

A5 COMMUNITY CENTER SCHEDULE



BAFO - Option 1 - Tower & C. Center - Concurrent Construction

Azure Oceanfront Residences and Resort	Duration (mon)	Start	End
RFP Process	8	Jun-20	Feb-21
Ground Lease Negotiation	4	Feb-21	Jun-21
Execution of Development Agreement	1	Jun-21	Jul-21
Design Development	4	Jun-21	Oct-21
Entitlements	5	Jun-21	Nov-21
Design Complete (Construction Documents)	5	Aug-21	Jan-22
Permits	5	Aug-21	Jan-22
Scheduled Lease Financial Closing	1	Jan-22	Feb-22
Building Construction (Ground Break to CO)	29	Feb-22	Jul-24
Completion of Community Facilities	18	Feb-22	Aug-23
Building Construction	29	Feb-22	Jul-24

BAFO - Option 2 - C. Center Built First (Before Demo of Existing C. Center)

Azure Oceanfront Residences and Resort	Duration (mon)	Start	End
RFP Process	8	Jun-20	Feb-21
Ground Lease Negotiation	4	Feb-21	Jun-21
Execution of Development Agreement	1	Jun-21	Jul-21
Design Development	4	Jun-21	Oct-21
Entitlements	5	Jun-21	Nov-21
Design Complete (Construction Documents)	5	Aug-21	Jan-22
Permits	5	Aug-21	Jan-22
Scheduled Lease Financial Closing	1	Jan-22	Feb-22
Building Construction (Ground Break to CO)	47	Feb-22	Jan-26
Completion fo Community Facilities	18	Feb-22	Aug-23
Building Construction (including demo of existing C. Center)	29	Aug-23	Jan-26

Side by Side - Financial Proposal			
	Original Submission	Best and Final Offer (BAFO)	BAFO - Alternate
Public Facility Financing	City Finances	Proposer Finances	City Finances
Upfront Contributions			
Upfront Payment	4,000,000	1,000,000	4,000,000
Public Facility Contribution	–	16,303,325	–
Total Upfront Contribution	4,000,000	17,303,325	4,000,000
Recurring Payments (Drivers)			
(A) Base Rent - Hotel	400,000	350,000	400,000
(B) Hotel Participation Rent % ¹	10.00%	11.50%	11.50%
(C) Base Rent - Multifamily ²	500,000	350,000	500,000
(D) Multi Effective Gross Rent % ²	4.50%	3.50%	4.50%
(E) Public Facility Fee (% of Hotel Revenues)	2.00%	1.00%	2.00%
(F) Public Parking Revenue (spaces)	135	135	135
(G) City Property Taxes	Cost approach	Cost approach	Cost approach
Total Recurring Payments		(A) + (B) + MAX(C or D) + (E) + (F) + (G)	
Recurring Payments (\$ Amount)			
(A) Base Rent - Hotel	400,000	350,000	400,000
(B) Hotel Participation Rent % ¹	1,059,205	1,218,086	1,218,086
(C) Base Rent - Multifamily ²	500,000	350,000	500,000
(D) Multi Effective Gross Rent % ²	557,052	433,263	557,052
(E) Public Facility Fee (% of Hotel Revenues)	985,343	492,671	985,343
(F) Public Parking Revenue	305,786	305,786	305,786
(G) City Property Taxes	1,241,292	1,241,292	1,241,292
Total Recurring Payments	4,548,677	4,041,097	4,707,558
Total Payments (in \$ billions) over 99-years	\$1.8	\$1.6	\$1.9
NPV from Payments to the City ³	205,715,136	196,337,601	212,642,088

¹ Hotel Participation Rent Hurdle as defined in original submission

² Multifamily base rent shall be the greater of C or D

³ Assumes a 4% discount rate

OTHER EXHIBITS

B

**HOTEL ECONOMIC +
JOB IMPACTS**

C

DUNE PROTECTION

D

TRAFFIC STUDY

E

**PARKING
MANAGEMENT STUDY**

F

**DEED RESTRICTION
RESPONSE**

G

**PUBLIC AMENITIES
BREAKDOWN**

H

FINANCIALS:
DEVELOPMENT BUDGET,
PROJECT PROFORMA,
FINANCIAL FEASIBILITY

I

**LIFESTYLE HOTEL
LOOK + FEEL**



Economic Activity from Construction - GLOBAL	Direct	Indirect	Induced	Total
3 year total - Spending (\$Million)	\$190.7	\$52.1	\$46.1	\$288.9
3 year total - Labor income (\$Million)	\$70.8	\$19.3	\$17.1	\$107.2
3 year total - Employment	1,224	361	373	1,958

Economic Activity from Construction - GLOBAL	Direct	Indirect	Induced	Total
Annual Average - Spending (\$Million)	\$190.7	\$52.1	\$46.1	\$288.9
Annual Average - Labor income (\$Million)	\$70.8	\$19.3	\$17.1	\$107.2
Annual Average - Employment	1,224	361	373	1,958

Annual Economic Activity from Operations - GLOBAL	Direct	Indirect	Induced	Total
Spending (\$Million)	\$61.6	\$12.1	\$9.1	\$82.8
Labor income (\$Million)	\$14.7	\$4.3	\$3.3	\$22.3
Employment	276	57	62	395

