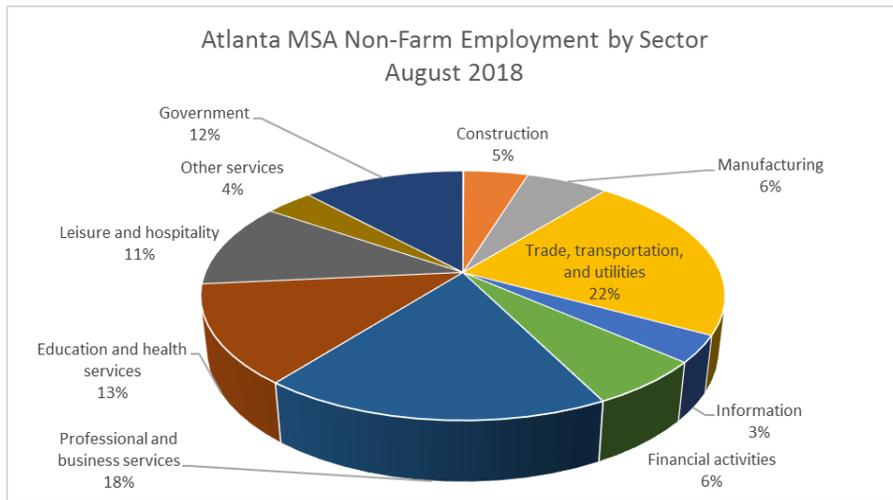
- **Northpark 100** is slated to include 400,000 square feet of office with 40,000 square feet of retail and between 200 and 600 hotel rooms at the northeast quadrant of SR 400 and Abernathy Road.
- **Abernathy 400** was announced by Ackerman and Cousins to include a 570,000 square foot office building, 30,000 square feet of retail and a 400-room hotel.

Employment

The annual average unemployment rate for the Atlanta MSA stood at 3.6 percent for August 2018. In comparison, the U.S. unemployment rate was 3.9 percent compared to the State of Georgia at 3.8 percent and Fulton County at 3.8 percent.

Labor Statistics as of Aug 2018	
Labor Force	3,086,000
Employed	2,975,000
Unemployed	110,900
Unemployment Rate	3.6%
Source: U.S. Labor Bureau	

The Atlanta MSA reports strong employment in the Trade, Transportation, and Utilities sector as well as Professional and Business Services which bodes well for hotel demand.



Source: Bureau of Labor Statistics

Major Employers

With fifteen, Metro Atlanta ranks third in the nation among cities with the most Fortune 500 headquarters companies behind New York City and Houston. Atlanta has an additional eleven Fortune 1000 companies located in the metro area.

FORTUNE 500 Companies			FORTUNE 1000 Companies		
Rank	Company	Revenue (\$mil)	Rank	Company	Revenue (\$mil)
23	The Home Depot	\$94,595	562	Graphic Packaging Holding Co.	\$4,298
46	United Parcel Service (UPS)	\$60,906	669	Global Payments Inc.	\$3,371
64	The Coca-Cola Company	\$41,863	679	Acuity Brands, Inc.	\$3,291
71	Delta Air Lines, Inc.	\$39,639	692	Aaron's, Inc.	\$3,208
145	The Southern Company	\$19,896	694	Carter's, Inc.	\$3,199
180	Genuine Parts Company	\$15,340	703	Equifax Inc.	\$3,145
221	Newell Brands*	\$13,260	712	BMC Stock Holdings, Inc.	\$3,094
242	First Data Corporation	\$11,584	969	BlueLinx Holdings Inc.	\$1,881
303	SunTrust Banks, Inc.	\$9,161	976	GMS Inc.	\$1,858
331	Veritiv	\$8,327	988	FleetCor Technologies, Inc.	\$1,832
353	PulteGroup, Inc.	\$7,669	990	Beazer Homes USA, Inc.	\$1,822
364	HD Supply Holdings, Inc.	\$7,524			
370	AGCO	\$7,411			
409	NCR Corporation	\$6,543			
410	Asbury Automotive Group, Inc.	\$6,528			
437	Intercontinental Exchange	\$5,958			
FORTUNE Magazine, June 7, 2017					
*Rubbermaid Newell purchased Jarden and is now headquartered in NJ, large presence remains					

United Parcel Service, Rubbermaid Newell, First Data Corporation, Beazer Homes USA, and Global Payments are located in the Perimeter Center and proximate to the site. Newell Rubbermaid left its headquarters building at Three Glenlake Parkway in early 2016 and moved to 6655 Peachtree Dunwoody Road, a building about half the size that it recently purchased. The Fortune 500 Company purchased Jarden (now called Newell Brands) and moved its headquarters to N.J. but still maintains the Rubbermaid division in Atlanta. Inspire Brands which owns 4,600 Arby's, Buffalo Wild Wings and R Taco restaurants worldwide will locate its headquarters into their former space in 2019. The top employers in Sandy Springs are as follows:

Company	Employees
IBM Corporation	3,396
Cox Communications, Inc.	2,163
United Parcel Service	1,772
Cisco Systems, Inc.	1,690
Airwatch, LLC	1,400
Manheim Auctions, Inc.	1,142
Oracle America, Inc.	1,062
AT&T Mobility Services, LLC	789
Voya	719
National Account Service Co.	688
Publix Super Markets	681
Internal Data Resources, Inc.	650
World Pay US	627
Walden Security	625
Xerox State Healthcare, LLC	590
Kroger	566
Intercontinental Exchange, Inc.	550
Elavon, Inc.	497
Newell Rubbermaid, Inc.	470
Global Payments, Inc.	410
Principle Solutions Group	400
Golden Living Center Dunwoody	364
Graphic Packaging International, Inc.	351
Automatic Data Processing	329
AllConnect, Inc.	315

Atlanta Office Market

The following chart compares the second quarter 2018 office market for the Central Perimeter submarket to the Atlanta MSA.

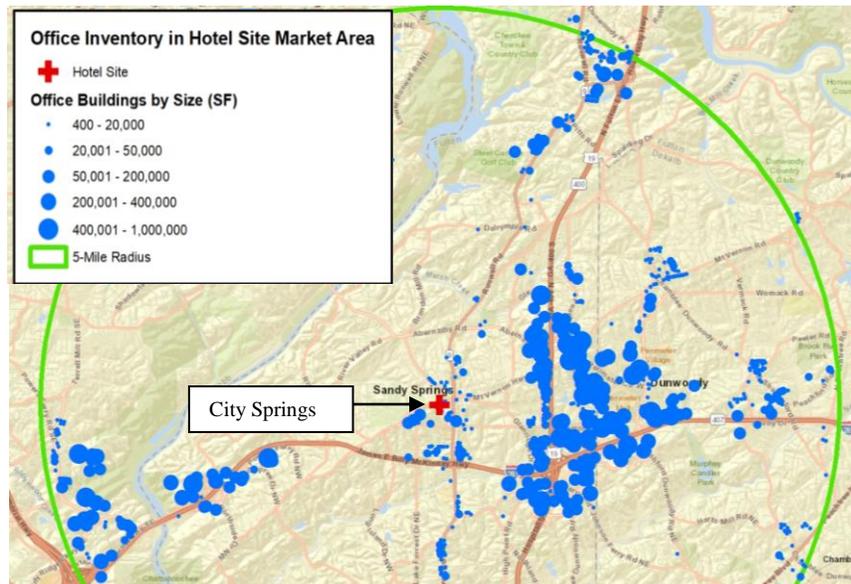
Total Commercial Office Space - 2nd Quarter 2018				
Market	Rentable Area in SF	Vacancy Rate	SF Under Construction	Quoted Rates
Atlanta MSA	216,499,337	14.8%	3,455,810	\$24.95
Central Perimeter	28,915,638	15.9%	670,000	\$27.60

Source: NAI Brannen Goddard

Metro Atlanta’s office market is showing signs of continued success with low vacancy rates and 3.5 million square feet of space under construction. Central Perimeter, one of the largest submarkets had a 15.9 percent vacancy level and 670,000 square feet of space under construction for State Farm. Quoted rates in the Perimeter Center submarket are well above the market average.

State Farm represents one of the largest corporate office developments in the history of metro Atlanta with a 2.2 million square foot build-to-suit campus in Dunwoody. The first 600,000 square foot tower is open and a second tower with 670,000 square feet is under construction. A third building will include a 440,000 square foot tower scheduled to open one year after the second tower is complete.

While areas around SR 400 have the highest development density, there is a modest amount of office development surrounding the site. The following chart illustrates the office densities relative to the proposed project location.



Atlanta’s Convention Activity

Atlanta is one of the top meeting and convention destinations in the country, only behind Chicago, Las Vegas, Orlando, and Boston in terms of total exhibition space. The Georgia World Congress Center, (GWCC), which originally opened in 1976 offers more than 1.4 million square feet of

exhibition space. An additional 1,010-room convention hotel is planned on the site of the former Dome, with the developer now selected, seeking financing.

The Georgia Dome was a 71,200 seat stadium proximate to the GWCC with 102,000 square feet of floor space. The Dome was available to host conventions and trade shows in addition to Atlanta Falcons football games, other sporting events and concerts. Replacing the Dome, the \$1.1 billion Mercedes Benz Stadium opened for the 2017 football season. Philips Arena with a seating capacity of 21,000 is also available downtown for conventions and special events. Smaller regional convention venues which are located throughout the metropolitan area include the Georgia International Convention Center in College Park, the Gwinnett Civic & Cultural Center in Gwinnett County and the Cobb Galleria Centre in Cobb County.

Atlanta typically has between 16 and 21 major events per year for multiple days. Overall, Atlanta's future convention demand is trending to be strong given the current booking pace. Major city-wide events continue to impact the Perimeter Center, despite new hotel construction that is occurring in downtown and surrounding submarkets.

Professional Sports Teams

The Atlanta Falcons played in the new Mercedes Benz Stadium in 2017. The Dome was demolished in December 2017 to make way for a 1,010 room convention hotel. Atlanta Hawks play in Phipps Arena, which has undergone a major renovation. The Atlanta Braves moved to the SunTrust Stadium in Cobb County for the 2017 baseball season. Georgia State University began using Turner Field in fall 2017 after it was retrofitted into a football stadium with 25,000 seats. Gwinnett County is home to two of metro Atlanta's premier minor league teams - the AAA Gwinnett Braves (Atlanta Braves affiliate) and the Gwinnett Gladiators, the ECHL minor league hockey affiliated with NHL team the Phoenix Coyotes. The Gwinnett Braves play in the state-of-the-art Coolray Field, while the Gladiators play at the Arena at Gwinnett Center.

Perimeter Mall

Perimeter Mall is an upscale super-regional shopping mall in Dunwoody at the intersection of Interstate 285 and Ashford Dunwoody Road. The mall which opened in 1971 offers nearly 1.6 million square feet, the second-largest shopping mall in the state of Georgia next to the Mall of Georgia in Gwinnett County. Today, the mall has over 200 stores and four major anchors include Von Maur, Dillard's, Macy's, and Nordstrom. The mall is managed and owned by General Growth Properties. Since opening, substantial additional retail has opened up around the mall including a number of restaurants. Traffic however can be problematic especially during commuting hours and the Holiday shopping season. A select-service hotel is planned as part of a four acre mixed-use development near Macy's to include office, however, no construction start for the hotel has been announced.

LODGING MARKET TRENDS

Perimeter Center Hotels

The Perimeter Center area has 4,722 hotel rooms. Since 2013, four hotels have opened in the market. The most recent additions to supply include the 132-room Hampton Inn & Suites in 2016 and the 127-room Residence Inn in 2017, both located off Ashford Dunwoody Road in the city of Dunwoody. The Homewood Suites opened in 2015 in Sandy Springs and the Hyatt Regency opened in 2014 on the south side of I-285 in the city of Brookhaven.

Perimeter Center Hotels		
Year	Rooms Available	Percent Change
2013	4,093	
2014	4,275	4.4%
2015	4,389	2.7%
2016	4,521	3.0%
2017	4,648	2.8%
2018E	4,722	1.6%
CAGR 2013 - 2018E		2.9%

According to STR and the Sandy Springs CVB, the Sandy Springs hotel market continues to experience revenue growth, albeit less than the U.S. average, primarily due to lack of new supply and major renovations occurring at some of the larger group hotels in Dunwoody that have displaced large group accounts outside of the Perimeter market. A major renovation of the Comfort Suites to a Home2 Suites (which opens in November) is also impacting market performance with rooms out of order. A strong increase in ADR has resulted from robust demand (despite low occupancy levels).

A breakdown of the historical performance for seven Dunwoody hotels, totaling 1,495 rooms and 18 hotels in Sandy Springs totaling 2,467 rooms is presented below. The data shows the significant impact the renovations at the Marriott Hotel and Crown Plaza are having on occupancy in the Dunwoody market and in Sandy Springs to a much smaller degree.

Hotel Performance - Percent Change from YTD 2018 vs YTD 2017					Hotel Performance Trends					
	Occupancy	ADR	RevPAR	Room Revenue	2014	2015	2016	2017	2018	
United States	0.8	2.6	3.5	5.6	Occupancy					
Georgia	0.8	3.9	4.7	6.5	Dunwoody	73%	73%	72%	69%	54%
Atlanta, GA	1.0	4.4	5.4	7.4	Sandy Springs	72%	72%	72%	72%	70%
Cobb County, GA	0.2	5.3	5.5	9.4	ADR					
Dunwoody, GA+	-22.2	7.5	-16.3	-16.3	Dunwoody	\$130	\$137	\$139	\$142	\$153
Alpharetta, GA+	-1.3	1.0	-0.3	-0.4	Sandy Springs	\$101	\$110	\$116	\$120	\$129
Sandy Springs	-2.5	7.0	4.3	4.3	Source: STR; 2018 based on YTD through August					

Competitive Hotel Market Performance

The competitive market for the proposed Boutique Hotel was defined to include seven hotels based on location, brand, and market positioning. The defined competitive market has 1,138 rooms available in 2018. The Westin and Sheraton are full-service and the remaining hotels are select or limited-service. The hotels are classified by STR as either Upper Upscale, Upscale, or Upper Midscale and range in size from 107 rooms at the Holiday Inn Express & Suites to 372 rooms at the Westin. The competitive market hotels are on average 22 years of age, with the oldest having been constructed in 1986.

Historical Performance						
Competitive Lodging Market- Select Properties						
Proposed Boutique Hotel -Sandy Springs						
Year	Available		Occupancy	Average		Room Revenue
	Room Nights	Occupied Rooms		Daily Rate	RevPAR	
2012	1,024	257,315	69%	\$98	\$68	\$25,277,537
2013	1,024	259,264	69%	\$99	\$69	\$25,690,289
2014	1,024	267,883	72%	\$106	\$76	\$28,383,148
2015	1,091	294,366	74%	\$120	\$89	\$35,333,367
2016	1,138	305,891	74%	\$128	\$94	\$39,158,397
2017	1,138	306,624	74%	\$130	\$96	\$39,919,536
2018E	1,138	310,180	75%	\$138	\$103	\$42,782,310
CAGR (Compound Annual Growth Rate)						
2017 to 2018E	0.0%	1.2%		5.9%	7.2%	7.2%
2012 to 2018E	1.8%	3.2%		5.8%	7.3%	9.2%

Source: STR. Notes: 2018E based on data through August

Occupancy has increased from 69 percent to a peak of 75 percent anticipated for year-end 2018. Supply has increased at a compound annual rate of 1.8 percent between 2012 and 2018E. The only addition to supply, the Homewood Suites opened in 2015 and was absorbed immediately. With occupancy levels in the mid 70's, ADR has continued to increase, reporting a 5.8 percent compound annual growth rate between 2012 and 2018E.

The revenue per available room (“RevPAR”) growth experienced between 2012 and 2018E is very strong and reflects the improved economy, maturing Perimeter Center market, and new product absorption. Total room revenue in the market increased 9.2 percent on a compound annual percent basis between 2012 and 2018E.

Competitive Hotel Market Properties

Competitive Lodging Market - Select Hotels												
Proposed Boutique Hotel -Sandy Springs												
Hotel	Total Rooms	Year Open	STR Tier	2018 Estimated Results			Market Mix			Meeting Space		
				Occ %	ADR \$	RevPAR \$	CT	G	LT	Total SF	SF/Room	Largest
Sonesta ES Suites Atlanta Perimeter Center North	122	1989	UM	75-79%	\$110 - \$114	\$85 - \$89	50%	10%	40%	348	3	348
Hampton Inn Atlanta Perimeter Center	131	1996	UM	70-74%	\$115 - \$119	\$85 - \$89	50%	15%	35%	1,400	11	1,400
Holiday Inn Express & Suites Perimeter Mall	107	1999	UM	60-64%	\$120 - \$124	\$70 - \$74	50%	10%	40%	576	5	576
Westin Atlanta Perimeter North	372	1986	UU	75-79%	\$160 - \$164	\$125 - \$129	50%	30%	20%	14,000	38	8,064
Sheraton Hotel Atlanta Perimeter North	142	1987	UU	65-69%	\$140 - \$144	\$90 - \$94	50%	25%	25%	2,268	16	1,980
Homewood Suites Atlanta Perimeter Center	114	2015	U	80-84%	\$140 - \$144	\$115 - \$119	50%	10%	40%	851	7	851
Hyatt Place Atlanta Perimeter Center	150	1997	U	75-79%	\$120 - \$124	\$90 - \$94	50%	10%	40%	700	5	700
Total/Average	1,138			75%	\$138	\$103	50%	19%	31%	2,878	3	1,988



The **Sonesta ES Suites** is the closest hotel to City Springs. The hotel reports a strong occupancy yet at the lowest rate in the market. This is likely due to extended stay demand receiving discounted rates and affiliation with a less known brand. The hotel which was completely renovated offers one- and two-bedroom suites with full kitchens, a board room, coffee bar, fitness center and outdoor seasonal pool. Complimentary breakfast and social hour are also provided daily.



Hampton Inn Atlanta Perimeter Center is located on Hammond Drive. Despite a new Hampton Inn & Suites that opened in Dunwoody, the hotel’s performance remains strong. The renovated hotel offers a 1,400 square foot meeting room, outdoor pool, fitness center and complimentary breakfast.



Holiday Inn Express & Suites is located on Hammond Drive. It is the smallest property in the competitive set with 107 rooms. The hotel offers a 576 square foot meeting room, outdoor pool, fitness center, and complimentary breakfast. The hotel is currently under renovation which has impacted its RevPAR performance by approximately \$10 year-to-date.



The **Westin**, located within the Concourse Office Park, is the market leader given its upper upscale, full-service product offering capable of attracting large groups and individual transient demand both on weekdays and weekends. The hotel has an outdoor pool, fitness studio, restaurant and bar, 14,000 square feet of meeting space, and a complimentary shuttle to points of interest in the area. The hotel completed a \$14 million renovation in 2014 and sold in 2017 for \$84.9 million.



The **Sheraton Hotel**, located on Hammond Drive, is classified by STR as an upper upscale property. The hotel offers a restaurant/bar, outdoor pool, fitness center, and 2,268 square feet of meeting space. The Sheraton is one of the oldest hotels in the competitive set.



