

JULY 10, 2023

City of Vestavia Hills Response to Request for Qualifications

Presented by:

eds America Development, LLC and CBRE



*Preliminary Vision from RFO

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Letters of Interest



eds America Development, LLC
1031 Brock's Gap Pkwy, Ste 177
Hoover, AL 35244
United States

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Website: www.eds-america.com

July 10, 2023

City of Vestavia Hills
Attn: Jeff Downes, City Manager
1032 Montgomery Highway
Vestavia Hills, AL 35216

Dear Mr. Downes:

We are pleased to present our submittal in response to the Request for Qualifications (RFQ) requested of us on June 5th, 2023 as our intention to express our interest in being selected for Master Development Services for the redevelopment of a segment of Highway 31 South in Vestavia Hills at the intersection of I-65.

The team that I'm submitting are well experienced in working together on many major projects. You will notice the depth and diversity of experience from medical, retail, non-retail, office, industrial, residential and hotels across the various team members. Sophistication of investments with Altera and Rob Richardson's financial strength in understanding the capital markets.

As developers, eds America Development, LLC (Hoover, AL), www.eds-america.com, and Altera Development Company, LLC (Dallas, TX), www.alteradevco.com. The main principals of these entities have worked together now for some 24 years collectively across the board in every capacity imaginable. In addition, **Shannon Tyndall Rockwell and her team at CBRE will join us on the overall development team, www.cbre.com.** Shannon assists us on our pre-leasing for several of our projects. We have worked together for a few years now. Our architect, **Hood-rich, Jim Lohmeyer, Josh Livingston and Ryan Phillips** were behind our first phase at The Village at Brock's Gap in Hoover. As well as, the medical office building on the out parcel and now for the next and final phase across the street at Brock's Gap which will actually be larger and much different in scale. Please refer to plans in the package.

We have completed many consequential projects throughout the state from a partnership with Mayor William Bell and the City of Birmingham 2010-2015 for a 30 single-home development called, Goldwire Heights, for first time homebuyers adjacent to Loveman's Village. This was the first pilot program of its kind at the time. In order to provide sale prices below market levels and incentivize these type of houses being built in a high risk area. The City provided \$25,000 per house upon Certificate of Occupancy. While the program had good intentions. We ultimately lost money on it due to the time involved being stretched out over years and it being extremely difficult to get homeowners qualified.



It wasn't a big loss but it wasn't profitable. However, we did learn a lot and we will not put ourselves in that situation again from a business risk standpoint. It should be noted that we did successfully sell the entire portfolio of new homes built to first time homebuyers. Goal accomplished. Obviously, it wasn't an easy venture due to many challenges.

Another project we are also proud of. Is that we partnered with the City of Phenix City, Mayor Eddie Lowe, to develop a 22 acre shopping center off of Hwy 431 South across from Chattahoochie Community College in Phenix City anchored by a 40,000/sf Renfroe's Grocery store. It was a state-of-art tilt wall development. Same as you see with the new Publix stores. In fact, it is much nicer than the Publix store built in Phenix City several years prior that was not a tilt wall product at the time.

Due to the area being a food desert but not designated as such to benefit from federal incentives available at the time (which is often the case throughout Alabama and this nation.) The financing available to us was not suitable to getting this development financed. Renfroe's couldn't be underwritten with it being a small regional family grocery chain due to the cap on rent they could pay and not the credit to justify rents that had to be even lower than what a solid triple A credit user like Publix would even require. The City of Phenix City came to the table and provided a 25 year master lease of the grocery store by leveraging their bond rating and we did a CTL (credit tenant lease) at a rate exactly that of what a Publix would require as a result of the City's outstanding AA credit rating. As a result, it allowed Phenix City to enter into a sublease agreement with Renfroe's at a rate the store could afford with benchmarks, for additional rent bumps paid to the City, based on revenues. In addition, the City retained all of the sales taxes. This was the only way this project would have been realized. Not only was this a solid investment for all parties. It also created one of the most stable grocery store anchored assets in the state. We ultimately sold the lease to one of the wealthiest families in the country out of Chicago. So, now you have a high credit tenant in Phenix City but also one of the most stable owners in the country. Renfroes has been very successful since opening 3 years ago. We have added a brand new Circle-K, Wendy's (under construction), Hang 10 Car Wash (pre-development stage with construction to start 4th Quarter 2023) and a 13,500/sf retail strip that has Marco's Pizza, Hair Salon, Dog Groomer, Spirits Store and in talks to close out the remaining space with a Dollar Tree. More new announcements to come soon. Since we built the development known as, The Village at Crosswinds. Jack's recently opened across the street from the development and a new RaceTrack fuel concept is under construction. If we hadn't been able to make this project a reality, I know without a doubt nothing would have happened along this corridor. Which is the front and back door to the beach. With close to 40,000 vpd.

Another project, I would like to highlight, is our success with The Village of Brock's Gap in Hoover (Trace Crossings), www.thevillageatbrocksgap.com. This project is our shiny star.



We really pioneered with the neighborhood village concept. Many didn't have high hopes for our success. I personally concentrated on local concepts but solid / strong concepts with great owner operators. That is what Hoover needed the most. Not another typical strip center with all the same national concepts. Our focus is on a mix of retail and non-retail tenants. Here we have multiple main destination businesses that feed the retailers. Like The Pointe Dance Arts (largest state dance studio with over 800 students currently), Burn Boot Camp (with over 600 members), OS1 Sports Injury (sees over 1000 patients per month), Keller Williams Hoover (300+ agents), Urgent Care for Children, UAB Primary Health Clinic and Brock's Gap Eye Care. These businesses really bring the bodies to The Village at Brock's Gap. Now, we have designed the next and last phase that will be completely different with its architecture and placement than the first two phases. But, equally as creative and exciting with its own dynamics. We have had very early success with many interested concepts that will be new to that area of Hoover. As a part of this development, we also designed and development the 11,000/sf medical office building in it. That is where Urgent Care of Children, UAB West and Brock's Gap Eye Care occupy. On this development, the City of Hoover, agreed to help by providing \$2.5 million in sales tax rebates. This allowed us to pass through these rebates to several tenants so we could hit the rental rates we needed in the proforma to finance the project. It has successfully achieved that goal.

We also just broke ground on a new Hampton Inn in Evergreen, off I-65, that had multiple incentive components from it being in a Coop District of Liberty Industrial Park, land contribution, cash towards infrastructure, hotel lodging tax and room fee rebates as well as a \$200,000 ADECA grant. We even have a \$500,000 EB5 investor from Canada that invested in the hotel. You may contact Mayor Stanley Stallworth. The Mayor and his team have been great to work with. Kimley-Horn has served as our civil on this project and another hotel project we are in the pre-development stages for in Foley, AL.

One of our most proud of completed projects. Is the Holiday Inn Express that we spent nearly 7-8 years to make happen and is now open in Thomasville, AL next to their new hospital on Hwy 43. Here it sits in a Coop District as does Evergreen. Have land contribution, cash towards infrastructure and hotel lodging tax and room fees rebates among the major incentives. Please contact Mayor Sheldon Day for further details on how we all hung in here and made it happen. Financing was nearly impossible due to the inability for lenders to grasp the trade area of Thomasville. Since opening, it has been nearly 100% occupied due to three major multi-year contracts that local paper plants secured immediately before the hotel was ever open.

These are several good examples that show our ability and capacity to work with municipal and government in general. It is a partnership in the end between the two. There are many more examples I can give if requested. Not many, if any developer in the state, have



worked on so many different type of projects than our team has to date. We also work with State and Federal agencies as well as our Congressional delegation. I will get into more details throughout other parts of this RFQ to how we will offer to partner with the City of Vestavia. This is an extremely risky business and while we have a great location to launch from here on Hwy 31. The land assemblage. With being at the mercy of private land owners. Is a big concern. And, the market continuing to sour from a lender perspective due to inflation and what the Federal Reserve continues to do with interest rates, construction at an all time high and usually takes longer to come down than the market and other dynamics in play. The City should be prepared to be flexible with whoever they select because there isn't a "one size fits all" approach here and I fully expect the City to have to participate more than it may realize or desire to see this project to fruition. I'm only saying this out of experience which I briefly outlined above with both urban, suburban and rural projects that we have delivered on.

I am and are several on our team Vestavia residents. We care what happens and are not expecting an advantage with our residency. What we do want is the City to select the right team and path to success on the concept. Even if we aren't selected. We will make ourselves available as a resource to the City throughout the project. And, if the City wants to select certain team members to join their effort and not the entire team, we welcome that as well. In the end, we are committed to teaming with anyone to do the boutique hotel for the new development should we not be selected at the Master Developer.

Shannon Tyndall Rockwell, CBRE Birmingham (Vestavia resident) and I will serve as your main contact for our team going forward. Please refer to Shannon's cover letter with CBRE qualifications. We thank you for the opportunity and look forward to further dialogue in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick A. Denney', is written over a light blue circular stamp.

Patrick A. Denney
Pres/CEO, eds America Development, LLC
(v) 205.397.9398
(m) 205.612.6893
patrick.denney@eds-america.com

cc: Shannon Tyndall Rockwell, CBRE Birmingham
Terry D. Quinn, CEO, Altera Development, LLC



Shannon Tyndall
Vice President, Retail Services
CBRE, Inc.

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www.cbre.com

July 10, 2023

City of Vestavia Hills
Attn: Jeff Downes, City Manager
1032 Montgomery Highway
Vestavia Hills, AL 35216

Dear Mr. Downes:

I am honored to be included in the eds America Development, LLC submittal for the redevelopment of 1485 Montgomery Highway and the contiguous properties. I am a Vestavia resident and highly vested in the success of this project. I have a daughter that graduated from Vestavia Hills High School and a rising 8th grader and sophomore currently enrolled at Vestavia Schools. My sophomore is a Vestavia Belle, and we take great pride in living in the Vestavia community.

I have 24 years of Commercial Real Estate experience and provide a unique perspective and understanding of real estate needs to my clients with an in-depth retail industry experience in both owner and occupier representation. Having served as the Vice President of Real Estate for Books-A-Million early in my career, I have a high level of understanding the retailer's perspective. My extensive relationships and experience as a retailer have brought trust and commitment to each client and the success of their business. I joined CBRE in August 2017 and currently oversee a retail portfolio in excess of 2 million square feet for institutional and private landlords in the Southeast.

My experience includes being a part of the team assembled by the City of Mobile to evaluate developers' proposals for the redevelopment of the Mobile Civic Center. This assignment involved putting together site details, development and design guidelines, preparing proposal requirements, and evaluating the RFPs submitted. Though the City ultimately put this project on hold, our team was able to bring 6 well-qualified national groups to the table with exciting visions on this 22- acre parcel.

I have worked with Patrick Denney on the leasing of his ground-up development at The Village at Brocks Gap; in addition, I also represented Breland Companies in the successful completion of the Clift Farms and Town Madison projects in Huntsville, AL. We were able to secure many first-to-market retailers, including Duluth Trading, Johnathan's Grill, Prohibition, Slim Chickens, twice daily, and BJ Wholesalers. I represented Max Grelier in the initial development of the Mid City project which was a joint venture with the City of Huntsville. We were successful in bringing REI, High Point Climbing, and Dave & Busters to this project.

The CBRE Global platform and capability is unmatched in the Real Estate space. We have strategically pulled together a team of Leasing, Marketing, Hospitality, Multifamily, Project Management, and Debt & Structured Finance professionals that are all up to speed on this project. CBRE is the global leader in commercial real estate services and investments, with 2022 revenues of \$30.8 billion and over 115,000

employees serving clients in more than 100 countries. CBRE is ranked 122nd on the Fortune 500 and has been included in the Fortune 500 every year since 2008. Whatever needs arise in this project, we are equipped with experts ready to jump in and assist.

We are thankful for this opportunity and look forward to the next steps.

Sincerely,

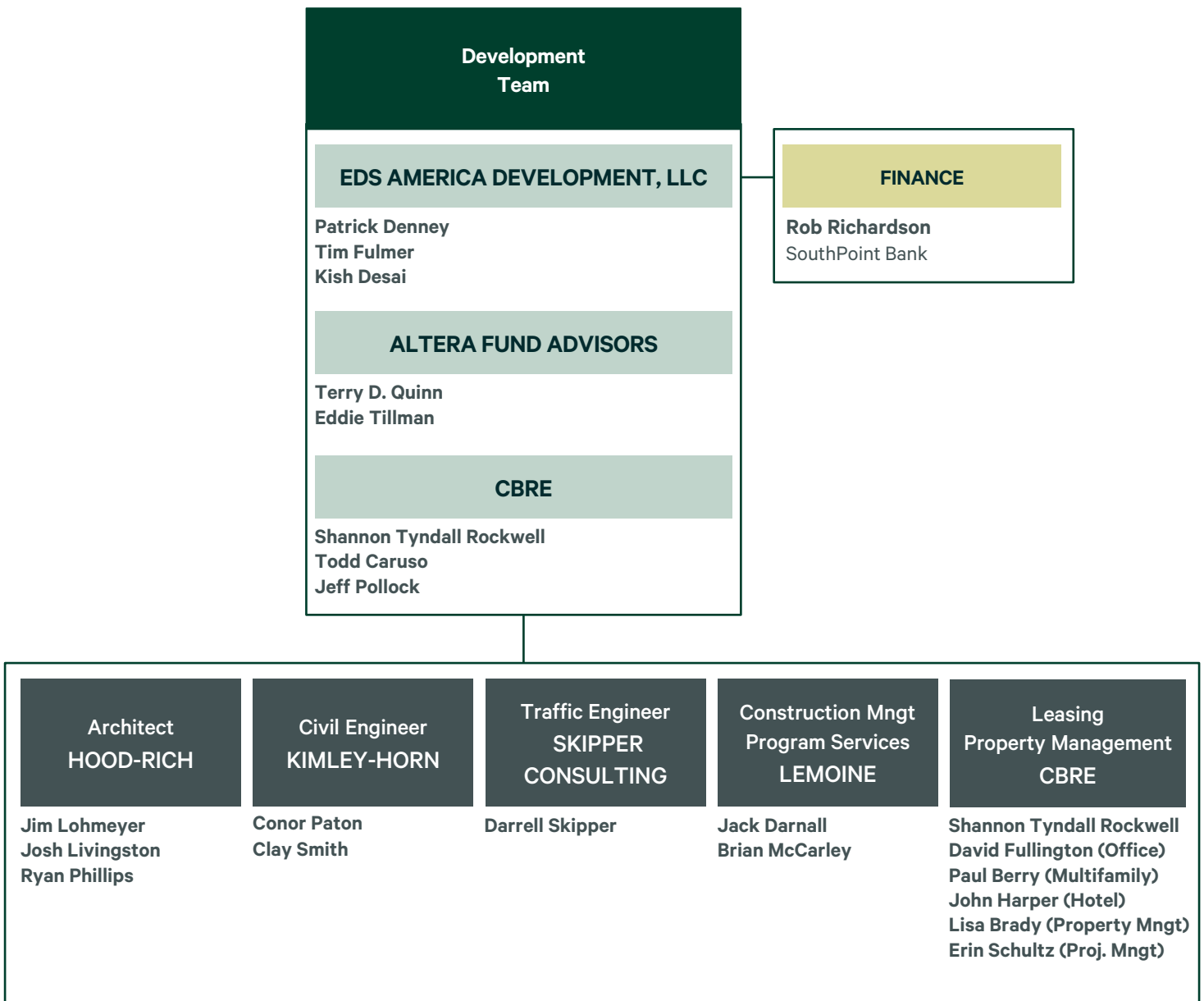
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*Master Developer
Team Members*

*Related Projects
& Experience*

Organizational Chart



eds America



eds America Development LLC



eds America LLC powered by KW Hoover



Keller Williams Commercial



About eds America LLC

eds America LLC

*Is a Fully
Integrated Commercial
Real Estate and
Development Firm*



Unique Client Service Model



Complete Suite of Services



**Hands-on Support
System**



Experienced Team

About eds America LLC

At-a-Glance:

- Founded in 2015 as eds America LLC
- Fully Integrated Commercial Real Estate Consulting and Development Firm
- Primary Focus is to serve investors, property owners, users, and tenants
- Offer a complete suite of services (Development, Brokerage Services, Site Selection, Incentives Negotiation, Marketing, and Property Management)
- Understand and have Up-to-date of first-hand knowledge of the challenges unique to the Commercial Real Estate Sector
- Dedicate Special Attention and detailed focus to the use and desired outcome for each client
- eds America has been recognized for multiple awards such as Commercial and Industrial Deals of the Year and top Property Management Firms by the BBj.



Management Team



PATRICK DENNEY, President /CEO

Patrick founded eds America, LLC as a vehicle to help solve what he saw as “gaps” in economic development in urban, suburban and rural communities. Patrick creates a collaborative effort to maximize these opportunities for future development in these areas. Whether it be to develop, advise or represent, eds America is a vital leader in the forefront of economic development throughout America.

Patrick’s background in commercial real estate includes disciplines focused in office, retail, industrial, and medical with an emphasis on municipal, state and federal government consulting for many of his clients. Primarily his services involve: development, build-to-suits, master planned developments, site selection, business incentives, land and building acquisitions and dispositions as well as negotiating leases within these disciplines. Patrick’s past experiences include: serving on U.S. Senator Richard Shelby’s Senate staff and was Deputy Finance Director on his U.S. Senate Re-election Campaign from 1995-1998 as well as Executive Director of the ALGOP Victory 1998 Committee. In 1992, Patrick served on the Presidential Inaugural Committee (PIC) for Bill Clinton and supported the Correspondence Department on the Presidential Transition team.

Prior to founding eds America, Patrick was Senior Vice President for Avison Young in Birmingham, Alabama. Previous to Avison Young, Patrick founded Dillon Corporate Services, Inc., in Birmingham, AL which at the time served as the Southeast Regional office for the company which was based in Dallas, TX. Ultimately, Dillon Corporate Services became Cresa and Patrick became the Managing Principal for Cresa Alabama. Cresa / Dillon Corporate Services, Dallas and Birmingham, was acquired by Avison Young in 2013.

Married to Shannon McClure Denney, Owner/Artistic Director, The Pointe Dance Arts, Inc., and they have one beautiful daughter, Sara Madelyn Denney, and dogs named, Lola. Interests: Tennis, basketball, golf, music, dance (have no choice but do love it) and just life itself.

Management Team



Bart Holmes, Vice President – Business Development/Property Management

Bart brings a wealth of experience with Business Development to eds America. He began his career in Marketing and Business Development with McKesson Drug Co, working with independent pharmacies across the Southeast. In 2008 he joined Chapel Steel where he was responsible for account managing new and existing accounts across the Southeast also working with government agencies on special projects. In 2012 he joined Alabama Power Company working on multiple projects with commercial and industrial customers transitioning into Commercial Business Development providing leadership and project management support to state, regional and local economic development organizations.

Bart earned a Bachelor of Science degree from The University of West Alabama. He is very involved in community projects and local volunteer opportunities. He is married to his wife Heather, they have two beautiful children, Harrison and Kennedy.

Management Team



Janet Dunaway, Vice President – Operations and Administration

Janet Dunaway has worked with the key leadership team of eds America for over six years in several capacities. As Administration Manager due to her strength in accounting and financial modeling, as Director of Market Research for key corporate property relocation clients focused in office, retail, and industrial properties, and she served as Agent in transactional management on several local and national commercial real estate accounts. Janet is fully licensed in real estate in Alabama. eds America values her expertise, leadership and growth in the commercial real estate industry in Birmingham. Prior to joining our team in Birmingham, Janet's career centered in the financial industry including commercial lending, investment analysis, and derivatives market analytics. She attended the University of Alabama at Birmingham where she majored in Finance.

Management Team



Chris Stewart, Vice President of Marketing and Public Affairs

Chris Stewart has been a broadcaster since 1988, and is in his 20th season as the University of Alabama's men's basketball play-by-play announcer for the Crimson Tide Sports Network.

In addition to his role as the voice of Crimson Tide Basketball, Stewart also serves as the broadcast host for CTSN's radio coverage of Crimson Tide Football and as the television host of "The Nick Saban Show" and "The Nate Oats Show".

Stewart is also the radio play-by-play announcer for Bama Baseball, having followed the Tide on the diamond since the 2000 season.

Prior to taking over the Alabama basketball play-by-play job, the Fairfield native also spent eight seasons as the radio announcer for Birmingham-Southern College. He described the action for two NAIA national championships won by the Panthers – the 1995 men's basketball title, as well as the 2001 baseball championship.

Stewart also has extensive television play-by-play experience throughout his career, including past stints on various cable and web platforms covering college football, basketball, baseball, soccer, and volleyball. He has also handled play-by-play for high school football coverage on Birmingham's WABM TV-68 since the 2008 season.

A 1992 graduate of the University of Montevallo, Stewart was honored with the school's 2009 Alumni Achievement Award, and was a 2021 inductee into the UM Athletics Hall of Fame.