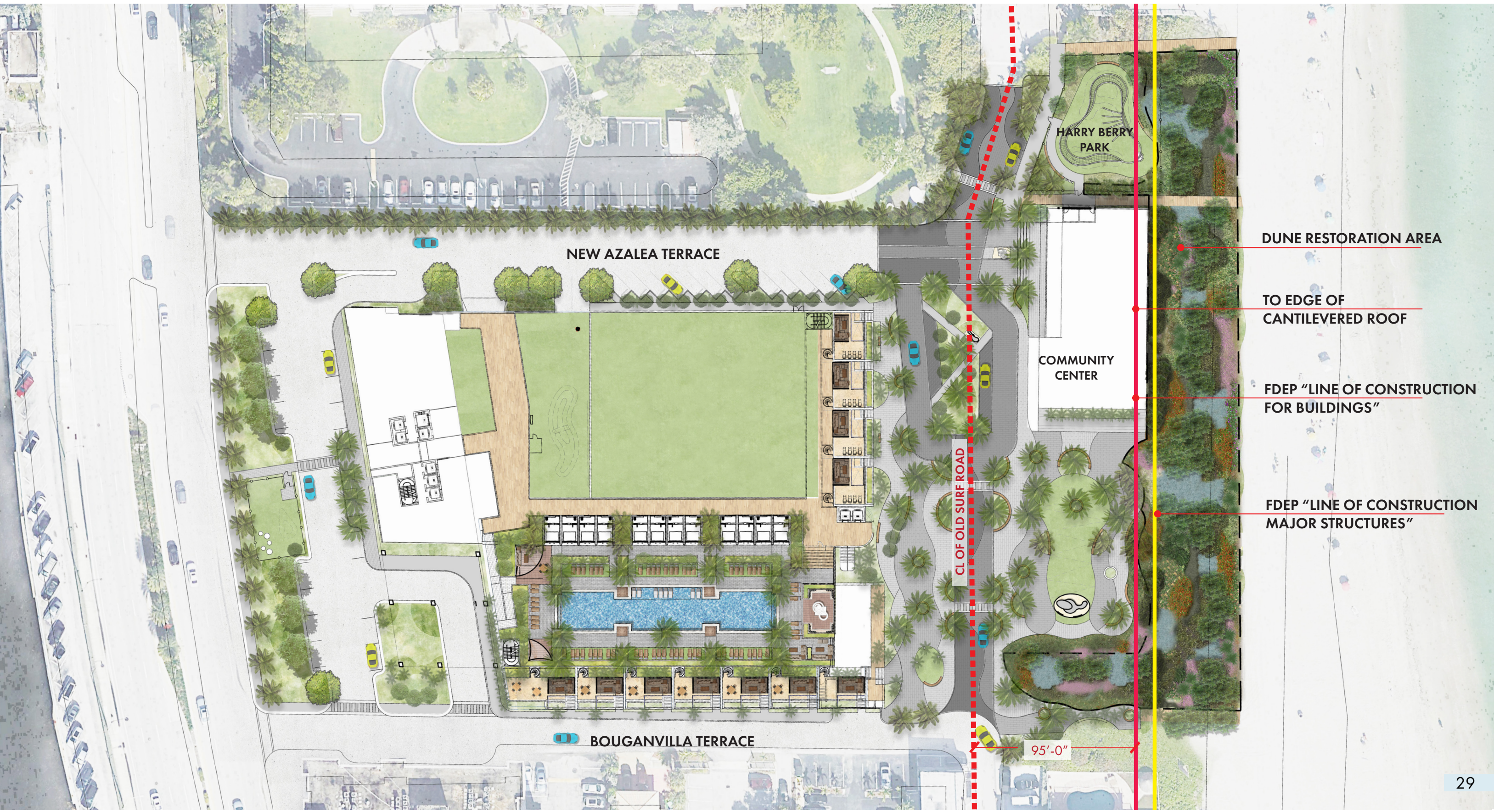
Annual Economic Activity from Operations - HOTEL	Direct	Indirect	Induced	Total
Spending (\$Million)	\$49.3	\$9.4	\$8.2	\$66.9
Labor income (\$Million)	\$14.1	\$3.4	\$2.9	\$20.4
Employment	269	54	61	384

Annual Economic Activity from Operations - RESIDENCES	Direct	Indirect	Induced	Total
Spending (\$Million)	\$12.3	\$2.7	\$0.9	\$15.9
Labor income (\$Million)	\$0.6	\$0.9	\$0.4	\$1.9
Employment	7	3	1	11



DUNE PROTECTION

COASTAL CONSTRUCTION

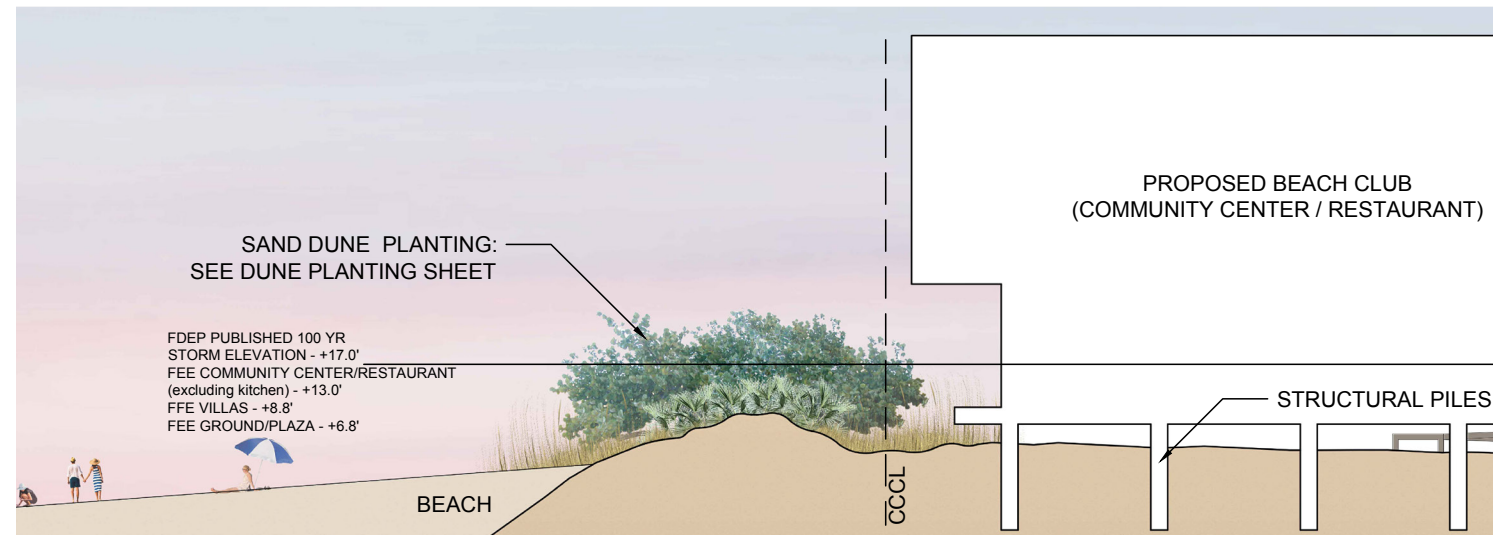




DUNE PROTECTION



COASTAL CONSTRUCTION - DUNE SECTION & COASTAL PLANTING CONCEPT



SABAL PALMS, TYP

SOFT TIP YUCCA (THIRD TIER PLANT)

TALL SEAGRAPE MOUNTS (TOP TIER PLANT)

CLUMPS OF SAW PALMETTO (TOP TIER PLANT)

INKBERRY (THIRD TIER PLANT)

NATIVE WILDFLOWERS (SECOND TIER PLANT)

NATIVE GRASSES (THIRD TIER PLANT)

SEA OATS (FIRST TIER PLANT)

NATIVE TRAILING VINES (FIRST TIER PLANT)



DUNE PROTECTION



COASTAL CONSTRUCTION - COASTAL PLANTING

TOP TIER : MOUNDING SHRUBS & PALM SPECIES

PLANT SPECIES : SEAGRAPE, SILVER SAW PALMETTO, TATCH PALM, SABAL PALM



THIRD TIER : GRASSES, SHRUBS & ACCENTS

PLANT SPECIES : MUHLY GRASS, SAND CORD GRASS, SOFT-TIP YUCCA, INKBERRY



SECOND TIER : GROUND COVER & WILD FLOWERS

PLANT SPECIES : SEA OXEYE, DUNE SUN FLOWER, BLANKET FLOWER, SEA PURSLANE, GOLDEN CREEPER



FIRST TIER : SEA OATS & TRAILING VINES

PLANT SPECIES : SEA OATS, RAILROAD VINE





Mr. Inigo Ardid, January 26, 2021, Page 2

January 26, 2021

Mr. Inigo Ardid
Key 13th Floor Hollywood, LLC
848 Brickell Avenue, Suite 1100
Miami, Florida 33131

Re: 1301 South Ocean Drive Redevelopment
Trip Generation Comparison Analysis

Dear Mr. Ardid:

At your request, Kimley-Horn and Associates, Inc. has performed a trip generation analysis for two (2) redevelopment plans proposed for the parcels located at 1301 South Ocean Drive in Hollywood, Florida. The subject two (2) development plans consist of (a) 270 high-rise multifamily units, 13 low-rise multifamily units, and 248 resort hotel rooms; and (b) 350 high-rise multifamily units.