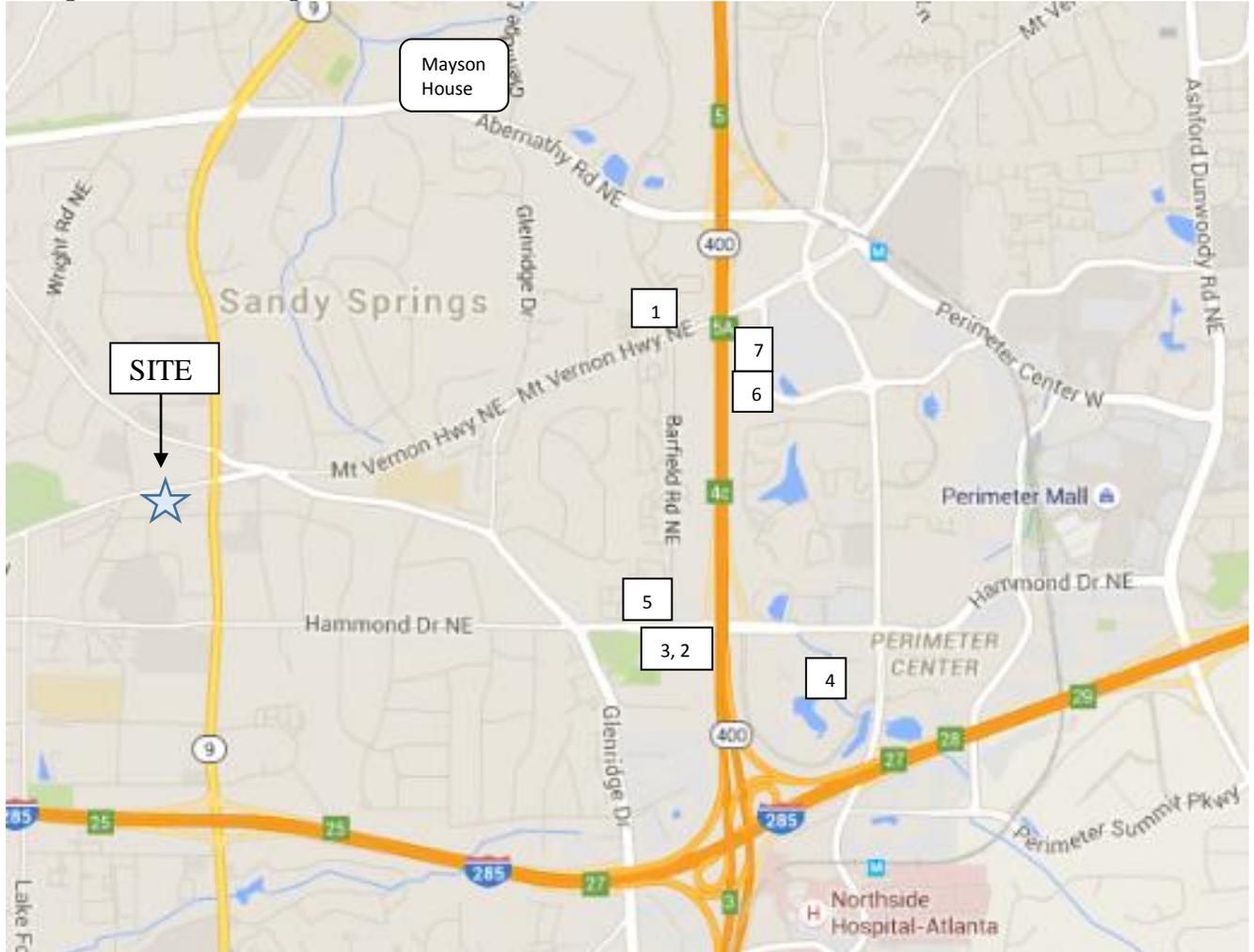
Homewood Suites is the newest hotel in the competitive set. It is tucked behind the Costco/Home Depot shopping center, however is visible from SR 400. They offer a complimentary shuttle within a 3-mile radius in addition to complimentary breakfast and social hour, a fitness center, indoor pool, an 851 square foot meeting room, and sundries shop. Because of the extended stay component of demand, the hotel reports the strongest occupancy in the market and the second highest RevPAR.



Hyatt Place is an AmeriSuites conversion tucked behind the Costco/Home Depot shopping center on Crestline Parkway. The hotel offers complimentary breakfast, the 24/7 café, bar and market, an outdoor pool, fitness center, and a double bay meeting room.

The upper upscale, full-service properties report an ADR that ranges between the \$140's and \$160's. The upscale properties report an ADR that ranges between the \$120's and \$140's, while limited-service, upper midscale properties range between the \$110's and \$120's. As the majority of hotels report an occupancy above 70 percent, hotel management teams have been more aggressive in midweek pricing, yet, the proliferation of high volume accounts established in the market as well as deep discounting on weekends has an impact on rates achieved.

Competitive Hotel Map



Map Key	Hotel	Total Rooms	Year Open
1	Sonesta ES Suites Atlanta Perimeter Center North	122	1989
2	Hampton Inn Atlanta Perimeter Center	131	1996
3	Holiday Inn Express & Suites Perimeter Mall	107	1999
4	Westin Atlanta Perimeter North	372	1986
5	Sheraton Hotel Atlanta Perimeter North	142	1987
6	Homewood Suites Atlanta Perimeter Center	114	2015
7	Hyatt Place Atlanta Perimeter Center	150	1997

The competitive set of hotels was defined to include properties on the west side of SR 400, those nearby on Mt. Vernon Highway, and the full-service Westin, accessible from Hammond Dr.

Properties located further east towards Ashford Dunwoody and the Perimeter Mall were not included due to drive times.

Hotel Meeting Space

All hotels offers meeting space, ranging from 12,000 square feet at the Westin to a small board room at the ES Sonesta. While the proposed Hotel will be walking distance to the PAC and conference space facilities, it would be advantageous to have approximately 2,000 square feet of meeting space on site.

In the January 2018 edition of *Hotels*, the article, [Hotel Spaces Pivot to Experiential Meetings](#), cited a trend where meeting planners are more frequently seeking non-traditional meeting space so that attendees can be creative and stay engaged. Due to busy schedules and shorter attention spans, meetings must stand out to achieve a strong turnout. Meetings that are experiential will have “all aspects of the program purposefully engaging a participant’s senses to create experiences that leave lasting impressions.” The article also points out that there is a trend in smaller meetings of approximately 50 persons or less, as it allows group participants to connect.

Local event planner research indicated unique space that offers neutral colors, natural lighting, and an informal yet elegant and simple design is in high demand with social and wedding event clients. Very few venues offer such facilities especially for 200 or more guests. Partnering with the PAC and Heritage Green meeting facilities can be advantageous for the proposed Hotel in light of these meeting trends. However, the proposed Hotel should have space of its own.

Supply Additions

Given the strength of the market and lodging industry in general, nearly 2,200 hotel rooms are planned as part of speculative mixed-use projects in the Perimeter Center.

The only supply addition included in the analysis is the 199-room upper upscale boutique hotel, slated for the northwest corner of Glenridge Drive and Abernathy Road. The Mayson House hotel will have significant indoor and outdoor event spaces and multiple food & beverage outlets. The project will likely be soft branded. The developer is in the process of financing the project which is assumed to open by July 2020.

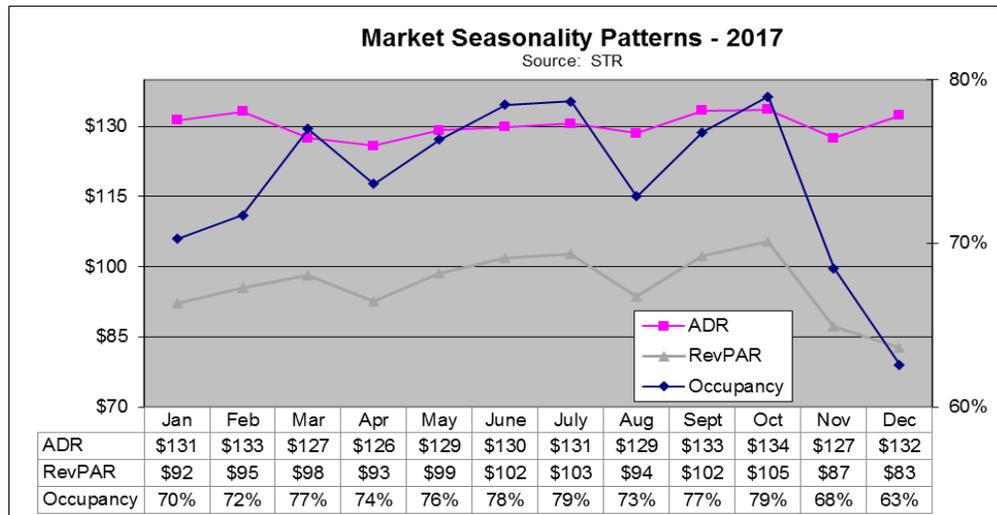
Due to preliminary development status, lack of announced construction starts, different locations and market positioning, we have not considered the following projects in the analysis.

- A 186-room Hyatt House planned by Hospitality Ventures on Lake Hearn Drive, well east of the proposed Hotel.
- A 157-room AC Hotel and 170-room Hyatt Place are in development near Perimeter Mall but have not begun construction.
- A Home2 Suites will open in November 2018 on Peachtree Dunwoody Road. It is a conversion of the 121-room Comfort Suites. Home2 Suites is a limited-service extended stay product.
- An Aloft has been announced for the corner of Barfield Road and Hammond Drive in lieu of office; however, the hotel has not been approved by the City.
- Kessler Collection Hotels owns a 3.5 acre site that is slated for a large-scale destination Grand Bohemian hotel with approximately 275 guest rooms and 28,000 square feet of meeting space. The parcel owned since 2006, is bounded by Abernathy, Mt. Vernon, and Peachtree Dunwoody Roads.

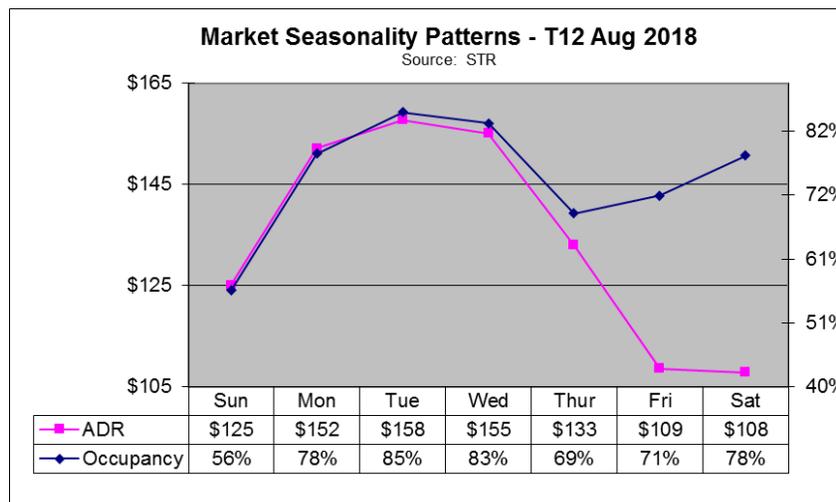
Seasonality

The market is characterized as having limited seasonality with monthly occupancy levels ranging between 79 percent in July and October to 63 percent in December. The average daily rate is fairly flat throughout the year, ranging between \$126 in April and \$134 in October.

Overall, peak months are June, July, September, and October, primarily tied to a sizable conventions/events in the MSA that compress demand into the competitive market and popular travel months in general for business and leisure. The weakest months are November and December which are typically the most challenging times for travel due to holidays and potential for poor weather.



The market runs a very strong occupancy on Monday, Tuesday, and Wednesday; however, all nights are strong with the exception of Sunday. The ADRs are strong throughout the week, peaking on Tuesday at \$158 with an average occupancy of 85 percent. The ADR drops **\$50** on weekends, highlighting the heavy discounting that occurs in the market to attract weekend demand as hotels often compete with properties all through the metro area.



Future Market Growth

With market occupancy estimated at 75 percent in 2018, future growth is limited by capacity constraints, until new supply is added and the market accommodates unmet demand with unique products.

Moderate growth in the commercial segment will continue as relocations and expansions occur and new supply comes on line. The group market that includes both corporate and social demand will also continue to grow with the planned facilities at Mayson House and at the Subject together with City Springs. The availability of two upscale boutique hotels, at two distinct price points, coupled with the activity at the PAC and City Green should also help draw leisure demand. The following table presents current and anticipated demand for the competitive market through 2025.

Estimated Market Occupancy Competitive Lodging Market			
Year	Rooms Available	Rooms Occupied	Occupancy
2018E	415,370	310,300	75%
2021	533,265	382,600	72%
2022	533,265	390,900	73%
2023	533,265	396,700	74%
2024	533,265	400,200	75%
2025	533,265	403,800	76%
CAGR			
2018 -2025	3.6%	3.8%	

The market is expected to decline slightly in response to new supply, building back to the mid 70 percent range as the new product is absorbed in the market. As market occupancy levels approach the mid 70’s, it is likely new supply would begin to move forward capping market occupancy.

Overall, rooms supply is expected to increase at a 3.6 percent compound annual rate between 2018 and 2025, while rooms demand is anticipated to increase 3.8 percent. This compares conservatively with the historical trend of 1.8 percent compound annual growth in supply and 3.2 percent growth in demand.

ESTIMATED HOTEL PERFORMANCE

The following section highlights the property's competitive positioning as well as the estimated occupancy and ADR performance for the proposed Boutique Hotel.

Competitive Position

The proposed upscale Boutique Hotel has the following strengths and market opportunities in which to compete:

- The Hotel will be one of the first full-service boutiques built in the Perimeter Center. There is likely unaccommodated demand that exists for a small, stylish, full-service hotel in the Perimeter Center.
- The location adjacent to City Springs provides an attractive destination with a multitude of activity to energize the area.
- The meeting facilities found in City Springs allows the Hotel to partner in larger meeting business and serves as a convenient lodging option for events booked at Heritage Green and the PAC.
- The restaurants found in City Springs and nearby will give Hotel guests access to several dining options in walking distance.
- While the City Springs development is high quality, the substation is a draw back. Attractive landscaping or another solution will need to be addressed.
- The average age of the competitive hotel buildings are 22 years old. Cosmetic renovations can only go so far with an aged infrastructure.
- The west side of SR 400 does not afford the same level of commercial density; however, traffic is much less an issue. Substantial demand generators including Mercedes-Benz USA headquarters, UPS headquarters, Inspire Brands's headquarters and IBM among others located on the west side of SR 400 will be prime targets for the Hotel.
- Road improvements planned for the intersection of I-285 and SR 400 as well as the Westside Connector should allow for continued growth in the commercial core.
- The Boutique Hotel will offer 125 upscale boutique hotel rooms. Discounting will likely occur to secure a base of business; however, it will not need to be as pronounced as at the larger hotels. Leisure demand from events at City Springs will also limit discounting on weekends.
- Strong population growth and high incomes bode well for the area in general.
- Strong occupancy levels should allow ADRs to continue to increase at or above inflation.
- Affiliation with a soft brand and utilizing a professional management company with a proven track record in upscale hotels will draw demand. A strong local sales force and partnership with area event planners and the PAC will also help facilitate quicker absorption.

Estimated Occupancy

Based upon the Hotel's strengths and weaknesses, we estimate the Boutique Hotel will achieve the following performance levels.

Estimated Occupancy and Penetration Proposed Boutique Hotel -Sandy Springs				
Year	Market Occupancy	Subject Occupancy	Penetration Rate	Rooms Occupied
2021	72%	65%	90%	29,500
2022	73%	70%	95%	31,800
2023	74%	73%	98%	33,100
2024	75%	73%	98%	33,400
2025	76%	74%	98%	33,700

We anticipate the Boutique Hotel is estimated to stabilize at 74 percent occupancy, or 98 percent of fair market share in 2025. Segmentation in a stabilized year is estimated to be 47 percent commercial, 21 percent group, and 32 percent leisure demand.

The property’s upscale design and service, small scale and amenities will be instrumental in the Hotel’s ability to overcome a marginal location, effectively capturing demand from all market segments. However, the property’s distance to major corporate nodes will limit its capture of transient business to below its fair share of demand. The unique branding, access and availability of meeting and event space, as well as location in the City’s new downtown City Springs development should allow the Hotel to capture a slight premium in the group and leisure segments.

Estimated ADR

The ADR for the competitive set was estimated to be \$138 in 2018, up 5.9 percent from 2017. The 32 year old 372-room Westin reports the strongest rate at approximately \$160 while the 142-room 31 year old Sheraton has an ADR in the low \$140’s.

We anticipate the proposed Hotel would position itself above the Sheraton given its new construction, anticipated design and service level, access to extensive event space, as well as smaller room count. The Hotel would be positioned below the Westin given its superior location and extensive amenity base. We anticipate the Hotel to achieve the following rates for its first five years of operation.

Estimated Average Daily Rate Proposed Boutique Hotel -Sandy Springs			
Year	2018 Dollars	Inflated Dollars*	2018 \$'s ARI**
2021	\$142.50	\$155.50	103%
2022	\$145.50	\$164.00	105%
2023	\$150.00	\$174.00	109%
2024	\$150.00	\$179.00	109%
2025	\$150.00	\$184.50	109%

**Inflated at 3.0% per year.*
***Subject compared to 2018 market ADR of \$138.*

Discounting in the Hotel’s initial two years of operation is anticipated as the property builds occupancy and its reputation in the market.

FINANCIAL ANALYSIS

Key Assumptions

- The **Boutique Hotel** is anticipated to open January 2021 with 125 upscale guest rooms. It will offer services and amenities commensurate with an upscale, full-service property, and be affiliated with a nationally recognized soft brand and operated by an experienced professional management company.
- The Boutique Hotel will be uniquely branded and designed to appeal to its target market.
- The Boutique Hotel will include approximately 2,000 square feet of flexible indoor meeting space and have access to the PAC facilities through a mutually beneficial partnership. Additional amenities include a lobby bar/restaurant to serve three meals a day, a fitness center, outdoor gathering areas, a swimming pool, business center, and paid parking.
- Supply additions will occur as described.

Estimated Financial Performance

Our estimates of cash flow from operations for the proposed 125-room Boutique Hotel for the first five years of operation are based on composite operating performance from Full-Service Hotels across the United States as published in the *2018 PKF Trends Report* (“Trends”). Additional criteria selected under Full Service Hotels include: ADR between \$125 and \$250 and under 150 guest rooms. Key benchmarks from Lifestyle Hotels found in the *2017 Boutique Hotel Report* by The Highland Group were also utilized.

All account classifications generally conform to the definitions prescribed by the American Hotel & Motel Association in Uniform System of Accounts for Hotels, 11th edition. Selected benchmarks are as follows:

Full Service Hotel Benchmarks

Summary Operating Statement									
Dollars Per Available and Occupied Room									
Source: CBRE 2018	All Full-Service Hotels			\$125 to \$250			Under 150 Rooms		
	2017 Dollars per Available Room	2017 Percent of Revenue	2017 Dollars per Occupied Room	2017 Dollars per Available Room	2017 Percent of Revenue	2017 Dollars Per Occupied Room	2017 Dollars per Available Room	2017 Percent of Revenue	2017 Dollars Per Occupied Room
Revenues									
Rooms	\$ 51,510	71.0%	\$ 185.67	\$ 48,081	71.6%	\$ 172.17	\$ 38,948	82.7%	\$ 143.78
Food and Beverage	17,835	24.6%	64.29	16,337	24.3%	58.50	6,698	14.2%	24.72
Other Operated Departments	2,173	3.0%	7.83	1,805	2.7%	6.46	946	2.0%	3.49
Miscellaneous Income	1,017	1.4%	3.66	940	1.4%	3.37	483	1.0%	1.78
Total Operating Revenue	\$ 72,534	100.0%	\$261.46	\$ 67,164	100.0%	\$ 240.50	\$ 47,075	100.0%	\$ 173.78
Departmental Expenses*									
Rooms	\$ 13,148	25.5%	\$ 47.39	\$ 11,482	23.9%	\$ 41.11	\$ 9,145	23.5%	\$ 33.76
Food and Beverage	12,989	72.8%	46.82	11,093	67.9%	39.72	5,221	78.0%	19.27
Other Operated Departments	1,211	55.7%	4.36	865	47.9%	3.10	623	65.9%	2.30
Total Departmental Expenses	\$ 27,348	37.7%	\$ 98.58	\$ 23,440	34.9%	\$ 83.93	\$ 14,989	31.8%	\$ 55.33
Total Departmental Profit	\$ 45,186	62.3%	\$ 162.88	\$ 43,724	65.1%	\$ 156.57	\$ 32,086	68.2%	\$ 118.45
Undistributed Operating Expenses									
Administrative and General	\$ 5,712	7.9%	\$ 20.59	\$ 5,191	7.7%	\$ 18.59	\$ 4,134	8.8%	\$ 15.26
Information and Telecommunications Systems	1,131	1.6%	4.08	1,003	1.5%	3.59	668	1.4%	2.47
Sales and Marketing	6,353	8.8%	22.90	6,164	9.2%	22.07	4,603	9.8%	16.99
Property Operation and Maintenance	2,910	4.0%	10.49	2,615	3.9%	9.37	1,939	4.1%	7.16
Utilities	2,124	2.9%	7.66	2,027	3.0%	7.26	1,555	3.3%	5.74
Total Undistributed Expenses	\$ 18,231	25.1%	\$ 65.72	\$ 17,000	25.3%	\$ 60.88	\$ 12,899	27.4%	\$ 47.62
Gross Operating Profit	\$ 26,955	37.2%	\$ 97.16	\$ 26,724	39.8%	\$ 95.69	\$ 19,187	40.8%	\$ 70.83
Management Fees	\$ 2,612	3.6%	\$ 9.42	\$ 2,533	3.8%	\$ 9.07	\$ 1,806	3.8%	\$ 6.67
Income Before Non-Operating Income and Expenses	\$ 24,343	33.6%	\$ 87.75	\$ 24,191	36.0%	\$ 86.63	\$ 17,381	36.9%	\$ 64.16
Non-Operating Income and Expenses									
Income	\$ 32	0.0%	\$ 0.12	\$ 41	0.1%	\$ 0.15	\$ 34	0.1%	\$ 0.12
Rent	1,594	2.2%	5.75	1,856	2.8%	6.64	1,640	3.5%	6.05
Property and Other Taxes	2,625	3.6%	9.46	2,205	3.3%	7.90	1,554	3.3%	5.74
Insurance	530	0.7%	1.91	472	0.7%	1.69	361	0.8%	1.33
Other	819	1.1%	2.95	745	1.1%	2.67	1,023	2.2%	3.78
Total Non-Operating Income and Expenses	\$ 5,536	7.6%	\$ 19.96	\$ 5,237	7.8%	\$ 18.75	\$ 4,544	9.7%	\$ 16.78
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ 18,807	25.9%	\$ 67.79	\$ 18,955	28.2%	\$ 67.87	\$ 12,837	27.3%	\$ 47.39
Percent of Occupancy	76.0%			76.5%			74.2%		
Average Daily Rate	\$185.67			\$172.17			\$143.78		
RevPAR	\$141.11			\$131.72			\$106.70		
Average Size (Rooms)	238			256			123		

Lifestyle Hotel Benchmarks
Upscale with 125 to 195 Rooms

	Ratio	Per Room	Per Room
Revenue	to Sales	Available	Occupied
Rooms	91.3%	\$43,795	\$158.82
Food	2.7%	\$1,295	\$4.70
Beverage	2.1%	\$1,001	\$3.63
Other Food & Beverage	0.2%	\$104	\$0.38
Other Operated Departments	3.0%	\$1,432	\$5.19
Rentals & Other Income	0.7%	\$333	\$1.20
Total Revenue	100.0%	\$47,960	\$173.92
Departmental Expenses			
Rooms	22.8%	\$9,971	\$36.16
Food & Beverage	75.3%	\$1,807	\$6.55
Other Operated Departments	34.3%	\$491	\$1.78
Total Departmental Expenses	25.6%	\$12,270	\$44.49
Undistributed Operating Expenses			
Administrative & General	9.0%	\$4,336	\$15.72
Information & Telecommunications	1.0%	\$500	\$1.81
Marketing (excluding franchise fees)	5.4%	\$2,594	\$9.41
Franchise Fees (royalty & marketing)	6.6%	\$3,156	\$11.44
Utility Costs	3.7%	\$1,754	\$6.36
Property Operation & Maintenance	4.1%	\$1,989	\$7.21
Total Undistributed Expenses	29.9%	\$14,328	\$51.96
Gross Operating Profit	44.5%	\$21,362	\$77.47
Management Fees	4.0%	\$1,942	\$7.04
Income Before Fixed Charges	40.5%	\$19,420	\$70.43
Selected Fixed Charges			
Rent & Non-Operating Income	0.6%	\$562	\$1.91
Taxes	3.8%	\$1,812	\$6.57
Insurance	0.7%	\$353	\$1.28
EBITDA / Net Operating Income	35.3%	\$16,944	\$61.44
Occupancy:	76.7%		
ADR:	\$158.82		
RevPAR:	\$121.82		
TrevPAR:	\$133.41		
GOPPAR	\$59.42		
Data Year	2014		
Props:	14		
Rooms:	2,012		

Ratio to sales based on Total Revenue except Departmental Expenses; may not add due to rounding

Source: 2017 Boutique Hotel Report by The Highland Group
Expressed in 2015 Dollars

The following section presents estimates of cash flow from operations for the proposed Boutique Hotel.