On five occasions (2004, 2007, 2008, 2009, and 2016) he has also been named "Alabama Sportscaster of the Year" by the National Sports Media Association.

Chris is married to the former Christy Carmichael and has three children, Anne (21), Parker (16), & Hudson (10).

Management Team



Christy Stewart, Director, eds America LLC & Keller Williams Hoover Alliance

Christy Stewart joins the eds-America team after spending several years in the insurance industry. Christy worked in sales and customer service roles for both Nationwide and independent insurance agencies, before becoming a licensed real estate agent.

After studying at UAB, and pursuing a career in nursing, the Birmingham native became a wife, mother and homemaker, before pursuing an insurance career and now a licensed real estate associate with eds-America in 2022, as the director of the company's new alliance with Keller Williams Hoover with an emphasis on growing the residential platform.

She is married to Chris Stewart, and they have two boys, Parker and Hudson. Christy has also been the stepmother to Stewart's daughter, Anne, for 18 years.

Management Team



Nina Martin-Powers

Nina has worked in commercial construction accounting for many years. Nina has also championed work in the non-profit sector. Her and her husband have five internationally adopted children. In 2019, Nina authored an Alabama Adoption Tax Bill that would eventually become law. In 2020, Nina wrote an inspirational and informative book on adoption, *The Came Mercy*. She currently oversees a food program through the Community Food Bank of Central AL. Nina decided to use her financial background to pursue commercial real estate and obtained her license in 2022. Now, she currently works with eds America / powered by KW Hoover as it launches the KW Commercial platform through its various companies committed to commercial real estate development, brokerage, property management and more.

Strategic Partners



Terry Quinn - CEO Altera Development Company, LLC



Eddie Tillman – Partner Altera Development Company, LLC



Shannon Tyndall Rockwell – Vice Pres. CBRE – Advisory and Transaction Services



Cardell Davis – Principal Acey & Associates, LLC

Blue Chip Clientele

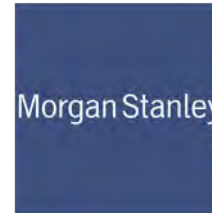


Blue Chip Clientele

burn boot camp



FAVORSTEEL
& FABRICATING



BAE SYSTEMS

Nationwide



Evolving Needs in Real Estate Services

eds America's approach recognizes evolving client business needs



- Real estate involves significant expenses during the full cycle of ownership and occupancy.
- Real estate decisions are complicated and cut across geographies and operations.
- Real estate strategies require long-term commitments.

- Relationships are historically driven by the transaction event.
- Service providers have been defined by geographic or service line silos.
- Service providers are measured and motivated by individual transactions and quarterly profit reports.

- Focus is on providing owners and occupiers with long-term holistic solutions.
- Company is organized around clients using best-in-class collaboration and our “open source model”.
- Incentives and company finances are structured around long-term value creation.

Specialized Industry Expertise

TRANSACTION MANAGEMENT

- Portfolio Management
- National Site Selection
- Acquisitions and Dispositions
- Lease Restructuring
- Brokerage Process Management
- Tenant Representation
- Landlord Representation
- Market Research/Intelligence
- Financial Analyses/Modeling

LEASE ADMINISTRATION SERVICES

- Lease Abstracts & Audits
- Operating Expense Audits
- Data Management
- Reporting

PROJECT MANAGEMENT

- Budget and RFP Development
- Site Evaluation & Construction Expertise
- Contract Negotiation
- Project Scheduling & Reporting
- Cost Analysis & Value Engineering
- Construction Management
- Project Troubleshooting
- Move Coordination

CONSULTING SERVICES

- Strategic Portfolio Planning
- Real Estate Process Development
- Municipal Incentive Negotiations
- Lease Restructuring

CAPITAL MARKET EXPERTISE

- Property Sales
- Corporate Finance
- Note Sales
- Capital Markets
- Investment Banking
- Sales and Debt
- Investment Advisory
- Asset Monetization
 - Sale-Leasebacks
 - Corporate Asset Sales
- Build to Suit/Acquisition Structuring & Financing
- Asset/Portfolio Strategy & Advisory Services
- Recapitalization

APPRAISAL & TAX

- Asset & Portfolio Valuations
- Research & Market Analysis
- Investment Analysis
- Acquisition & Disposition Strategies
- Litigation Support & Expert Testimony

GOVERNMENTAL EXPERTISE - ALL LEVELS: FEDERAL, STATE, COUNTY AND CITY

- Sales Tax Rebates
- Ad Valorem Tax Rebates
- Land Contribution
- Cash Inducements
- Coop District - Underlying reserve to debt. In addition, to applying, lodging, movie ticket, franchise fees to various models within district
- New Market and Historic Tax Credits
- Opportunity Zone
- Master Lease Municipal Program
- Ear Marks - Funding on the Federal Level -(i.e. Vulcan Park and Ruffner Mountain Nature Center.)
- Grant Application Assistance for Statutory Business Incentives
- Zoning Confirmation
- One Stop Shopping

PROPERTY MANAGEMENT

- Office/Industrial/Retail Property Management
- Financial Reporting & Analysis
- Cost Control & Cash Management
- Tenant & Community Relations
- Lease Administration & Renewal
- Sustainability Strategies & Implementation
- Preventative Maintenance
- Service Provider Selection/Supervision
- Capital & Operating Budget Preparation & Implementation

Key Items to Focus On

Qualify Prospect:

Tenant Rep or Landlord/Owner/User Rep.

Need:

Development Opportunity, Brokerage (Disposition/Acquisition/Lease/Build-To-Suit/Incentives/Site Selection).

Engagement:

Proper Engagement Letter of Authorization (LOA) or Listing Agreement (Acquisition/Disposition involved).

Marketing Info:

We pay for our data (Costar, LoopNet, MLS, Placer, ERSI, and more). Not to mention, our time and market knowledge is our most important commodity. Tenants/Users all think they are real estate experts. Will use your information on the market and go direct. We aren't in the business to provide a free service. This is why it is critical to sign up the customer before providing market information. If they aren't respectful of this, then you need to pass on the deal until they are.

Key Items to Focus On

Timeline:

Once engaged. We will provide a timeline to follow to achieve goals and milestones. Which usually triggers around the user/tenant's lease expiration or occupancy or disposition schedule. If they are in a lease. We need a copy of the lease immediately. We can provide a lease abstract to them for it which will be "Cliff Notes" of the critical dates for notices and key lease provisions that each tenant needs to understand. They can go to it quickly as a reference. We do this for every tenant/user where it is appropriate.

Leverage the Market:

We will be the single point of contact. However, we will want you on the team. Your relationship with the customer is critical and we only want to enhance it not take it over.

Transaction/Referral Fees:

We will enter into a co-brokerage agreement with every broker that sends us a referral. The splits will be based on deal size, the complexity of the transaction, time dedicated to it, etc...so there is no one size that fits all here. However, we will be more than fair. We want you to feel confident that you will be compensated for these referrals and the only way to get repeat business is for you and your customer/relationship to have a positive experience and outcome. However, I do think it is important that we sign a co-brokerage agreement at the beginning of the assignment to relieve any anxiety and misunderstanding down the road. We all know how this goes in the end if we don't address the splits as best we can at the outset.

eds America Sample Projects - Retail

We have represented every vertical in Commercial Real Estate Industry

The Village at Brocks Gap



eds America Sample Projects - Retail

The Village at Crosswinds



eds America Sample Projects - Retail

Phase III – The Village at Brocks Gap



eds America Sample Projects - Medical

The Village at Brocks Gap – Medical Office Building



eds America Sample Projects - Hotel

Thomasville, AL – Holiday Inn Express – Opened February 2022



eds America Sample Projects - Industrial

Jeff Met Trade Center I, II and III

Phase I



eds America Sample Projects - Industrial

Jeff Met Trade Center I, II and III

Phase II



eds America Sample Projects - Industrial

Jeff Met Trade Center I, II and III Phase III – Under Construction



Concept Rendering

gsr andrade 20 November 2020
ARCHITECTS

eds America Sample Projects - Industrial

Favor Steel



Altera



ALTERA

FUND ADVISORS

ALTERA INTRODUCTIONS

Biographies



Terry Quinn | MANAGING PARTNER, CEO

With over thirty-five (35) years of experience in commercial real estate transactions and consulting, Terry brings his experience with Trammell Crow, Arthur Andersen, and experience in both healthcare and corporate real estate consulting to the Altera team. Terry was the co-founder of Dillon Corporate services/Cresa Dallas, which was sold to Avison Young in 2013. Terry is a principal shareholder of Avison Young. Terry has been involved in over 5.0 million square feet of transactions for such clients as Deaconess Hospital, Triad Hospitals, Community Healthcare Systems, Texas Capital Bank and Nationstar Mortgage/Mr. Cooper. Terry’s additional expertise in financing and his contacts help facilitate cost effective capital structures for Altera ventures.

Terry remains active in all the strategic planning of the asset management of the existing portfolio as well as involvement in the identification and underwriting for all new acquisition or development opportunities.

Terry is a graduate of SMU with a BBA including majors in accounting, real estate, and finance. He is a Leadership Circle member of the SMU Folsom Real Estate Institute. Terry established the Terry D. Quinn Family Endowed MBA scholarship fund for the benefit of the SMU Folsom Real Estate Institute in 2016.



Eddie Tillman | PARTNER, ASSET MANAGEMENT AND LEASING

Eddie is a graduate of Texas Tech University and holds a BBA in finance with a real estate specialization. During more than twenty (20) years of experience with multiple types of commercial real estate functions, Eddie has been involved in over 4.5 million square feet of transactions throughout the country. This time has been spent on asset management, property management oversight, acquisitions, and thousands of leasing transactions. At Altera, we view each asset as only one piece of a broader overall picture. Eddie facilitates this approach by envisioning the entire process with the viewpoint of the end user in mind. He carries this relationship building strategy into all acquisitions, developments, partnerships, and leasing activities for his projects. Eddie’s goal is to create honest, open, and transparent relationships while maintaining paramount focus on the true qualities that make up successful projects for investors.

Eddie is intimately involved in identification and underwriting of all new acquisition and development projects at Altera. Proper asset strategy requires understanding of the initial project underwriting and partnership goals. Too often, real estate company’s assign leasing personal that do not underwrite nor understand the initial goals of the investment. Eddie’s experience and active involvement with all disciplines of the investment make for a truly unique and effective strategic partnership.

Biographies



Caleb Brooks | Vice President Acquisitions

Caleb Brooks joined Altera Fund Advisors in February 2022 as Vice President of Acquisitions & Dispositions. Focused on researching, underwriting & transacting, Caleb works diligently with a keen attention to detail throughout all stages of the deal. Prior to joining Altera, Caleb worked at Avison Young specializing in office investment sales.

Caleb graduated from the Cox School of Business at Southern Methodist University in 2017 with a B.B.A in Finance. He has been involved in the commercial real estate industry since he graduated.

BACKGROUND

Unique Skill Set Delivered by Terry Quinn and Eddie Tillman

- ❖ 20+ yrs experience in tenant representation/corporate services (we understand tenant drivers)
- ❖ ~1800+ physician/hospital/healthcare related leases negotiated directly or oversight to date
 - We led a team of 7 that was imbedded in Triad Hospitals corporate office from 2001-2007
 - Our depth of understanding medical office tenant's drivers is second to none
- ❖ Strong track record of success in value-add MOBs
 - During the last 10 years, while most of our competitors in the MOB space focused on acquisition with goal of cap rate compression and portfolio premium, Altera has been perfecting our value-add model
 - While the acquire/compress strategy was successful, it was simple and required limited execution by the owners/sponsors. This strategy benefitted from historically low interest rates.
- ❖ Deep understanding of how MOB REITs think, account and dispose of assets with vacancy
- ❖ Experience acquiring from and disposing to REITs, including current seller, Healthcare Realty ("HR")

ALTERA TRACK RECORD

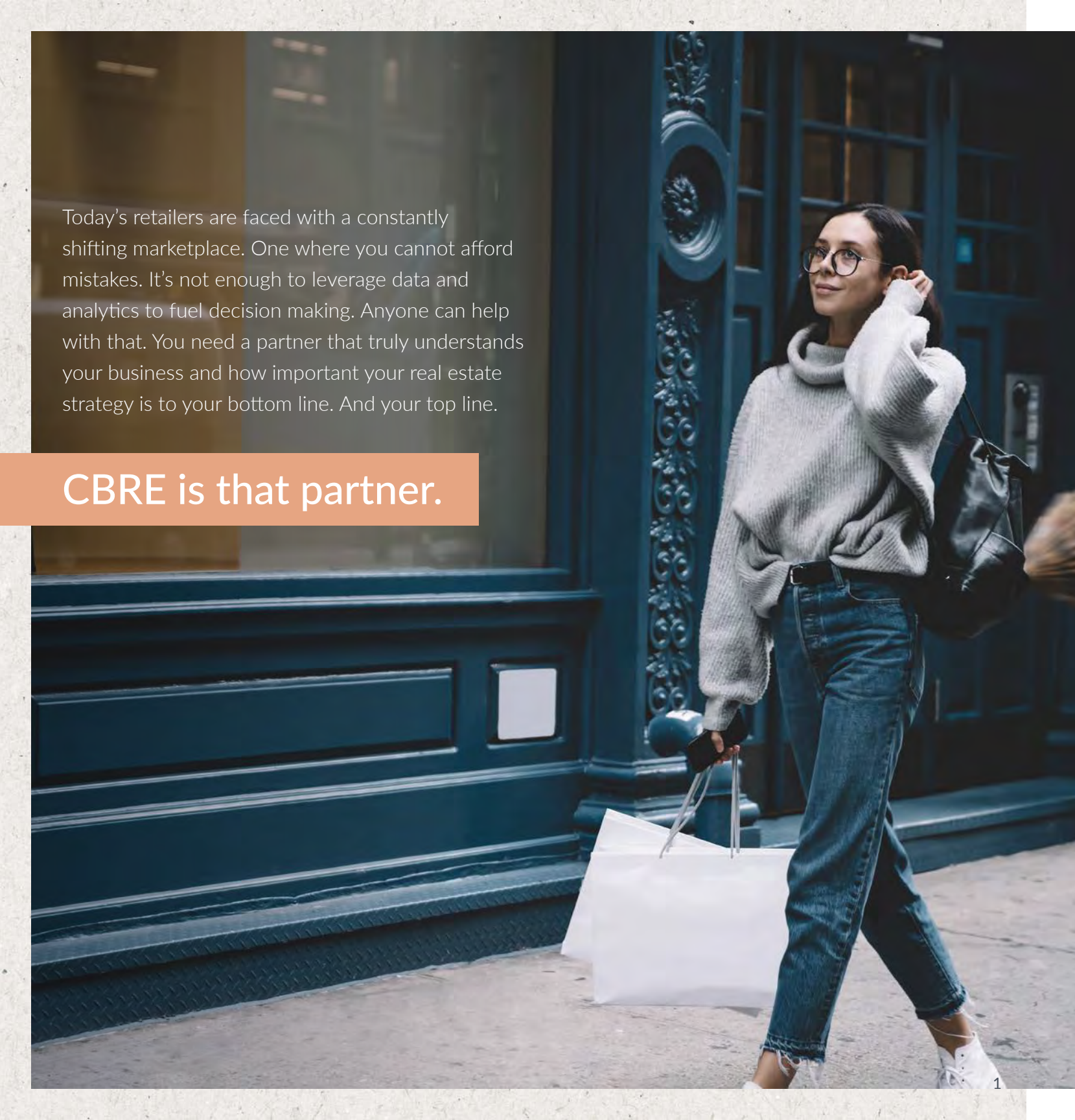
Fund/Investment	Year	Number of Investments	Fund Investment Size	Equity Invested (a)	Equity/Income Realized/Distributed (b)	Equity Value Remaining	Total Value (d) = (b+c)	DPI (b/a)	Gross MOIC (d/a)	Net MOIC	Gross IRR	Net IRR
Tire & Wheel Assembly (a)	2004	1	\$ 3,450,000	\$ 345,000	\$ 1,148,000	\$ -	\$ 1,148,000	3.33	3.33	3.33	50.44%	50.44%
Social Security Administration Office (a)	2004	1	\$ 2,308,333	\$ 346,250	\$ 534,137	\$ -	\$ 534,137	1.54	1.54	1.54	18.94%	18.94%
Deaconess Medical Offices	2006	1	\$ 12,000,000	\$ 3,000,000	\$ 8,545,560	\$ -	\$ 8,545,560	2.85	2.85	2.13	41.89%	28.16%
Health Management Associates	2006	1	\$ 3,011,200	\$ 752,800	\$ 1,911,075	\$ -	\$ 1,911,075	2.54	2.54	1.36	46.05%	24.82%
Tenet MOB Portfolio	2011	1	\$ 47,916,667	\$ 14,375,000	\$ 54,505,411	\$ -	\$ 54,505,411	3.79	3.79	2.83	33.23%	26.03%
ONI	2016	1	\$ 17,200,000	\$ 4,300,000	\$ 7,415,208	\$ -	\$ 7,415,208	1.72	1.72	1.25	51.37%	20.78%
Wilson Jones MOB	2012	1	\$ 12,000,000	\$ 3,200,000	\$ 8,942,000	\$ 1,500,000	\$ 10,442,000	2.79	3.26	2.73	29.87%	25.86%
Henderson MOB	2015	1	\$ 26,000,000	\$ 6,500,000	\$ 12,944,640	\$ -	\$ 12,944,640	1.99	1.99	1.97	15.91%	15.71%
Allen Hotel and Convention Center (b)	2017	1	\$ 82,500,000	\$ 33,000,000	\$ -	\$ 16,900,000	\$ 16,900,000	0.00	1.51	1.51	5.51%	5.51%
4800 Harry Hines	2019	1	\$ 18,400,000	\$ 4,600,000	\$ 4,500,000	\$ 3,051,400	\$ 7,551,400	0.98	1.51	1.46	12.23%	11.40%
Toys R Us	2019	1	\$ 13,241,011	\$ 2,383,382	\$ 5,249,391	\$ -	\$ 5,249,391	2.20	2.20	1.66	27.36%	17.57%
Hoover/Village @ Brocks Gap	2018	1	\$ 19,700,000	\$ 4,800,000	\$ 2,000,000	\$ 10,151,398	\$ 12,151,398	0.42	2.53	2.19	21.10%	16.59%
Phenix City	2018	1	\$ 11,750,000	\$ 3,300,000	\$ -	\$ 4,853,761	\$ 4,853,761	0.00	1.47	1.40	9.58%	7.20%
Mary Black	2018	1	\$ 11,666,667	\$ 3,500,000	\$ 18,144,022	\$ -	\$ 18,144,022	5.18	5.18	3.71	65.42%	51.85%
769 Northfield	2019	1	\$ 23,966,791	\$ 11,011,791	\$ -	\$ 25,295,508	\$ 25,295,508	0.00	2.30	2.15	22.33%	20.54%
Fund/JV II (Bluescape)	2018, 2019, 2020 & 2022	6	\$ 51,346,500	\$ 23,193,055		\$ 52,774,601	\$ 52,774,601	0.00	2.28	2.01	20.26%	17.29%
Fund/JV III (Ventas)	2021 & 2022	10	\$ 101,087,000	\$ 40,000,000		\$ 118,124,132	\$ 118,124,132	0.00	2.95	2.47	24.34%	20.61%
Fund/IV (Woodside)	2022	8	\$ 161,840,000	\$ 51,929,300		\$ 111,185,978	\$ 111,185,978	0.00	2.14	1.94	19.25%	16.82%
Total			\$ 619,384,169	\$ 210,536,578								

(a) Gross and Net are same because no outside equity invested

(b) Total Equity includes non shareholder equity invested by the City of Allen. Altera investors equity is \$11,218,459 which is used in the calculations

MEDICAL OFFICE INVESTMENTS

CBRE



Today's retailers are faced with a constantly shifting marketplace. One where you cannot afford mistakes. It's not enough to leverage data and analytics to fuel decision making. Anyone can help with that. You need a partner that truly understands your business and how important your real estate strategy is to your bottom line. And your top line.

CBRE is that partner.

CBRE's Retail Platform

Our Retail Analytics platform provides the critical context and transparency needed to **understand your portfolio** through powerful technology solutions and proprietary datasets.

From basic location maps to complex predictive modeling, CBRE Retail Analytics provides complimentary and premium solutions to inform your location strategy.

Solutions included with CBRE Transaction Services

- Location maps and aerials
- Logo maps and aerials
- Amenities maps and aerials
- Oblique and 3D aerials
- Demographic heat maps
- Transportation studies
- Void analysis
- Market scoring

Access to CBRE's Industry Leading Retail Platform

CBRE offers a comprehensive array of services to owners and investors of a variety of retail properties, including regional malls, lifestyle centers, outlet centers, power centers, urban mixed-use, high street retail, community centers, neighborhood centers, strip centers and single-tenant net lease properties.