TRIP GENERATION ANALYSIS

A trip generation analysis was conducted using the Institute of Transportation Engineers’ (ITE) *Trip Generation Manual*, 10th Edition using ITE Land Use Code (LUC) 220 (Multifamily Housing [Low-Rise]), LUC 222 (Multifamily Housing [High-Rise]), and LUC 330 (Resort Hotel). A multimodal (public transit, bicycle, and pedestrian) factor based on US Census *Means of Transportation to Work* data was reviewed for the census tracts in which the site is located. A multimodal factor of 7.5 percent (7.5%) was calculated and applied to the trip generation calculations to account for the urban environment in which the project site is located. It is expected that some employees, residents, patrons, and guests will choose to walk, bike, or use public transit to and from the site. Detailed trip generation calculations and US Census *Means of Transportation to Work* data are included in Attachment A.

As shown in Table 1, Option A is expected to generate between 46 and 49 more weekday peak hour trips than Option B. Detailed trip generation calculations are included in Attachment A.

Table 1: Net New Peak Hour Trip Generation Summary AM Peak (PM Peak)			
Development Plan	In	Out	Total
Option A	66 (89)	83 (78)	149 (167)
Option B	25 (72)	78 (46)	103 (118)
Difference	-41 (-17)	-5 (-32)	-46 (-49)

CONCLUSION

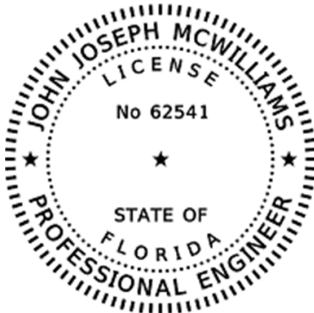
In conclusion, the Option A development plan is expected to generate less than 50 peak hour trips more than the Option B development plan. Approximately 28,000 vehicles per day and 2,000 during the peak hour travel this portion of SR A1A currently. Therefore, this trip difference represents approximately 3 percent of the existing peak hour volumes in this area and the impacts associated with the additional traffic associated with Option A are expected to be minimal.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.

John J. McWilliams, P.E.

Attachments



This document has been digitally signed and sealed by John J. McWilliams, P.E., on the date adjacent to the seal.
John J McWilliams
Date: 2021.01.26 07:35:03 -05'00'
Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

John J. McWilliams, P.E.
Florida Registration Number 62541
Kimley-Horn and Associates, Inc.
8201 Peters Road
Fort Lauderdale, FL 33324
Registry 00000696

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PM PEAK HOUR TRIP GENERATION COMPARISON

PROGRAM A WEEKDAY PM PEAK HOUR TRIP GENERATION

ITE TRIP GENERATION CHARACTERISTICS						DIRECTIONAL DISTRIBUTION		BASELINE TRIPS			MULTIMODAL REDUCTION		GROSS TRIPS			INTERNAL CAPTURE		EXTERNAL VEHICLE TRIPS			PASS-BY CAPTURE		NET NEW EXTERNAL TRIPS			
Land Use						Percent		In	Out	Total	Percent	MR Trips	In	Out	Total	Percent	IC Trips	In	Out	Total	Percent	PB Trips	In	Out	Total	
						In	Out																			
GROUP 1	1	Multifamily Housing (High-Rise)	10	222	270	du	61%	39%	61	39	100	7.5%	8	56	36	92	1.1%	1	56	35	91	0.0%	0	56	35	91
	2	Multifamily Housing (Low-Rise)	10	220	13	du	63%	37%	6	4	10	7.5%	1	5	4	9	1.1%	0	5	4	9	0.0%	0	5	4	9
	3	Resort Hotel	10	330	248	room	43%	57%	32	42	74	7.5%	6	29	39	68	1.5%	1	28	39	67	0.0%	0	28	39	67
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	14																									
	15																									
ITE Land Use Code						Rate or Equation						Total:	99	85	184	7.5%	15	90	79	169	1.3%	2	89	78	167	
222						Y=0.34*(X)+8.56																				
220						LN(Y) = 0.89*LN(X)+-0.02																				
330						Y=0.52*(X)+-55.42																				

PROGRAM B WEEKDAY PM PEAK HOUR TRIP GENERATION

ITE TRIP GENERATION CHARACTERISTICS						DIRECTIONAL DISTRIBUTION		BASELINE TRIPS			MULTIMODAL REDUCTION		GROSS TRIPS			INTERNAL CAPTURE		EXTERNAL VEHICLE TRIPS			PASS-BY CAPTURE		NET NEW EXTERNAL TRIPS						
						Percent																							
Land Use						ITE Edition	ITE Code	Scale	ITE Units	In	Out	Total	Percent	MR Trips	In	Out	Total	Percent	IC Trips	In	Out	Total	Percent	PB Trips	In	Out	Total		
GROUP 2	1	Multifamily Housing (High-Rise)				10	222	350	du	61%	39%	78	50	128	7.5%	10	72	46	118	0.0%	0	72	46	118	0.0%	0	72	46	118
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ITE Land Use Code						Rate or Equation						Total:		78	50	128	7.5%	10	72	46	118	0.0%	0	72	46	118			
222						Y=0.34*(X)+8.56																							