Revenue Analysis

Revenue for the proposed Boutique Hotel is generated from sources including rooms, food & beverage, minor operated departments, and rental and other income (net).

Guest Rooms

Guest rooms revenue was calculated by estimating annual occupancy and average room rate per occupied room for the 125-room property for each year of the analysis period, as previously discussed in the report. The estimates of occupancy were applied to the anticipated average room rate for each year to arrive at rooms revenue.

The stabilized ADR for the proposed 125-room Boutique Hotel in 2018 dollars is estimated to be \$150.00, which produces rooms revenue in the stabilized year as follows:

Stabilized Rooms Revenue		
(in 2018 \$s)		
Proposed 125-Room Boutique Hotel		
Room nights		33,700
ADR	X	\$150.00
Room revenue		\$5,055,000

Food and Beverage

The food and beverage operation will offer three meals a day in the lobby bar/restaurant and banquet operations for the 2,000 square feet of meeting space. Use of the bar/restaurant is anticipated by locals as it can be positioned as Sandy Springs’ casual living room.

Based upon these assumptions, we estimate that the proposed Boutique Hotel can achieve approximately \$1.1 million in F&B revenue in a stabilized year expressed in 2018 dollars. This equates to sales of \$34 per occupied room, or 17.0 percent of total sales.

Minor Operated Departments

Minor Operated Departmental revenue is estimated at \$15.00 per occupied room night in 2018 dollars, or 7.5 percent of total revenues. This revenue is derived from sources including telecommunications, movie income, guest laundry, and parking.

Rental and Other Income (Net)

This revenue category includes income from sources such as vending, cash discounts, interest income and other income not included elsewhere. Rental and other income (net) is estimated at \$2.00 per occupied room night in 2018 dollars, or 1.0 percent of total revenues.

Departmental Expenses

Rooms, food and beverage, and minor operated departments comprise the primary operating departments within the proposed Hotel.

Guest Rooms

Rooms departmental expense includes labor costs, such as salaries and wages for front desk, bellmen, housekeeping, reservations, and laundry. This category includes other related costs for guest room supplies, laundry, linen, other items required for the upkeep of guest rooms and the lobby areas as well as a complimentary local shuttle service and complimentary breakfast for loyalty guests. We have estimated rooms departmental expense at 25.0 percent of room revenue or \$37.50 per occupied room in a representative year in 2018 dollars. The expense ratio is in line with the financial benchmarks.

Food and Beverage

Food and Beverage department expense includes the cost of the raw materials used to produce food and beverage products for consumption, labor costs for final product production, and cleaning and supplies costs for the food and beverage service areas. We have estimated food and beverage department expense at 70.0 percent of food and beverage income. This expense is in line with industry standards.

Minor Operated Department

Minor Operated Department expense includes all expenses associated with generating revenue in the department. We have estimated minor operated departmental expense at 40.0 percent of MOD revenue or \$6.00 per occupied room in a representative year in 2018 dollars.

Total Departmental Expenses

Total departmental expense is estimated at 33.5 percent of total revenue. This expense falls within the industry benchmark ranges.

Undistributed Operating Expenses

This expense classification relates to expense items not directly attributed to specific operating departments. Detailed explanations for the line item amounts follow.

Administrative and General

This expenditure represents costs and other expenses for the administrative staff, as well as such items as legal and accounting fees, credit card commissions, printing, stationery and postage costs, computer services, bad debt expense, and training. We have estimated this expense at 7.8 percent of total revenue in a representative year, or approximately \$4,226 per available room in 2018 dollars.

Marketing

These fees consist of traditional advertising and promotional costs including sales personnel, promotions, marketing fees, as well as loyalty program charges when applicable. This cost level is estimated at 5.0 percent of total revenue, or \$10.05 per occupied room in a representative year.

Base Management Fees

This expenditure is estimated at 3.0 percent of total revenue throughout the period of analysis. This cost ratio is based on industry standards.

Franchise Fees

Franchise Fees are estimated at 6.0 percent of rooms sales which equates to 4.5 percent of total sales in a stabilized year.

Information & Telecom Systems

Information & Telecom Systems is estimated at 1.4 percent of total revenue in a stabilized year.

Energy

These costs represent expenditures for electricity, fuel, water, and waste removal. Energy costs are a partially variable cost that is a function primarily of occupancy. Energy costs are estimated to stabilize at 3.5 percent of total revenue, or \$1,900 per available room in 2018 dollars.

Property Operations and Maintenance

This expense includes the cost of periodic preventative maintenance and repairs to maintain the physical structure and mechanical equipment. Repairs and maintenance expenses are estimated to stabilize at 4.0 percent of total revenue, or \$7.98 per occupied room in 2018 dollars.

Total Undistributed Operating Expense

Total undistributed operating expense, including management fee, has been estimated at approximately 29.2 percent of total revenue at stabilization.

Cash Flow Available Before Fixed Charges

Profit before fixed charges, debt service and income tax is estimated to be 37.4 percent of total revenue in the fifth year of operations which is in line with industry benchmarks.

Fixed Charges

Fixed charges relate to those expense items that are relatively fixed and not sensitive to the operating levels of the facility within the time frame of our analysis.

Property Taxes are based on property taxes paid by area hotels and were estimated at approximately \$800 per guest room in 2018 dollars.

Insurance is estimated at \$410 per room, or 0.8 percent of total revenues in a stabilized year. It is assumed that a reasonably priced policy will be achieved through relationships established by the management company.

Capital Reserves are established to account for the refurbishment or replacement of such short-lived items as parking area, roof repairs, HVAC, soft goods, and furniture, fixtures, and equipment. Typically, hotels do not maintain a sinking fund for capital replacements. However, an accurate assessment of the property must include an estimate of capital reserve costs. We have estimated that a 4.0 percent of total revenue is sufficient to maintain a sinking fund for replacement of these short-lived items. The property will not require a full reserve in the initial years of operation, as the Hotel will be new. Therefore, this expense ratio has been staged and will begin at 2.0 percent, increase to 3.0 percent in year three, and 4.0 percent in year four.

Profit Before Debt Service and Income Taxes

Profit before debt service and income taxes is estimated to be 31.1 percent of total revenue in the fifth year of operations, or approximately \$2,108,800 in 2018 dollars.

Hotel at City Springs Sandy Springs Estimates of Cash Flow Before Debt Service and Income Taxes										
	2021		2022		2023		2024		2025	
	Amount	Ratio								
Number of Days Open/Year	365		365		365		365		365	
Available Rooms (Daily)	125		125		125		125		125	
Available Rooms (Annually)	45,625		45,625		45,625		45,625		45,625	
Occupancy Percentage		65%		70%		73%		73%		74%
Occupied Rooms	29,500		31,800		33,100		33,400		33,700	
Average Room Rate		\$155.50		\$164.00		\$174.00		\$179.00		\$184.50
RevPAR		\$101		\$114		\$126		\$131		\$136
REVENUES										
Rooms	\$4,587,300	73.0%	\$5,215,200	73.8%	\$5,759,400	74.6%	\$5,978,600	74.6%	\$6,217,700	74.6%
Food	663,100	10.6%	724,400	10.3%	770,200	10.0%	799,100	10.0%	828,900	9.9%
Beverage	464,100	7.4%	507,100	7.2%	539,200	7.0%	559,300	7.0%	580,300	7.0%
Minor Operated Department	497,300	7.9%	543,300	7.7%	577,700	7.5%	599,300	7.5%	621,700	7.5%
Rentals & Other Income (Net)	72,700	1.2%	75,400	1.1%	78,000	1.0%	80,400	1.0%	82,900	1.0%
Total Revenues	\$6,284,500	100.0%	\$7,065,400	100.0%	\$7,724,500	100.0%	\$8,016,700	100.0%	\$8,331,500	100.0%
DEPARTMENTAL EXPENSES										
Rooms	\$1,277,700	27.9%	\$1,374,300	26.4%	\$1,449,400	25.2%	\$1,501,000	25.1%	\$1,554,300	25.0%
Food & Beverage	821,900	72.9%	877,300	71.2%	921,600	70.4%	953,500	70.2%	986,500	70.0%
Minor Operated Department	198,900	40.0%	217,300	40.0%	231,100	40.0%	239,700	40.0%	248,700	40.0%
Total Departmental Expenses	\$2,298,500	36.6%	\$2,468,900	34.9%	\$2,602,100	33.7%	\$2,694,200	33.6%	\$2,789,500	33.5%
TOTAL DEPARTMENTAL INCOME	\$3,986,000	63.4%	\$4,596,500	65.1%	\$5,122,400	66.3%	\$5,322,500	66.4%	\$5,542,000	66.5%
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	\$559,300	8.9%	\$586,200	8.3%	\$609,700	7.9%	\$629,400	7.9%	\$649,700	7.8%
Marketing	365,500	5.8%	379,100	5.4%	391,900	5.1%	404,100	5.0%	416,600	5.0%
Base Management Fee	188,500	3.0%	212,000	3.0%	231,700	3.0%	240,500	3.0%	249,900	3.0%
Franchise Fees	275,200	4.4%	312,900	4.4%	345,600	4.5%	358,700	4.5%	373,100	4.5%
Information & Telecom Systems	88,000	1.4%	98,900	1.4%	108,100	1.4%	112,200	1.4%	116,600	1.4%
Energy	251,400	4.0%	263,500	3.7%	274,100	3.5%	283,000	3.5%	292,100	3.5%
Property Operation & Maintenance	286,400	4.6%	299,100	4.2%	310,500	4.0%	320,400	4.0%	330,600	4.0%
Total Undistributed Operating Expenses	\$2,014,300	32.1%	\$2,151,700	30.5%	\$2,271,600	29.4%	\$2,348,300	29.3%	\$2,428,600	29.1%
INCOME BEFORE FIXED CHARGES	\$1,971,700	31.4%	\$2,444,800	34.6%	\$2,850,800	36.9%	\$2,974,200	37.1%	\$3,113,400	37.4%
FIXED CHARGES										
Property Taxes	\$109,300	1.7%	\$112,600	1.6%	\$115,900	1.5%	\$119,400	1.5%	\$123,000	1.5%
Insurance on Building & Contents	56,000	0.9%	57,700	0.8%	59,400	0.8%	61,200	0.8%	63,000	0.8%
Total Fixed Charges	\$165,300	2.6%	\$170,300	2.4%	\$175,300	2.3%	\$180,600	2.3%	\$186,000	2.2%
PROFIT BEFORE RESERVE	\$1,806,400	28.7%	\$2,274,500	32.2%	\$2,675,500	34.6%	\$2,793,600	34.8%	\$2,927,400	35.1%
Reserve for Replacement of FF&E	125,700	2.0%	212,000	3.0%	309,000	4.0%	320,700	4.0%	333,300	4.0%
PROFIT BEFORE DEBT SERVICE AND INCOME TAXES	\$1,680,700	26.7%	\$2,062,500	29.2%	\$2,366,500	30.6%	\$2,472,900	30.8%	\$2,594,100	31.1%

Note: The accompanying report and summary of significant assumptions are an integral part of these prospective analyses and should be read in conjunction with this schedule.

TERMS AND CONDITIONS

The market, financial and economic analyses conducted for the proposed Hotel takes into account the operating assumptions and estimates developed in connection with industry contacts and other general knowledge of the industry. Since future events are not subject to precise forecasts, some assumptions will not materialize in the exact form presented by the analysis. In addition, other unanticipated events and circumstances may occur which could influence the future outcome and performance of the project.

Therefore, the results achieved in future operating periods will vary from the analysis of prospective market and financial conditions. Since there is no recourse to predicting these matters with certainty apart from informed and reasoned judgments, future events may lead to variations in project performance which may materially alter the results of the market analysis results.

While changes of this kind may occur, it is expressly understood that Key Advisors, Inc. has no obligation to revise the report or the analysis of prospective conditions subsequent to the date of this report. The analysis is based on fieldwork completed through October 2018.

Further, it is understood that this study and all reports and work product of Key Advisors, Inc. are prepared and delivered solely for the internal use of the client. The client acknowledges that Key Advisors, Inc. has not been engaged by contract and owes no duty of performance to any person other than the client.

Any use of the reports and work product of Key Advisors, Inc. by the client must include the entire content of such reports in the form delivered to the client. No portion of excerpts thereof may be otherwise quoted or referred to in any statement, prospectus, loan agreement, or other document unless expressly approved by Key Advisors, Inc. in writing.

You have represented that you know of no hidden conditions affecting the subject property, including its subsoil or structure, such as asbestos, radon, toxic or chemical waste, flooding, or any other conditions that would render the property more or less valuable. For purposes of analysis, Key Advisors, Inc. has assumed that there is full compliance with all applicable federal, state, and local environmental laws or regulations as of the date of the report.

Specifically, Key Advisors, Inc. did not determine the legal and regulatory requirements applicable to the project, including zoning, other state and local government regulations, permits, and licenses. In addition, no effort was made to ascertain the effect of present or future federal, state, or local legislation, including rulings on environmental or ecological matters.

EXHIBIT B
VISITOR PROFILE STUDY

2018 Sandy Springs, GA Visitor Profile Study

Understanding Visitor Types, Especially Leisure



GRAYRESEARCH
S O L U T I O N S

Objectives & Method

❑ Objective

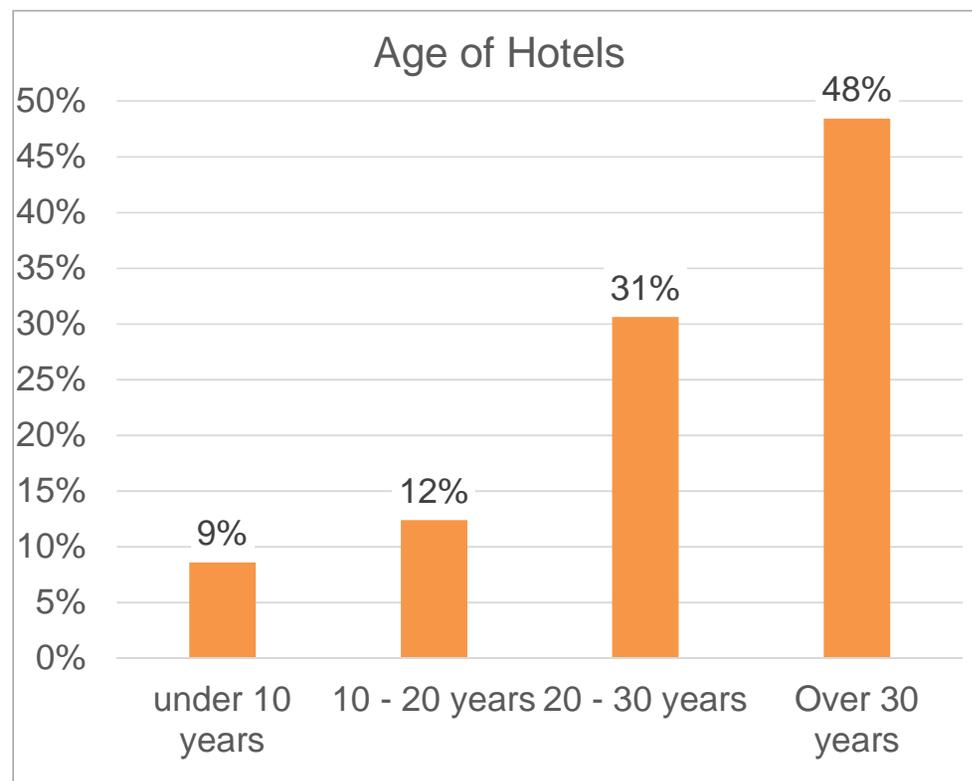
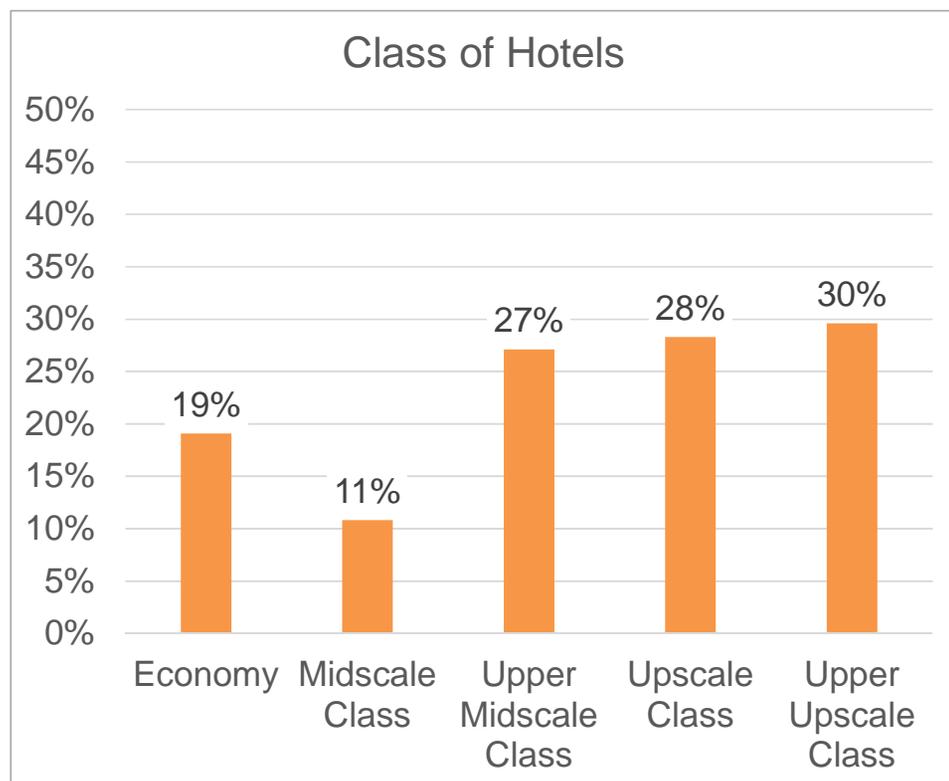
- ❑ Thoroughly assess various visitor types to Sandy Springs
- ❑ Understand what drives visitation for these groups in order to grow tourism