We are experts in strategic planning, leasing, operations and the development of value-enhancement plans that help to make sure Vestavia Hills achieves its ultimate potential.

Budgeting

- Contractor services evaluated and bid annually to ensure performance and cost efficiency
- Utility providers/services assessment to ensure competitive pricing
- Projects are value engineered for overall efficiency
- Asset Management works with Tax Consultants to ensure property taxes are as low as possible

Development & Re-Development

- Market-driven strategies to maximize project value
- Expansions, renovations, anchor re-positioning, mixed-use and ground-up developments
- Manage entire construction process

Property Management

- Manage daily on-site activity and communications
- Manage repair/maintenance projects and capital improvements
- Manage all tenant lease activity

Tenant Coordination

- Real Estate Accounting Policies and Procedures provides process framework
- Financial reporting package provides a complete financial overview
- Throughout each reporting cycle, segregation of duties is required and appropriate approvals are maintained
- Tenant and property performance reporting

Environmental Issues

- Oversee necessary environmental testing
- Manage remediation process
- Develop sustainability programs

Risk Management

- Manage tenant and vendor insurance certificates
- Report incidents
- Third-party insurance coverage available for CBRE investor clients

Leasing

- Develop strategic leasing plan and proposed economics
- Negotiate economic terms with new and renewal tenants to maximize value and merchandise mix
- Provide market intel
- Regular client communication and status reports

Leasing Management / Administration

- Manage brokers/negotiate LOIs
- Negotiate lease documents
- Review existing leases and review and abstract new leases
- Lease document management

Contract Bidding & Vendor Evaluation

- Review existing contracts and vendor performance
- Manage vendor contracts and inspect work

Accounting & Reporting

- Real Estate Accounting Policies and Procedures provides process framework
- Financial reporting package provides a complete financial overview
- Throughout each reporting cycle, segregation of duties is required and appropriate approvals are maintained
- Tenant and property performance reporting

Tenant Relationships

- Maintain healthy tenant relationships
- Inspection of tenant spaces
- 24/7 communications

Local Law Compliance

- Understand applicable local ordinances
- Ensure property and tenant compliance

Specialty Leasing / Sponsorship

- Develop and incubate short-term tenants for in-line spaces, carts and kiosks
- Sponsorship development including: naming rights and displays with car dealers, hospitals and other businesses

Asset Management

- Strategic planning
- Development of value enhancement plans
- Manage operational team
- Single point of client contact





FOR RETAIL LANDLORDS & INVESTORS

We understand the capital you've put into your investment and the importance of its success. By using the power of data and analytics, we help landlords, investors, and developers understand how to maximize their space and energize their communities.

Retail Tenant Calibrations Study

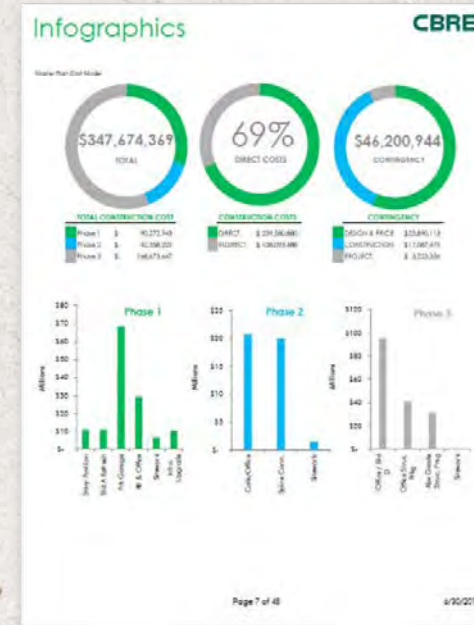
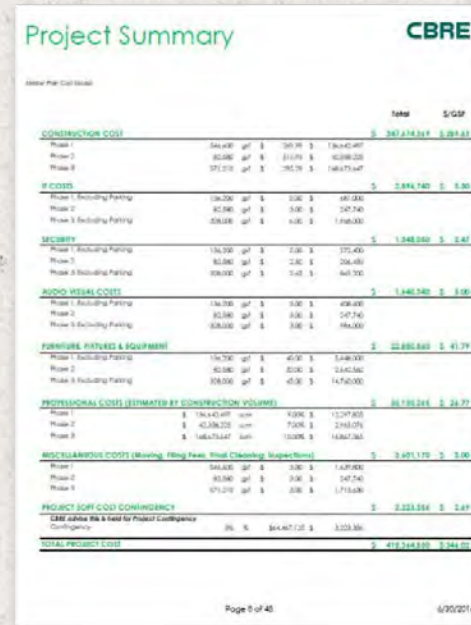
The Retail Tenant Calibration Study is a massive Mobile Data-based report that creates a scientifically-based trade area for a retail location. The study provides information on visitors including day/nighttime location, dwell time and hot spot locations in the center. In addition to defining the trade area, this report will provide insights on demographics, psychographics and retail preferences for the consumer base, allowing landlords and investors to better merchandise and serve their customers.

Mixed-Use Demand Study

How do I maximize the value of my land? What mix of commercial, retail, hospitality, and residential will the market support? When investors and developers need answers to these questions, CBRE Retail Analytics partners with CBRE JV partner Streetsense for in-depth, highly customized and data-driven demand studies and consultation. Delivered as a comprehensive report, this advisory offering gives clients the analysis they need for well-informed, long-term planning and decision making.

Cost Consultancy Services

CBRE's Cost Consultancy practice is a dynamic group of solutions-oriented professionals relentlessly focused on superior outcomes for our clients. Cost Consultancy brings greater rigor, governance, cost control, and decision-making capability to our clients with specific emphasis on reducing the total cost of ownership (TCO) at both the project and portfolio level.



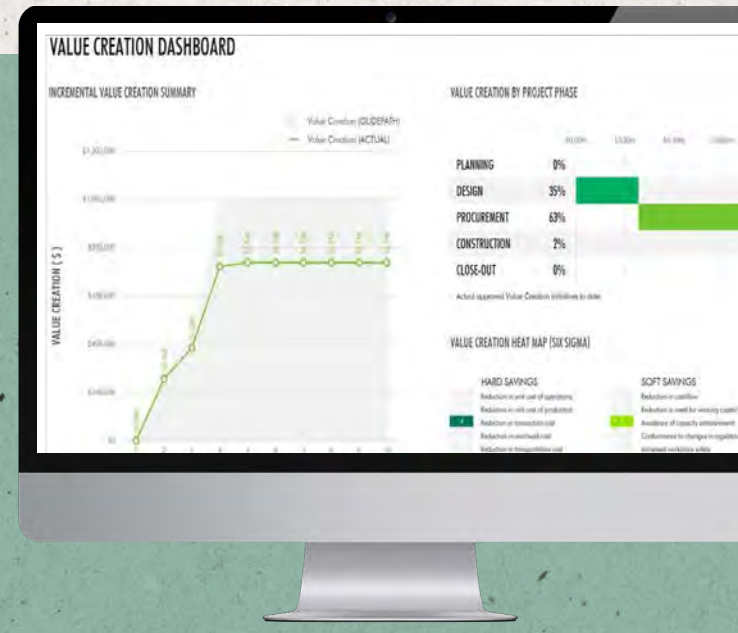
Summary Reports

Our database provides best-in-class cost control, reporting and enhanced transparency.



Project Dashboard

Monthly reporting typically includes dashboards that visually represent financial performance, % budget committed, change orders, contingency remaining, etc.

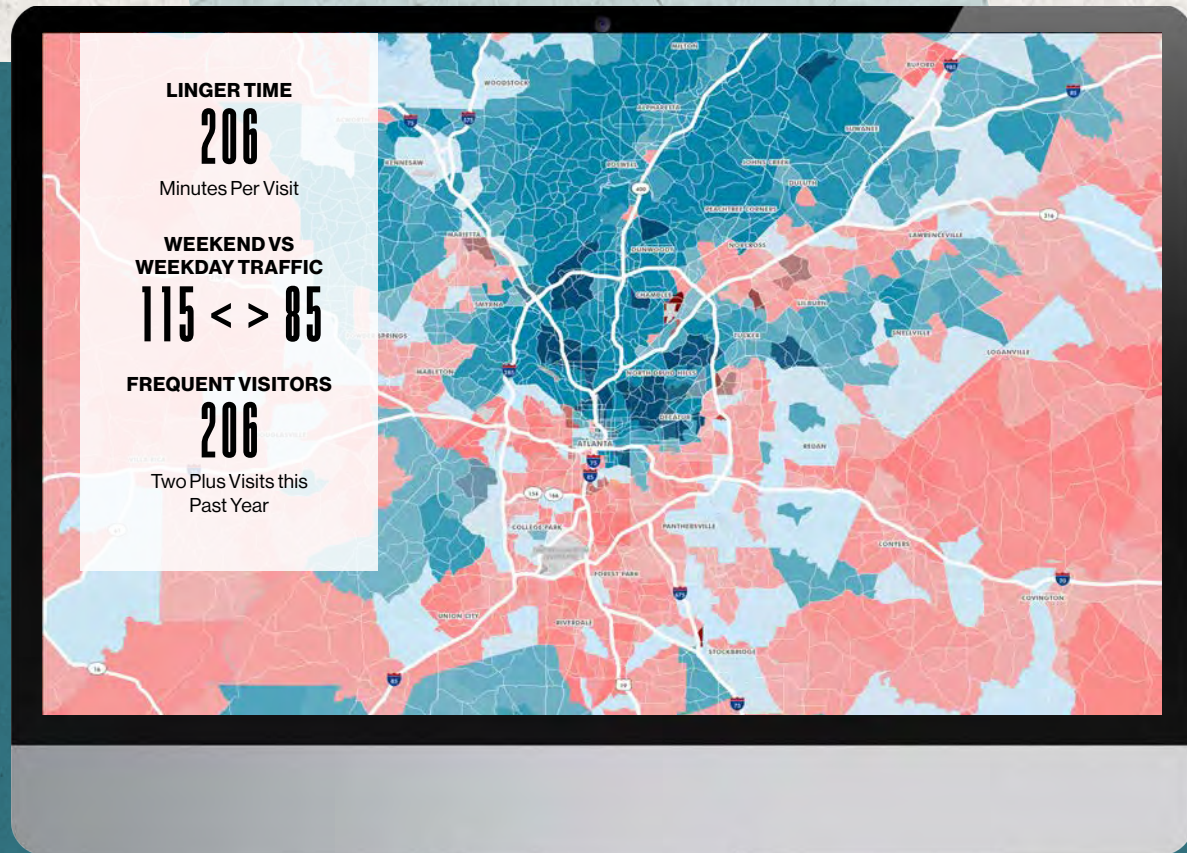


Value Creation Dashboard

A byproduct of implementing Cost Consultancy is the ability to drive cost avoidance and cost savings. Our tools track the status of savings opportunities both at the project and portfolio level.

Consumer Behavior / Location Analytics

The Location Analytics Hub is based in Atlanta with local leadership **actively engaged in our projects**



Dimension Reporting Capabilities

- Linger times
- Weekend vs weekday traffic
- Frequent visitors
- Seasonality
- Visitors by month index

Other Analytic Technology Platforms

- Mass mobile data
- Location analytics
- Retail compendium
- Emphasis on new technologies and data points

The Company We Keep

APL

west elm

Sur la Table
THE ART & SOUL OF COOKING

H&M

The Container Store®

BARRY'S

iFLY
INDOOR SKYDIVING

Foot Locker

ESCAPE THE ROOM

SHAKE SHACK®

JOE & THE JUICE

MARKET MAKERS
URBANSOAP
SINCE 1972

california PIZZA KITCHEN

EAT ALY
ALL CIBI

COOPER'S HAWK
WINERY & RESTAURANTS

CBRE + STREETSENSE

An Insight-Driven, Experience-Focused
Strategy & Design Collective

Space is a physical entity. **Place** happens when *meaning and experience* are part of it.

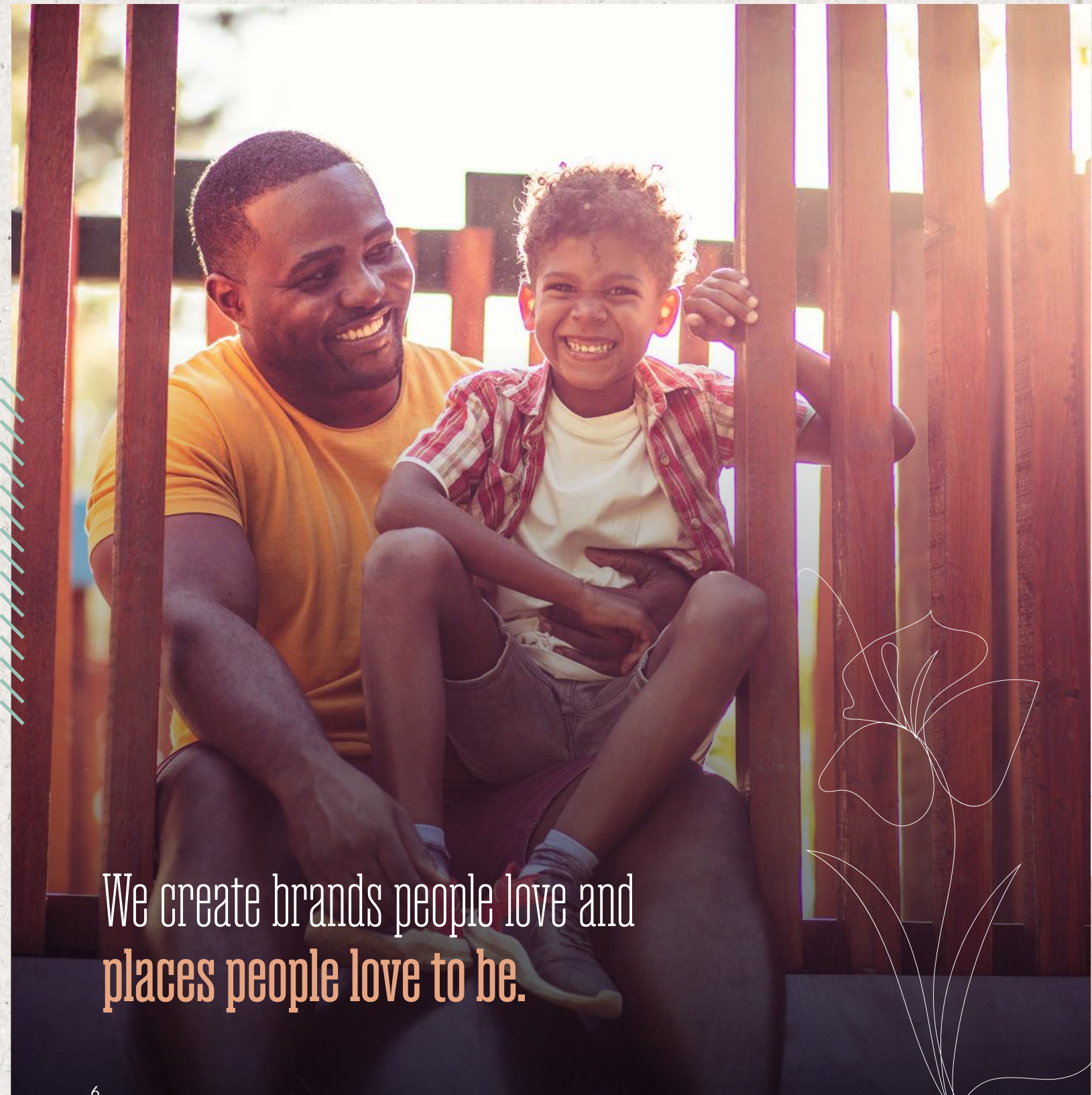
Spaces are three-dimensional, but places are multi-dimensional.

Great places are all about people; they possess activity, emotion, and connectivity. They generate anticipation and excitement and host rich experiences that last in our memory. Their success is reflected in breadth of audience, frequency of repeat visits, and the length of stay, whether for work or play; eating and drinking, or simply to live and to linger.

Place = Space + People + Connection



JEFF
POLLAK



We create brands people love and
places people love to be.



A PARTNER FROM THE BEGINNING

01. Research

360-degree qualitative and quantitative immersion for us to clearly understand the client, the context, the market, and the asset.

Tasks:

- Market, retail, and tenant research
- Precedent research
- Trend research and competitive insights
- Asset audit and peer review
- Brand and social media audit
- User and audience research
- Site visit

02. Vision

An opportunity to ask the challenging questions and to set a bold vision around which the strategy will be shaped.

Tasks:

- Visioning workshop
- Experience pillars and brand foundation
- Audience profiles
- Journey mapping
- Creative platforms

03. Strategy

A roadmap that outlines critical steps needed to create long term relevance for the asset—both from the perspective of the market and its end users.

Tasks:

- Merchandising strategy
- Amenity strategy
- Public space strategy
- Programming strategy
- Economic analysis

04. Implementation

An opportunity to execute every aspect of the strategy by reaching across the Streetsense disciplines and into our network to bring the ideas to life and value back to your asset.

Tasks:

- Architecture and interior design
- Brand identity materials
- Sales and leasing collateral
- Programming and activation
- Ongoing advisory

Retail Consulting Services

1

Initial Marketing Campaign & Merchandising

APPROX 6-8 WEEKS

Purpose: Develop a marketing campaign and begin targeting prospects.

- Construct intricate analysis for marketing including trade area/voids, retail sales potentials and demographic studies
- Create Project Merchandising Plan
- Estimate Revenues and Project Proforma
- Develop our story and create an all-encompassing marketing campaign including renderings, site plans, demising plans, brochure, teaser video
- Personalize individual marketing collateral for category specific target tenants
- Refine and produce a detailed marketing package
- Spotlight project at local, national and international conferences (e.g. ICSC)

Required Approvals to Proceed: Marketing campaign, proforma, merchandising strategy.

2

Schematic Design

APPROX 12-24 WEEKS

Purpose: Refine the approved plan and develop the project imagery.

- Project Imagery Proposed
- Plan Refined (Basic finishes and features, major systems established, merchandising plans finalized)
- BOH/Service Requirements
- Budget Reviewed/Design Finalized
- Establish a preliminary Landlord turnover definition (workletter) based on Landlord budget, retail requirements, etc.
- Develop Tenant Criteria Manual
- Planning, Zoning, Approvals Complete

Required Approvals to Proceed: Budget & Schedule. Project Imagery.

3

Marketing & Retail Roadshows

ONGOING

Purpose: Market and drive the conversation with brokers across the globe.

- National - NYC, LA, Miami, Denver
- Host a kick-off event to launch the project
- Define onsite touring experience throughout construction
- Research and utilize corporate sponsorship opportunities

Required Approvals to Proceed: Marketing Budget

4

Design Development

APPROX 16-24 WEEKS

Purpose: Prepare detailed documents that describe the proposed design.

- Project Imagery Refined
- Major Systems Detailed
- Finishes & Features Detailed
- Structure and Foundations Detailed
- Site & Landscape Design Refined & Detailed
- Developed Merchandise/Mix Strategy
- Constraints Plan Completed
- Design Value Engineered

Required Approvals to Proceed: Final Merchandising Plan & Mix, Budget & Schedule

5

Construction Documents

APPROX 24 WEEKS

Purpose: Prepare documents of the proposed design suitable for permitting, bidding and construction.

- Final Construction Docs Prepared
- Specifications Issued
- Bidders Identified
- Drawings Submitted for Permit
- Docs Value Engineered
- Schedule Updated
- Major Systems Locked
- Lease Plan Locked
- Final Budget Issued
- Final Schedule Issued

Required Approvals to Proceed: Final Budget & Schedule, Bidders List, Major Tenants Signed

6

Bidding

APPROX 8-24 WEEKS

Purpose: Bid and negotiate construction costs, make modifications to meet budget and select contractor/subcontractors to build project.

- Bidders Package Issued
- Questions Answered
- Substitutions Considered
- Bids Submitted and Evaluated
- Permits Ready to be Issued
- Adjustments to Documents Identified

Required Approvals to Proceed: Bid Price, Schedule, Design Adjustments to Meet Budget, Construction Agreement Signed

7

Construction

48+ WEEKS
(TIMELINE DEPENDING ON PHASING)

Purpose: Mobilize and construct project within budget and on schedule.

- Contractor Mobilizes
- Permits Issued
- Submittals Approved
- Construction Begins
- Change Orders Processed
- Punch List Prepared & Completed
- All Warranties Received

YOUR CBRE TEAM

LOCAL RETAIL



SHANNON
TYNDALL

GLOBAL RETAIL



TODD
CARUSO



JOHN
HARPER



PAUL
BERRY



DAVID
FULLINGTON



ERIN
SCHULTZ



LISA
BRADY



BRIAN
LINNIHAN

LOCAL EXPERTISE

CBRE's Alabama office is led by a dedicated and experienced team with in-depth Alabama market knowledge, covering all regions from Huntsville to Mobile, and everywhere in between. CBRE Alabama provides its clients real advantage through its platform of commercial real estate services, in-depth market knowledge, and unparalleled local expertise.