Attachment A
Trip Generation Calculations and
U.S. Census Data

PM PEAK HOUR TRIP GENERATION COMPARISON

PROGRAM A WEEKDAY PM PEAK HOUR TRIP GENERATION																										
ITE TRIP GENERATION CHARACTERISTICS						DIRECTIONAL DISTRIBUTION		BASELINE TRIPS			MULTIMODAL REDUCTION		GROSS TRIPS			INTERNAL CAPTURE		EXTERNAL VEHICLE TRIPS			PASS-BY CAPTURE		NET NEW EXTERNAL TRIPS			
Land Use		ITE Edition	ITE Code	Scale	ITE Units	Percent		In	Out	Total	Percent	MR Trips	In	Out	Total	Percent	IC Trips	In	Out	Total	Percent	PB Trips	In	Out	Total	
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222		Y=0.34*(X)+8.56																								
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PROGRAM B WEEKDAY PM PEAK HOUR TRIP GENERATION																										
ITE TRIP GENERATION CHARACTERISTICS					DIRECTIONAL DISTRIBUTION		BASELINE TRIPS			MULTIMODAL REDUCTION		GROSS TRIPS			INTERNAL CAPTURE		EXTERNAL VEHICLE TRIPS			PASS-BY CAPTURE		NET NEW EXTERNAL TRIPS				
Land Use		ITE Edition	ITE Code	Scale	ITE Units	Percent		In	Out	Total	Percent	MR Trips	In	Out	Total	Percent	IC Trips	In	Out	Total	Percent	PB Trips	In	Out	Total	
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1/22/2021 https://data.census.gov/cedsci/table?q=B08301&g=1400000US12011090101&tid=ACSDT5Y2018.B08301&hidePreview=true

MEANS OF TRANSPORTATION TO WORK



Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

Census Tract 901.01, Broward County, Florida		
Label	Estimate	Margin of Error
▼ Total:	2,328	±409
▼ Car, truck, or van:	1,806	±331
Drove alone	1,700	±321
▼ Carpooled:	106	±86
In 2-person carpool	91	±82
In 3-person carpool	15	±24
In 4-person carpool	0	±19
In 5- or 6-person carpool	0	±19
In 7-or-more-person carpool	0	±19
▼ Public transportation (excluding taxicab):	0	±19
Bus or trolley bus	0	±19
Streetcar or trolley car (carro publico in Puerto Rico)	0	±19
Subway or elevated	0	±19
Railroad	0	±19
Ferryboat	0	±19
Taxicab	0	±19
Motorcycle	21	±34
Bicycle	102	±120
Walked	74	±73
Other means	0	±19
Worked at home	325	±134

Multimodal Factor:(102+74)/2,328 = 7.56%

Table Notes

MEANS OF TRANSPORTATION TO WORK

Survey/Program:
American Community Survey
Universe:
Workers 16 years and over
Year:
2018
Estimates:
5-Year
Table ID:
B08301

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

Workers include members of the Armed Forces and civilians who were at work last week.

While the 2014-2018 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

- An "***" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
- An "-" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution, or the margin of error associated with a median was larger than the median itself.
- An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.
- An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.
- An "****" entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
- An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
An "(X)" means that the estimate is not applicable or not available.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.



PARKING MANAGEMENT STUDY

PMC

Parking Management Company

PMC
306 42nd Ave North
Nashville, TN 37209
615-352-0415

January 29, 2021

RE: Hollywood Beach RFP

Inigo,

Parking Management Company has been Key International’s exclusive parking partner for over 5 years. We provide consulting, parking solutions, garage management, and hospitality operations including valet and self-parking. Currently PMC manages Key properties in St. Augustine, Clearwater , and Savannah, Ga. Our partnership includes future projects currently underway in Ft. Lauderdale and Panama City.

PMC was incorporated 1993 and currently operate over 215 facilities that require parking services.

PMC has reviewed the project details and our findings are below.

Project Scope:

- 248 Hotel Rooms
- 283 Apartments

South Florida Drive In Ratios (Vehicles per Occupied Room)

	2013	2015	2017	2019	2024 (Projection)
Market Hotel Occupancy	79%	79%	82%	81%	75%
Drive In Ratio	46%	41.3%	36.8%	31.5%	28%

Hollywood Beach Hotel

Hotel Occupancy	80%
Drive In Ratio	25%
Vehicles per Occupied Room	.29

Over the last 10 years, Drive In Ratio (vehicles per occupied room) has steadily decreased. There are several reasons for this nationwide decrease. There are more affordable flights available and with increased parking rates and rental car pricing, guests are utilizing Ride Sharing (Uber, Lyft, etc.) more than ever. While taxis have always been a similar option, the comfort and ease of using technology to book, pay, rate and review transportation has fundamentally changed how people get from A to B.

Ride Sharing really took off in most major markets between 2013-2015. Since then, we’ve seen a steady decline in overnight vehicles at hotels. Additionally, catering events, retail, restaurant, and residential traffic have decreased as well due to the convenience and cost effectiveness of Ride Sharing.



PMC

Parking Management Company

PMC
306 42nd Ave North
Nashville, TN 37209
615-352-0415

2020 has greatly affected the hospitality industry and ultimately how people travel (including Ride Sharing). Most reports show the industry returning to pre-COVID performance by 2024/25. In line with that recovery, we expect to see the Drive In Ratio trend follow suit.

The type of hotel is another important factor when forecasting Drive In Ratio. In general, select service brands have a higher ratio while lifestyle/boutique hotels have a lower ratio. The ratios shared above are an average across a mix higher end products.

Hotel generated vehicles move in fairly predictable patterns. Arriving vehicles come in waves from 3pm to 8pm with highest volumes between 4pm and 6pm. During the week, most departing vehicles are gone by 9am leaving the rest of day with minimal movement. On weekends, departing vehicles typically leave between 9am and 12pm.

Residential Parking Patterns

Residential parking demand varies for a number or reasons: city location, ease of access, type of residences, access to retail, etc. The Urban Land Institute model uses a minimum of 1 parking space per unit. Often times, models are built with anywhere from 1.3-1.7 spaces per unit to account for 2 bedroom units or multiple vehicles (high end residential typically).

Monday through Friday, the highest volumes of movement are from 7am to 9am and 4pm to 6pm, with moderate movement volume in the evenings. On weekends, vehicle movement tends to drop overall, but are more sporadic throughout the each day.

If you have any additional questions or need clarification, don’t hesitate to reach out.

Regards,

Brian Crawford
Parking Management
Director of Business Development
615-364-7647
BCrawford@parkingmgt.com



DEED RESTRICTION RESPONSE



Holland & Knight

515 E. Las Olas Boulevard, Suite 1200 | Ft. Lauderdale, FL 33301 | T 954.525.1000 | F 954.463.2030
Holland & Knight LLP | www.hklaw.com

Debbie M. Orshefsky
(954) 468-7871
debbie.orshefsky@hklaw.com

MEMORANDUM

To: Inigo Ardid, Key 13th Floor Hollywood, LLC

From: Debbie M. Orshefsky, Esq.

Re: Response to City of Hollywood Office of Procurement Services Request for BAFO dated January 22, 2021 ("BAFO Response")

Date: February 10, 2021

In the BAFO Response the City has requested that you, as a short-listed proposer address how your proposal addresses the following:

1. The deed restriction contained in the deed from Mailman Development Corporation to the City of Hollywood, recorded at OR Book 6278, Page 255, public records of Broward County, Florida, provides, in pertinent part, that all or a portion of the property which is the subject of the pending RFP is subject to the following deed restriction: "This conveyance is for open space, park, recreational and other public and municipal purposes" (the " Deed Restriction").
2. Section 13.01 of the City Charter, which provides:

Sec. 13.01. Sale of city-owned real property.