❑ Methods

- ❑ Immersion, Meetings & Reconnaissance March 4-6, 2018
- ❑ Lodging Product Assessment and Survey
- ❑ Group Travel Analysis
- ❑ Leisure Visitor Profile Study

Lodging Product Assessment & Study

Hotel Inventory Age & Class



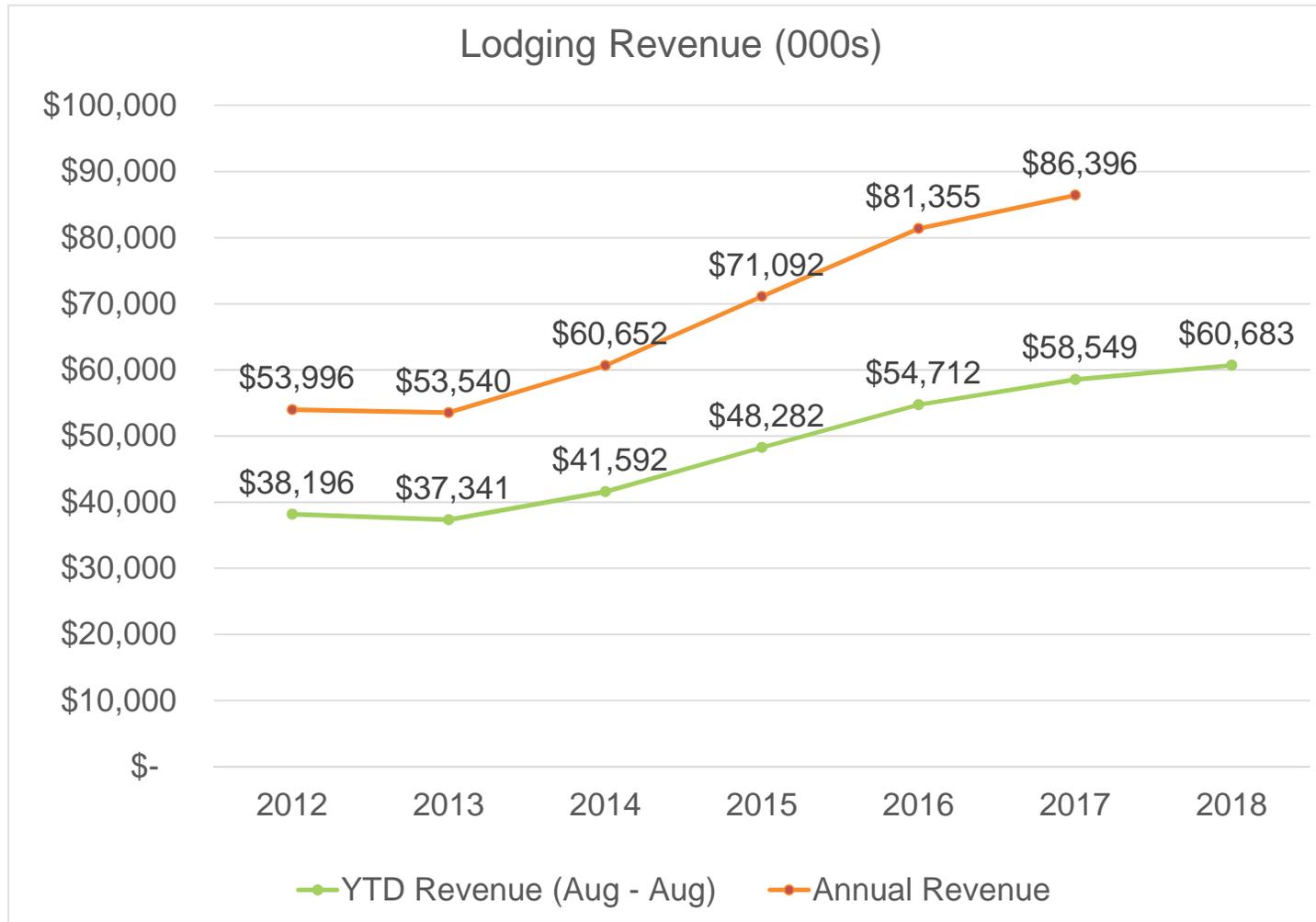
Out of 2,865 rooms analyzed by Smith Travel Research, the majority of rooms (85%) are Upper Midscale class or higher.

The majority of rooms (79%) are also over 20 years old.

Lodging Property	Class	Open Date	Rooms	Age	% of Rooms
Over 30 Years Old (1,387 rooms)					48%
Comfort Inn Sandy Springs Perimeter	Upper Midscale Class	Jun-71	80	47	
Wyndham Atlanta Perimeter	Upscale Class	Jan-81	296	37	
Westin Atlanta Perimeter North	Upper Upscale Class	Nov-86	372	32	
Hawthorn Suites by Wyndham Atlanta Perimeter Center	Midscale Class	Aug-87	128	31	
Hilton Atlanta Perimeter	Upper Upscale Class	Mar-87	224	31	
Courtyard Atlanta Perimeter Center	Upscale Class	Dec-87	145	31	
Sheraton Hotel Atlanta Perimeter North	Upper Upscale Class	Apr-87	142	31	
20-30 Years Old (877 rooms)					31%
Sonesta ES Suites Atlanta Perimeter Center North	Upper Midscale Class	Sep-89	122	29	
Comfort Suites Perimeter Center	Upper Midscale Class	May-95	121	23	
Hyatt Place Atlanta Perimeter Center	Upscale Class	Feb-97	150	21	
Extended Stay America Atlanta Perimeter Hammond Drive	Economy Class	May-97	129	21	
Fairfield Inn & Suites Atlanta Perimeter Center	Upper Midscale Class	Oct-97	114	21	
Extended Stay America Atlanta Perimeter Peachtree Dunwoody	Economy Class	Jan-97	99	21	
La Quinta Inns & Suites Atlanta Perimeter Medical Center	Midscale Class	Oct-98	142	20	
10-20 Years Old (355 rooms)					12%
InTown Suites Sandy Springs	Economy Class	May-99	71	19	
Holiday Inn Express & Suites Atlanta North Perimeter Mall Area	Upper Midscale Class	Jan-99	107	19	
Extended Stay America Atlanta Perimeter Crestline	Economy Class	Apr-00	97	18	
Microtel Inn & Suites by Wyndham Atlanta Perimeter Center	Economy Class	Jul-01	80	17	
Under 10 Years Old (246 rooms)					9%
Homewood Suites Atlanta Perimeter Center	Upscale Class	Jun-15	114	3	
Hampton Inn Atlanta-Perimeter Center	Upper Midscale Class	May-16	131	2	

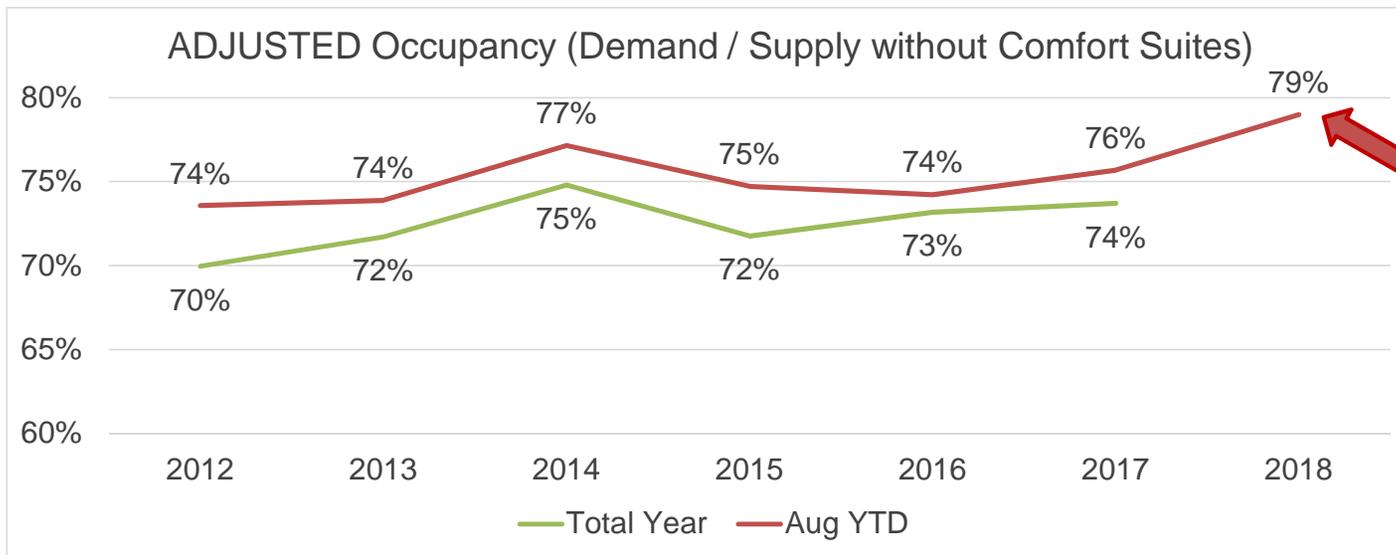
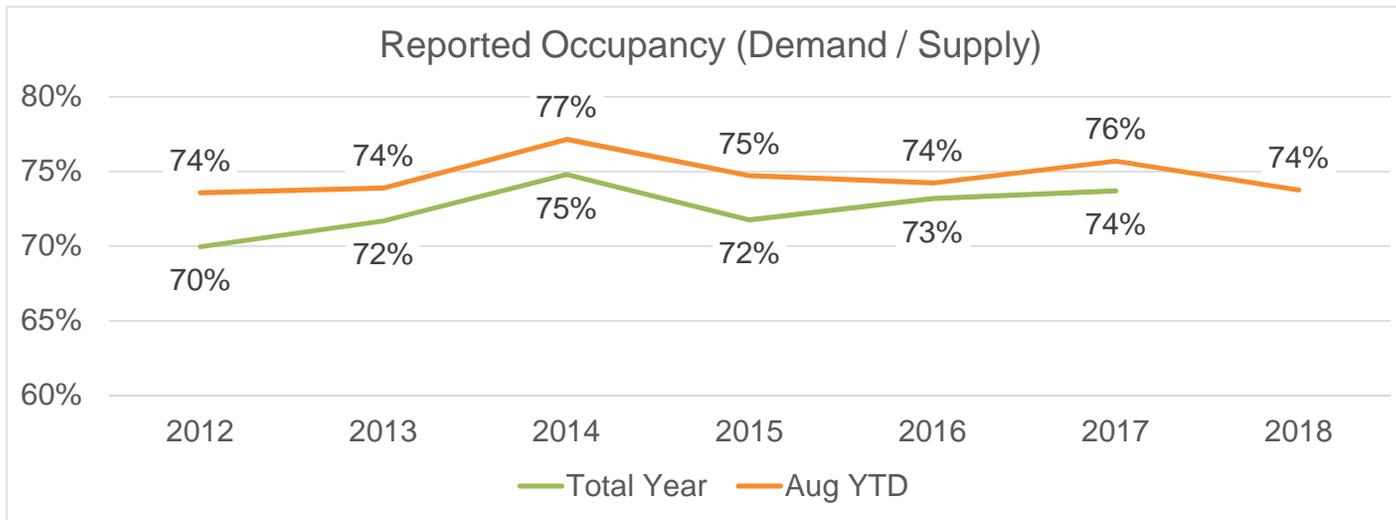
Source: Smith Travel Research Trend Report

Revenue



Lodging revenue has consistently grown over the last six years, from \$54 Million to over \$86 Million annually.

Occupancy



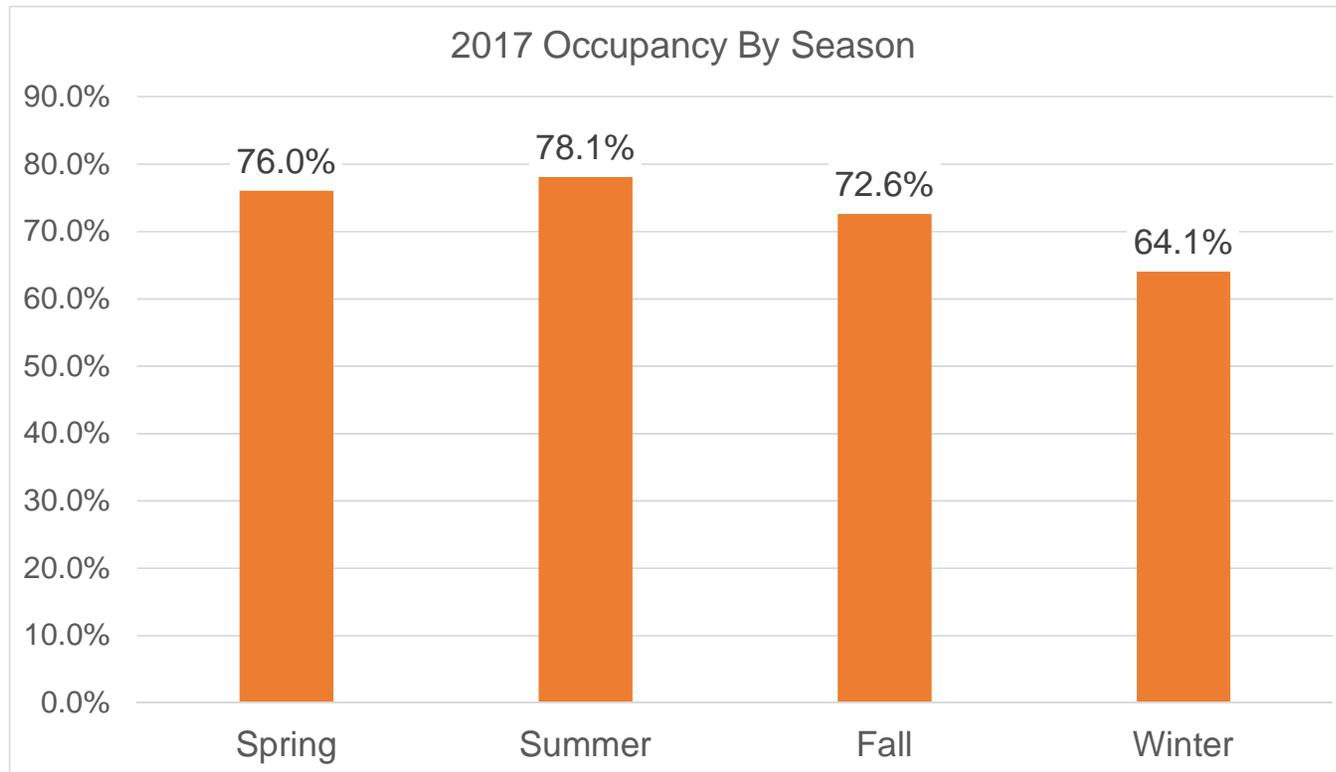
Occupancy, or rooms sold divided by rooms available, has remained between 70% and 80% since 2012. This is a very high rate (since 80% is about the maximum possible annually).

Actual numbers from 2018 show a drop in occupancy, however, the **rooms at the Comfort Suites have remained in STR's reported supply.**

When that supply is removed from the occupancy rate equation, we see that actually occupancy **INCREASED 2% in 2018 to 79%.**

Comfort Suites represents		room
121 rooms, or	44,165	nights
2018 reported supply	696,164	
2018 adjusted supply:	651,999	
2018 demand:	513,542	
Keeping demand the same, the adjusted occupancy rate is:		79%

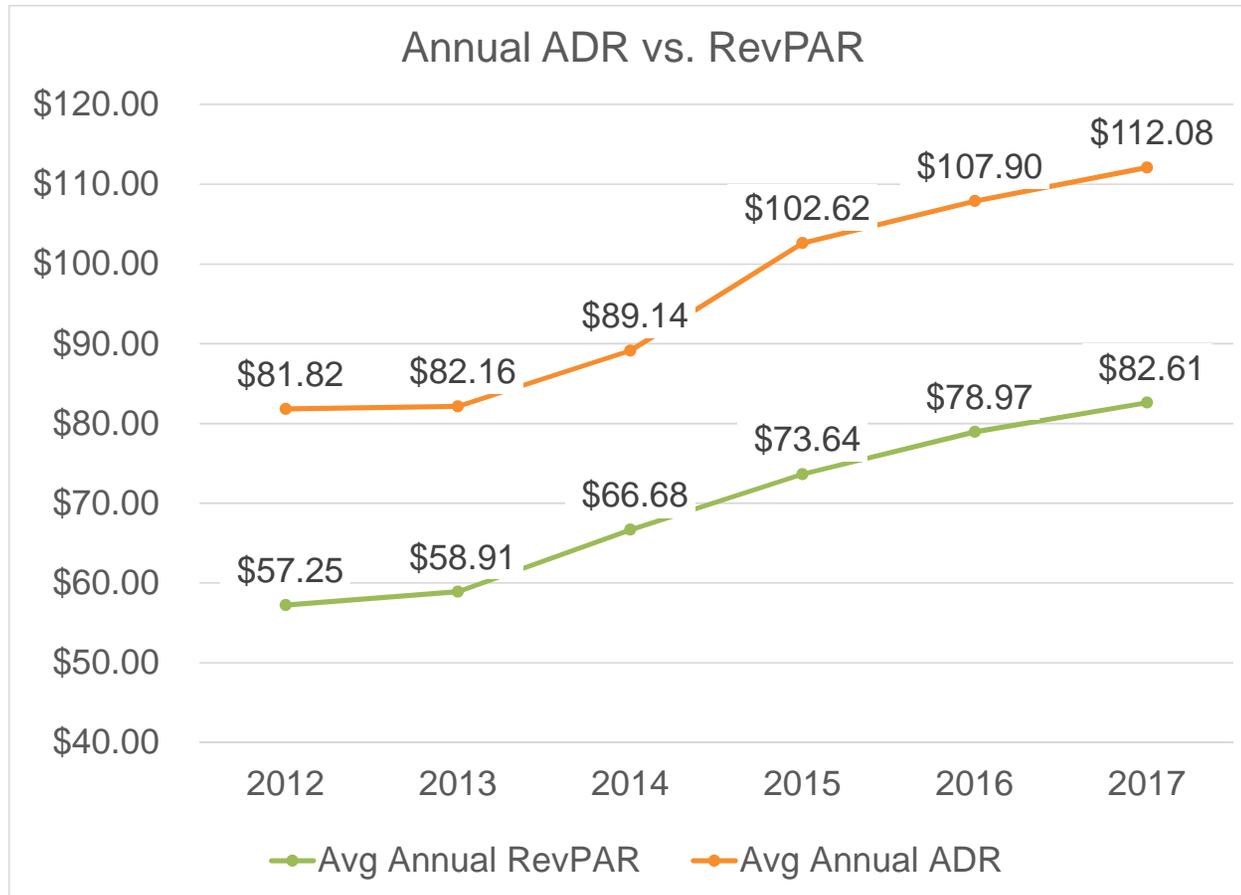
Sandy Springs STR



Summer is Sandy Springs' busiest season, when rooms are 78% occupied.

Effort should be made to build tourism during winter and the shoulder seasons in order to fill in overall gaps.