\$291M

TOTAL
TRANSACTION VALUE

101

NUMBER OF
TRANSACTIONS

3.1M

SQUARE FEET
LEASED & SOLD



Retail & Office Leasing

We operate with an owner's mindset.



Deploy

a strategic team with the right rapport, connections and expertise to ensure success



Optimize

our state-of-the-art tools, technology and far-reaching platform to broaden our reach, maximize our impact, and capture prime opportunities with precision



Capitalize

on market movement and trends to inform actionable strategies



Curate

a workplace that empowers tenants to explore hybrid workplace solutions—while providing amenities that entice their employees to come into the office whenever possible



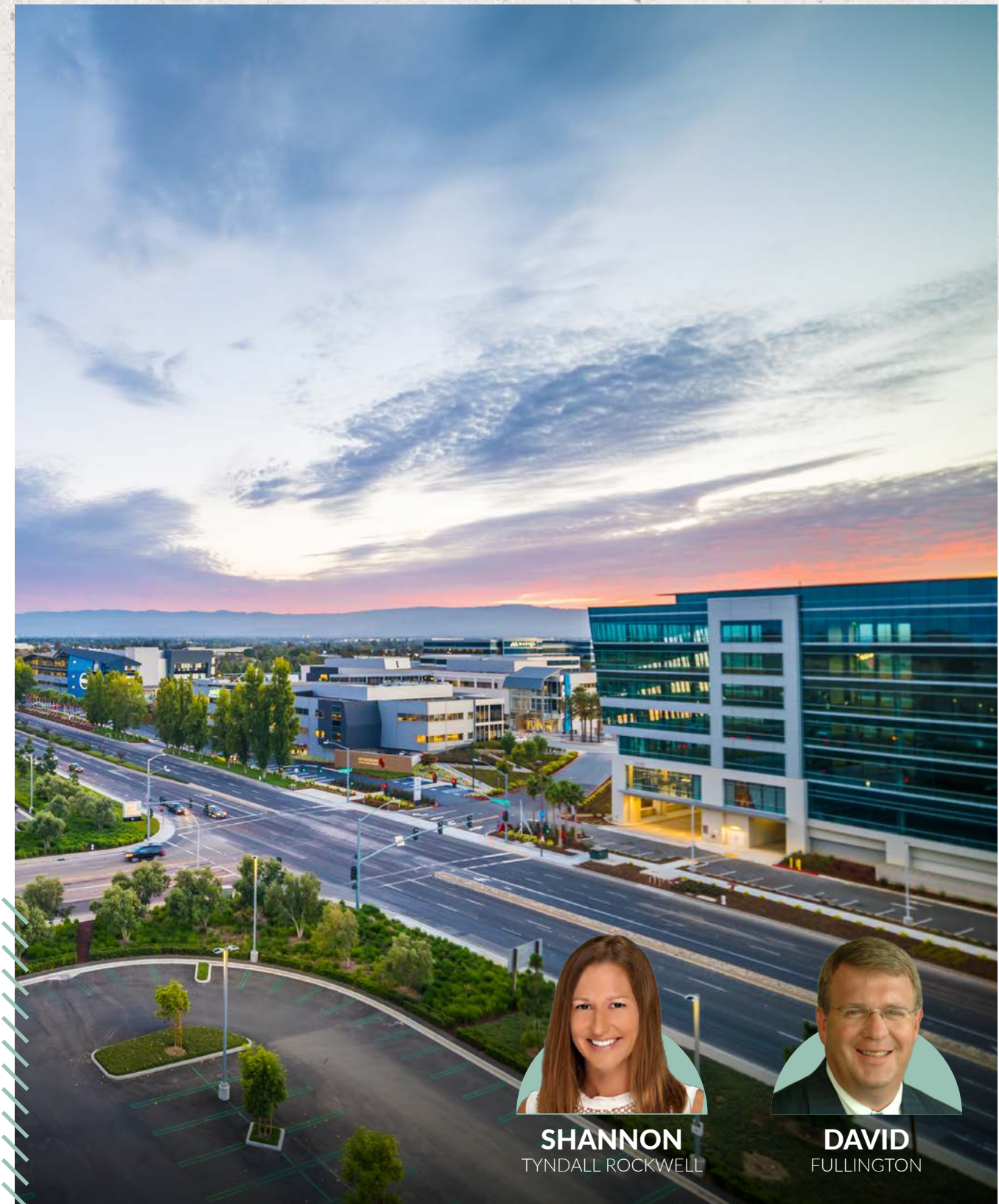
Leverage

our understanding of the target audience—their wants, needs, and must-haves—and develop a unique playbook to drive value



Excite

the market with a dynamic brand and vibrant story to create leasing momentum



SHANNON
TYNDALL ROCKWELL



DAVID
FULLINGTON

Hotels

We know it because we've worked it - hotels, resorts, casinos and every aspect of the hospitality sector. That's why the professionals of CBRE Hotels can give clients the meaningful, relevant insight that elevates ideas and adds value. Through experiences as principals, operators and developers, our seasoned experts know how to mitigate risks, find the best solutions and unlock the opportunities.



Strategic Advisors

CBRE Hotels can deftly juggle continuously shifting global market trends, location analytics, amenity innovation and technology advances to find success for clients in today's market.



Powerful Intelligence

Our extensive international network enables us to access a broad range of owners, buyers and financial resources to offer unmatched industry intelligence.



Global Reach

With dedicated teams in the Americas, EMEA and Asia Pacific, CBRE Hotels is able to respond quickly and seamlessly on cross-border global assignments.



Flawless Execution

Armed with a dynamic understanding of economic, operational and regional factors, our team of senior experts is well equipped to bring clients safely through even the most complex transactions.

2021 Global Hotels Activity



2021 U.S. Hotels Activity



JOHN
HARPER

Multifamily

CBRE Multifamily continues to set the bar as the industry leader. With the most powerful platform, covering all facets of the apartment industry, CBRE Multifamily provides clients access to the most experienced and highly specialized professionals in every market throughout the U.S. and the globe.

CBRE Multifamily has specialists in all facets of the multifamily industry with over 300 dedicated multifamily professionals in 65 U.S. offices. Our clients consistently turn to CBRE for our proven ability to execute on any multifamily deal, from large complex portfolios to small private capital assignments.



Global Reach

Our vast network provides direct lines of communication to our global counterparts and expertise in global capital. This global reach ensures CBRE has unrivaled access to key international decision makers, allowing our best in class professionals to deliver the most effective client solutions at a local level.



Fully Integrated Platform

Through our robust real estate services platform, of industry leading thought leadership and research, we uncover the powerful combination of analytics and consumer insight needed to predict and analyze changes in the dynamic retail landscape.

Source: Real Capital Analytics, CBRE Capital Markets
Global includes sales transaction \$10M+, U.S. includes sales transactions \$2.5M+

2021 Global Multifamily Activity

\$69.3B

PROPERTY SALES

2,095

PROPERTIES SOLD

\$45.5B

FINANCING

2021 U.S. Multifamily Activity

\$52.7B

PROPERTY SALES

1,751

PROPERTIES SOLD

\$43.4B

FINANCING

#1 U.S. Multifamily
Brokerage Firm since 2001



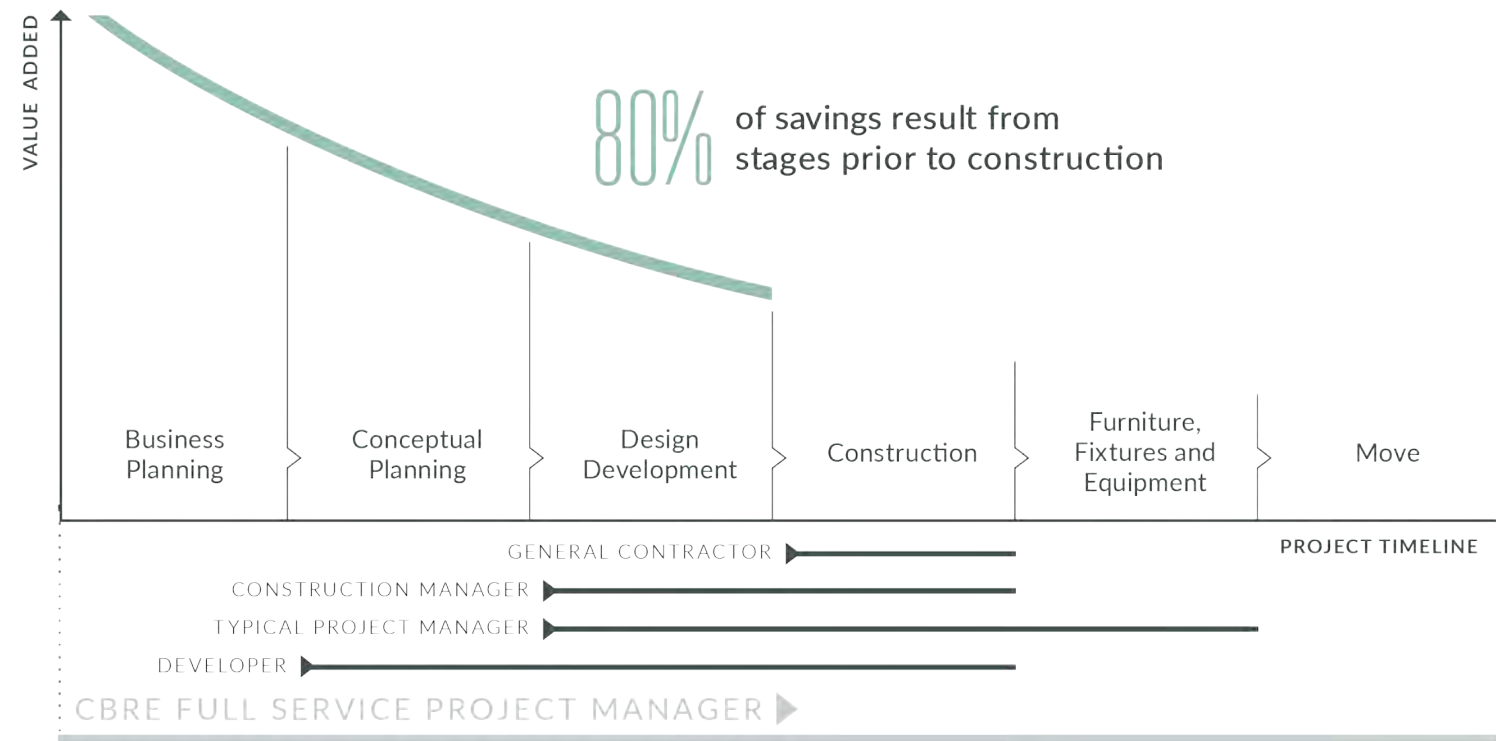
PAUL
BERRY

Project Management

With one of the world's largest teams of real estate project managers, over 6,000 strong, CBRE provides everything you need to complete your building projects on time, on budget, and at the highest level of quality.

Services Provided:

- Upfront planning
- Design coordination
- Construction oversight
- Design & FF&E management
- Furniture advisory services
- Cost consultancy
- Business transition & move management



Aligning project outcomes,
risk control and **cost savings**



ERIN
SCHULTZ

Property Management

Focused expertise

Getting the most from an asset takes a 360-degree view of property management. CBRE brings it, with a suite of services that scales to cover any need and captures every opportunity.



Accounting



Asset Management



Building Engineering & Technology



Services



Business Continuity



Digital Solutions



Experience Solutions (Host)



Global Standards



Human Resources (People)



Learning & Development



Lease Administration



Procurement



Project Management



Risk Management



Security



Tenant Relations



Transition Services



LISA BRADY

Debt & Structured Finance

The world's leading developers and commercial property owners turn to CBRE to provide creative financial solutions for their commercial real estate investment needs. CBRE has long-term, established relationships with the industry's premier international lenders, including banks, pension funds, life insurance and credit companies, conduits/CMBS entities, government-sponsored enterprises and offshore investors.



Structured Finance

CBRE specializes in procuring equity and high-leverage capital solutions for requirements that exceed the parameters of conventional debt structures. Structured financing often enables attractive risk-diversification and enhanced return-on-equity benchmarks for a variety of client requirements.



Diverse Lender Relationships

CBRE maintains diverse lender relationships including agency, bank, CMBS and life companies allowing us to provide financing solutions from small deals to large landmark transactions across all property types.



Dedicated Multifamily Lending

As a Freddie Mac Optigo lender, approved Fannie Mae Delegated Underwriting and Servicing (DUS®) lender, FHA approved direct lender and correspondent life company lender, the CBRE lending platform provides a dedicated source of multifamily financing to clients nationwide.

2021 Global Financing Activity

\$89.1B

FINANCING VOLUME

2,852

DEALS FINANCED

2021 U.S. Financing Activity

\$80.0B

FINANCING VOLUME

2,653

DEALS FINANCED



BRIAN
LINNIHAN

WE'VE DONE THIS BEFORE



CURRENT CLIENTS



SouthPoint Bank



7/10/2023

Jeff Downes
City of Vestavia
1032 Montgomery Hwy
Vestavia Hills, AL 35216

Dear Mr. Downes,

I am working with Patrick Denney and his team on several projects. I can attest for the development team's skills and knowledge at EDS America and Altera Development. I will be advising on financing options for the final approved concept of the projects. As a Vestavian myself I am excited for this redevelopment at one of our city's gateways. Please feel free to call me as needed.

Sincerely,

Rob Richardson
EVP/ Central AL President
Office: 205-503-5000
Mobile: 205-999-3242
Fax: 205-503-5099

rrichardson@southpoint.bank
3501 Grandview Parkway
Birmingham, AL 35243

Fulmer, May & Stuckey

FULMER, MAY & STUCKEY, LLC
300 Cahaba Park Cir., Ste. 100
Birmingham, AL 35242
(205) 991-6367

Fulmer, May & Stuckey, LLC is a Birmingham based law firm whose members are deeply rooted in the greater Jefferson and Shelby County areas.

The firm's partners regularly represent clients on comprehensive planning for businesses and business owners. A large part of the firm's practice centers on representing clients in transactions involving the sale or acquisition of businesses, real estate development and provision of pro-active, client centered, and cost-effective outside general counsel services for companies. Fulmer, May & Stuckey regularly represent a large variety of small and medium sized closely held companies to coordinate and oversee legal issues which commonly arise such as:

- Negotiation and drafting of contracts, licensing agreements, and leases.
- Corporate governance compliance.
- Counselling officers and directors on fiduciary duties and strategic considerations.
- Employment matters, including hiring, retention, termination and employee handbook.
- Risk management
- Regulatory issues
- Primary and supporting litigation services to select clients.

As a natural extension of the firm's services to business clientele, the members frequently provide estate planning needs from the basic mirror wills for married couples to highly complex strategies involving tax considerations and transitional business planning to succeed businesses to the next generation.

Partner Information:

Tim Fulmer. In addition to holding a Juris Doctorate degree, Tim holds a Masters of Law Taxation, graduating with honors from the University of Alabama School of Law, and served as a CPA in a large national firm. Tim's tax practice ranges from counseling clients regarding tax consequences flowing from selecting to organize a new business as a corporation, limited liability company, partnership or other type of entity to assisting clients with structuring the sale of existing businesses in tax beneficial ways. With an emphasis on business owners, he also assists clients and their financial advisors with an array of income, estate and gift tax planning matters. As his clients have grown their business, Tim Fulmer has expanded his practice to represent them in matters involving a broad range of federal and state regulatory agencies. Tim Fulmer has also successfully handled negotiations of consent decrees and other resolutions with regulators which have allowed clients' to successfully continue operation after significant Federal or state agency intervention.

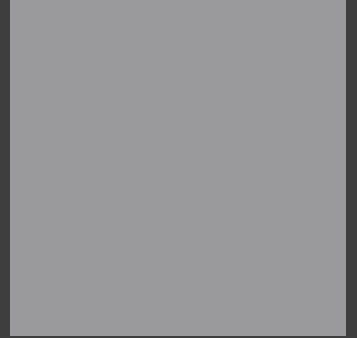
Wm. Randall “Randy” May. Randy holds a Bachelor of Science degree from Auburn University and received his Juris Doctorate Degree from BSL, graduating Magna Cum Laude. In 1983 Randy was certified by the United States Patent and Trademark Office as a registered patent attorney. In addition to the other services provided by the firm, advises clients on all aspects of trademark law, including prosecution, litigation, licensing, and clients’ ability to protect trademarks and service marks. He has guided many companies with respect to clearing, registering, protecting and licensing their creative properties in the United States, and litigated a number of complex intellectual property matters. Randy is a past president of the Shelby County Bar Association, a member of the Birmingham Bar Association and the Alabama State Bar Association where he has served on a number of committees. Randy is routinely appointed by the Chief Probate Judge of Shelby County to serve as Conservator for incapacitated parties that come before the court.

Jason A. Stuckey. Jason holds a Bachelor of Science degree from the University of Montevallo and received his Juris Doctorate from Cumberland School of Law in 1994. Jason’s practice is centered around business transactions and estate planning. He counsels clients on comprehensive planning for their businesses as well as for their personal estate and gift tax planning matters. Jason serves as outside general counsel for many closely held business clients in a variety of areas including construction, real estate development, and physician practices. He takes a personal interest in his clients with the goal to clearly understand a client’s objectives and business operations so as to provide a customized approach to legal strategy. With a strong background in corporate formation, governance, business planning and compliance, risk management and civil litigation, Jason is able to provide representation to his clients on a wide array of legal issues that small business owners contend with regularly.

John T. (Jack) Natter Mr. Natter provides representation in Probate and Estate matters, litigation, and strategic consultation in various business transactions. Mr. Natter has served as lead counsel in numerous litigation cases involving fraud, will contests, breach of contract and construction matters. Mr. Natter assists clients in understanding and navigating the above complex matters. Mr. Natter has extensive courtroom experience trying both jury and non-jury cases. His courtroom and mediation experience includes cases involving Will contests, Probate matters, construction litigation, liens and other business matters. Mr. Natter is on the Federal and State Court lists of approved attorneys as a mediator. Mr. Natter has an “AV” rating by his legal peers, the highest professional rating available to attorneys.

Mr. Natter served on active duty and in reserves of the United States Navy from 1962 to 1998. Notable assignments include Deputy Director of the United States Naval Reserve in Washington and Deputy for Resources for Commander of Naval Forces in Europe, retiring as a Rear Admiral, United States Navy.

Hood-Rich Architecture





WHO WE ARE

STRONG FOUNDATION

Hood-Rich Architecture was established in 1963 and is located in downtown Springfield, Missouri. Through the years, Hood-Rich has been privileged to employ numerous quality professionals who have been instrumental in our success. Jack Hood, founding member of Hood-Rich, is still a strong presence in the company. His legacy inspires the new leadership and his presence is a reminder that hard work and dedication to core values will lead to success.



QUALITY OVER QUANTITY

Our team of designers focus on good design and quality service. This focus is paramount as we build lasting relationships with our clients. Our existence would not be possible without the trust our clients have given us in our 50 years of service. The breadth of work completed by Hood-Rich includes churches, schools, parks and recreation, hotels, and office buildings to name a few.



KEEP IT REAL

At Hood-Rich, we pride ourselves in being authentic. What you see is what you get. It is a quality found in Jack Hood, our founder, and it is one we embrace today with our clients. We believe trust is built from transparency, and we consider trust one of the most important things we can establish with our clients. We believe our measure of success is in your satisfaction. We want all of our clients to look back on their project having felt like they were treated fairly, led wisely, and listened to the entire process.

WILLING TO GROW

Hood-Rich has a proud history serving southwest Missouri and is registered to practice in over 26 states. While most of our work across the United States is in the hospitality sector, we are positioned to serve a variety of clients for a variety of project types. We utilize building information modeling software to assist our design and communication with clients. The latest innovations in technology improve the way we design and help our clients visualize and understand their projects before construction begins. We were an early adopter of this software which has given us a leading advantage of its continued growth in the industry.

MORE THAN ARCHITECTURE

The design team at Hood-Rich is comprised of architecture, interior design, and graphic design professionals. While it is common to see architects and interior designers working together, we believe the added value of graphic design provides us with a unique tool in our toolbox. Everything we do is weighed against the value it provides to our clients and we are constantly mindful of how we can improve on the services we offer.



FIRM PROFILE

COMPANY NAME:

Hood-Rich, Inc.

CORPORATE STRUCTURE:

S-Corp.