(a) Any property which the city proposes to sell or otherwise dispose of must be appraised by one (1) independent, qualified appraiser. However, property which is listed by the Broward County Property Appraiser as having a value of not more than twenty-five thousand dollars (\$25,000.00) may be sold or disposed of without an appraisal. If such independent appraiser values the property in excess of two hundred fifty thousand dollars (\$250,000.00), an additional independent appraisal shall be obtained. If the two (2) appraisals differ by more than twenty-five percent (25%), a third independent appraisal shall be obtained.

(b) A five-sevenths (5/7) vote of the total commission membership shall be necessary for the sale or disposition of any property valued by any of the appraisers in excess of two hundred fifty thousand dollars (\$250,000.00). If the property is valued by any of the appraisers at a value which equals or exceeds one million dollars (\$1,000,000.00), the sale or other disposition of such property shall require approval by either a five-sevenths (5/7) vote of the city commission or by a majority vote of the city's electors voting on such proposal.

(c) Notwithstanding the provisions of this section, any real property which is beach or beachfront, a park, a golf course or another recreational facility, which the city proposes to sell or to otherwise dispose of, must be approved by a majority vote of the city's electors voting on such proposal.

You have asked us to advise you with respect to how the Deed Restriction and Section 13.01 of the City Charter (the "Charter Provision") affect your proposal. Based upon our understanding of your proposal (the "Azure Proposal"), the following is our analysis of these issues.

The property which is the subject of the Deed Restriction was conveyed to the City for open space, park, recreational and other public and municipal purposes. " The inclusion of the phrase "and other public and municipal purposes" suggests a broad interpretation of the purposes for which this property was conveyed to the City. In addition to the specific purposes noted ("open space, park, recreational"), the implementation of a P3 development, a public private partnership between the City and the selected proposer, would appear to satisfy this broader purpose. One need look no further than the Intent provisions of Florida's Public Private Partnership Act, Section 255.065 Florida Statutes, to see the inherent public purpose in a P3 proposal:

Section 255.065(2) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds that there is a public need for the construction or upgrade of facilities that are used predominantly for public purposes and that it is in the public’s interest to provide for the construction or upgrade of such facilities.

The "public and municipal purposes" of the Azure Proposal include the provision to the City of the following:

- a new community center and public facilities (estimated total public facility contribution value of ~\$16,300,000)
- reconstruction and improvements to Harry Berry Park
- 135 public parking spaces and an estimated \$305,000 to the City in annual parking revenue
- reconstruction of portions of Surf Road and construction of new public plazas
- revegetation and renourishment of the dune system adjacent the subject property, and
- a partnership between the Azure Proposal developer and the City which generates revenue to the City from a new hotel, new apartment building and new retail in an estimated annual amount of ~\$4,050,000

Based upon the foregoing, it appears that the Azure Proposal presents a proposal that satisfies the Deed Restriction of being for "public and municipal purposes".

The Charter Provision imposes certain requirements in the event "the City proposes to sell or otherwise dispose of" city-owned property. The Azure Proposal proposes that the City lease the subject city-owned land to the proposer for a term of 99 years. The City Attorney has previously determined that in granting a 99 year lease, the City does not "propose to sell or otherwise dispose of" city-owned property. It should also be noted that Section 13.02 of the City of Hollywood Charter sets forth the special requirements when the City is leasing city-owned property and provides, in pertinent part:

Sec. 13.02. Lease of city-owned real property.



DEED RESTRICTION RESPONSE



(a) Any lease, or the functional equivalent of a lease, of real property owned by the city which has a term of twenty (20) years or longer must be approved by a five- sevenths (5/7) vote of the city commission or by a majority vote of the city's electors voting on such proposal.

It therefore appears, that the Azure Proposal, if selected, will be subject to the provisions of Section 13.02 of the City Charter and is not subject to the requirements contained in Section 13.01 of the City Charter which only arise when "the City proposes to sell or otherwise dispose of" city-owned property.

Public Amenity Summary	Square Footage of Public Use Areas or # of Spaces	Estimated Cost to Develop Public Use Areas
Community Center (SF)	20,790	10,521,781
Harry Berry Park (SF)	11,444	1,000,000
General public space / Plaza Areas / Greenspace for Public Use without Cost to the Public (SF)	43,755	700,000
Broadwalk Extension (Linear Feet)	1,200	1,000,000
Public Parking (spaces)	135	3,081,544
Total		16,303,325

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DEVELOPMENT BUDGET,
PROJECT PROFORMA FINANCIAL FEASIBILITY



AZURE OVERVIEW +
ASSUMPTIONS

AZURE OCEANFRONT RESIDENCES AND RESORT

General Overview

Property Overview	
Project Name	Azure Oceanfront Residences & Resort
Address	1301 S Ocean Dr
City, State	Hollywood, FL
Acres	4.55
Total Units	531
Product Type	Mixed-Use

Project Program	
Hotel Units	248
Residential Units	283
Restaurant SF	6,500
Private Parking Spaces	706
Private Rentable SF	387,016
Private Gross SF	834,907
New Community Cener SF	20,790
New Public Parking Spaces	135

Uses of Funds	Amount (000)	%
Private Total Upfront Payment and CC	1,420	0.7%
Private Total Hard Costs	152,573	74.7%
Private Total Soft Costs	33,948	16.6%
New Public Facilities (paid by proposer)	16,303	8.0%
Total	204,244	100.0%

Sources of Funds	Amount (000)	%
Equity ¹	81,698	40.0%
Debt	122,546	60.0%
Total	204,244	100.0%

¹ As show in the Financial Capacity section, the partnership already has the cash on hand to fund 100% of the Equity required to execute on Azure



DEVELOPMENT BUDGET, PROJECT PROFORMA FINANCIAL FEASIBILITY



AZURE OVERVIEW GROUND LEASE + OTHER BENEFITS

AZURE OCEANFRONT RESIDENCES AND RESORT	
Total Ground Lease Value & Other Benefits	

Lease Term	99 Years
Annual Growth Rate	2.50%
Discount Rate Applied	4.00%

Lease Payments	Total (\$)
Total Lease Payments	801,244,797
PV of Total Lease Payments	89,109,561

Stabilized Year Rent Breakdown	Total (\$)
Multifamily Base Rent	433,263
Hotel Base Rent	350,000
Hotel Performance Rent	1,218,086
Total Lease Payment	2,001,349

Other Benefits	Total (\$)
Total Other Recurring Benefits	817,124,643
PV of Other Recurring Benefits	90,924,715

Stabilized Year Other Benefits Breakdown	Total (\$)
Public Facility Fee (% of Hotel Revs)	492,671
Public Parking Revenue	305,786
City Property Taxes	1,241,292
Total Other Recurring Benfits	2,039,749