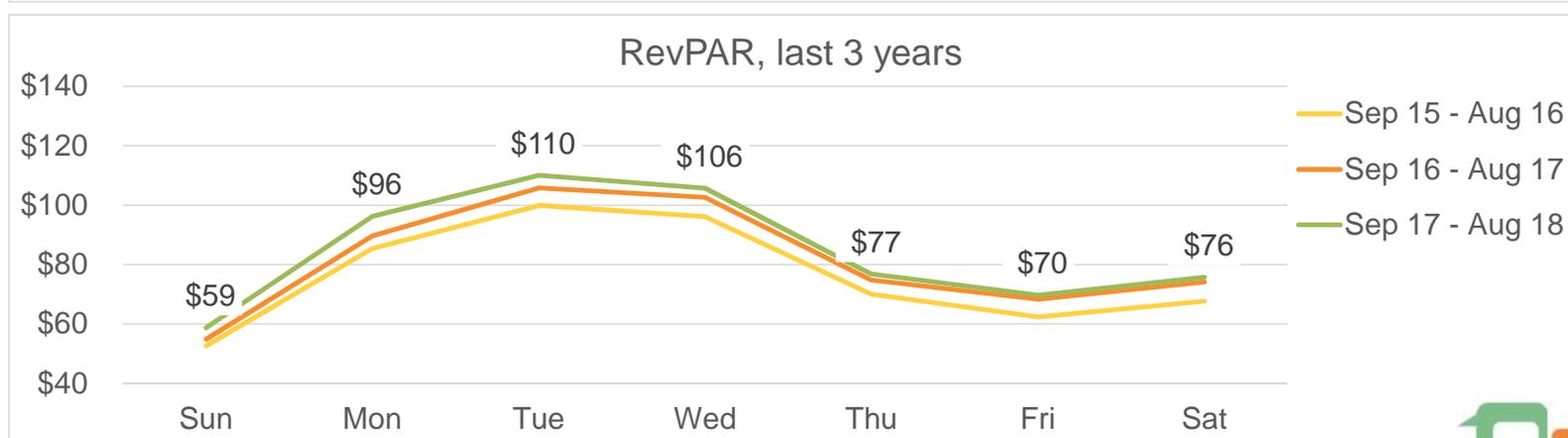
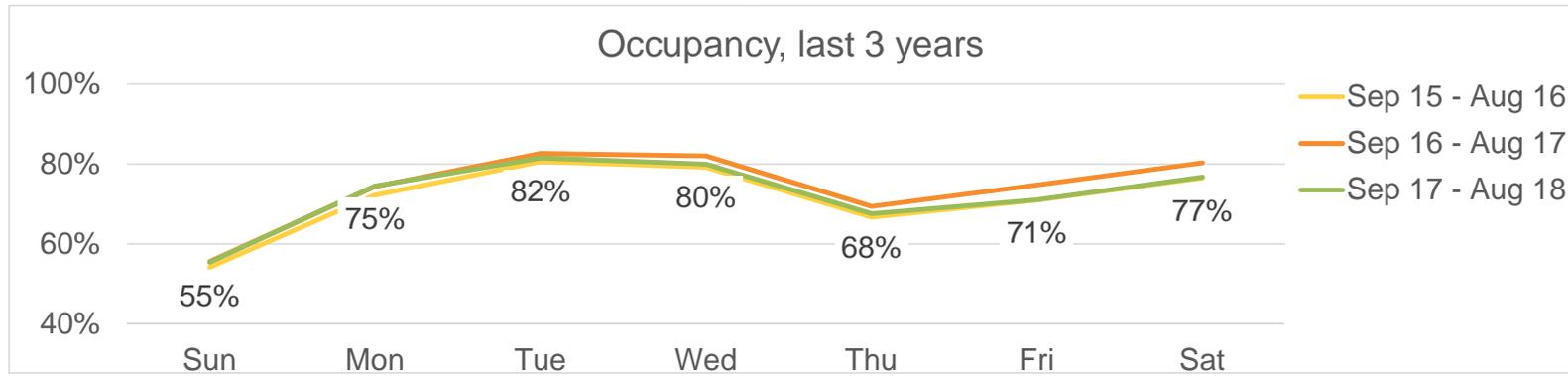
Average Daily Rate vs RevPAR



Annual Average Daily Rate (ADR) has consistently risen since 2012, along with occupancy. ADR has increased \$30.26 over the past five years.

Revenue per Available Room (RevPAR—a measure of lodging profitability) has also increased steadily. RevPAR has risen \$25.36 over the past five years.

Day of the Week

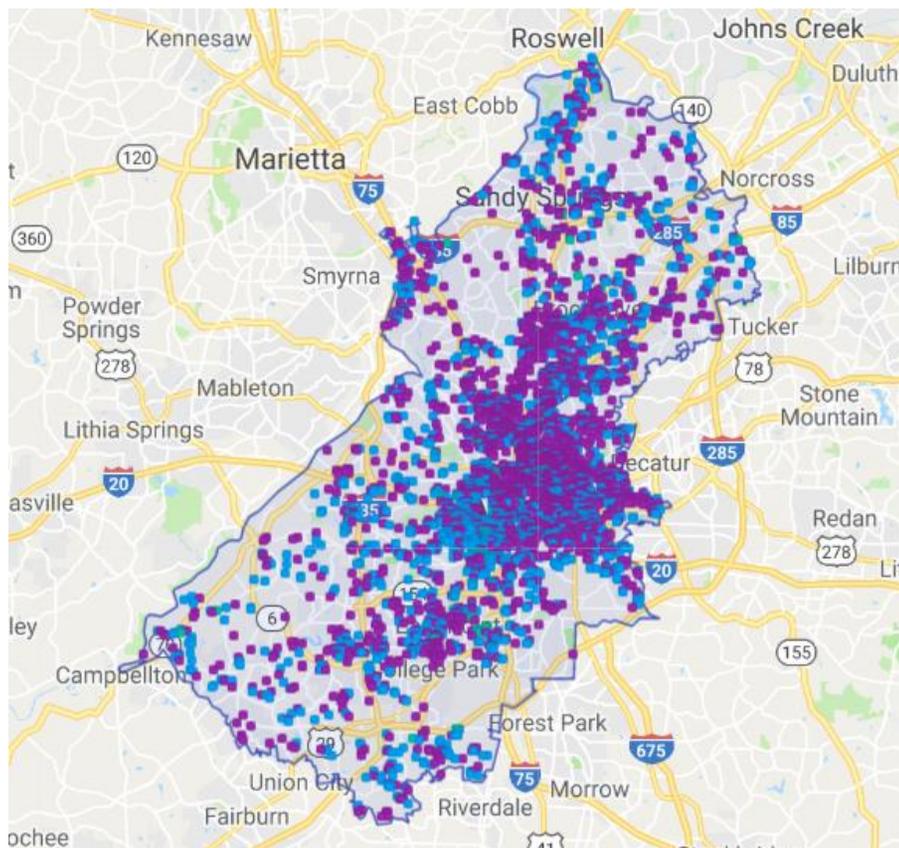


Tuesday is the most profitable day of the week with the highest occupancy (82%) and ADR (\$135) yielding the highest RevPAR (\$110).

Saturday nights have high occupancy (77%) but low ADR (\$99), yielding a \$76 RevPAR. This suggests rate dropping/ releasing rooms to OTAs.

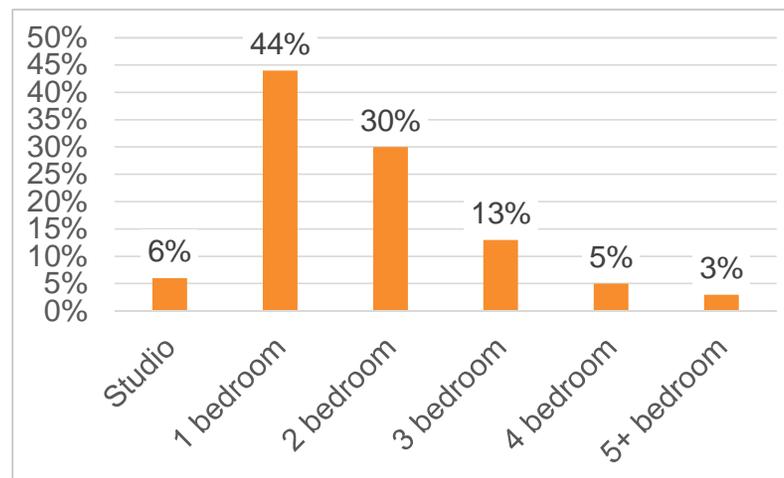
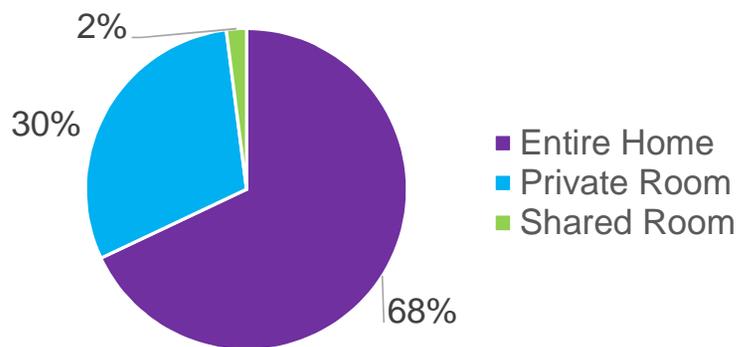
Sundays are the least profitable at \$59.

Short Term Rentals



6,957 active rentals tracked through AirBnB

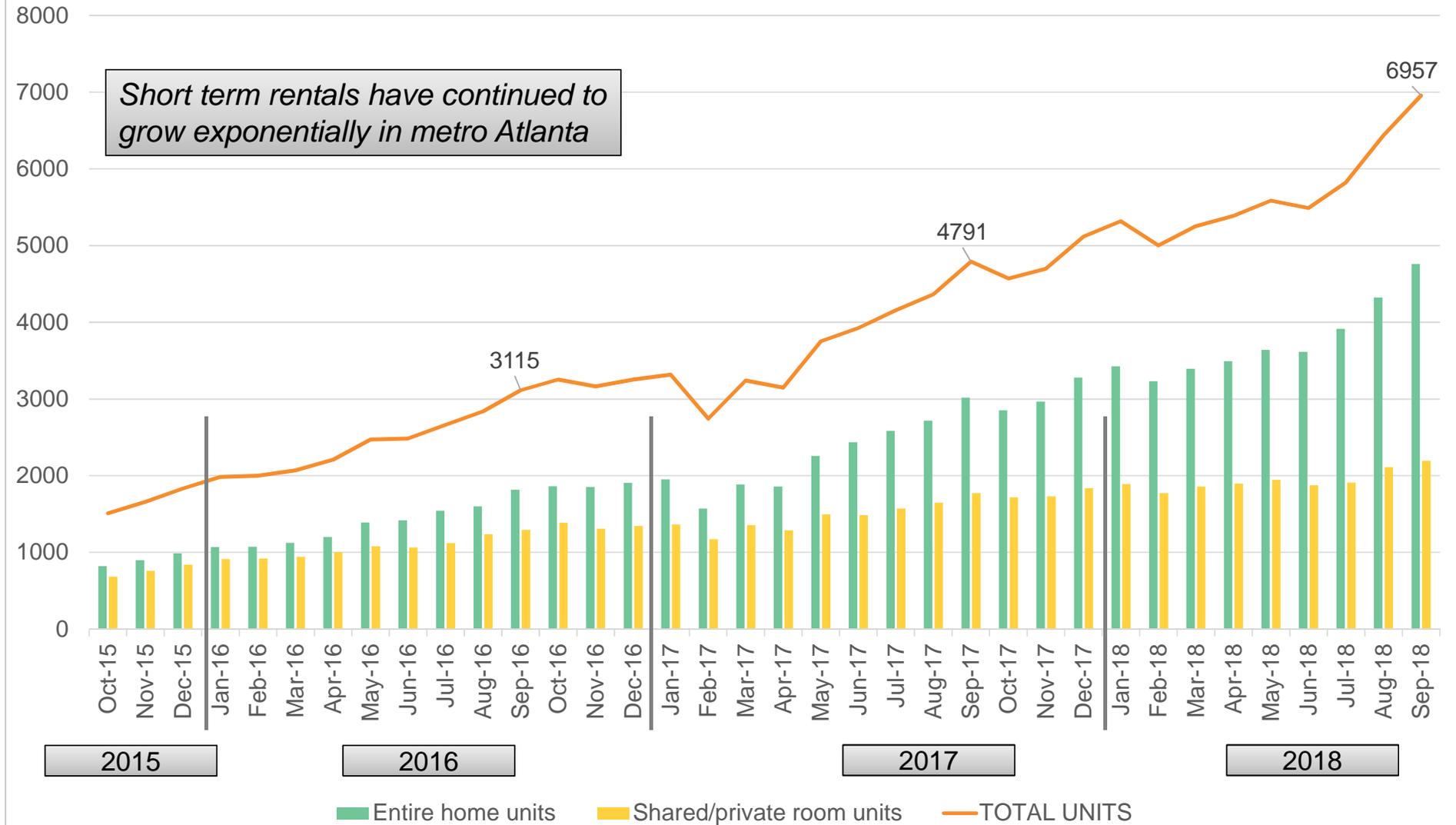
- \$139 ADR
- 56% occupancy
- 29% available full time
- 1.8 bedrooms on average
- 4.8 guests on average



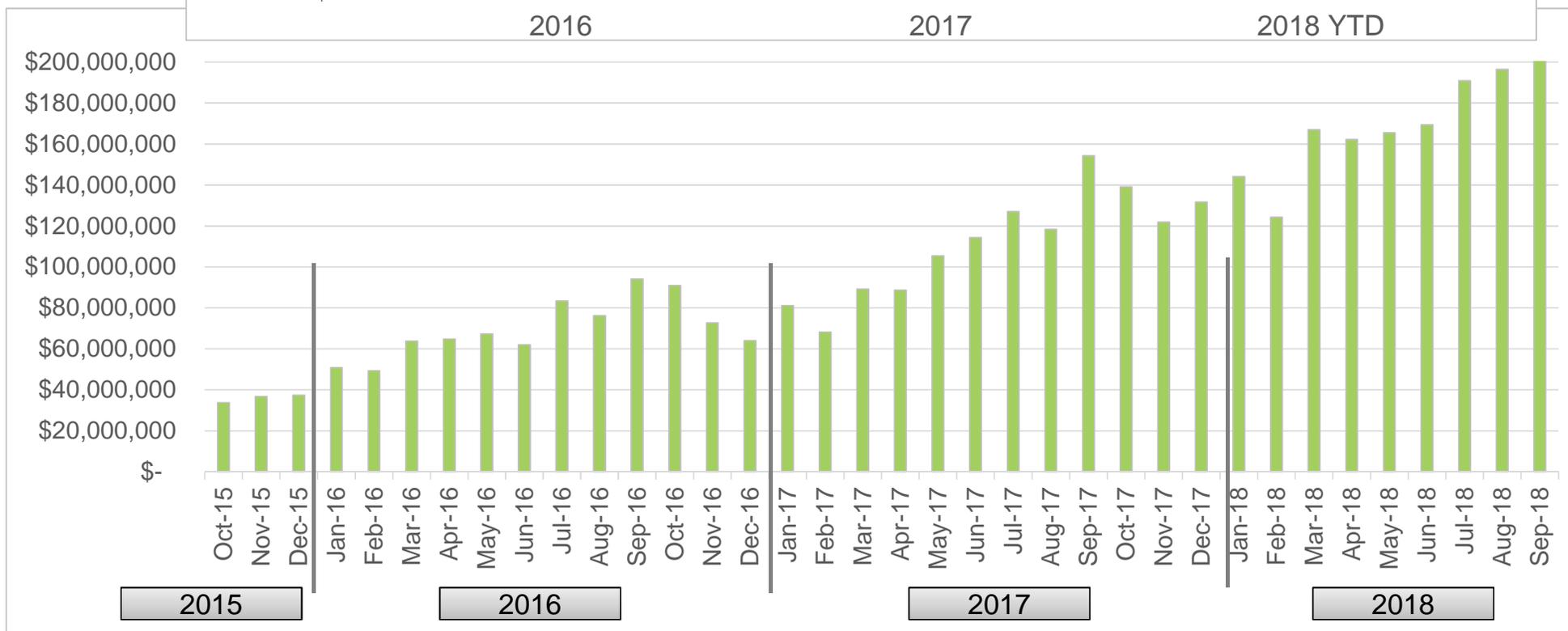
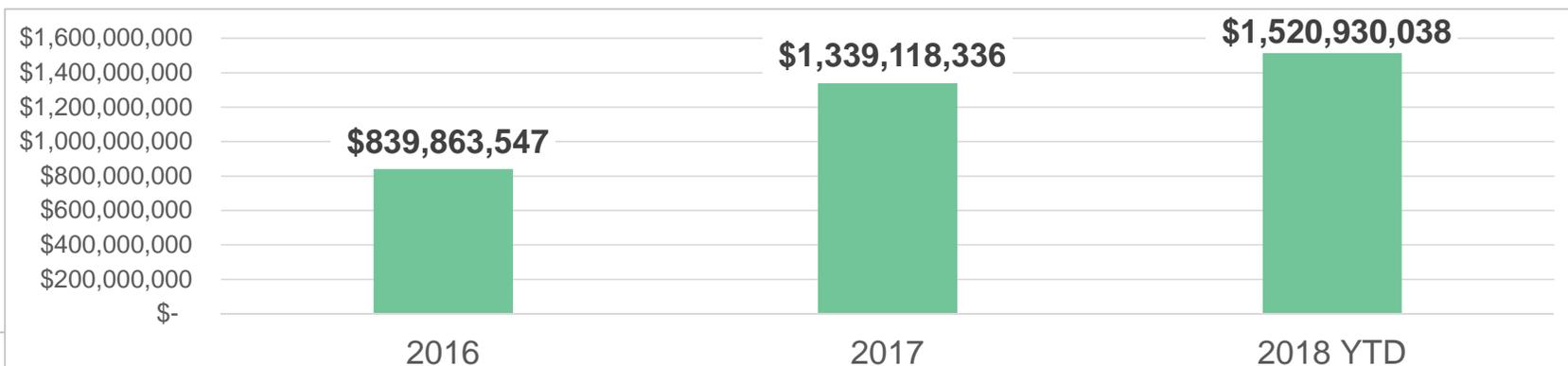
Source: AirDNA Market Minder Report

Short Term Rental Units Available

AirBnB Unit Growth



Short Term Rental Revenue Growth



Lodging Survey

- ❑ **14 responses representing 1983 rooms (approximately 69% of lodging inventory)**
 - ❑ Results have been weighted by # of rooms and hotel class (Economy, Midscale, Upper Midscale, Upscale and Upper Upscale)

- ❑ **Overall, according to managers' best estimates:**
 - ❑ 17.7% of hotel guests are walk-ins
 - ❑ 71.5% of hotel guests are adults traveling without children
 - ❑ 34.1% of hotel guests book their reservations through an OTA
 - ❑ Hoteliers report that visitors are most likely to come from Georgia, Florida, Texas and North Carolina
 - ❑ Corporate groups, conferences/meetings, sports, and film cast/crew are the highest priority segments for hoteliers; however sports and film are not viable targets for Sandy Springs as a destination.
 - ❑ Hoteliers would like support from the CVB with weekend groups, corporate relocations, and by keeping them informed of what's going on in the market

2017 Market Mix

2017 Category**

69% Response Rate

Corporate/Business

56.6% Total Business

47.09% Individual business travelers (white collar)

9.50% BUSINESS: Blue collar workers (mineral industry, commercial, construction, etc.)

Groups

14.94% Total Groups

6.43% Conference/meetings/corporate groups

2.9% Weddings

2.77% Reunions

0.87% Film/entertainment cast/crew

1.97% Other groups including family/social events (anniversaries, birthdays, graduations, etc.)

Leisure

11.65% Total Leisure

5.44% Typical sightseeing tourists visiting Atlanta

2.81% Tourists passing through for one night as part of a longer trip

1.8% Visiting local friends & relatives

1.6% Attending a local festival or event

Sports

5.18% Total Sports

4.38% Youth sports events (soccer, baseball/softball, etc.)

0.80% Adult sports events

Other

11.63% Long-term stays, relocations, locals

According to lodging partners' best estimates, out of every 100 overnight visitors to Sandy Springs, 57 are business travelers, 15 are with groups, 12 are leisure, 12 are "other" (locals, long-term stays, relocations), and 5 are sports.

Q: Please tell us what percentage of your TOTAL 2017 guests fell into each category.
**Average has been weighted by # of rooms and hotel class

Source: GRS Lodging Study 2018

Lodging Partner Priorities for Market Segments

Visitor Segment	Priority Ranking (where 1 is highest)	2018 Rank
Corporate Groups	1.63	1
Conferences/Meetings	3.00	2
Team Sports Events	3.14	3
Film/entertainment cast/crew	3.14	4
Leisure/Vacations	4.50	5
Nature/Outdoors Tourism	5.60	6

Hoteliers report that their highest priorities for developing marketing segments are corporate groups, conferences/meetings, team sports events, and film/entertainment cast/crew.

*However, Sandy Springs does not have adequate **sports** facilities to realistically target sports tournaments, and the city is not considered to be “**film-friendly**.” Both of these make it difficult for the CVB to be successful in growing those segments.*

Q: Please rank the following customer segments to indicate your priority order for future tourism marketing efforts. Place a 1 next to the segment you deem highest priority, a 2 by the segment next highest and so on until you have ranked all segments.

Group Travel Analysis

Methodology

- ✓ 10 interviews were conducted by phone with Sandy Springs event planners
 - ✓ Planners mostly managed weddings, mitzvahs and small business/corporate events
- ✓ \$10 incentive offered; increased to \$15 after low response
- ✓ Interviews conducted July – September 2018



To date, most of the Group travel in Sandy Springs is made up of weddings, mitzvahs and other family events. The city has not had a strong selection of space for meetings larger than approximately 150-200 heads.

The development of City Springs opens up potential for larger meetings (up to 1000) to generate room nights. While currently focused on local events, City Springs will eventually reach outside the city boundaries for leads. The addition of a hotel connected to the venue will be a huge benefit to groups coming from out of town.



Group Travel Insights

- ❑ Planners (especially for weddings and Mitzvahs) don't have a good understanding of Sandy Springs' borders
 - ❑ They often mistake Dunwoody hotels for Sandy Springs, but don't think it is relevant as all is "The Perimeter." In any case, the geography is unimportant to them.
- ❑ Planners need more options for space that suits different types of events
 - ❑ Heritage is popular for wedding ceremonies and receptions; Christ the King is popular for ceremonies.
 - ❑ Heritage is limited in space as typically either the ceremony or reception is held outside; weather is a factor.
- ❑ Mitzvahs utilize area temples and synagogues, and book far in advance
 - ❑ Benefit is the ability to bring in your own liquor—to not have to pay the hotel liquor fee is huge.
 - ❑ Mitzvahs book 3 years in advance at temples and with DJs. DJs are a hot commodity that are hard to come by.
- ❑ City Springs is not currently realistic for out of town conferences or weddings
 - ❑ Meetings and conferences want hotel space connected to their meeting space. Until this is available, City Springs is not an easy sell for out of town groups.
 - ❑ Wedding planners can't visualize how the space would be used for their clients—there is no clear ceremony space (outdoors is public and off the table) or bride ready-room.