ADDRESS:

400 South Ave. Suite 300
Springfield, MO 65806

TELEPHONE:

Office: 417.862.4483
Cell: 417.425.5470

KEY CONTACT:

Jim Lohmeyer, AIA
Principal Architect
jlohmeyer@hoodrich.com

FIRM PRINCIPALS



Jim Lohmeyer, AIA
Billy Kimmons, AIA
Larry Parke, AIA

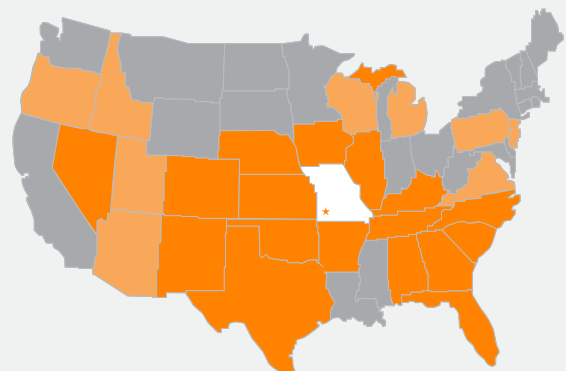
Hood-Rich Inc. is licensed to practice architecture in the following states:

Alabama, Arkansas, Colorado, Florida, Georgia, Illinois, Iowa, Kentucky, Kansas, Michigan, Missouri, Nevada, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, and Texas

An individual partner is licensed to practice architecture in the following states:

Arizona, Idaho, New Jersey, New Mexico, Oregon, Utah, Virginia, Wisconsin

-  Licensed by Individual Partner
-  Licensed by Hood-Rich Inc.





QUALIFICATIONS STATEMENT

PRINCIPALS



JIM LOHMEYER, AIA
PRINCIPAL
36 years experience

Bachelor of Arts,
Drury University, 1981
Bachelor of Architecture,
University of Arkansas, 1984



LARRY PARKE, AIA
PRINCIPAL
28 years experience

Bachelor of Architecture,
Kansas State University, 1992



BILLY KIMMONS, AIA
PRINCIPAL
22 years experience

Bachelor of Architecture,
Drury University (1994-1999)
Bachelor of Arts in
Mathematics, *Drury University*
Southwest Baptist
University – course study (1993-1994)



JOSH LIVINGSTON,
AIA
ASSOCIATE
PRINCIPAL

22 years experience
Bachelor of Architecture,
Drury University, 2000



RYAN PHILLIPS,
ASSOC. AIA
ASSOCIATE
PRINCIPAL

21 years experience
Bachelor of Architecture
Louisiana Tech University, 2001

STAFF



MICHAEL
CLOTFELTER, AIA
ARCHITECT
13 years experience

Bachelor of Architecture,
Kansas State University, 1998



DEVON GENGLER,
AIA
ARCHITECT
9 years experience

Master of Architecture,
Drury University, 2002



PAT PIERCE, AIA
ARCHITECT
34 years experience

*Registered Professional Architect-
Missouri*



RYAN CLOSE, AIA
ARCHITECT
16 years experience

Bachelor of Architecture,
Drury University, 2004



SCOTT WYATT
DESIGN
PROFESSIONAL
22 years experience

Bachelor of Architecture,
Rogers Williams University, 1999



CHERYL PARKE
INTERIOR DESIGNER
22 years experience

Bachelor of Science – Housing
and Interior Design
Missouri State University



RACHEL KOWALCZYK
ADMINISTRATIVE
ASSISTANT

13 years experience
Bachelor of Fine Arts
in Art Education,
University of Arkansas, 2007



JIM LOHMEYER PRINCIPAL ARCHITECT

ABOUT

Jim Lohmeyer has been working in the architectural field for nearly 35 years since graduating from the University of Arkansas in 1984. Jim brings a wealth of experience in multiple project types. His background includes experience with design and project management during all phases of the design and construction process. As a firm owner for over 30 years he understands and has dealt with all aspects of firm management including human resources, financial planning, marketing, and the development of client relationships.

His project management experience involved overseeing project schedules and making sure milestone dates were being met, attendance at project meetings with owners and consultants for coordination, regular communications with owner representatives, providing guidance in efficient and streamlined document preparation and advising on methods and materials during the design phases.

Jim has worked with a variety of clients both private and public. Public sector work has included meeting and working with city government (police, fire, parks department, administration, airport, public utilities, etc.) primary and secondary education projects throughout Springfield and Southwest Missouri, and higher education projects at both Missouri State and OTC in Springfield. Private work has taken Jim across the country with registration in over 22 states. Projects outside of Missouri have included numerous hotels and retail developments. Hospitality projects have exceeded 500 million in built construction during the last 25 years.

Personally, Jim has lived all his life in Springfield and the majority (with the exception of attending college) of those years in the Rountree Neighborhood, a vibrant and active neighborhood with a strong sense of community. Jim is a past member of Rotary International and is a Paul Harris Fellow. He has also served the Springfield community by completing training as a Court Appointed Special Advocate.

EDUCATION

Bachelor of Arts,
Drury University, 1981

Bachelor of Architecture,
University of Arkansas, 1984

PROFESSIONAL REGISTRATIONS

Registered Professional Architect –
Alabama, Arizona, Arkansas,
Colorado, Florida, Georgia, Illinois, Iowa, Idaho,
Kentucky, Michigan, Missouri, New Mexico,
North Carolina, Oklahoma, Oregon, South
Carolina, Tennessee, Texas, Utah, Virginia,
Wisconsin.

PROFESSIONAL AFFILIATIONS

AIA – American Institute of Architects
NCARB – National Council of
Architectural Registration Boards

CONTACT

- jlohmeyer@hoodrich.com
- 417.862.4483 Ext. 103
- 417.860.3570

KEY PROJECTS

- 1 Delta Hotels by Marriott-Watters Creek Convention Center- Allen, TX
- 2 New Retail Center - Hoover, AL
- 3 New Medical Office Building - Hoover, AL
- 4 Parkview High School Phase I - Springfield, MO
- 5 Parkview High School Phase II- Springfield, MO
- 6 Dan Kinney Family Center -Springfield MO
- 7 Missouri State ADA renovations at Plaster Stadium - Springfield, MO
- 8 Courtyard by Marriott - Various locations throughout the US
- 9 Embassy Suites - Various locations

INTERESTS



Astronomy



Movies



Travel



Family



Community Service



Baltimore Orioles



JOSH LIVINGSTON

PROJECT MANAGER

ABOUT

Josh Livingston is a registered Architect licensed in multiple states and is an Associate Principal and project manager for Hood-Rich. Josh brings nearly 22 years of experience in commercial design and construction. After graduating Drury University Josh began working for a Springfield, MO firm specializing in Hospitality and Long-term Care which provided Josh with an opportunity to work on small and large projects from inception to completion for nearly a decade.

Josh's early experience, focus on communication, and attention to detail parlayed well into his next career path of working in commercial design and construction for 7 years. During this time, Josh specialized in and developed a holistic approach to design-build and implemented a delivery system that allowed him to integrate his management from early design and continuing on throughout the project as the general contractor. This single point of contact and management style has made for a successful approach and has been utilized on over a dozen projects for large clientele in banking, healthcare, and other businesses throughout Missouri.

As an Architect/Contractor, Josh also has experience assisting in the re-zoning, de-development, design and construction of numerous commercial properties in Springfield. This experience widened his ability to lead projects from the early pre-purchase stage, planning stage, and all the way through final occupancy.

Josh has a passion for learning and strives to fully understand clients needs. Josh brings extensive experience in carefully selecting construction methods, working within bud-gets of all types, and delving deep into researching all aspects of the project to create a management skill-set that is hard to match. Josh is truly a 'Jack of all Trades' and it is this well-rounded background that is a valuable resource to the Hood-Rich team.

KEY PROJECTS

- 1 Phase 1 Building Renovation, Ann Kampeter Health Sciences Hall - Missouri State University
- 2 Plaster Student Union Food Court Refresh - Missouri State University
- 3 Indoor Practice Facility - Missouri State University
- 4 Northside Christian Church Additions and Renovations - Springfield, MO
- 5 Delta Hotels by Marriott-Watters Creek Convention Center- Allen, TX
- 6 New Facility for Deskin Scale Company Office/ Warehouse - Springfield, MO
- 7 New IT Facility Office for Great Southern Bank Operations Center - Springfield, MO
- 8 New EMS Facility Office for Mercy Health - Mtn. Grove, MO
- 9 Mercy Eye Center Office - Lebanon, MO
- 10 Facility Clinic Office for the Assemblies of God - Springfield, MO
- 11 Marriott Residence Inn - N. Charleston, SC

INTERESTS



Adventure



Auto



Drums



Travel



Running

EDUCATION

Bachelor of Architecture,
Drury University, 2000

PROFESSIONAL REGISTRATIONS


Registered Professional Architect
- Missouri, Kansas

PROFESSIONAL AFFILIATIONS

AIA - American Institute of Architects
NCARB - National Council of Architectural
Registration Boards

CONTACT

 jlivingston@hoodrich.com

 417.862.4483 Ext. 116



EDUCATION

Bachelor of Architecture,
Louisiana Tech University (1996-2001)
2001 Charles E. Peterson Prize


PROFESSIONAL REGISTRATIONS


Registered Professional Architect
– Missouri registration in progress

PROFESSIONAL AFFILIATIONS

NCARB – National Council of Architectural
Registration Boards

CONTACT

 rphillips@hoodrich.com

 417.862.4483 Ext. 111

417.988.6705



RYAN PHILLIPS

DESIGN LEAD

ABOUT

Ryan Phillips is an experienced project designer with over twenty-two years of professional experience elevating the design of a wide array of project types including: educational, civic, transit, healthcare, hospitality, housing, sports, and mixed-use projects across the United States. Ryan currently serves as an Associate Principal at Hood-Rich.

Prior to joining Hood-Rich Architecture, Ryan worked for other architectural firms in Springfield, Missouri; Northwest Arkansas; Southwest Louisiana; and Dallas, Texas. He specializes in building great client relationships with a servant leadership attitude, along with thoughtful project design and collaboration with project stakeholders. Ryan has significant experience spearheading project programming, strong conceptual design, facilitating stakeholder charettes, multi-phase project master-planning, dynamic presentation visuals and animation, along with thoughtful project branding.

Ryan is a well-versed design leader that utilizes design trends and case study research to aid in crafting compelling design solutions that build upon and support a client's brand. He enjoys collaborative design and creative ideation with stakeholders to meet project goals while discovering and learning how people will experience their space for years to come.

KEY PROJECTS (work performed at other firms)

- | | |
|---|---|
| 1 City Utilities Downtown Bus Transfer Station – Springfield, Missouri | 7 Russellville Cyclone Arena – Russellville, Arkansas |
| 2 Bear Village Student Housing – Springfield, Missouri | 8 Grandview Conference Center at Big Cedar Lodge – Ridgedale, Missouri |
| 3 Iron Grain District – Republic, Missouri
Russell Cellular Home Office – Battlefield, Missouri | 9 Top of the Rock Restaurant & Golf Course – Ridgedale, Missouri |
| 4 Betty & Bobby Allison Sports Town – Springfield, Missouri | 10 Children's Healthcare of Atlanta Egleston Building – Atlanta, Georgia |
| 5 Republic High School Athletic Facility – Republic, Missouri | 11 Essentia Health Duluth Clinic 1st Street Building – Duluth, Minnesota |
| 6 Multipli Credit Union Headquarters – Springfield, Missouri | 12 Baptist Health Homestead Hospital – Homestead, Florida |

INTERESTS



Family



Smoking Meats



Kayaking



Star Wars



Backpacking



Travel

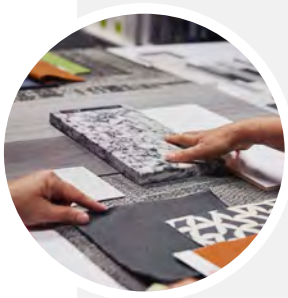
OUR SERVICES

At its core, Hood-Rich is an architectural practice. The firm also provides interior design and graphic design services. One of our distinctive qualities is the way we engage these design services in our projects to provide clients with a broader range of possibilities for their built environment and company brand. Below is a detailed list of the services we provide.



Architects help design the future. In essence, we design space, but the work of an architect has a lasting impact that begins much sooner than a set of drawings. The services we offer often begin in the early stages of an idea or business and continue through construction and beyond.

- Master Planning
- Programming
- Feasibility studies
- Building Design
- Building Performance Analysis
- Renderings



Interior design is a growing industry as clients recognize the value of intentional finishes and comprehensive planning. We provide this service to complement our building designs and provide clients with a unified team of designers working toward common goals.

- Furnishings/Artwork
- Space Planning
- Interior Finishes and Specifications



We believe our services in graphic design are distinctive and defines how we design. As digital technology has evolved, so has the way we implement that into materials and finishes. The result is our ability to offer clients a consistent brand from their website to their new office environment.

- Custom Material Graphics
- Sign Graphics
- Logo Design and Brochures



We are designers trying to tell a story, your story. In order for us to do this, we want you to trust us. Trust is a trademark here at Hood-Rich, and is a quality that was instilled in all of us by our founder, Jack Hood. We want you to look back on your project with complete satisfaction in knowing that you were treated fairly, led wisely, and listened to throughout the entire process. We believe our measure of success is in your satisfaction.

Understanding Project Goals and Objectives

Our process will begin with organization of the SPS Stakeholders involved in design and planning. Once the team has been determined we (all members) will develop a set of goals for the project. Our ultimate goal will be to build a consensus among all members which defines what the goals should be. Once goals are determined, several possible solutions (conceptual drawings) will be shared with the team in order to find a solution that will accommodate goals, functional needs, technological requirements, economic constraints, and image requirements. In other words, we will put all the pieces together to satisfy all major influences affecting the project. These are just a few of many questions we will answer as we proceed with a building program. Eventually we will find a concept that meets the goals and objectives above, which will transition into further development drawings to define the scope.

Management Style

Hood-Rich is a small firm that WILL provide the necessary attention SPS deserves. Our firm is very simple. It consists of principals, project managers, and support staff. Each project is assigned a firm principal and a project manager. Depending on the project size and scope, other members of the firm will assist the firm principal and project manager. In a small firm such as ours, the firm principal takes on more traditional project manager responsibilities.

Control of Costs

Our approach to establishing budgetary costs begins with a Preliminary Design of the project. After the Preliminary Plans are completed and approved we will create an Opinion of Probable Costs. This will be reviewed throughout the Schematic Design and Construction Documents phases and will be updated as more information is obtained throughout the entire design process. We will

meet with SPS several times throughout the preparation of plans and construction documents to ensure all their needs are incorporated within the project. We continually meet within our firm to discuss and review the project during the Construction Document phase to see all items are covered and are clear to the General Contractor as to what the requirements might be. This alleviates many change orders on a project during the Construction phase. At predetermined points during the completion of construction documents, Hood-Rich will review the costs of the project and keep SPS advised of the probable cost of the project. Our goal is to deliver the highest quality possible within the constraints of the budget.

Quality of Work

We pride ourselves on the quality of drawings and specifications produced by our firm. We consistently produce a quality of drawings and specifications that will assist, not hinder, construction. We strive for our drawings to be accurate, complete and detailed and all materials to be used are specified in detail including acceptable manufacturers, models, sizes, etc. to facilitate accurate bids. The principal / project manager and project architect meet regularly with the CAD designer, structural and civil engineers and our mechanical consultants to ensure all requirements are included and changes are incorporated as the project progresses. The plans will be thoroughly discussed and the following items will be reviewed:

- Program Requirements
- International Building Code Requirements
- Americans with Disabilities Act Requirements
- Local Building Requirements

Building Information Modeling (BIM)

We utilize a building information modeling software, ArchiCAD. Rather than 2-dimensional drafting, our designs are happening 3-dimensionally in the computer throughout the design process. This software allows us to manage the building information to better predict building performance and control building systems integration. In its simplest form, this software allows us to communicate the design to our clients making the building design more real and easier to understand prior to construction.



Comanche Red River Hotel

Devol, Oklahoma



The Comanche Red River Casino Hotel consists of 86 rooms connected to the existing Comanche Red River Casino. The hotel consists of standard guest rooms along with suites. Amenities include meeting rooms, a fitness room, pool and restaurant. The interior is designed to honor and respect the strong Comanche Native American heritage of the area. Hood-Rich was also commissioned to provide the overall master plan development for all future phases on site.





Delta Hotels by Marriott-Watters Creek Convention Center *Allen, Texas*



Hood-Rich was commissioned to design this Marriott Hotel and Convention Center for Altera Development just thirty minutes from downtown Dallas. The design is reflective of the Texas urban landscape and the energy of booming North Dallas, blending rustic design materials with curated art and the latest technology. The hotel features 90,000 square feet of meeting and convention space, a 1,000-car parking garage, 300 guest rooms and suites, a fitness center, an expansive patio and pool, and a culinary restaurant featuring chef Stephan Pyles. The total cost of this project was \$62 million and was completed in the winter of 2018.





San Marcos, Texas



Oklahoma City, Oklahoma



Lawton, Oklahoma



Hampton, Virginia



O'Reilly Fairfield Inn & Suites



Ardmore, Oklahoma

1 Marriott Courtyard Hotel
Springfield, Missouri

- 142 rooms, 3 stories
- 79,245 sq. ft.
- \$6,300,000.00

Completed 2000 (April)

2 Marriott Renaissance Hotel
and Conference Center
Tulsa, Oklahoma

- 300 rooms, 9 stories
- 308,138 sq.ft. (50,000 sq. ft. Conference Center)
- \$32,200,000.00

Completed 2003 (February)

3 Marriott Courtyard
Oklahoma City, Oklahoma

- 225 rooms, 8 stories
- 152,000 sq. ft.
- \$16,500,000.00

Completed 2004 (January)

4 Residence Inn
North Charleston, South Carolina

- 150 rooms, 4 stories
- 118,084 sq. ft.
- \$12,067,099.00

Completed 2004 (September)

5 Marriott Courtyard
and Conference Center
Junction City, Kansas

- 119 rooms, 3 stories
- 105,158 sq.ft. (30,000 sq. ft. conference center)
- \$10,150,000.00 (Hotel); \$6,980,000.00, Conference Center; \$3,170,000.00

Completed 2004 (August)

6 Embassy Suites
Hampton, Virginia

- 300 rooms, 10 stories
- 271,523 sq.ft.
- \$26,800,000.00

Completed 2005 (June)

7 Embassy Suites
Huntsville, Alabama

- 295 rooms, 10 stories
- 281,222 sq.ft. (Parking Garage under Hotel; 55,150 sq.ft., plus sky bridge connection to existing Von Braun convention center)
- \$33,055,768.00 (Bridge; \$476,468.00, Garage; \$3,184,554.00, Hotel; \$29,394,745)

Completed 2006 (October)

8 Marriott Courtyard
Ft. Smith, Arkansas

- 138 rooms, 4 stories
- 91,092 sq.ft.
- 10,800,000.00

Completed 2007 (January)

9 Residence Inn
Oklahoma City, Oklahoma

- 151 rooms, 6 stories
- 132,000 sq.ft.
- \$18,023,246.00

Completed 2007 (February)

10 Embassy Suites
Murfreesboro, Tennessee

- 283 rooms, 10 stories
- 334,870 sq.ft. (78,500 sq.ft. conference center)
- \$51,134,700.00 (Hotel); \$34,998,507.00, Conference Center; \$16,136,193.00

Completed 2008 (September)

11 Embassy Suites Hotel and Conference Center
San Marcos, Texas

- 283 rooms, 10 stories
- 331,800 sq.ft. (77,300 sq.ft. conference center)
- \$58,297,404.00 (Hotel; 38,285,000.00, Conference Center; \$20,179,182.00)

Completed 2008 (October)

12 Embassy Suites
Norman, Oklahoma

- 283 rooms, 10 stories
- 331,800 sq.ft. (79,920 sq. ft. conference center)
- \$51,061,950.00 (Hotel; \$35,557,875.00, Conference Center; \$15,504,075.00)

Completed 2008 (October)

13 Marriott Hotel
Normal, Illinois

- 229 rooms, 9 stories
- 217,625 sq.ft. (44,000 sq.ft. conference Center, 500 car parking garage, skybridge)
- \$58,194,662.00 (Hotel; \$38,711,353.00, Garage; \$8,868,405.00, Conference Center; 10,614,904.00)

Completed 2009 (October)

14 Marriott Courtyard
Allen, Texas

- 228 rooms, 9 stories
- 204,080 sq.ft. (35,283 sq.ft. conference center)
- \$29,937,488.00

Completed 2010 (January)

15 Comanche Red River Casino Hotel
Devol, Oklahoma

- 87 rooms, 3 stories
- 56,500 sq. ft.
- \$10,000,000.00

Completed 2014 (April)

16 Hilton Garden Inn & Parking Garage
Enid, Oklahoma

- 131 rooms, 4 stories
- 250 space parking garage, 15,000 sq. ft. retail space at street level, 87,000 total sq. ft.
- \$20,000,000.00 estimated cost

Project on hold

17 Embassy Suites Renovations
Greenville, South Carolina

- PIP interior and exterior renovation
- 268 rooms, 9 stories
- \$8,000,000 (multiple phases)

Completed 2016 (May)

18 O'Reilly Doubletree Conference Center
Springfield, Missouri

- 5 new conference rooms, a large pre-convene area, new restrooms, and a new kitchen facility
- 17,500 SF
- \$4.3 million projected cost

Completed January 2019

19 O'Reilly Fairfield Inn & Suites
Springfield, Missouri

- 103 guest rooms, 4 stories
- 56,963 SF
- \$7.6 million projected cost

Completed 2017 (November)

20 O'Reilly Fairfield Inn & Suites
Bonita Springs, Florida

- 113 guest rooms, 4 stories
- 60,160 SF
- \$8.5 million projected cost

Estimated Completion (Winter 2019)

21 Courtyard by Marriott
Ardmore, Oklahoma

- 127 guest rooms
- 70,491 SF
- \$11.4 million

Completed 2016 (October)

22 Delta Hotels by Marriott and Watters Creek Convention Center
Allen, Texas

- 300 guest rooms
- 285,000 SF
- \$62 million

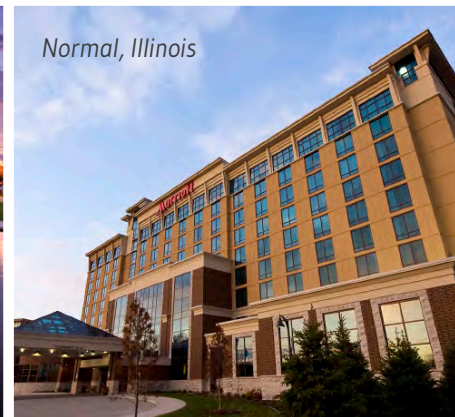
Completed 2018 (December)



Doubletree Conference Center



Oklahoma City, Oklahoma



Normal, Illinois



Murfreesboro, Tennessee



Allen, Texas



Watters Creek- Allen, Texas

Kimley Horn Engineering

A L A B A M A

DEVELOPMENT SERVICES QUALIFICATIONS

Beyond the facts and figures to support Kimley-Horn's premier place in the civil engineering industry—a 56-year track record of success and growth, a 6,800+ national staff, numerous first-place rankings by industry publications and organizations—we **have a vested interest in the state of Alabama**. Our offices in Birmingham and Mobile (the former less than 10 miles from the Highway 31 project site) include professionals in Development Services, Transportation Planning and Traffic Operations, and Water/Wastewater.