Total Lease Payment	2,001,349
Total Other Recurring Benfits	2,039,749
Total Recurring Public Benefits	4,041,097

Summary of Value to the City	Total (\$)
Total Public Benefits	1,634,672,764
PV of Total Lease Payments	89,109,561
PV of Other Recurring Benefits	90,924,715
Public Facility Contribution	16,303,325
PV of Total Payment to the City	196,337,601

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DEVELOPMENT BUDGET,
PROJECT PROFORMA FINANCIAL FEASIBILITY



OVERVIEW + GENERAL
ASSUMPTIONS

AZURE OCEANFRONT RESORT

Overview & General Assumptions

Property Overview	
Project Name	Azure Oceanfront Resort
Address	1301 S Ocean Dr
City, State	Hollywood, FL
Acres	4.55
Units	248
Product Type	Hotel

Project Program	
Hotel Units	248
Hotel Rentable SF	106,833
Hotel Gross SF	281,050

Loan Assumptions	Amount (000)	Per Key
Initial Loan Summary		
LTC	60.0% / 60.0%	
Loan Amount	58,243	234,851
Total Loan Costs	1,447	5,835
Spread / All-in Rate	500	5.80%
Term / Amo (months)	48	500
I/O Period (months)	48	
Perm Loan Summary		
LTV	65.00%	
Loan Amount	79,399	320,159
Spread / All-in Rate	400	4.80%
Term / Amo (months)	144	300
Debt Yield	12.31%	
DSCR	1.79x	

Uses of Funds	Amount (000)	%	Per Key
Land Purchase Price	0	0.0%	0
Land Closing C. & Upfront Pmt	710	0.7%	2,863
Total Hard Costs	79,556	82.0%	320,789
Total Soft Costs	12,418	12.8%	50,071
Total Financing Costs	4,388	4.5%	17,695
Total	97,072	100.0%	391,418

Sources of Funds	Amount (000)	%	Per Key
Equity	38,829	40.0%	156,567
Loan Amount	58,243	60.0%	234,851
Total	97,072	100.0%	391,418

Going In Assumptions	Amount (000)	Per Key
Total Capital Stack	97,072	391,418
	NOI	YoC
Deal Yr 4 (Untrended)	8,880	9.15%
Deal Yr 4 (Trended)	9,772	10.07%
Annual Income & Expense Trend	2.50%	2.50%

Exit Assumptions			
Exit Date / End of Year	31-Mar-37		15
Exit Cap Rate	8.00%		
	Amount (000)		Per Key
Gross Sales Price	227,473		917,229
Dispo Expense	1.50% (3,412)		(13,758)
PIP and Tax Adjustment	(22,975)		(92,640)
Net Sales Proceeds	201,086		810,830

AZURE OCEANFRONT RESIDENCES

Overview & General Assumptions

Property Overview	
Project Name	Azure Oceanfront Residences
Address	1301 S Ocean Dr
City, State	Hollywood, FL
Acres	4.55
Units	283
Product Type	Residential

Project Program	
Residential Units	283
Residential Rentable SF	280,183
Residential Gross SF	553,856

Loan Assumptions	Amount	Per Unit
Initial Loan Summary		
LTC	60.00%	
Loan Amount	64,303	227,220
Total Loan Costs	1,667	5,892
Spread / All-in Rate	300	3.80%
Term / Amo (months)	60	360
I/O Period (months)	60	
Perm Loan Summary		
LTV	59.00%	
Loan Amount	95,463	337,325
Spread / All-in Rate	225	3.30%
Term / Amo (months)	120	360
Debt Yield	8.05%	
DSCR	1.53x	

Uses of Funds	Amount (000)	%	Per Unit
Land Costs	0	0.0%	0
Land Closing C. & Upfront Pmt	710	0.7%	2,509
Hard Costs	89,321	83.3%	315,620
Soft Costs	12,562	11.7%	44,389
Total Financing Costs	4,580	4.3%	16,183
Total	107,172	100.0%	378,700

Sources of Funds	Amount (000)	%	Per Unit
Equity	42,869	40.0%	151,480
Debt	64,303	60.0%	227,220
Total	107,172	60.0%	378,700

Going In Assumptions	Amount (000)	Per Unit
Total Capital Stack	107,172	378,700
	NOI	YoC
NOI (Untrended)	6,963	6.50%
NOI (Trended)	7,686	7.17%
Annual Income & Expense Trend	2.50%	2.50%

Exit Assumptions			
Exit Date / End of Year	31-Mar-37		15
Exit Cap Rate	4.75%		
	Amount (000)		Per Unit
Sale of Residential	191,778		677,661
Sale Closing Costs	(3,356)		(11,859)
Net Sales Proceeds	188,422		665,802

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DEVELOPMENT BUDGET,
PROJECT PROFORMA FINANCIAL FEASIBILITY



DEVELOPMENT BUDGET

AZURE OCEANFRONT RESORT					
Development Budget					
Resort					
Units	248				
Hotel Rentable SF	106,833				
Hotel Gross SF	281,050				
	Amount	Per Rentable SF	Per Gross SF	Per Key	% Subtotal
Land					
Land Purchase Price	0	0	0	0	0.0%
Upfront Payment ¹	500,000	5	2	2,016	70.4%
Land Closing Costs ²	210,000	2	1	847	29.6%
Total Land Costs	710,000	7	3	2,863	0.7%
Hard Costs					
Construction Cost	45,899,148	430	163	185,077	57.7%
Parking Hard Costs	5,565,852	52	20	22,443	7.0%
Meeting Space	7,000,000	66	25	28,226	8.8%
Pool / Landscaping	2,000,000	19	7	8,065	2.5%
Public Facility Contribution ³	7,614,359	71	27	30,703	9.6%
FF&E & OS&E	7,688,000	72	27	31,000	9.7%
Hard Cost Contingency	3,788,368	35	13	15,276	4.8%
Total Hard Costs	79,555,727	745	283	320,789	82.0%
Soft Costs					
Franchise Application Fee	75,000	1	0	302	0.6%
Arch/Design/Eng Fees	2,116,275	20	8	8,533	17.0%
Gen. Admin/Developer Overhead	1,591,115	15	6	6,416	12.8%
Legal/Accounting	300,000	3	1	1,210	2.4%
Testing/Inspections	604,650	6	2	2,438	4.9%
Permits	716,002	7	3	2,887	5.8%
Impact Fees	1,527,702	14	5	6,160	12.3%
Insurance	596,668	6	2	2,406	4.8%
Pre Opening Costs	744,000	7	3	3,000	6.0%
Developer Fee	3,732,653	35	13	15,051	30.1%
Soft Cost Contingency	413,571	4	1	1,668	3.3%
Total Soft Costs	12,417,635	116	44	50,071	12.8%
Financing Costs					
Construction Loan Closing Costs	1,447,117	14	5	5,835	33.0%
Contruction Loan Interest	2,941,224	28	10	11,860	67.0%
Total Financing Costs	4,388,340	41	16	17,695	4.5%
Total Land Cost	710,000	7	3	2,863	0.7%
Total Hard and Soft Costs	91,973,361	861	327	370,860	94.7%
Total Financing Costs	4,388,340	41	16	17,695	4.5%
Total Development Costs	97,071,702	909	345	391,418	100.0%