Perceived Strengths & Weaknesses of Sandy Springs

Strengths

- ❑ Conveniently located
 - ❑ Sandy Springs is “right in the center of things” and mitzvahs/weddings want to stay local to ATL while making sure it is accessible to out of town family/friends
 - ❑ MARTA access to downtown/airport
 - ❑ Especially for those coming from the north side of town
- ❑ Scenic
 - ❑ Green, less urban feel
- ❑ Good shopping and retail available
- ❑ Variety of restaurants
 - ❑ Great for rehearsal dinners
- ❑ “Safe”
 - ❑ While difficult to market, safety and security are important draws to Sandy Springs.

Weaknesses

- ❑ Congestion and traffic
 - ❑ Esp. Roswell Rd; adds 30 mins commute time to breakfast or dinner event
- ❑ Not a lot of venues to choose from
- ❑ Meeting spaces are small
 - ❑ Heritage can hold 150 (ceremony must be outside)
- ❑ No central walkable area outside of Perimeter (City Springs will be a good development as a central area)
- ❑ Weekend groups experience service disconnect between sales staff (don't work on weekends) and front desk during their event
- ❑ Weekend groups have fewer transportation options (no shuttles)

Q: In your opinion, what are Sandy Springs' strengths/weaknesses as an event/meeting destination?

People underestimate the value of a smaller venue. It can be hard to find the right venue for a small group; you need something that can hold 30-50 people.

They have to have something with a wedding vibe or a personal feel to it. Everything there screams business and corporate—Westin was the largest and they just weren't equipped to do weddings.

Mostly the bride has either been to a wedding at a location or is familiar with the area and has her heart set on a space. They typically plan their date around that.

Most stay around the perimeter area just for activities sake; for having other things to do they go several exits over.

Outside of Perimeter there's nothing. If there was more stuff it would be better. City Springs will be good... If they put in a nice hotel (like a Marriott) they could fill it up.

I would encourage Sandy Springs to invite local meeting planners once a year to come tour some of the venues; like a FAM tour for 3 hours, show the renovation in this hotel, see Stars and Strikes' banquet room. That's how I find out about new venues/banquets.

If I ever get a bride on the front end before she's selected her venue I suggest Heritage because it's like being at the botanical gardens with a lower budget; and you can have both your ceremony and reception at one place.

Sandy Springs is so corporate oriented, focused on corporate meetings. We had a challenge finding a fun place for reception dinner; hotels were very stuffy.

)I think they're doing a wonderful job with City Springs; it's great. What hurts them is they don't have a hotel within walking distance. Avalon has a hotel right there; that's going to be their main downfall.

❑ To truly be a room-night generator, City Springs will need an attached hotel.

- ❑ Meeting Planners prefer to accommodate their attendees on-site.
- ❑ Connected hotel and walkable restaurants/retail would enable more out of town meetings and conferences to consider City Springs as a viable option.

❑ Planners want to be educated on how they can utilize the space as they struggle to visualize it.

- ❑ As the newest venue in the area, there is a high level of interest in City Springs. However the space is still presented as a “template” and planners are forced to try to figure out how their event would fit.

❑ Spaces are great for local corporate/association meetings; weddings and mitzvahs are a bigger challenge.

- ❑ No bride ready-room, no clear bride entrance/aisle placement
- ❑ Mitzvahs typically book three years out and need a firm reserved date.

❑ Planners love the flexibility of the space and complimentary audiovisual equipment.

- ❑ But guests need transportation help/shuttles from hotels and MARTA.



CITY SPRINGS



Implications & Recommendations

- ❑ Supply meeting planners with information on area venues and restaurants
 - ❑ Which restaurants have private dining? What is the capacity?
 - ❑ What meeting spaces are available and at what capacity?
 - ❑ Conduct FAM tours for local meeting planners (weekends and summers are good times)
- ❑ Send e-newsletter out to regular meeting planners to keep them abreast of developments and continue to push out information on meeting space and restaurants:
 - ❑ Capacity
 - ❑ Which venues allow outside catering
 - ❑ Which restaurants have private dining rooms
 - ❑ Which hotels have shuttles
- ❑ Brides often put together area information for guests on the sites such as the Knot, and planners find new venues on Instagram and blogs
 - ❑ Use these sources to market Sandy Springs
- ❑ Planners need incentive to keep their meetings in Sandy Springs.
 - ❑ Put together alternate hotel suggestions for Dunwoody area hotels.
 - ❑ Help negotiate volume of meetings and menu flexibility with hotels

Visitor Profile Study

Visitor Origins



Intercept Respondent Mix

Intercept Segment	Intercepts conducted	% of total intercepts	Actual Market Mix*
LEISURE	134	51%	12%
BUSINESS	54	21%	57%
SPORTS	40	16%	5%
GROUPS	30	12%	15%
TOTAL	258	100%	100%

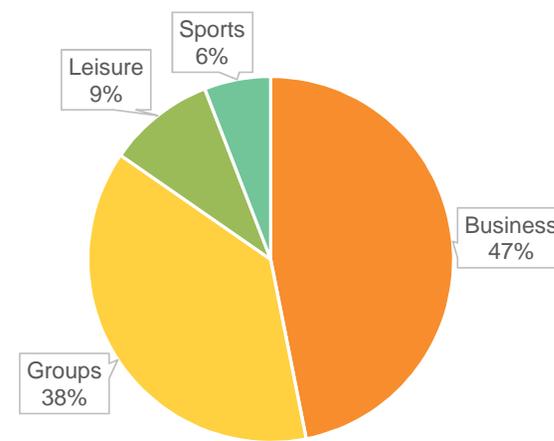
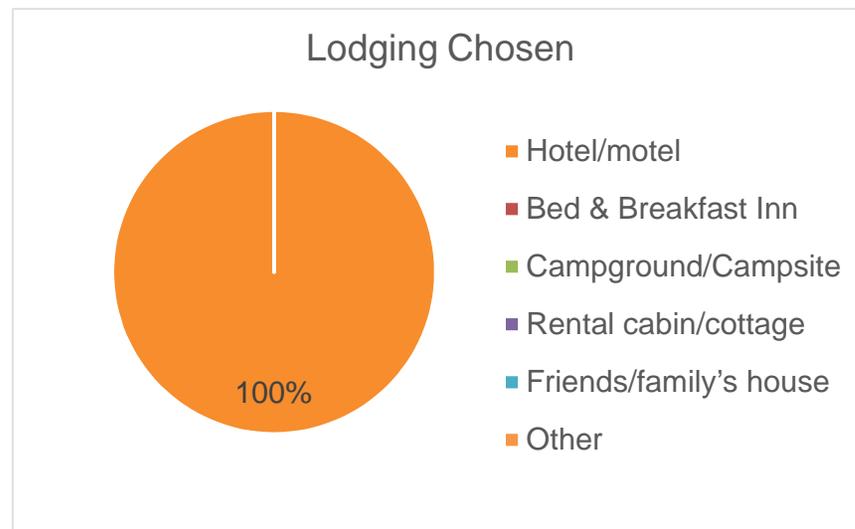
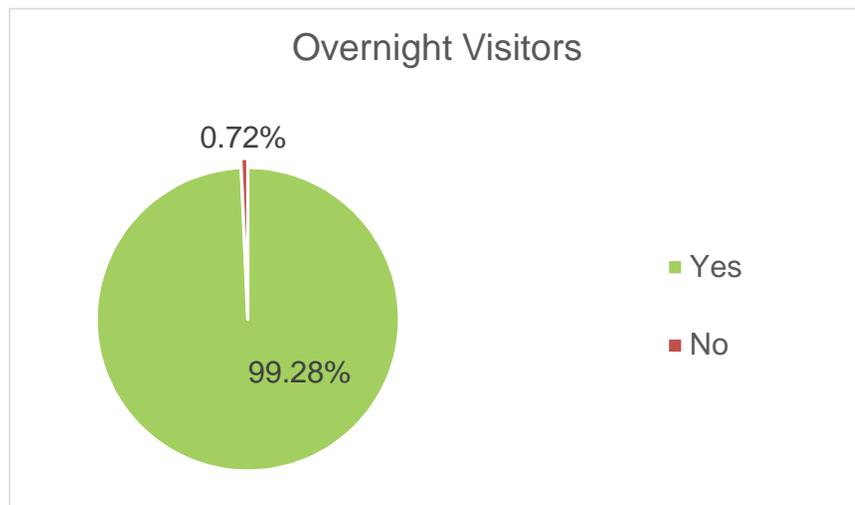
This study was focused primarily on the LEISURE visitor. Therefore, while the true incidence of leisure visitors is 12%, more than half of the interviews conducted were with leisure visitors.

* Actual Mix of segments was discovered through the Lodging Survey

Intercepts Conducted at:

- Anne Frank Museum
- Comfort Inn
- Courtyard by Marriott
- Fairfield Inn & Suites
- Holiday Inn Express
- Homewood Suites
- LaQuinta
- Sheraton
- Sonesta
- Westin

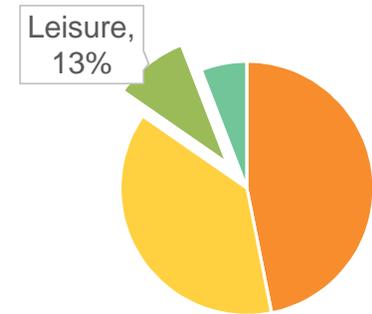
Overnight and Lodging



99% of visitors surveyed stayed the night in Sandy Springs, and 100% stayed in a hotel/motel.

Q: Are you staying overnight in Sandy Springs?
Q: IF YES: What type of lodging property?

Leisure Visitor Demographics



Demographics:	
Average Age	46.8
Gender: Male / Female	62%/38%
Point of Origin	GA, FL, NC
Generations:	
Founders (14-21)	1%
Millennials (22-37)	28%
Gen X (38-53)	36%
Baby Boomers (54-72)	31%
Silent Generation (73 or older)	3%
Travel Party Size:	
Adults Only	70%
Average # of Adults	2.20
Visitors traveling with children	30%
Average # of children	1.85
Education:	
Technical school	1%
High school graduate	7%
Some college	13%
College degree	54%
Graduate school	26%

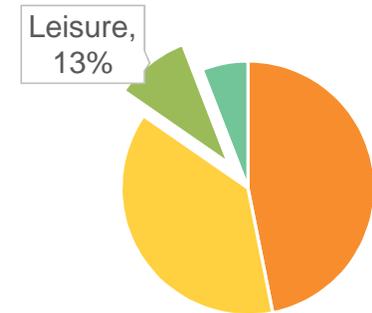
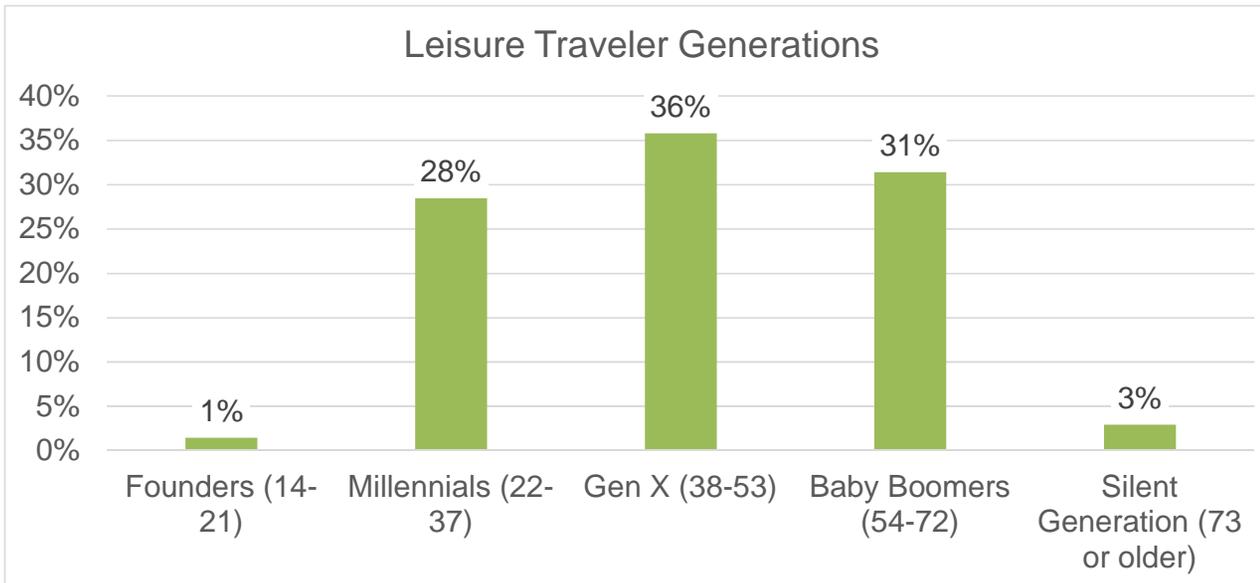
Leisure visitors to Sandy Springs are, on average, 47 years old, skew male, and tend to be from Georgia, Florida, or North Carolina.

36% of visitors are Gen Xers while 31% are Baby Boomers and 28% are Millennials.

On average parties traveled with 2.2 adults. 30% of travel parties were traveling with children, and on average parties contained 1.85 children.

Most visitors (80%) have either a college or graduate degree.

Age / Generations

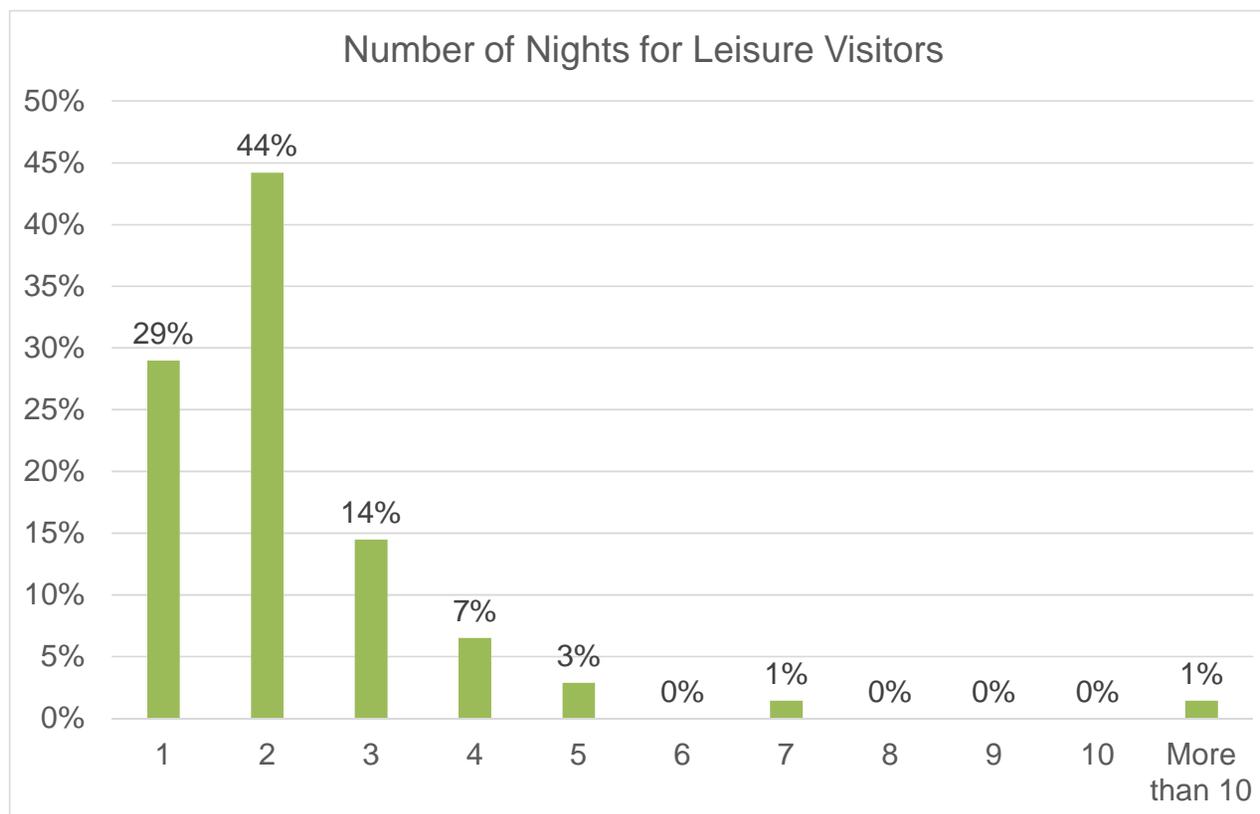
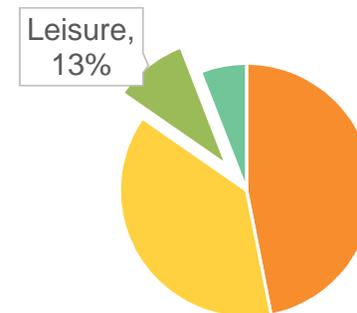


Most visitors to Sandy Springs are Gen X-ers, including leisure (36%), business (47%) and sports visitors (42%). Group travelers are slightly older, with 39% Baby Boomers.

	Leisure	Business	Sports	Groups
Founders (14-21)	1%	0%	0%	0%
Millennials (22-37)	28%	21%	33%	29%
Gen X (38-53)	36%	47%	42%	29%
Baby Boomers (54-72)	31%	32%	25%	39%
Silent Generation (73 or older)	3%	0%	0%	4%

Q: What is your age?

Length of Stay



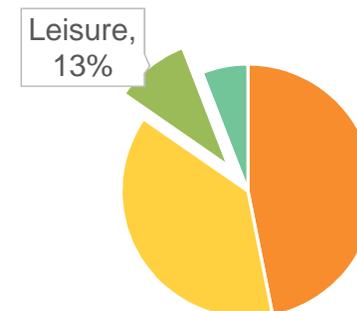
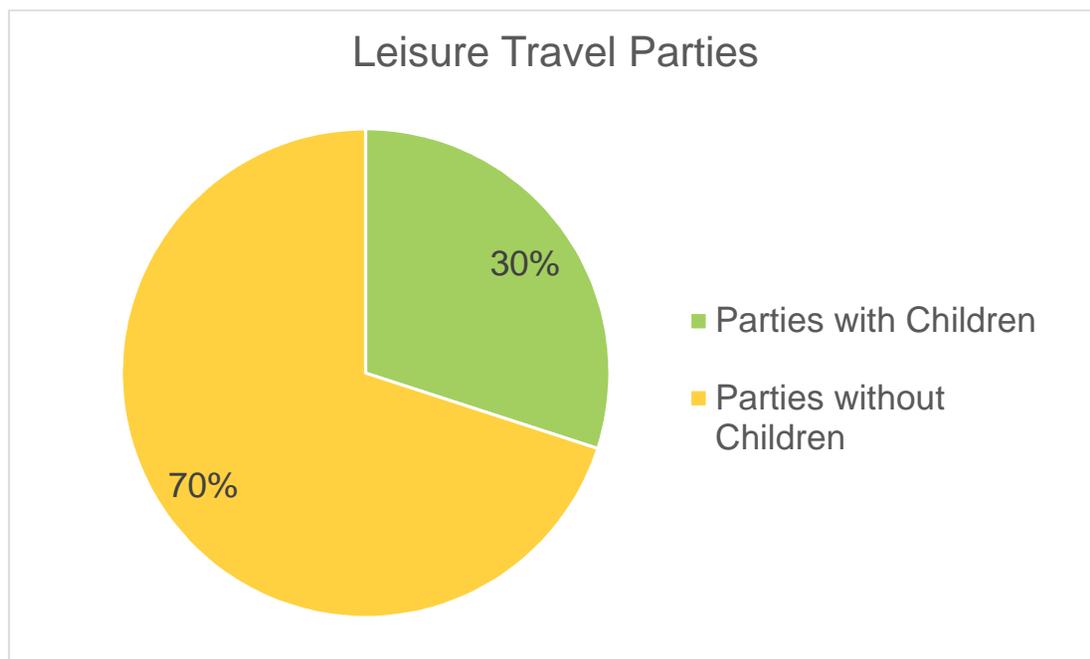
Most leisure visitors stayed 2 nights (44%), with 29% staying one night.

On average, leisure visitors stayed 2.29 nights while business visitors stayed 3.98 nights, sports 3.05 nights, and group visitors 2.57 nights.

Leisure	Business	Sports	Groups
2.29	3.98	3.05	2.57

Q: How many nights are you staying?

Travel Parties



Leisure travel parties contained on average 2.20 adults. 30% traveled with children, whose parties had on average 1.85 children.