As your civil engineering consultant for the Vestavia Hills Highway 31 South Redevelopment project, our local team is poised to lead this scope. We have completed numerous projects (with many others underway) for developments and redevelopments of similar size and context. Further signifying our investment in Alabama, several of our Birmingham-based team members call Vestavia Hills home. Well-equipped with extensive local experience, professional relationships, and site understanding, **the Kimley-Horn team is excited by the prospect of teaming with our partners and stakeholders to enhance the Vestavia Hills landscape.**



+ Kimley»Horn

A DYNAMIC PARTNERSHIP

Naturally, it helps when your consultant team already has collaborated in the development process. Led from our end by our Development Services partners, Kimley-Horn is engaged with EDS America, LLC for hospitality projects in south Alabama. This ongoing engagement signifies familiarity with standards and processes—streamlining your development process and saving the team time and money.



Licensed and Experienced in all 50 States

● Kimley-Horn Office Location



6,800+

Employees across the country



100+

Offices



600+

Projects in Alabama in the past decade



16 YEARS

On *Fortune's* "Best Companies to Work For"



29

Staff in Birmingham

THE Kimley»Horn TEAM



Connor Paton, P.E.

Civil Engineering Project Manager

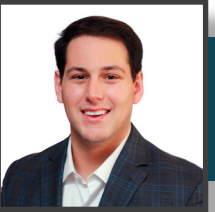
Professional Engineer in AL and MS

2 Years with Kimley-Horn/8 Years in the Industry

With a diverse civil engineering practice encompassing hospitality, industrial, retail, mixed-use, and residential, Connor is a skilled civil engineer and project manager throughout the Southeast. As a team member devoting time to a south Alabama hospitality project with EDS America, LLC, Connor will serve as the primary point-of-contact between Kimley-Horn and the Vestavia Hills project consultant team.

Select Project Experience:

- EDS America, LLC, Hampton Inn, Evergreen, AL
- Highline Storage Partners, Multiple Projects, U.S.
- Urban Supply Mixed-Use Redevelopment, Birmingham, AL
- Scannell Properties, Daniel Payne Drive Industrial Development, Multiple Phases, Birmingham, AL



Sam Lawson, E.I.

Project Engineer Intern

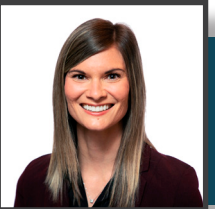
Engineering Intern in AL

2 Years with Kimley-Horn/4 Years in the Industry

A Vestavia Hills native and resident, Sam joined Kimley-Horn's Birmingham Development Services team shortly after graduating from the University of Alabama. Working on numerous civil engineering projects in Birmingham and the surrounding areas—including site surveys, self-storage facilities, mixed-use event centers, and education developments, Sam's diversity of project experience signifies his capabilities as a burgeoning engineer in practice.

Select Project Experience:

- Sherman Cement Plant Mixed-Use Redevelopment, Birmingham, AL
- Confidential National Coffee Retailer, Survey Site Plan, Anniston, AL
- Birmingham-Jefferson County Transit Authority, Bus Rapid Transit (BRT) Program, AL
- Highline Storage Partners, Multiple Projects, U.S.



Laura Beth Yates, P.E., PTOE, RSP¹

Transportation Engineer

Professional Engineer in AL, FL, GA, LA, MS, and TX
Professional Traffic Operations Engineer
Road Safety Professional¹

2 Years with Kimley-Horn/12 Years in the Industry

Laura Beth is a Vestavia Hills resident with more than a decade of transportation engineering experience. Her practice areas include traffic safety, access management, corridor studies, traffic simulation and modeling, and complete street planning and design. She also has completed several traffic impact analyses for commercial developments small and large across the Southeast. In addition to her upcoming transportation work in Vestavia Hills, Laura Beth has extensive project history with the Alabama Department of Transportation (ALDOT).

Select Project Experience:

- On-Call Traffic Engineering Services, Vestavia Hills, AL *(forthcoming)*
- ALDOT, Local Road Safety Plan, Phase 1, Multiple Locations (10 Counties), AL
- Bull Oak Road Redevelopment, Huntsville, AL
- Old Monrovia Road Development, Huntsville, AL
- North Chalkville Road Capacity Improvements and Signal Optimization, Jefferson County, AL
- Confidential E-Commerce Client, Fulfillment Center Development, Mobile, AL



Clay Smith, P.E.

Local Practice Lead

Professional Engineer in AL and GA

8 Years with Kimley-Horn/10 Years in the Industry

A proud Alabama native who relocated to Kimley-Horn's Birmingham office following its opening, Clay has the extensive engineering and leadership experience, local trust, and authority connections to get projects across major milestones and, ultimately, to successful completion. Having built a successful civil engineering practice in Alabama and the Southeast, Clay has extensive experience lessons learned that will serve this development in one of Birmingham's premier suburbs well.

Select Project Experience:

- Urban Supply Mixed-Use Redevelopment, Birmingham, AL
- Bell South Tower Conversion, Birmingham, AL
- The Frothy Monkey, Birmingham, AL
- The Fennec, Phase II Streetscape, Birmingham, AL
- Sherman Cement Plant Mixed-Use Redevelopment, Birmingham, AL
- Children's of Alabama, Intersection Improvements, Birmingham, AL

SELECT PROJECT EXPERIENCE



Urban Supply District Mixed-Use Redevelopment

Birmingham, AL

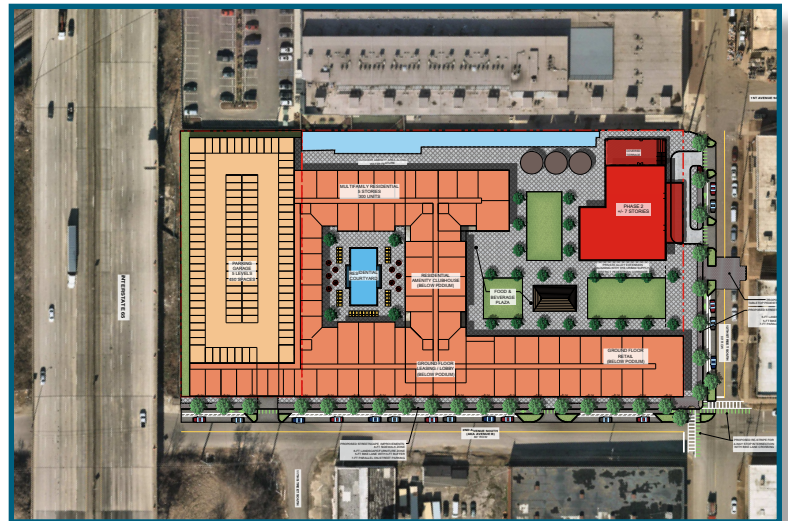
As the catalyst for the Parkside master plan redevelopment in downtown Birmingham, Urban Supply is a mixed-use development with approximately 100,000 square feet of planned restaurants, bars, retail, office, and fitness centers.

Bounded by railroads, major city streets, and Interstate 65, Parkside is a pedestrian-friendly district that has helped revitalize Birmingham's center as a connector among the city's neighborhoods, communities, and greenspaces. Urban Supply honors the origins of its district—once known as the Wholesale Warehouse Loop—as an adaptive-reuse development, preserving historic warehouses by renovating them for modern use and continuing the rebirth of Alabama's largest city.

Sherman Cement Plant

Birmingham, AL

Located along Birmingham's 2nd Avenue South corridor, this 4.2-acre site is undergoing revitalization from a shuttered cement manufacturing facility to a mixed-use program consisting of multifamily residential, retail, hospitality space, and structured parking. Kimley-Horn initially served the team as a consultant for site planning support and preliminary coordination, including preparing and providing a base existing condition assessment, conceptual street planning design, providing setback information pertaining to City zoning and Alabama Power transmission, providing City streetscape zones and dimensions, development of a conceptual civil grading plan, and coordination with the City of Birmingham, ALDOT, Alabama Power, and other partners and stakeholders. Kimley-Horn was retained for full site civil engineering services and continues to serve the Sherman Cement Plant redevelopment.



Avalon Mixed-Use Development

Alpharetta, GA

This 86-acre mixed-use destination development totals more than 2.3 million square feet of built space, including multifamily, retail, hotel, office, and single-family/townhouse residential. Avalon's design included significant coordination among numerous consultants and stakeholders for the master plan as well as numerous vendors, enabling the development's venue spaces to host more than 200 events annually.

The overall master planning designs were key elements to creating walkable streetscapes within what would become a mixed-use development distinguished as a catalyst for urban-inspired suburban living and working. Kimley-Horn provided civil engineering and parking consulting services, and members of the Kimley-Horn landscape architecture team provided professional design services at their previous firm.

SELECT PROJECT EXPERIENCE



Prominence Buckhead

Atlanta, GA

At the intersection of Piedmont Road and Lenox Road in the Buckhead neighborhood of Atlanta, Georgia, Mill Creek Residential transformed a 6.38-acre property into Prominence Buckhead, including Modera Buckhead. The luxury multifamily development features 319 apartments in studio, one-bedroom, two-bedroom, and three-bedroom forms. Community amenities include an outdoor resort-style pool, a fitness center, a yoga and spin studio, a sky lounge, controlled-access parking, and approximately 21,000 square feet of retail. Additionally, the site features an office tower—Prominence Tower—standing at 18 stories and providing 24,000 square feet of Class A office space as well as Element Atlanta Buckhead, a 168-unit hotel fronting Piedmont Road in a dynamic, vibrant district. Kimley-Horn provided land development and landscape architecture services for all elements of these parcels.

Alpharetta City Center

Alpharetta, GA

Kimley-Horn led civil engineering and landscape architecture efforts to develop Alpharetta City Center into a 26-acre walkable mixed-use development in the heart of downtown Alpharetta. After constructing City Hall, a library, a parking deck, and five acres of park space, the City enlisted a team of four private developers to collaborate and fulfill a cohesive vision to expand the existing historic district by six city blocks. The development includes:

- 168 residential units with 37,600 square feet of street-level retail
- 36,000-square-foot office building with an additional 7,400 square feet of ground-floor retail
- 55,000 square feet of freestanding restaurant buildings across 7.5 acres of parks and green space, including the central Town Green
- 42 single-family homes

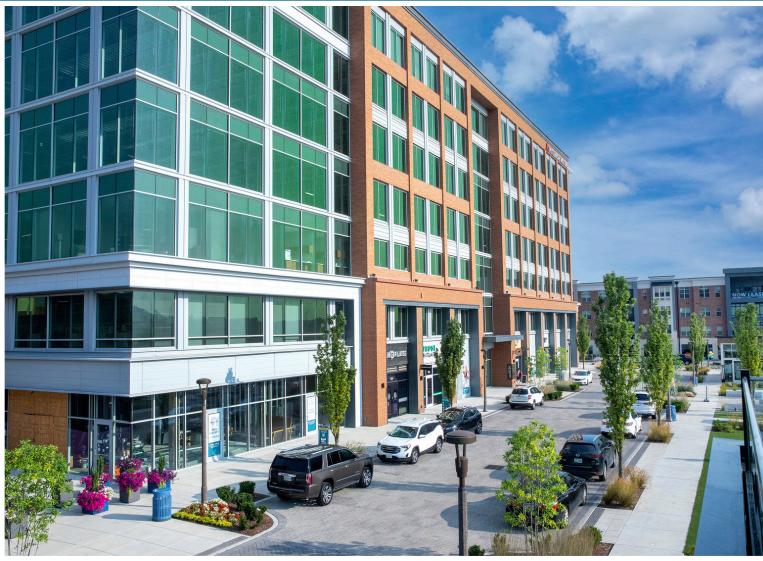


Atlanta Dairies

Atlanta, GA

Kimley-Horn is providing site civil engineering, landscape architecture, and parking planning services for Atlanta Dairies, a mixed-use development in Reynoldstown, located just west of the Atlanta BeltLine. The project totals 9.8-acres of adaptive reuse development, consisting of a coffee shop, an outdoor plaza, six-story office building, a diner, a brewery, and a restaurant, connected by central greenspace, called The Yard. A hub of the development will include a music venue—with capacity for more than 2,000 attendees—featuring a rooftop common area. Atlanta Dairies also features two residential phases: a seven-story building with 312 units and a five-story building with 250 units.

SELECT PROJECT EXPERIENCE



McEwen Northside

Franklin, TN

Kimley-Horn is the prime consultant leading site infrastructure design for this multi-phase 45-acre, large mixed-used development by Boyle Investment Company, in partnership with Northwood Investors and Northwood Ravin. A fully integrated and walkable community in the vibrant Cool Springs area of Franklin, the project includes approximately 750,000 square feet of Class A Office Space, 315 hotel rooms, 100,000 square feet of retail space, three restaurant pads, and 820 upscale apartment units in one of Nashville's hottest upscale suburban markets. Kimley-Horn has provided civil engineering services, including grading, roadway design, utilities infrastructure, and stormwater design, and we continue to provide services for the remaining phases. Furthermore, Kimley-Horn's Franklin office is located within this development.

Neuhoff

Nashville, TN

Kimley-Horn is providing site civil engineering, traffic engineering, and landscape architecture services for the redevelopment of this prominent riverfront mixed-use site in the neighborhood of Germantown. All phases of the project will total more than 1,000,000 square feet of commercial, office, and residential space, including adaptive reuse of existing buildings along the Cumberland River. Formerly a slaughterhouse, the historic buildings also feature a brewery in a renovated warehouse, a pedestrian bridge spanning the length of the Metro Greenway trail with plans for an active railway line to connect with the project's center.



The Walk on Union

Memphis, TN

Kimley-Horn is providing civil engineering, landscape architecture, and transportation planning services for Union Row, one of the largest new developments in Memphis. With almost \$800 million invested in the first phase and spanning more than 20 acres, this mixed-use community will be comprised of office, retail, residential, hospitality, and a downtown grocery. Our landscape architecture team is completing schematic design for infrastructure and streetscapes along major avenues and private amenity areas, as well as providing assistance with zoning entitlements and permitting.

Skipper Consulting



Skipper Consulting, Inc. is an engineering firm which specializes in traffic engineering, transportation planning, and parking consulting. We are an Alabama-based corporation, with headquarters located in Birmingham, Alabama.

Darrell B. Skipper, P.E. is President of Skipper Consulting, Inc. and is a professional engineer licensed to practice engineering in all states in the southeastern United States (total of 14 states). D. Scott Skipper serves as Vice President. Our staff also includes Richard L. Caudle, P.E., Julie W. LeNoir, P.E., Aubrey Long, P.E. and Scott Cothron, P.E.. The professional staff is supported by a technical and administrative staff.

Skipper Consulting, Inc. was incorporated in May, 1998. The staff has been practicing traffic engineering and transportation planning in the southeast and throughout the United States since 1966. Members of the professional staff have a collective experience of over 120 years, averaging 18 years per professional staff member. Prior to 1998, several members of the professional staff worked together in the Traffic Engineering/Planning Department of a national Fortune 500 and ENR Top-10 Engineering firm with offices in Birmingham, Alabama.

While the engineering fields which are practiced by Skipper Consulting, Inc are focused to the areas of traffic engineering, transportation planning, and parking consulting, the areas of expertise of the staff under these broad categories are extensive. The following is a partial listing of areas of expertise of the staff of Skipper Consulting, Inc.

<i>Traffic Operations</i>	<i>Traffic Signal Design</i>	<i>Transportation Modeling</i>
<i>Campus Master Planning</i>	<i>Traffic Signal Systems</i>	<i>Mass Transit Planning</i>
<i>Traffic Impact Studies</i>	<i>Traffic Signal Warrants</i>	<i>Long Range Transportation Planning</i>
<i>Traffic Circulation</i>	<i>Street Lighting Design</i>	<i>Parking Studies</i>
<i>Roadway Safety Studies</i>	<i>Roadway Noise Studies</i>	<i>GIS and GPS Applications</i>
<i>Corridor Studies</i>	<i>ITS Projects</i>	<i>Access Management</i>
<i>Tolls</i>	<i>School Studies</i>	
<i>Travel Demand Forecasts</i>	<i>IJS Studies</i>	

The client base of Skipper Consulting, Inc. is just as diverse as our areas of expertise. We have recently performed projects for State governments, county governments, local governments, universities, medical facilities, other engineering and architectural firms and private developers.

Skipper Consulting Inc. can be contacted at: 3644 Vann Road, Suite 100, Birmingham, Alabama 35235, telephone: (205) 655-8855, facsimile (205) 655-8825, or email: darrell@skipperinc.com.

LEMOINE



July 9, 2023

VIA Electronic Mail

Jeff Downes
City of Vestavia
1032 Montgomery Hwy
Vestavia Hills, AL 35216

Re: Vestavia Redevelopment Project

Dear Jeff,

As part of the EDS-America team, LEMOINE Program Services offers full Program Management Services as a compliment to the expertise that EDS brings to the table. Our Birmingham based firm offers unique subject matter expertise in the areas of construction, design, project planning, and overall project delivery.

We have 11 full time employees with an average industry tenure of 35 years with broad experience in construction, design, architecture, and project management. Each of our key players have spent their careers in the greater Birmingham area working for notable companies who excel in these areas. Our broad resumes can bring valuable experience to any difficult situation.

By teaming with EDS-America, we feel this helps round out the most unique and experienced team of anyone for the City of Vestavia. Two of our key individuals are Vestavia citizens so there is also a community pride aspect to our experience.

Thanks in advance for considering the EDS-America team.

Yours truly,

Jack Darnall
President

Cc: Patrick Denny
Brian McCarley

LEMOINE[®]

833-LEMOINE | 1LEMOINE.COM | One mission. Yours.[™]

How can **LEMOINE**[®] Program Services Help Me?

Begin with
advising
and facility
consulting
services

Create overall
program goals,
schedules, and
budgets

Establish
expectations,
measure
success,
and maintain
alignment

Our primary objective is to satisfy capital program demands and expansion goals, ensuring you accomplish your mission, with full guidance and confidence every step of the way. We can help each client from both a comprehensive approach or provide select services in more of an a-la-cart fashion. Our commitment is to provide each client only what they need.

| Experienced Leadership

Our Program Services Leadership Team has decades of experience in the industry. We are ready to put our knowledge and experience to work for you.

Jack Darnall

President, Program Services

41 years of industry experience

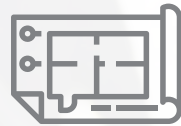


EXPERIENCE

LEMOINE® Program Services



Advisory



Audit +
Controls



Dispute
Resolution



Energy +
Sustainability



Facilities
Consulting



Preconstruction
Services



Program
Management



Transition
Planning

LEMOINE® Markets Served



Healthcare



Commercial



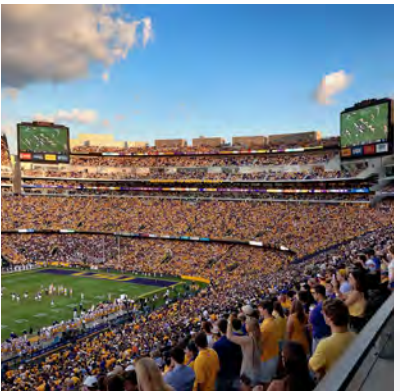
K-12
Education



Higher
Education



Cultural +
Entertainment



Recreation
+ Sports



Public Sector



Industrial +
Manufacturing



Energy



Disaster

Sara J.