¹ Total Upfront Payment is \$1,000,000. For budgeting purposes it was divided between the Resort and the Residences.
² Total CBRE Technical Review Fee of \$375,000 is included in closing costs. For budgeting purposes it was divided between the Resort and the Residences.
³ Total Public Facility Contribution is \$16,303,205. For budgeting purposes it was divided between the Resort and Residence

AZURE OCEANFRONT RESIDENCES					
Development Budget					
Residences					
Units	283				
Residential Rentable SF	280,183				
Residential Gross SF	553,856				
	Amount	Per Rentable SF	Per Gross SF	Per Unit	% Subtotal
Land					
Land Purchase Price	0	0	0	0	0.0%
Upfront Payment ¹	500,000	2	1	1,767	70.4%
Land Closing Costs ²	210,000	1	0	742	29.6%
Total Land Costs	710,000	3	1	2,509	0.7%
Hard Costs					
Construction Cost	63,146,463	225	114	223,132	70.7%
Parking Hard Costs	11,796,542	42	21	41,684	13.2%
Pool / Landscaping	1,000,000	4	2	3,534	1.1%
Public Facility Contribution ³	8,688,966	31	16	30,703	9.7%
FF&E	849,000	3	2	3,000	1.0%
Hard Cost Contingency	3,839,600	14	7	13,567	4.3%
Total Hard Costs	89,320,571	319	161	315,620	83.3%
Soft Costs					
Arch/Design/Eng Fees	2,278,290	8	4	8,050	18.1%
Testing/Inspections	759,430	3	1	2,683	6.0%
Permits	683,487	2	1	2,415	5.4%
Impact Fees	2,072,040	7	4	7,322	16.5%
Insurance	569,573	2	1	2,013	4.5%
Legal/Accounting	300,000	1	1	1,060	2.4%
General & Administrative	1,139,145	4	2	4,025	9.1%
Marketing/OpEx Reserve	386,962	1	1	1,367	3.1%
Developer Fee	3,774,873	13	7	13,339	30.0%
Soft Cost Contingency	598,190	2	1	2,114	4.8%
Total Soft Costs	12,561,990	45	23	44,389	11.7%
Financing Costs					
Construction Loan Closing Costs	1,667,296	6	3	5,892	36.4%
Contruction Loan Interest	2,098,165	7	4	7,414	45.8%
Debt Service Reserve	814,220	3	1	2,877	17.8%
Total Financing Costs	4,579,681	16	8	16,183	4.3%
Total Land Cost	710,000	3	1	2,509	0.7%
Total Hard and Soft Costs	101,882,561	364	184	360,009	95.1%
Total Financing Costs	4,579,681	16	8	16,183	4.3%
Total Development Costs	107,172,241	383	194	378,700	100.0%

¹ Total Upfront Payment is \$1,000,000. For budgeting purposes it was divided between the Resort and the Residences.
² Total CBRE Technical Review Fee of \$375,000 is included in closing costs. For budgeting purposes it was divided between the Resort and the Residences.
³ Total Public Facility Contribution is \$16,303,205. For budgeting purposes it was divided between the Resort and Residence

H

DEVELOPMENT BUDGET,
PROJECT PROFORMA FINANCIAL FEASIBILITY



RESORT OPERATING SUMMARY

AZURE OCEANFRONT RESORT				
Operating Summary - First Stabilized Year				

Stabilized / Untrended	Props:	Subject
	Rooms:	248
	Occupancy:	80.0%
	ADR:	\$294.00
	RevPAR:	\$235.20
	TrevPAR:	\$487.20
	GOPPAR:	\$210.71

Stabilized / Trended	Props:	Subject
	Rooms:	248
	Occupancy:	80.0%
	ADR:	\$332.63
	RevPAR:	\$266.11
	TrevPAR:	\$544.27
	GOPPAR:	\$238.09

	Untrended Stabilized			
	Ratio to Sales ¹	Amount	PAR	POR
REVENUE	%	\$ (000)	\$	\$
Rooms	48.3	\$ 21,290	\$ 85,848	\$ 293.20
Food & Beverage	36.9	16,294	65,700	224.39
Other Operated & Miscellaneous	14.8	6,517	26,280	89.75
TOTAL REVENUE	100.0	\$ 44,101	\$ 177,828	\$ 607.34
DEPARTMENTAL EXPENSES				
Rooms	17.7	\$ 3,766	\$ 15,184	\$ 51.86
Food & Beverage	60.0	9,776	39,420	134.63
Other Operated Departments	43.1	2,810	11,333	38.70
TOTAL DEPARTMENTAL EXPENSES	37.1	\$ 16,352	\$ 65,937	\$ 225.19
DEPARTMENTAL PROFITS				
Rooms	82.3	\$ 17,525	\$ 70,664	\$ 241.34
Food & Beverage	40.0	6,517	26,280	89.75
Other Operated Departments	56.9	3,707	14,947	51.05
TOTAL DEPARTMENTAL PROFITS	62.9	\$ 27,749	\$ 111,891	\$ 382.14
UNDISTRIBUTED OPERATING EXPENSES				
Administrative & General	7.1	\$ 3,131	\$ 12,624	\$ 43.11
Credit Card Commissions	2.6	1,147	4,624	15.79
IT	0.6	248	1,000	3.42
Marketing	2.2	992	4,000	13.66
Franchise Fees	6.0	2,661	10,731	36.65
Utility Costs	1.5	652	2,628	8.98
Property Operation & Maintenance	2.2	992	4,000	13.66
TOTAL UNDISTRIBUTED OPERATING EXPENSES	19.7	\$ 8,676	\$ 34,983	\$ 119.48
GROSS OPERATING PROFIT	43.2	\$ 19,073	\$ 76,909	\$ 262.67
Base Management Fees	3.0	\$ 1,323	\$ 5,335	\$ 18.22
Incentive Management Fees	-	-	-	-
TOTAL MANAGEMENT FEES	3.0	\$ 1,323	\$ 5,335	\$ 18.22
INCOME BEFORE FIXED CHARGES	40.2	\$ 17,750	\$ 71,574	\$ 244.45
SELECTED FIXED CHARGES				
Rent	2.8	1,252	5,047	17.24
Property Taxes	3.1	1,357	5,473	18.69
Insurance	1.7	744	3,000	10.25
EBITDA	32.6	\$ 14,397	\$ 58,054	\$ 198.27
Reserve For Capital Replacement	4.0	1,764	7,113	24.29
Net Operating Income	28.6	\$ 12,633	\$ 50,941	\$ 173.98