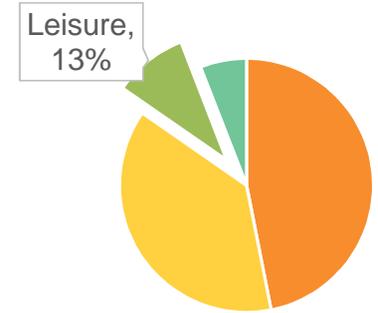
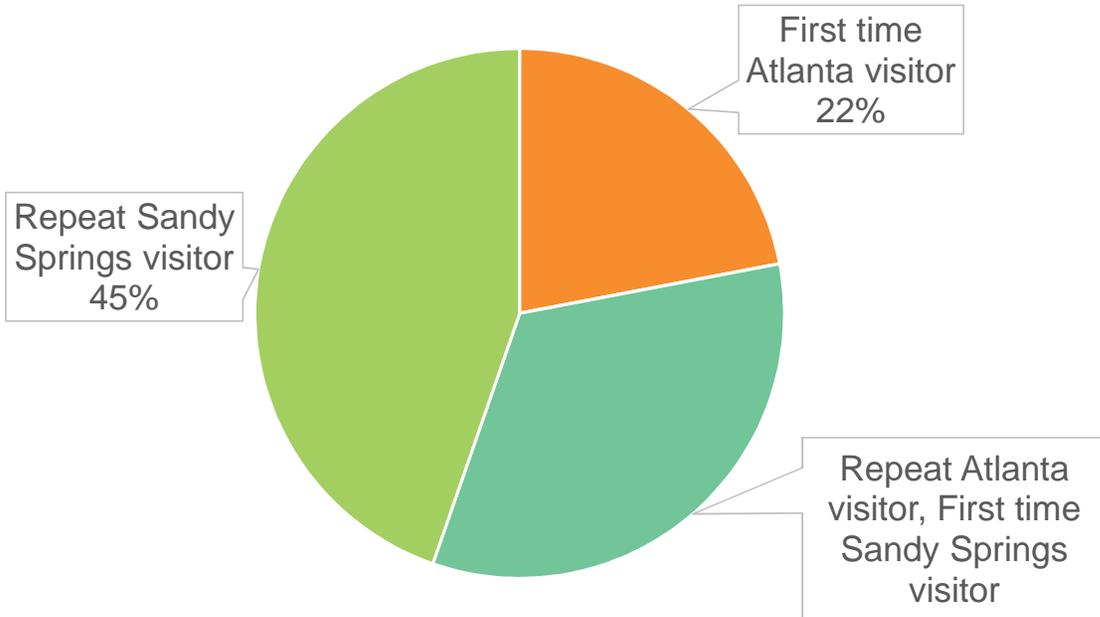
Sports parties had more adults and Leisure parties had children per party than other travel types, while business travelers had less.

	Leisure	Business	Sports	Groups
Average Adults in Travel Party	2.20	1.69	2.54	2.11
% of parties with Kids	30%	7%	65%	25%
Average # of Kids	1.85	1.55	1.63	1.86

Q: How many adults are you traveling with? Children?

Repeat Visitation

Leisure First timers vs. Repeats

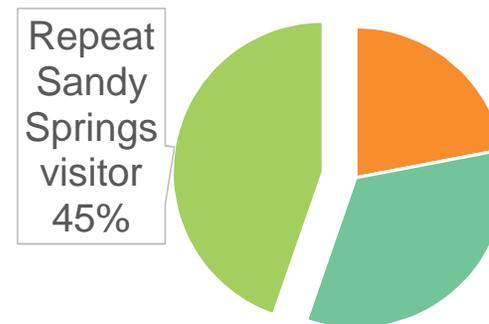
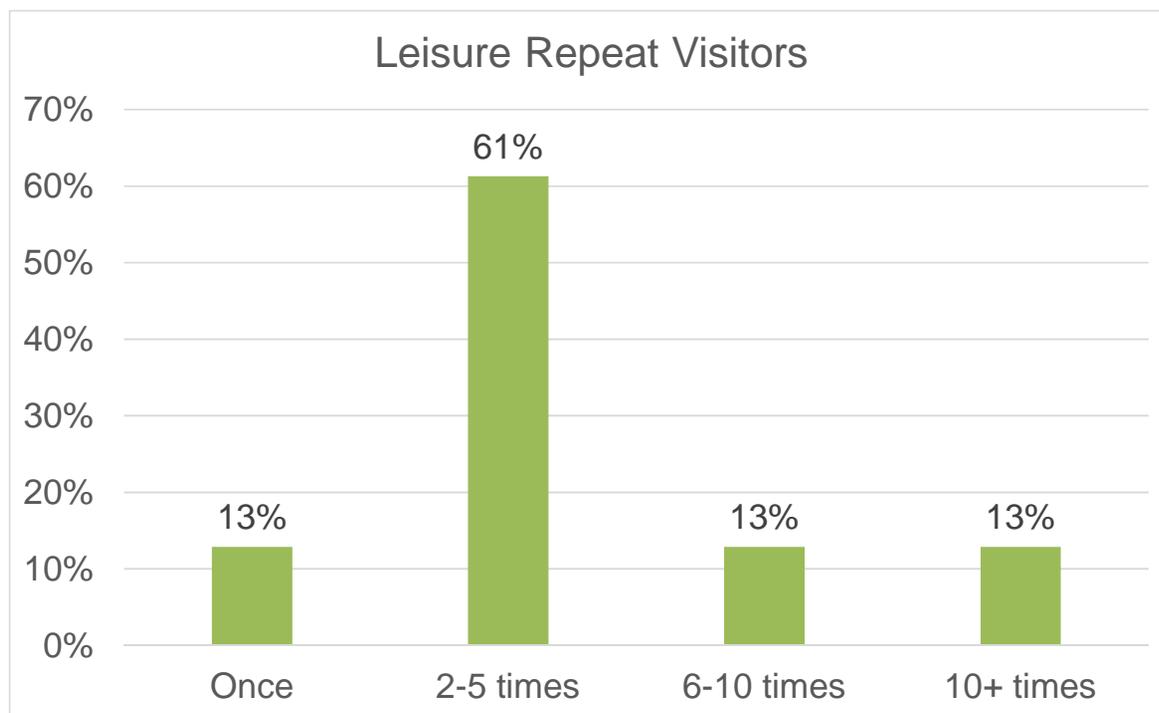


If a visitor comes once to Sandy Springs they are likely to come again; focus on attracting first time visitors.

	Leisure	Business	Sports	Groups
First time Atlanta	22%	26%	17%	24%
Repeat Atlanta, first time Sandy Springs	33%	15%	58%	41%
Repeat Sandy Springs	45%	59%	25%	34%

Q: Is this your first trip to Atlanta? First trip to Sandy Springs?

Repeat Sandy Springs Visitors



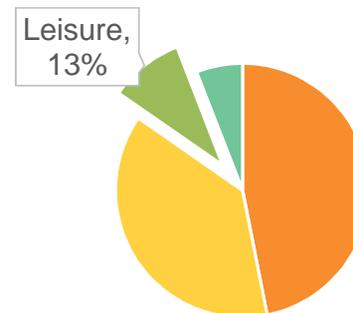
Visitors are most likely to have been to Sandy Springs 2-5 times.

Business and group travelers tend to visit more often.

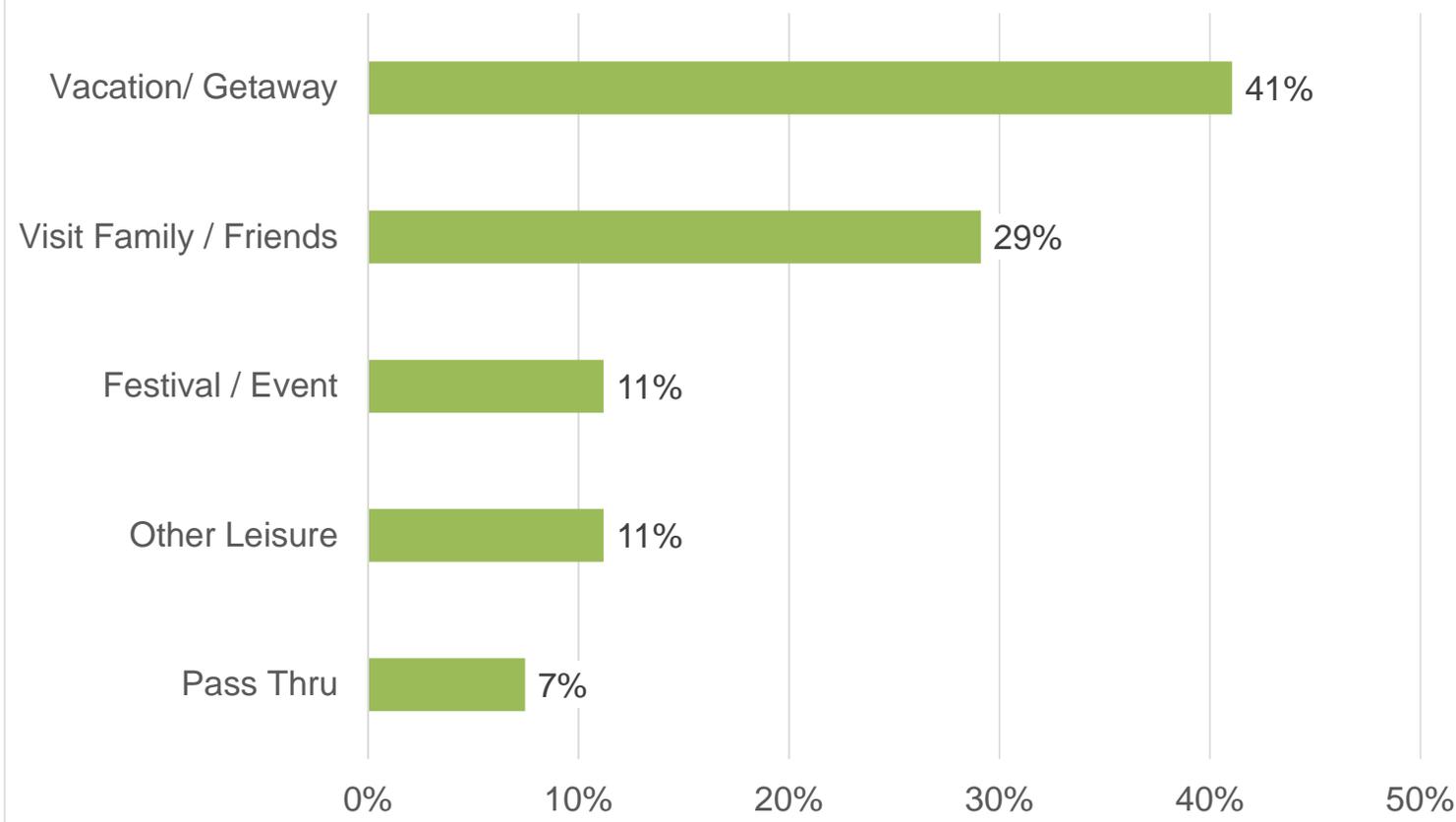
	Leisure	Business	Sports	Groups
Once	13%	6%	10%	10%
2-5 times	61%	48%	70%	50%
6-10 times	13%	23%	10%	30%
10+ times	13%	23%	10%	10%

Q: How many times have you visited Sandy Springs previously?

Reasons for Leisure Travel



Leisure Trip Drivers



Most people come to Sandy Springs for a vacation or getaway, while 29% come to visit family or friends.

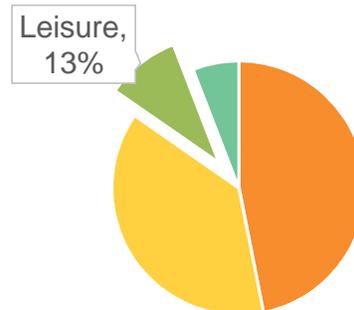
Q: What is the main purpose of this visit to Sandy Springs?

Why Sandy Springs?

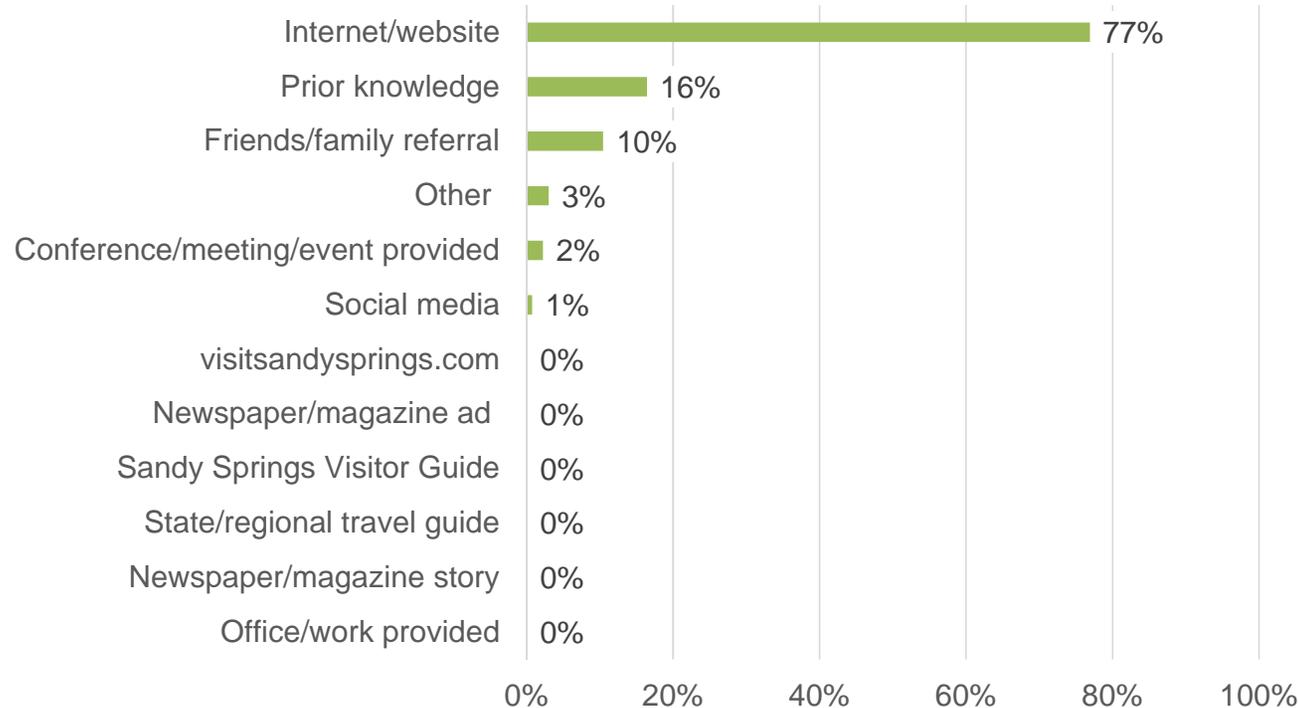
Leisure Driver	Reason for Choosing Sandy Springs
Vacation/ Getaway	<ul style="list-style-type: none"> • Convenience, location • Close to MARTA for getting downtown • Close to stadium, Legoland, aquarium, LDS Temple, Six Flags, mall, drag strip • Picked because of hotel (Homewood, La Quinta, Westin) • Good reviews online
Festival / Event	<ul style="list-style-type: none"> • Dragon Con, Blade Show, Who Atlanta, Women's Soiree Fashion Show, Irish Dance Competition, women's expo, concert
Visit Family / Friends	<ul style="list-style-type: none"> • Close to family/friends/grandkids, hospital, stadium
Pass Thru	<ul style="list-style-type: none"> • Convenient to interstate, easy to get around, nicer area
Other Leisure	<ul style="list-style-type: none"> • Buy car, medical (4), LDS temple, Art festival vendor, helping son/daughter move (2), visit wife who is here working, plan a wedding, Med school exam, considering relocation, volunteer training, schooling

Q: Why did you choose Sandy Springs for your leisure destination?

Information Sources



Leisure Travel Information Sources



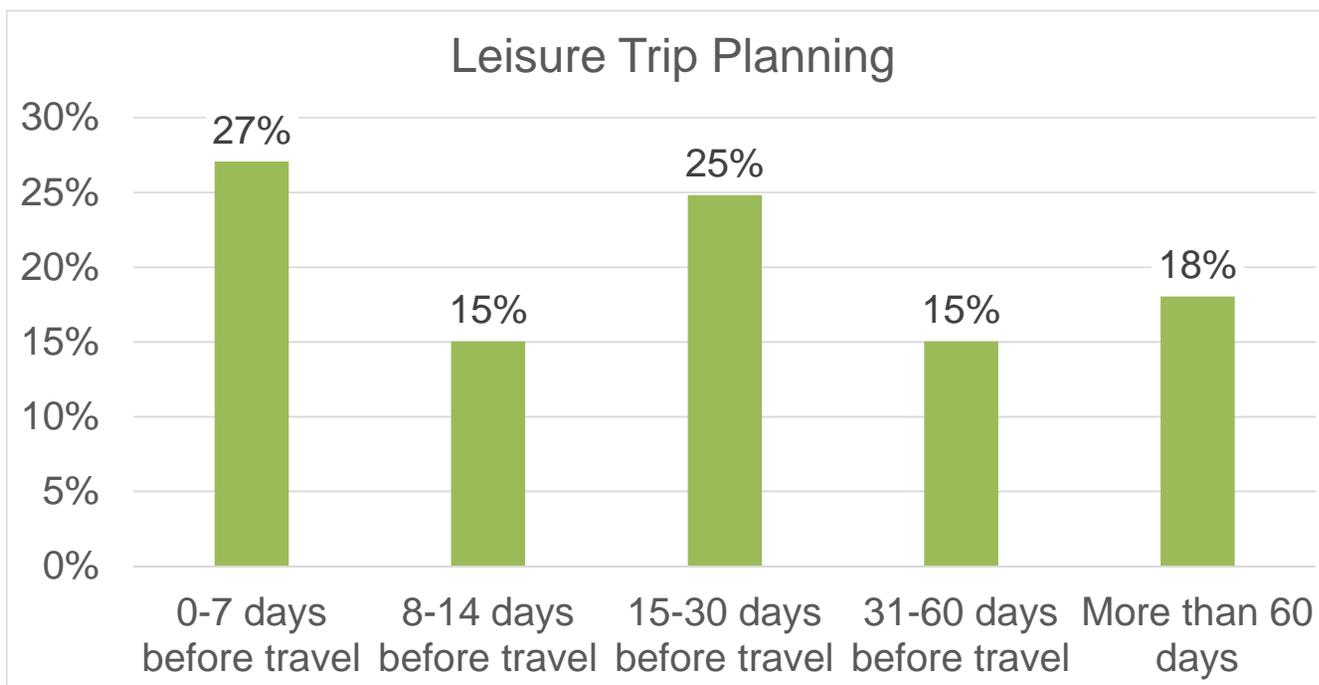
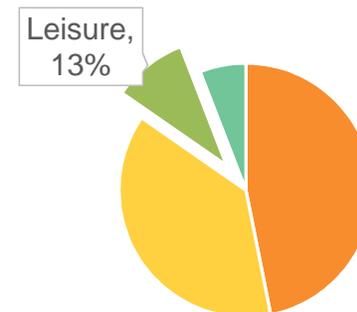
The internet is the strongest source of information for travelers. Very few are making use of visitor information such as visitors guides or travel guides.

Visit Sandy Springs should have a strong digital marketing focus.

Business	Sports	Groups
<ul style="list-style-type: none"> Office/work provided Hotel websites & apps (Marriott, Hilton, SPG) Prior knowledge Priceline.com Visitsandysprings.com 	<ul style="list-style-type: none"> Event provided Prior knowledge Friends/family referral Google Hotel websites & apps Orbitz.com, hotels.com, booking.com 	<ul style="list-style-type: none"> Event provided Friends/family referral Hotel websites & apps Hotels.com Group tour Asked at temple

Q: What information source did you use to plan your trip?

Advance Planning



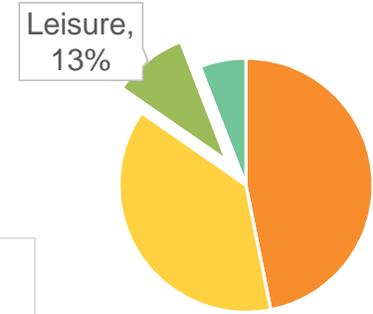
25% of leisure travelers plan 15-30 days before travel, but a strong 27% make last minute plans (0-7 days).

Sports and groups are most likely to plan ahead of time.