Project Management Asst.

Our Purpose

To achieve excellence in construction while enhancing the lives of all involved.



EXCELLENCE

Earl L.
Safety Manager

Core Values

Safety

Integrity

Work Ethic Innovation

Attention to Detail

Relationships



VALUES

Wills Hover
VP, Healthcare

| Brand Promise

The right people.

The right solutions.

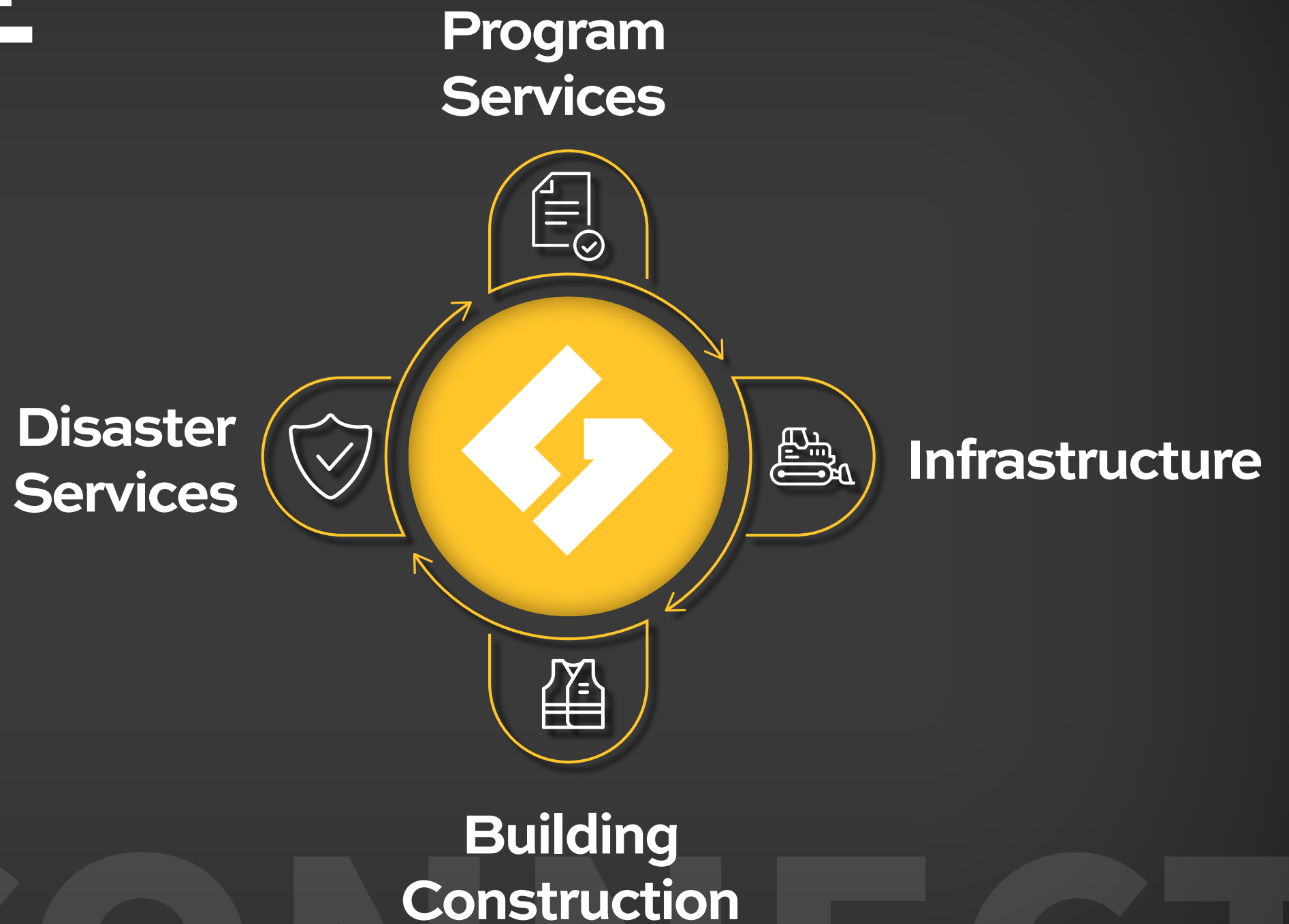
Building peace of mind.



RIGHT PEOPLE

ONE LEMOINE®

Our service lines deliberately connect to support the full building lifecycle, leveraging our expertise every step of the way.



CONNECT

ONE LEMOINE® Leadership



Lenny Lemoine
CEO



Van Champagne
CAO



Leon Foster
CFO



Erika Fortenberry
CFO



Greg Landry
VP, Safety

**Program
Services**



Jack Darnall
President

Infrastructure



Seth Lemoine
President

**Building
Construction**



William Lemoine
President

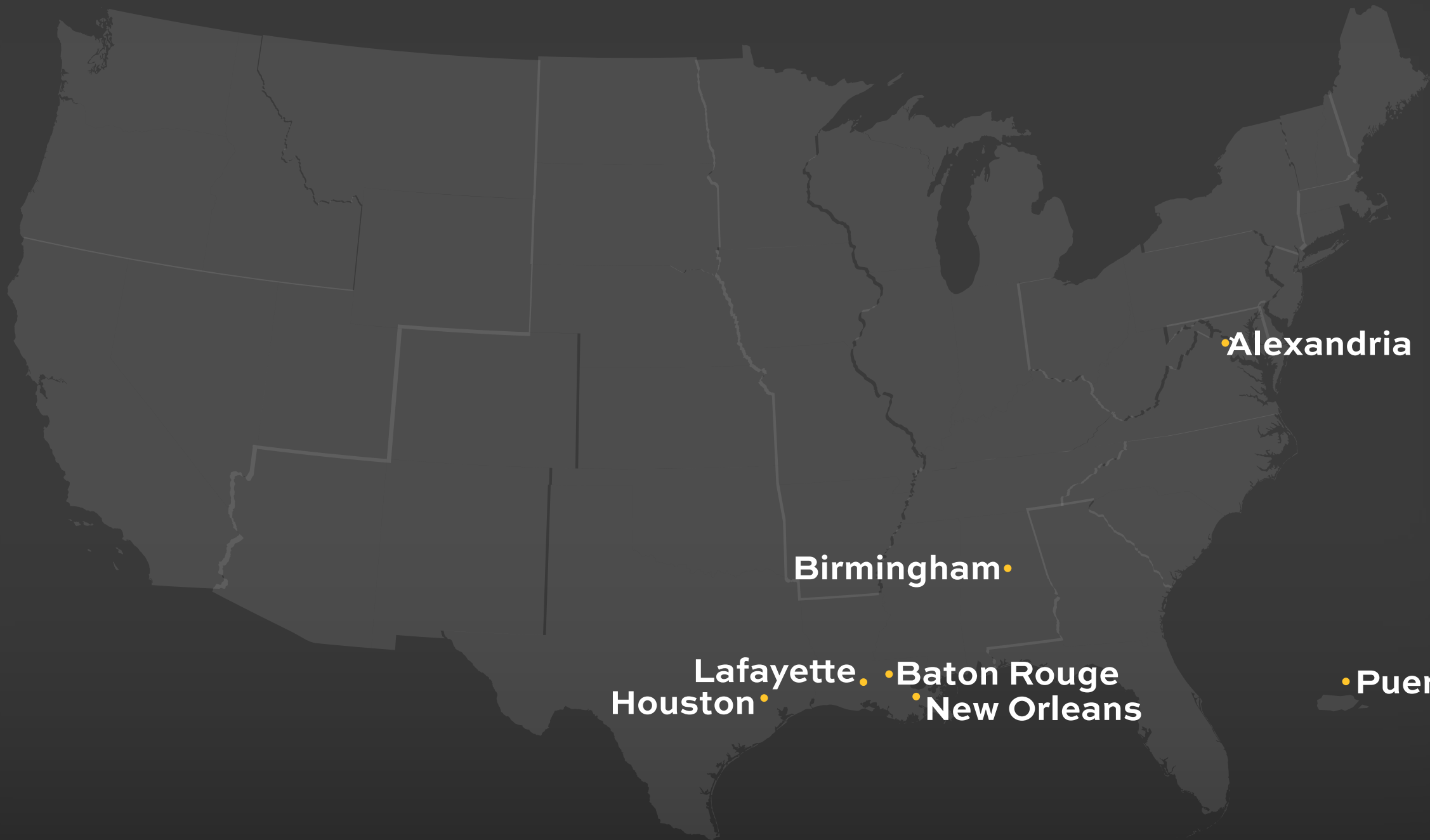
**Disaster
Services**



Mike Rice
President

LEMOINE[®] Locations

Strategically located to serve you.



• Alexandria

• Birmingham

• Lafayette
• Houston

• Baton Rouge
• New Orleans

• Puerto Rico

As your value-added partner, LEMOINE has the capability to provide full program services, or offer only a selection of services to enhance your existing in-house capabilities.

Let's get started today.

LET'S GET
STARTED

JACK DARNALL

PROGRAM SERVICES
PRESIDENT

Education

Bachelor of Science, Civil Engineering, Georgia Institute of Technology

Experience

Years in Industry: 40 // Years at LEMOINE: 2

Roles + Responsibilities

- Management, operations, and profitability of LEMOINE Program Services
- Oversight of all Program Services operations; guidance of key LEMOINE Program Services leadership group
- Drive continuous improvement + proactive innovative solutions
- Ensure every assignment is completed in accordance with LEMOINE values
- Deliver ultimate Client satisfaction; Build lasting relationships
- Business development including locating, developing, defining, negotiating, closing, and adequate backlog to achieve annual revenue plan
- Identify potential acquisition targets for growth

Areas of Expertise

- Customer Satisfaction
- Personnel Training and Development
- Contract Review, Negotiation, and Compliance
- Strategic Planning
- Risk Assessment
- Schedule and Budget Management

Certifications + Associations

- Associated Builders and Contractors National Executive Committee, 2000-2007; National Chairman, 2006; Region Four Chairman, 2000-2003; Director, National Board, 1992-2007 President AL Chapter, 1995
- Leadership Birmingham
- Board Member, Present Service: Business Council of Alabama, Five Star Preserve, Alabama Wildlife Federation, The Birmingham Zoo, Birmingham Jefferson County Transit Authority, National Center for Sports Safety
- Board Member, Past Service: Magic Moments, March of Dimes, Arthritis Foundation

LEMOINE

Notable Projects

Omni Nashville Hotel and Country Music Hall of Fame Expansion, \$237 million

Nashville, Tennessee

Memorial Hospital Expansion, \$224 million

Phase I: 26,000 SF Renovation, Central Energy Plant + Utility Routing; Phase II: 7-Story 360,000 New Patient Tower, 100,000 SF Renovation, 12,375 SF Emergency Department Addition; Parking + Associated Site Development
Chattanooga, Tennessee

MUSC Ashley River Tower Replacement Hospital Ph. 1, \$210 million

9-Story 641,000 SF Center for Advanced Medicine; 53,000 SF Central Energy Plant, CMaR
Charleston, South Carolina

UAB North Pavilion Hospital, \$182 million

12-Story 885,000 SF Hospital + 3 Pedestrian Connector Bridges
Birmingham, Alabama

Our Lady of Lourdes Regional Medical Center, \$149 million

414,000 SF Complete Replacement Hospital, CMaR
Lafayette, Louisiana

1201 Demonbreun Office Building & Parking Deck, \$53 million

17-story 690,385 SF Office Tower + 950-Space Parking Garage, LEED Silver Certified
Nashville, Tennessee

Construction Management at Risk
Design Build
Design Assist
Green Building
Project In Progress



BRIAN MCCARLEY

PROGRAM SERVICES

PROGRAM SERVICES DIRECTOR

Education

Bachelor of Science, Construction Management, ITT Technical Institute

Associate Of Applied Science Computer-Aided Drafting and Design, ITT Technical Institute

Experience

Years in Industry: 9 // Years at LEMOINE: 2

Roles + Responsibilities

- Management, operations, and profitability of LEMOINE Program Services
- Drive continuous improvement + proactive innovative solutions
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- Deliver ultimate Client satisfaction; Build lasting relationships
- Business development including locating, developing, defining, negotiating, closing, and adequate backlog to achieve annual revenue plan
- Identify potential acquisition targets for growth

Areas of Expertise

- Customer Satisfaction
- Contract Review, Negotiation, and Compliance
- Risk Assessment
- Schedule and Budget Management
- Medical Equipment Coordination

Notable Projects

St Vincent's Birmingham CATH Lab Addition/Construction & Medical Equipment Management
Birmingham, Alabama

St Vincent's Birmingham Dialysis Suite Build-Out and Medical Equipment Management
Birmingham, Alabama

St Vincent's Birmingham ICU Room Addition/Construction Management
Birmingham, Alabama

St Vincent's Birmingham 7 Main Patient Wing Bed Expansion
Birmingham, Alabama

St Vincent's Birmingham Cardiac Diagnostic Build-Out
Birmingham, Alabama

Encompass Health Bed Expansion
Huntington, West Virginia

Encompass Health Bed Expansion
Augusta, GA

Encompass Health National LED Program

Encompass Health National Generator Program

Encompass Health National ADA Program



LEMOINE

JOHN HARCHELROAD

PROGRAM SERVICES

SR. PROGRAM MANAGER

Education

Bachelor of Science, Construction, 1982, Auburn University

Experience

Years in Industry: 40 // Years at LEMOINE: 2

Roles + Responsibilities

- Management, operations, and profitability of LEMOINE Program Services
- Oversight of all Program Services operations; guidance of key LEMOINE Program Services leadership group
- Drive continuous improvement + proactive innovative solutions
- Ensure every assignment is completed in accordance with LEMOINE values
- Deliver ultimate Client satisfaction; Build lasting relationships
- Business development including locating, developing, defining, negotiating, closing, and adequate backlog to achieve annual revenue plan
- Identify potential acquisition targets for growth

Areas of Expertise

- Customer Satisfaction
- Contract Review, Negotiation, and Compliance
- Risk Assessment
- Schedule and Budget Management
- Owner Furnished Equipment
- Sustainability Planning + Construction

Certifications + Associations

- Certified Healthcare Constructor / American Hospital Association
- LEED AP B+C
- ASHE Healthcare Certified
- OSHA 30
- Lean Leadership

Reference

Mr. Tim Leopard
UA Construction Administration
Assistant Vice President for Construction Administration
tleopard@fa.ua.edu
O: 205-348-8157 // M: 205-310-1045

Notable Projects

West Virginia University Medicine (WVUM) Women's and Children's Hospital, \$240
340,000 SF 9-Story Freestanding Hospital; 150-bed, Full Diagnostic and Emergency Department, 8 Operating Rooms
Morgantown, West Virginia

Morton Plant Mease Patient Tower Expansion, \$209 million
4-story Building with a 5th Floor Mechanical Penthouse, 230,000 SF new and 154,000 SF Renovations
Jacksonville, Florida

Baptist/MD Anderson Comprehensive Cancer Center, \$184 million
330,000 SF Medical Center; 650 Car Parking Deck
Jacksonville, Florida

Piedmont Athens Regional Expansion, \$150 million
Preconstruction Support
Athens, Georgia

UNC Hillsborough Bed Tower 2 Addition, \$76 million
Fast-Track; Introduction of Prefabrication Concepts
Hillsborough, North Carolina

Baptist/MD Anderson Downtown campus Master Plan, \$70 million
Two Campus Parking Decks, 4,000 spaces, Demolition of Existing Parking Deck, 1,000 spaces, and New Front Door Arrival Structure
Jacksonville, Florida



LEMOINE

STEPHEN HANEY

PROGRAM SERVICES
SR. PROGRAM MANAGER

Education

Bachelor of Science, Building Science, 1982, Purdue University

Experience

Years in Industry: 40 // Years at LEMOINE: <1

Roles + Responsibilities

- Management, operations, and profitability of LEMOINE Program Services
- Oversight of all Program Services operations; guidance of key LEMOINE Program Services leadership group
- Drive continuous improvement + proactive innovative solutions
- Ensure every assignment is completed in accordance with LEMOINE values
- Deliver ultimate Client satisfaction; Build lasting relationships
- Business development including locating, developing, defining, negotiating, closing, and adequate backlog to achieve annual revenue plan
- Identify potential acquisition targets for growth

Areas of Expertise

- Customer Satisfaction
- Contract Review, Negotiation, and Compliance
- Risk Assessment
- Schedule and Budget Management
- Owner Furnished Equipment
- Sustainability Planning + Construction

Experience

Auburn University Facilities Management – Executive Director Construction Management

- Managing Preconstruction Teams on projects from \$50,000 to \$120 million
- Managing Construction Management group of 15 people which provides construction oversight for Auburn University on all projects.
- Direct and oversee outside Construction Management firms

Auburn University Facilities Management – Office Of University Architect (TES)

- Managing Construction Manager teams for the preconstruction portion of the design process for the new College of Education Building, Football Operations Building and Residential Housing project
- Project Executive for new ACLC/Dining Hall project
- Updated, edited, and revised Division 1 Specifications
- Updated, edited, and revised Contractor Registration and Prequalification documents
- Provide estimating support on various projects to date

Vice President/Project Director | Brasfield & Gorrie General Contractors

- Account Executive for the Auburn University
- Handled preconstruction and project management assignments under Construction Management Agency contract for multiple University Capital Projects
- Managed upwards of twelve (12) other Project Managers assigned to the account

Vice President/Chief Estimator | Brasfield & Gorrie General Contractors

- Responsible for all healthcare preconstruction for the healthcare division



LEMOINE

JOHN LANKFORD

PROGRAM SERVICES

PROGRAM MANAGER

Education

Bachelor of Building Sciences, Minor in Business and Math,
1995, Auburn University

Experience

Years in Industry: 14

Roles + Responsibilities

- Oversight of Program Services operations; guidance of key Lemoine Program Services leadership group
- Drive continuous improvement + proactive innovative solutions
- Deliver ultimate Client satisfaction; Build lasting relationships
- Business development including locating, developing, defining, negotiating, closing, and adequate backlog to achieve annual revenue plan
- Identify potential acquisition targets for growth

Areas of Expertise

- Preconstruction, Estimating
- Contract Review, Negotiation, and Compliance
- Risk Assessment
- Schedule and Budget Management
- Appraisals
- Owner Furnished Equipment, Hauling
- Project Management

Technical Experience

Project Management and Preconstruction, 22 Years

Chief Estimator, 6 Years

Oversight of Preconstruction and Estimating Services for Multifamily, Commercial, and Historical Construction Projects

Preconstruction and Project Manager, 2 Years

Preconstruction Management Services for Healthcare, Institutional, and Industrial Construction Projects

Project Manager/ Estimator, 13 Years

Project Management, Lead Estimator and Estimator on Design-Build, Hard Bid, and Negotiated Industrial, Commercial, and Institutional Projects, Birmingham, AL Area

Project Engineer, 1 Year

On-Site Project Engineer for the Design-Build Construction of Ogihara Alabama Automotive Stamping and Manufacturing Facility, Birmingham, AL

Real Estate

Real Estate Appraiser, 1 Year

Certified Real Estate Appraiser Trainee in the State of Alabama; Focus on Residential Properties in the Birmingham, AL Area

Real Estate Appraiser, 2 Years

Certified Real Estate Appraiser Trainee in the State of Alabama; Focus on Residential Properties in the Birmingham, AL Area

Transportation

Transportation Manager, 3 Years

Oversight of Gulf Coast Region for Family of Companies; Supervision of Drivers for Heavy Equipment Hauling

3

References

eds America

- **Mayor Frank C. Brocato, City of Hoover** - 100 Municipal Lane, Hoover, AL 35216 - (o) 205.444.7510
- **Commissioner Jimmie Stephens, Chairman Jefferson County Commission** - 716 Richard Arrington Jr. Blvd North, Suite 210, Birmingham, AL 35203 - (m) 205.222.1172
- **Sheldon Day, City of Thomasville** - 559 W. Front Street North, Thomasville, AL 36784 - (m) 334.534.9045
- **Mayor Eddie Lowe, City of Phenix City** - 601 12th Street, 3rd Floor, Phenix City, AL 36867 - (o) 334.448.2704
- **Mayor Stanley Stallworth, City of Evergreen** - 355 East Front Street, Evergreen, AL 36401 - (m) 312.852.9669
- **The Honorable Richard C. Shelby** - 1414 High Forest Drive North, Tuscaloosa, AL 35406 - (m) 205.799.7594
- **U.S. Senator Katie Britt** - 502 Hart Senate Office Building, Washington, DC 20510 - (o) 202.224.5744
- **U.S. Senator Tommy Tuberville** - Terri Connell - (m) 205.259.3991
- **Congressman Gary Palmer** - 170 Cannon House Office Building, Washington, D.C. 20515 - (m) 205.914.3242
- **Congressman Robert Aderholt** - 266 Cannon House Office Building, Washington, D.C. 20515 - (o) 202.225.4876

CBRE

- **Tom Harper, Voodoo Brewing Co.**
- **John Michael Bodnar, Fresh Capital** - 5361 US Highway 280, Suite 108-A, Birmingham, AL 35242
- **David Mott, Allied Development** - P.O Box 220439, Great Neck, NY 11022 - (m) 516.724.3428
- **Dr. Ritesh Gupta, Pinnacle Properties** - 212 W. Troy Street, Suite B, Dothan, AL 36303 - (m) 251.895.7432

4

Methodology

Methodology Planning & Predevelopment

Management of the Revitalization Process

We would approach as we do all of our development projects from a high-level principal perspective. Will engage vendors and other key specialized experts where the project calls for it. There is no way to know how this project will evolve at the moment. We must understand the dynamics in play, mostly with the landowners. They have the leverage with them still owning the surrounding parcels. This makes this a very difficult and time-consuming process in securing these parcels for the development. We know all parties have good intentions, but the reality of the outcome of these future negotiations are still in doubt.