	Trended Stabilized			
	Ratio to Sales ¹	Amount	PAR	POR
	%	\$ (000)	\$	\$
Rooms	48.9	\$ 24,088	\$ 97,129	\$ 331.73
Food & Beverage	36.5	17,985	72,521	247.68
Other Operated	14.6	7,194	29,008	99.07
TOTAL	100.0	\$ 49,267	\$ 198,658	\$ 678.48
Rooms	17.3	\$ 4,157	\$ 16,760	\$ 57.24
Food & Beverage	60.0	10,791	43,512	148.61
Other Operated	43.1	3,102	12,509	42.72
TOTAL	36.6	\$ 18,050	\$ 72,782	\$ 248.57
Rooms	82.7	\$ 19,931	\$ 80,369	\$ 274.48
Food & Beverage	40.0	7,194	29,008	99.07
Other Operated	56.9	4,092	16,499	56.35
TOTAL	63.4	\$ 31,217	\$ 125,876	\$ 429.91
Administrative & General	7.0	\$ 3,471	\$ 13,996	\$ 47.80
Credit Card Commissions	2.6	1,281	5,165	17.64
IT	0.6	274	1,104	3.77
Marketing	2.2	1,095	4,415	15.08
Franchise Fees	6.1	3,011	12,141	41.47
Utility Costs	1.5	719	2,901	9.91
Property Operation & Maintenance	2.2	1,095	4,415	15.08
TOTAL	19.6	\$ 9,665	\$ 38,972	\$ 133.10
Administrative & General	3.0	\$ 1,478	\$ 5,960	\$ 20.35
Incentive Management Fees	-	-	-	-
TOTAL	3.0	\$ 1,478	\$ 5,960	\$ 20.35
Administrative & General	40.7	\$ 20,074	\$ 80,945	\$ 276.45
Food & Beverage	3.2	1,568	6,323	21.59
Property Taxes	3.0	1,498	6,041	20.63
Insurance	1.7	821	3,311	11.31
TOTAL	32.9	\$ 16,187	\$ 65,269	\$ 222.91
Administrative & General	4.0	1,971	7,946	27.14
TOTAL	28.9	\$ 14,216	\$ 57,323	\$ 195.78

Resort Lease Breakdown	Untrended	Trended
Base Rent Hotel	350,000	350,000
GOP	19,073,420	21,552,285
+ Franchise Fees	2,661,288	3,011,003
- Insurance	-744,000	-821,237
Adjusted GOP	20,990,708	23,742,052
Hurdle	13,150,000	13,150,000
% of Adjusted GOP over Hurdle	11.50%	11.50%
Performance Rent Hotel	901,681	1,218,086
Total Hotel Rent	1,251,681	1,568,086

¹ Ratio to Sales for departmental expenses and profits are based on their respective departmental revenues. All other expense ratios are based on total revenue.
² EBITDA does not include Depreciation and Amortization, Interest, nor Income Taxes

H

DEVELOPMENT BUDGET,
PROJECT PROFORMA FINANCIAL FEASIBILITY



RESIDENCES OPERATING
SUMMARY

AZURE OCEANFRONT RESIDENCES

Operating Summary - First Stabilized Year

Project Program		Income Assumptions		Growth Assumptions
Residential Units	283	Vacancy	5.00%	Income Growth
Residential Rentable SF	280,183	Untreded Rent	3,270	2.50%
Residential Gross SF	553,856	Untreded Rent PSF	3.30	Expense Growth
				2.50%

	Untrended	Trended	Per Rentable SF	Per Gross SF	Per Unit	% Total
Residential Potential Rent	11,104,596	12,512,759	3.30	1.67	3,270	101.1%
Vacancy	-555,230	-625,638	-0.17	-0.08	-163	-5.1%
Other Income	436,468	491,816	0.13	0.07	129	4.0%
Effective Gross Income	10,985,834	12,378,936	3.27	1.65	3,235	100.0%
Controllable Expenses	1,273,500	1,470,866	4.55	2.30	4,500	32.2%
Insurance	444,868	513,814	1.59	0.80	1,572	16.6%
Taxes	1,574,809	1,818,872	5.62	2.84	5,565	58.8%
Management Fee	274,646	317,210	0.98	0.50	970	10.3%
Rent	384,504	433,263	1.37	0.69	1,359	14.4%
Non-Controllable Expenses	2,678,828	3,083,159	9.56	4.84	9,466	67.8%
Total Expenses	3,952,328	4,554,025	14.11	7.14	13,966	36.0%
Replacement Reserves	70,750	81,715	0.25	0.13	250	0.6%
Net Operating Income	6,962,756	7,743,196	24.85	12.57	24,603	63.4%

Residential Lease Breakdown	Untrended	Trended
Effective Gross Income	10,985,834	12,378,936
% of EGI	3.50%	3.50%
Potential Base Rent Multifamily	384,504	433,263
Or		
Minimum Base Rent Multifamily	350,000	350,000
Base Rent Multifamily (Greater Of)	384,504	433,263

LUXURY + BOUTIQUE

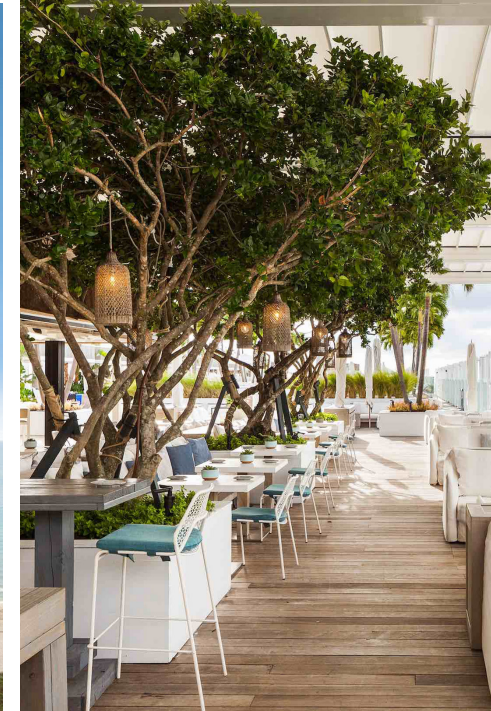
Lifestyle Hotels are the next generation of boutique hotels. Driven by the chains, they borrow the best elements of boutiques – small, intimate and modern – and throw in advantages only a chain can offer, like loyalty perks, consistency and economies of scale.

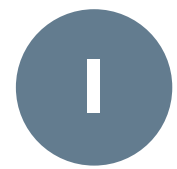
Examples such as:

The Thompson

Canopy by Hilton

Hyatt Unbound Collection





AZURE HOTEL LOOK + FEEL: REFINED, BALANCED, PEACEFUL + FAMILIAR