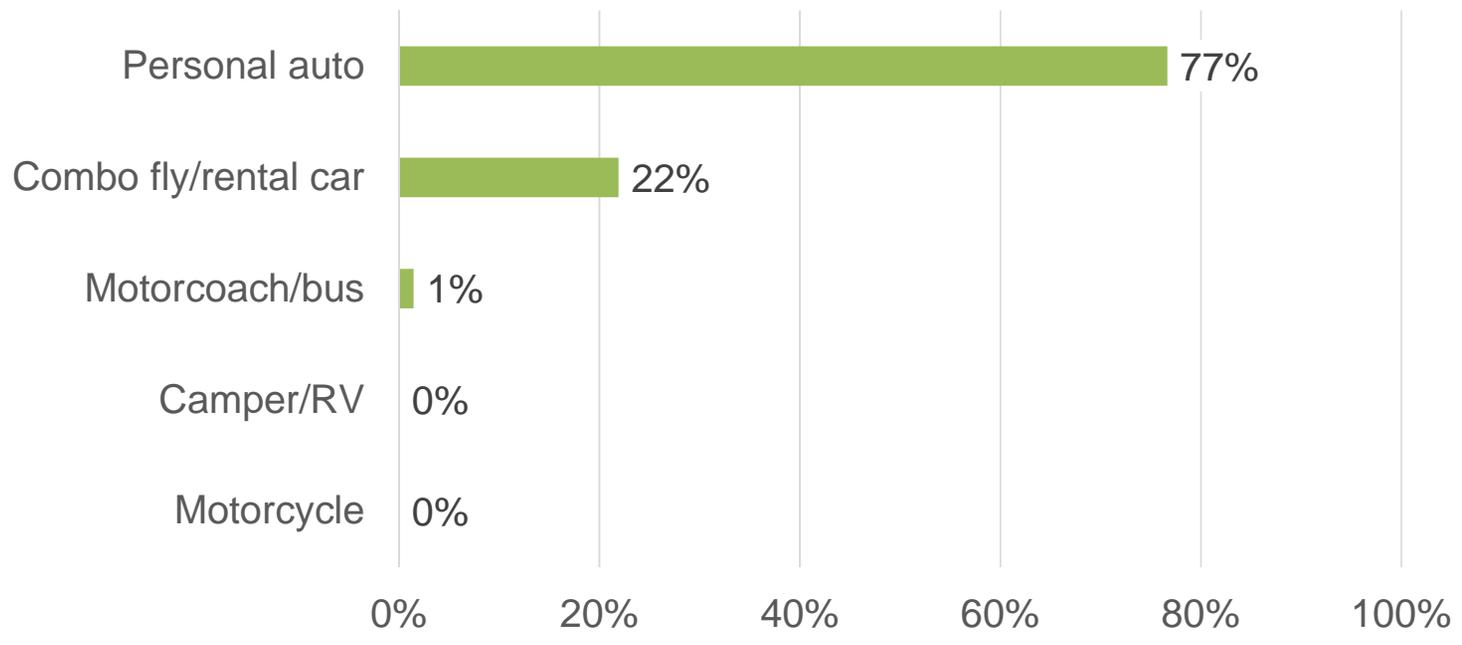
	Leisure	Business	Sports	Groups
0-7 days before travel	27%	28%	19%	15%
8-14 days before travel	15%	19%	14%	15%
15-30 days before travel	25%	31%	22%	19%
31-60 days before travel	15%	9%	8%	19%
More than 60 days	18%	13%	36%	33%

Q: How far in advance did you plan this trip?

Transportation



Leisure Transportation



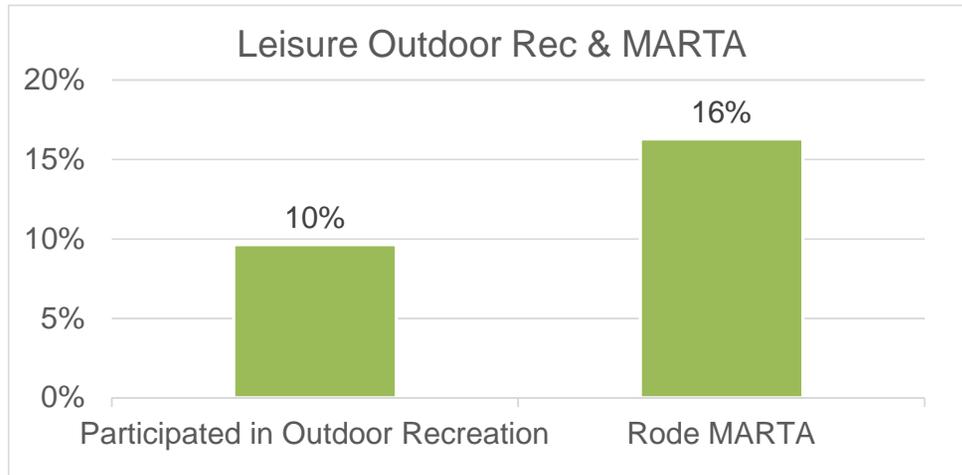
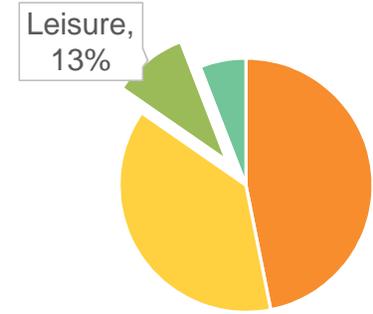
Over ¾ of leisure visitors drive to Sandy Springs; while 22% fly in and rent a car or take MARTA.

Business travelers are most likely to fly, while sports visitors are most likely to drive.

	Leisure	Business	Sports	Groups
Personal auto	77%	40%	89%	62%
Combo fly/rental car	22%	62%	11%	38%
Motorcoach/bus	1%	0%	0%	0%

Q: What modes of transportation did you use for this trip?

Trip Activities



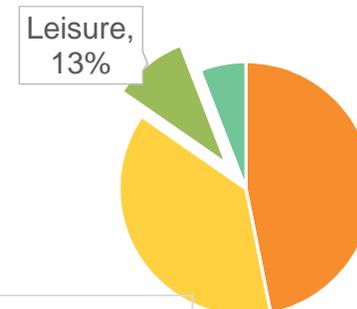
One in 10 leisure visitors participated in outdoor recreation, and almost 2 in 10 rode MARTA.

Sports and Groups are most likely to participate in outdoor recreation.

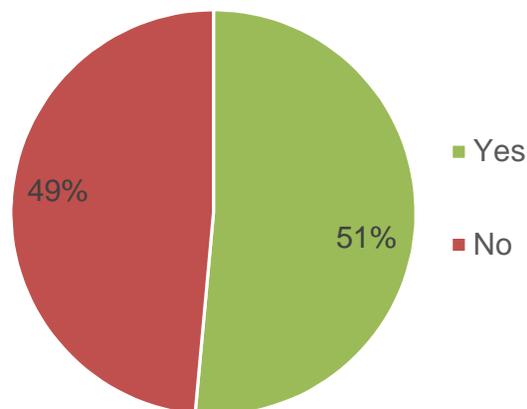
	Leisure	Business	Sports	Groups
Outdoor Recreation	10%	9%	11%	11%
Rode MARTA	16%	9%	8%	7%

Q: On this trip, will any member of your party participate in outdoor recreation? Will any member of your party ride MARTA?

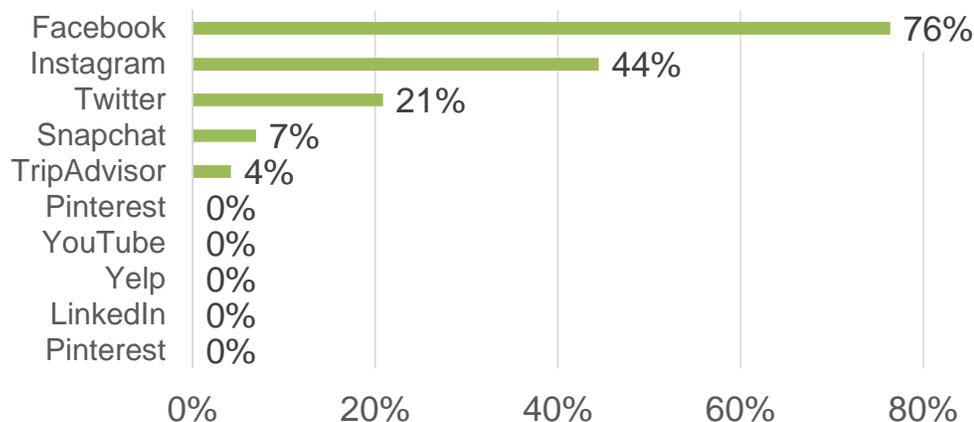
Social Media



Leisure Trip Social Media Use



Leisure Transportation



	Leisure	Business	Sports	Groups
Posting on social media	51%	50%	62%	44%
Facebook	76%	63%	91%	85%
Instagram	44%	52%	39%	62%
Twitter	21%	11%	13%	0%
Snapchat	7%	0%	13%	31%
TripAdvisor	4%	4%	0%	0%
LinkedIn	0%	4%	0%	0%
Yelp	0%	4%	0%	0%
YouTube	0%	0%	0%	8%
Pinterest	0%	0%	0%	0%

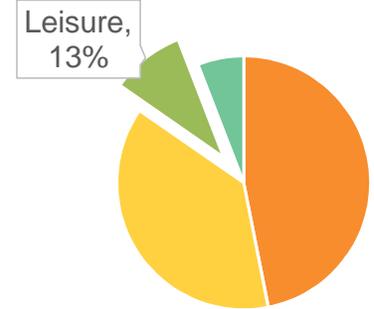
Over half of leisure visitors posted on social media during their visits, mostly to Facebook (76%) or Instagram (44%). Snapchat is used by 7% of visitors.

Sports visitors are most likely to post while groups are least likely.

Q: During this trip to Sandy Springs, have you or will you utilize social media during your stay to update status, post pictures, etc.? Which platforms will you use?

Amenities/Trip Ratings

(where 1= poor/unlikely and 5=excellent/very likely)



Leisure Ratings



Leisure visitors scored Sandy Springs the highest on finding visitor information (4.8), dining (4.59), shopping (4.59), and lodging value (4.57). Overall, leisure visitors rated their trip a 4.58 out of 10.

Q: Rate the following amenities on a scale of 1 - 5.

Q: Would you recommend Sandy Springs to friends/family as a place to visit?

Q: Overall, how would you rate your visit to Sandy Springs?

Amenities/Trip Ratings

(where 1= poor/unlikely and 5=excellent/very likely)

	Leisure	Business	Sports	Groups
The quality of the lodging rooms	4.49	4.2	4.5	4.43
The lodging value you received for the price paid	4.57	4.32	4.33	4.44
The range of choices for dining	4.59	4.59	4.62	4.72
The selection of shopping	4.59	4.53	4.65	4.67
The overall appeal of the attractions in the area	4.23	3.94	4.6	4.17
The overall appeal of Sandy Springs, GA as a destination	4.25	3.7	4.5	4
Signage and wayfinding	4.11	4.21	4.29	4.13
Ease of finding visitor information	4.8	3.0	5.0	4.5
Level of service/employee training	4.54	4.57	4.58	4.57
Overall Trip Rating	4.58	4.48	4.7	4.68
Likelihood to Recommend	4.23	3.72	4.46	4.42

Sports and groups tended to give high ratings for shopping, dining, and overall trip ratings.

Business travelers tended to give lower ratings, especially of attractions appeal (3.94), ease of finding visitor information (3) and likelihood to recommend as a place to visit (3.72).

Q: Rate the following amenities on a scale of 1 - 5.

Q: Would you recommend Sandy Springs to friends/family as a place to visit?

Q: Overall, how would you rate your visit to Sandy Springs?

Trip Spending and Sales Tax Generated

	Leisure	Business	Sports	Groups	
Lodging	\$ 140	\$ 161	\$ 175	\$ 142	
Food/meals	\$ 111	\$ 67	\$ 129	\$ 80	
Attractions/Amusement	\$ 52	\$ 6	\$ 76	\$ 10	
Shopping	\$ 27	\$ 9	\$ 6	\$ 25	
Transportation, fuel, airfare, etc.	\$ 1	\$ 2	\$ -	\$ 2	
TOTAL spending per day	\$ 296	\$ 218	\$ 272	\$ 202	Total
% of total hotel rooms	13%	64%	8%	15%	100%
Total rooms sold 2017	99,443	491,820	61,670	118,715	770,878
Total spending 2017	\$29,435,206	\$107,216,796	\$16,774,305	\$23,980,473	\$177,406,779
2017 State and Local taxes Generated (@8.9%)	\$2,619,733	\$9,542,295	\$1,492,913	\$2,134,262	\$15,789,203

Q: Approximately how much did/will your party spend PER DAY on your visit to Sandy Springs?

Increasing Tax Revenue

- Each room is worth \$230.14 in revenue and \$20.48 in taxes
- 2017 sold 770,602 rooms (73.7% occupancy) at \$112.08 per room
- *Growing occupancy by 5% and ADR by \$5 would generate over \$1.1 Million in Sales and Local taxes.*

	2017 (currently)	Growing Occupancy by 5%	Growing ADR by \$5	Growing Occupancy by 5% AND ADR by \$5
Rooms sold	770,602	809,422	770,602	809,422
Per room spending	\$230.14	\$230.14	\$235.14	\$235.14
Revenue	\$177,406,779	\$186,280,379	\$181,199,354	\$190,327,489
State and Local taxes Generated (@8.9%)	\$15,789,203	\$16,578,954	\$16,126,743	\$16,939,147
Difference		\$789,751	\$337,540	\$1,149,944

Implications & Recommendations

Visit Sandy Springs Findings & Implications

- ❑ Business travel and weekdays are strong; weekends are weaker
 - ❑ Low ADR but high occupancy on Fridays and Saturdays suggest price-driven last-minute bookings. There is room for ADR to be raised on weekends.
 - ❑ Weekend groups experience service struggles
 - ❑ Sales staff don't work on weekends, sometimes leading to disconnects between front desk staff and guest/planner expectations
 - ❑ Hotel shuttles don't run on weekends, so guests must Uber/Lyft between MARTA and hotels.
 - ❑ Work on building slow periods: Sunday night, Thursday night, weekends, winter
 - ❑ Work with hotels to solve weekend service and transportation issues
- ❑ Welcome Center is underutilized
 - ❑ Welcome Center resources would be better directed towards meeting/event planner outreach, social media marketing and digital marketing
 - ❑ Less than 1000 visitors per year (many of whom are actually looking for the Anne Frank Museum)
- ❑ Stay connected to area hotels; target Bleisure travelers
 - ❑ Continue to regularly visit (2x/month) with hotel managers, DOS and front desk staff. Be sure they are stocked with maps and know how to use them with guests.
 - ❑ Hotel staff changes quickly! Stay updated on contacts, make sure they know Visit Sandy Springs
 - ❑ Ask how their month is going, and what travel segments were strong that month
 - ❑ In return, keep them abreast of developments (businesses relocating, industry developments, etc.)
 - ❑ Stay informed on conferences/meetings coming in to hotels; send ahead or drop off welcome bags/visitor information on the area to extend visits.
 - ❑ Show business and meetings visitors why they should stay an extra day in Sandy Springs (especially Thursday/Friday nights) , and why they should bring their families next time they come.

Recommendations

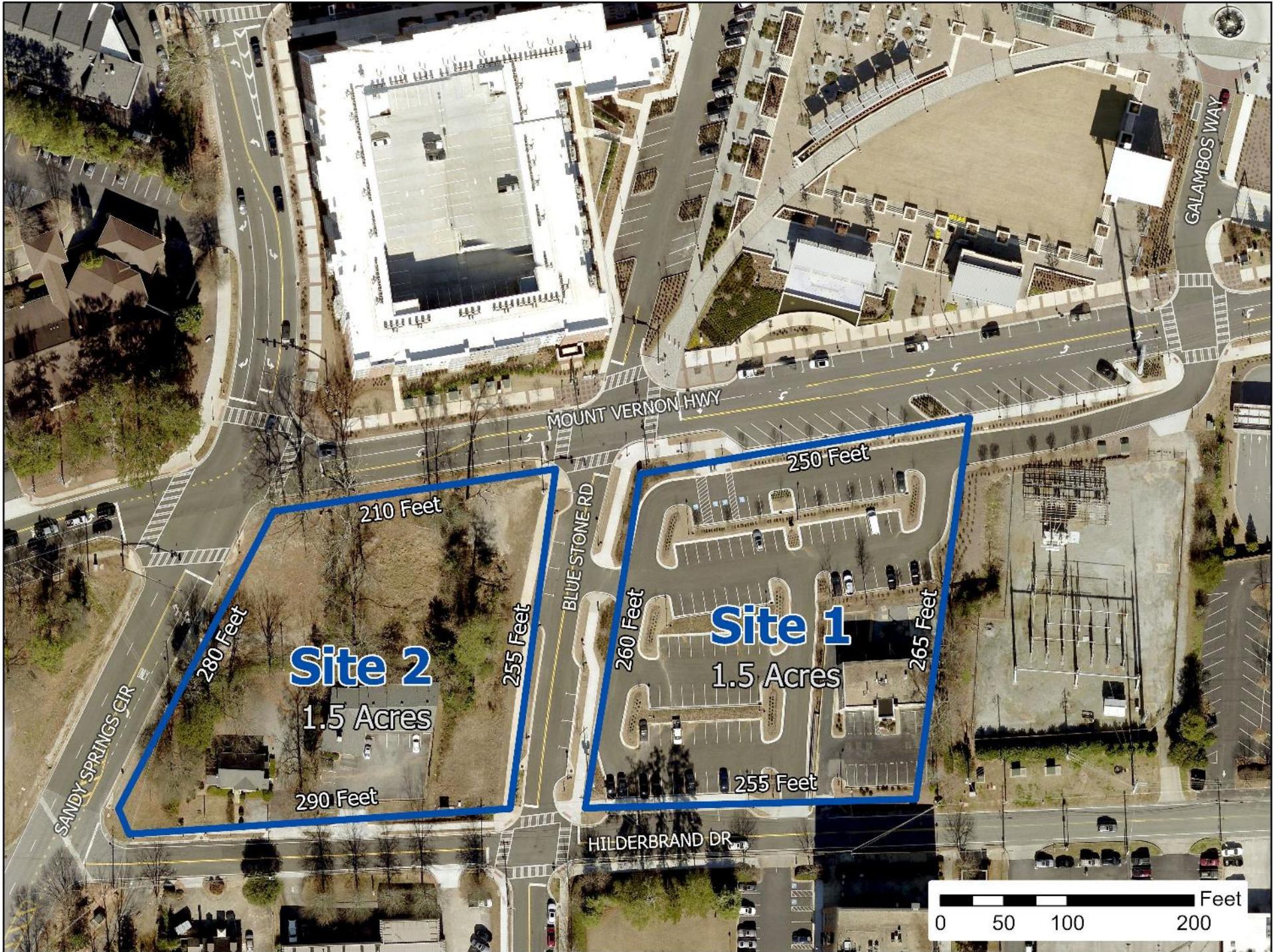
- ❑ Target business/corporate, “Bleisure,” and small groups (mitzvahs and weddings)
 - ❑ When hotel space is available at City Springs, push on meetings/conventions.
 - ❑ Targeting groups/meetings requires a larger staff with a strong sales focus.
- ❑ Dedicate more resources to online, digital and social media marketing
 - ❑ Most visitors are online, and over half of the post to social media.
 - ❑ Event planners are strongly connected online.
- ❑ Create and distribute event planner e-newsletter, keeping planners up to date on new venues/spaces
 - ❑ Event planners have specific needs and requests, and make strong use of their networks for inspiration and solutions
 - ❑ Mine Instagram, blogs and wedding/mitzvah sites (e.g., the Knot) for advertising and co-op opportunities
 - ❑ Leverage work done to date on “Look Books”—these are perfect for e-newsletters and social media
 - ❑ Everyone is curious about City Springs and area developments; help event planners be the first to know what’s up and coming
 - ❑ Mitzvahs plan 3 years out; weddings 1-2 years out. Event planners are expected to be “in the know”
- ❑ Anticipate specific needs of event planners
 - ❑ Allow planners to book further out (3 years for Mitzvahs), guaranteeing the date.
 - ❑ DJs are a sore point; help connect them
 - ❑ Wedding planners use their own lingo; be able to speak their language (see cheat sheet)
- ❑ Offer transportation solutions, make it simple for visitors to get around
 - ❑ MARTA maps (highlight top visitor attractions and how to get there), Uber/Lyft coupons or incentives, which hotels have shuttles and their radii.
 - ❑ Create walking/jogging loop maps, offer to hotels to share with guests



Questions

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EXHIBIT C
MAP OF PROJECT SITES



**ATTACHMENT
CORPORATE CERTIFICATE**

I, _____, certify that I am the Secretary of the company named as Respondent in the foregoing statement of qualification; that _____, who signed said statement of qualification on behalf of the Respondent, was then _____ (title) of said company; that said statement of qualification was duly signed for and on behalf of said company by authority of its Board of Directors, and is within the scope of its corporate powers; that said company is organized under the laws of the State of Georgia or is duly authorized to do business in the State of Georgia.

This _____ day of _____, 2018.

(Company – Legal Corporate Name)

(Signature)

(Title)

(Seal)