Financing

We utilize every tool available in financing a project. There are a great deal of components that go into how this financing occurs in the end. Every concept potentially generates different incentives – sales tax rebates for retail, hotel lodging fees for hotels, and so on. There is much yet to be determined what this project will truly look like in the end.

Rob Richardson, SouthPoint Bank, knows our team very well and has agreed to head up the financing sources for us and this development.

Quality Control

Our experience is vast when it comes to working with government bodies on all levels of government. Please see eds America Development cover letter by Patrick A. Denney.

Budgets/Schedules

Examples to follow.

Conditional Purchase

We aren't prepared to make an offer for conditional purchase at this time. Much more pre-development to be done and concept to be finalized before we can responsibly make such an offer.

Methodology & Development

Development Schedule & Budget

Examples to follow.

Construction Administration

Refer to LEMOINE's information.

Regulatory Compliance

As outlined in the cover letter. We work hand-in-hand with our municipal partners to make sure we are in compliance with local, county, state and federal laws. As do our development partners and vendors.

Example

The Village at Brocks Gap

Description			
1a	General Requirements	234,493	
1b	Jobsite Construction Equipment Rental	48,661	
2a	Layout, Grading, Erosion Control, Storm Drainage, Utilities, Paving & Curbs	2,051,178	
2b	Undercut Allowance	-	
2c	Landscaping and Irrigation	150,000	
2d	Site Improvements , Brick Pavers, Stained Conc. & Concrete Paving	246,189	
3	Concrete Foundations, SOM, & Tilt-Up Concrete	889,060	
4	Masonry	141,138	
5	Structural & Misc. Steel	564,511	
6a	Carpentry	13,408	
6b	Millwork & Trim	-	
7	Roofing, Waterproofing & Caulking,	334,095	
8a	Doors, Frames, & Hardware	32,934	
8b	Aluminum Storefront, Glass & Glazing	186,000	
9a	Drywall & Metal Studs	157,160	
9b	Vinyl Tile & Carpet	-	
9d	Hard Tile	-	
9e	Painting	61,700	
10a	Exterior Canopies	73,500	
10b	Interior and Exterior Building Signage	-	
11	Equipment	-	
12	Furnishings	-	
13	Special Construction	-	
14	Elevator	55,000	
15a	Fire Protection	132,650	
15b	Plumbing	159,219	
15c	HVAC	111,780	
16	Electrical	367,653	
	Permit	48,083	
	Builder's Risk	28,480	
	General Contractor's Fee	395,648	
		6,482,538	
Budget Items Discussed at 2/18/16 Meeting:			
	A. Change casting pad slab to 4" permanent slab with 4' open strip for utilities.	64,000	
	B. Change 2nd floor slab from standard Bar Joist & Deck to Composite Deck.	32,000	
	Base Construction Cost	6,578,538	
Accepted Alternates (see attached list & Potential Addition Items Below):			
	8 Add for 3.4" ISO (R20) in lieu of 3" (R17.5)	12,035	
	14 Add for the cost of our bond	43,786	
	A. Enclose 2ea open triangular spaces to expand Organic Harvest (See Alt. below)	193,259	
	B. Revisions to Civil Sheet to Maximize Parking	Included	
	C. 4ea Additional Dumpster Pads (2 locations, 4 pads). Base price includes 1 pair.	Pending	Not Included
	Total Construction w/Accepted Alternates	\$ 6,827,618	
Design / Engineering Fees (Civil Design & Paul Chapel Design Consulting Serv. Fees by Owner)			
	A. Architectural Fees \$102,400 + \$5,000 Reimbursable Allowance + 6.5% GC fee. If Exterior & Finish Materials Board is required for review, please add \$400/board (typical 2ea). Does not include Lease Outline Drawing (LOD) for each specific tenant space floor plan, front elevation and overall dimensional information. The LOD is typically utilized by a tenant as the basis of their build-out drawings. We can provide this service for a lump sum fee of \$450/LOD.	114,381	
	B. Struct. Fees- \$31,000 + \$7,500 Reimbursable(3 site visits + printing, etc.)+ GC fee	41,002	
	C. Errors & Omissions Insurance	19,170	
	Construction & Design Contract Total	\$ 7,002,171	
Potential Additions to Contract (not included in current total unless noted as so)			
	A. Enclose 2ea open triangular spaces adjacent to center 2-story building- 6,000sf. Construction Cost -\$178,436 + Arch./Struct. Design Fees \$12,720 + \$2,103 Bond	\$ 193,259.00	included in Above
	B. Revisions to Civil Sheet C1-RO- Expanded Parking Plan- dated 3/18/16	\$ 184,326.00	Included in Above
	C. 4ea Additional Dumpster Pads/Conc. Pvg/Enclosures/Canopies/Sewer & Water	\$ 91,588.00	Add, if required

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ALTERNATES

Status

1a	We recommend a rock allowance	\$25,000	By Owner
1b	We recommend a sitework contingency of 3%	BO	By Owner
1c	We recommend a design contingency of 5%	BO	By Owner
2	Add for 35' wide all weather road at front of building (6" by 1,000 tons of stone)	\$25,440	Pending
2	If the ROW paving design is different than the heavy duty design as shown add \$26.82/SY to the unit price	TBD	Pending
3	Our price includes a water line bore at the gas crossings	\$35,300	Included
4	Our price includes 300lf/12" water main relocation at the east drive	\$75,260	Included
5	Stone or masonry accents can be added at the base of pilasters or face of tilt-up walls for \$23-28/square foot	TBD	
6	The down spout cannot drain onto the asphalt in the rear due to the storm design directing all the water to the detention pond.	\$0	
7	Add for 100% adhered membrane in lieu of mechanically fastened roof	\$9,159	Not Accepted
8	Add for 3.4" ISO (R20) in lieu of 3" (R17.5)	\$12,035	Accepted
9	Add for using 9"x7" Style A pre-finished steel gutters and 4"x4" downspout per SMACNA calculations and tables	\$15,443	Not Accepted
10	Add for concrete footing for demising walls	\$28,800	Pending
11	Add for metal stud demising walls	\$39,450	Pending
12	Add for covered PEMB parking (25 spaces)	\$143,300	Not Accepted
13	Add for exterior railing allowance at both restaurant patios	\$17,800	By Tenant
14	Add for the cost our bond	\$43,786	Accepted

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Qualifications

General

- 1 Testing is paid for by the Owner.
- 2 Our cost does not include a bond, see Alternates
- 3 We do not include any architectural and engineering design fees (see add pricing).

Sitework

- 1 All Tap Fees or any utility or gas fees required to bring services to the site are paid for by the Owner.
- 2 Excludes relocation of Underground Fiber Optic Main at Stadium Trace Entrance. Relocation costs are not available from AT&T until engineering has been released/completed.
- 3 **We include an allowance of \$45,000 for the erosion control**
- 4 We exclude Jefferson County permits or fees
- 5 We exclude the NPDES monitoring required by ADEM
- 6 We exclude rock removal, undercut and replacement of unsuitable soils.
- 7 We will keep the City of Hoover streets clean throughout our part of the project

Building

- 1 We are providing you with a building shell and "cold dark box" for tenant spaces
- 2 We propose the use of concrete Tilt-Up in lieu of conventional construction

1a GENERAL REQUIREMENTS

- A Superintendent
- B Superintendent truck
- C Superintendent insurance
- D Temporary office/delivery
- E Internet service
- F Office furniture

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- G Temp porch
- H Storage/Tool trailer
- I Temp toilets
- J Temp power
- K Power for trailer
- L Hook up phone
- M Temp telephone
- N Temp water
- O Cell phones
- P Small tools
- Q Rough hardware
- R Progress photos
- S Job sign
- T Cups and ice
- U Plan reproduction
- V Punch list
- W Office supplies
- X Periodic clean up
- Y Final clean up
- Z Unload materials
- AA Material protection

1b **EQUIPMENT**

- A Equipment rental
- B Fuel
- C Dumpster rental
- D Dumpster pulls
- E Safety inspections
- F Temp FEC (1 per 3000 SF)
- G Misc. safety equipment
- H First aid kit

2a **GRADING**

- A Mobilization
- B Clearing and grubbing
- C Strip and stockpile topsoil (4")
- D Cut/fill excavation
- E Fine grade site
- F Backfilling curbs
- G Replate slopes (topsoil)
- H R.O.W. grading

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2b EROSION CONTROL

- A Class "A" silt fence
- B Detention pond
- C Deiversion berm
- D Baffles
- E S-150
- F Grassing (seeding & mulching)
- G Stone entrance
- H Inlet protection

2c SANITARY SEWER

- A 8" CL 52 (8' - 10' CUT)
- B 8" CL 52 (10' - 12' CUT)
- C Manhole (8' - 10' CUT)
- D Manhole (10' - 12' CUT)
- E 6" Dip Laterals
- F 6" Caps
- G Abandon existing sewer main**
- H 4" Dip lateral
- I 4 " DI fittings/cleanouts
- J 6" DI cleanouts
- K 500 GAL grease trap
- L 2500 GAL grease trap
- M Tie to existing
- N Locking gaskets
- O 8" x 6" D.I. tees
- P 6" Manhole stubouts
- Q Stone bedding/backfill**
- R Air testing
- S VAC test manholes
- T Video test lines
- U By-Pass existing sewer**

2d STORM

- A 12" PVC
- B 18" RCP
- C 24" RCP
- D 30" RCP
- E 36" RCP
- F 48" RCP
- G Outlet control structure
- H 48" HW

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- I Grate inlets
- J Manhole
- K Yard inlet
- L RIP-RAP
- M Stone bedding/backfill

2e FIRE & DOMESTIC WATER

- A 8" CL 350 water
- B 4" CL 350 water
- C 2" Copper
- D Fire hydrant assembly
- E 8" Valve
- F 4" Valve
- G 8" x 6" TEE
- H 4" RPZ
- I 8" Fittings
- J 8" RPZ
- K Concrete kickers
- L Stone bedding/backfill
- M Chlorinating/Testing lines
- N Gas line crossing**

2f PAVING, CURB/GUTTER & MISC.

- A Paving heavy duty
- B Paving standard duty
- C Modular retaining wall
- D Concrete C.I.P. detention walls
- E Concrete flume
- F Curb & gutter
- G Striping
- H Sidewalk at perimeter
- I 6' Chain link fence at storm structure**
- J Guard rail with ends
- K Water line bores at gas crossing**
- L 35' Foot wide all weather construction road
- M Approximately 300LF 12" water main relocation at east drive**

2g LANDSCAPE & IRRIGATION

- A Based on an allowance of \$150,000.**

3 CONCRETE FOUNDATIONS SLABS, TILT-UP WALL PANELS & SIDEWALKS

- A The footings supporting these panels are based on a 2' 6" wide by 1' 0" thick with top footing at an elevation of 2'0" below finish floor.

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- B The continuous footings are based on a reinforced with four #5 rebar running continuously with #5 transverse bars at 2' 0" on center.
- C We included twenty nine spread footings estimated to be 5' x 5' x 1' thick reinforced with six #5 rebar placed both ways.
- D All footing concrete is 3000psi.
- E We include 4" of crushed stone porous fill compacted.
- F The elevated slab at the second building is 4000psi lightweight concrete reinforced with 6x6 - 1.4x1.4 gauge welded wire fabric (WWF) over a 1 1/2 " metal deck with a concrete thickness of 5" at the low rib of the metal decking.
- G There are 59 each tilt wall panels varying in height, width, and thickness.
- H All panels have approximately 3 pounds of reinforcing steel per square foot of panel surface and include deadmen in the tenant space.
- I We have allowed for approximately 5,000 linear feet of reveals at the front and end walls for aesthetic purposes.
- J Broom finish sidewalks with extra score joints and a turn down curb at the front.
- K We include 20% brick pavers and 20% stained concrete in the hardscape**
- L We include two (2) water fountains**
- M 30'0" by 60'0" area of concrete paving at the dumpster. 6" thick reinforced with 6x6 - 2.9x2.9 gauge welded wire fabric (WWF) over 6" of crushed stone fill compacted.

4 MASONRY

- A NIC...See Alternates

5 STRUCTURAL & MISC. STEEL

- A Structural steel framing, edge angle, etc.
- B Steel columns
- C Steel embeds in tilt-up panels for structural framing, steel, joist, metal deck supports, etc.
- D 1 1/2" type B 22 gauge galvanized roof deck
- E Steel joist
- F Structural steel framing at 2nd floor
- G Steel joist at 2nd floor
- H 9/16 1 inch form deck at 2nd floor
- I Elevator hoist beam.
- J Elevator pit ladder.
- K Elevator sump pit grate and frame.
- L Steel stair at 2nd floor interior.
- M Steel handrail at interior stair and 2nd floor balcony.
- N Steel picket rails and wall rails at exterior stairs.
- O Standard shop primer on structural framing.

6 CARPENTRY

- A Roof blocking.
- B Wood enclosure & metal gates for dumpster.

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7 ROOFING, WATERPROOFING & CAULKING

- A Mechanically fasten TPO membrane.
- B Use 3" ISO (R 17.5)(see Alternates for R20 ISO).
- C Metal coping at tilt up.
- D We include TPO termination 8" up the front and side tilt up concrete parapets per Versico Detail TPC-9.0A/9.4, copy attached, which is a sawed reglet.
- E We include a manufacturer's 15 year NDL Limited Warranty.
- F We EXCLUDE flashing boots, flashing of RTUs and penetration pockets at the retail.
- G We EXCLUDE walk pads.
- H Using 6" K style gutters and 3" x 4" corrugated downspouts.

8a DOORS, FRAMES & HARDWARE

- A We include 22 each 3'x7' hollow metal door and frames.
- B Hardware with closures are included

8b ALUMINUM STOREFRONT, GLASS & GLAZING

- A Aluminum entrances and storefront as manufactured by Kawneer.
Entrances (25 each pairs 6' x 8') are medium stile doors with offset pivots, surface mounted
- B closers, M/S deadbolt lock with thumb turn, 1" diameter push/pulls, standard threshold and bottom door sweeps.
- C Storefront framing is 2" x 4-1/2" center glazed.
- D Finish is dark bronze anodized.
- E Glass is 1" insulated clear with Guardian SN 68 low E, tempered where required by code.

9a DRYWALL & METAL STUDS

- A Demising walls framing to metal deck by tenant
- B Riser room walls (3 rooms, one for each building)
- C Shaft wall assembly at the elevator
- D Common area walls.

9b VINYL TILE & CARPET

- A By tenant

9c HARD TILE

- A By tenant

9d PAINTING

- A Paint exterior tilt up using H&C concrete stain.
- B Paint hollow metal doors and frames using DTM Latex paint.
- C Exterior stairs (3 each)
- D Miscellaneous metals including bollards, dumpster gates...etc..

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10 **SPECIALTIES**

A By tenant

11 **EQUIPMENT**

A By tenant

12 **FURNISHINGS**

A By tenant

13 **SPECIAL CONSTRUCTION**

A By tenant

14 **ELEVATOR**

- A Standard 2,500 lbs. hydraulic elevator
- B Base finishes
- C Adjacent machine room on first floor
- D Based on 14 foot floor to floor
- E Accessed from exterior on both floors

15a **FIRE PROTECTION**

A By tenant

15b **PLUMBING**

- A By tenant
- B Hose Bibbs (3 each)
- C Water at dumpster per Jefferson County Health Department
- D Sump Pump at elevator per State of Alabama
- F Sewer Impact Fees, Water Tap Fees and Special Main Fees for water or sewer are

15c **HVAC**

A By tenant

16 **ELECTRICAL**

- A By tenant
- B (1) 1200 amp 3 phase, (1) 1000 amp 3 phase, & (1) 600 amp 3 phase 277/480V service.
- C Secondary service cable to be aluminum, run underground from APCO transformer locations to building service.
- D (2) APCO transformers to be set within 120' of service entrance locations on buildings.
- E (1) 100 amp 3 phase House Panel and disconnect, telephone service cabinet, service gutter, and Main service disconnect for each of the three buildings.
- F (1) 30KVA transformer and (1) 120/208V 100 amp 3 phase house panel.
- G Utility company fees are not included (If required)

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- H Furnishing and installation of Telephone system, CCTV System, Access Control/Intercom System,
- I The conduit from service location to individual tenant spaces is by the tenant
- J Panels or disconnects for individual tenant spaces is by the tenant
- K J. Boxes for tenant signage is by the tenant
- L (2) 5" PVC conduits (150' long runs) from APCO pole locations to each of 2 APCO transformer locations.
- M (2) 4" PVC conduits (150' long runs) from telephone demarcation to building entry.
- N Concrete pads for APCO transformers.
- O (32) Column mounted sconce lights (\$150 allowance per each)
- P (15) 150 watt M.H. wall packs at the rear of the buildings
- Q Each door light not required per code (By tenant)
- R Furnish and install (14) 30' tall, 2-headed pole lights. With an average of 2-3 foot candles.
The City of Hoover will not allow poles over 30 feet.
- S Service for sump pump at Elevator

EXAMPLE
Development Budget

The Village at Brocks Gap	Mixed Use Retail		Out Parcel Medical	
	Total GSF	69,560		11,100
	Total RSF	65,360		11,100
SOURCES:				
Bank Construction Loan - 75%	\$ 12,865,522.05	\$ 196.84	\$ 2,618,844.07	\$ 235.93
Borrower Equity Contribution - 25%	\$ 4,288,507.35	\$ 65.61	\$ 872,948.02	\$ 78.64
TOTAL SOURCES - 100%	\$ 17,154,029.40	\$ 262.45	\$ 3,491,792.09	\$ 314.58
Land:				
Land area (Approximate 11.83 acres) @\$7.35	\$ 3,787,563.78	\$ 57.95	1.5 \$ 980,100.00	\$ 88.30
Impact Fees- City of Hoover (100K allowance)	\$ 100,000.00	\$ 1.53		
Transportation Service Area	\$ -	\$ -		
Water	\$ -	\$ -		
Sanitary	\$ -	\$ -		
Total Land	\$ 3,887,563.78	\$ 59.48	\$ 980,100.00	\$ 88.30
Hard Costs:				
Landscaping/hardscape (\$4 gsf)	\$ 278,240.00	\$ 4.26	\$ 44,400.00	\$ 4.00
Building Shell/ cold dark shell	\$ 4,069,260.00	\$ 62.26	\$ 777,000.00	\$ 70.00
Site work	\$ 2,647,080.00	\$ 40.50	\$ 399,600.00	\$ 36.00
TI Allowance retail (\$35RSF)	\$ 2,287,600.00	\$ 35.00		\$ -
ABOVE STND TI (Organic Grocery)	\$ 525,000.00	\$ 8.03		
ABOVE STND TI (The Pointes Dance Studio)	\$ 200,000.00	\$ 3.06		
Ti Allowance medical office (\$60)		\$ -	\$ 666,000.00	\$ 60.00
Hard Costs Contingency (5%)	\$ 331,755.00	\$ 5.08	\$ 61,050.00	\$ 5.50
Total Hard Costs	\$ 10,338,935.00	\$ 158.18	\$ 1,948,050.00	\$ 175.50
Soft Costs:				
Architectural & Engineering (\$7 including civil)	\$ 486,920.00	\$ 7.45	\$ 77,700.00	\$ 7.00
Construction Management/Overhead (2% hard costs)	\$ 202,778.70	\$ 3.10	\$ 38,961.00	\$ 3.51
Geotech & Construction Materials Testing	\$ 66,082.00	\$ 1.01	\$ 20,000.00	\$ 1.80
Leasing Commissions (figured an average 10 years)	\$ 889,350.00	\$ 13.61	\$ 219,862.50	\$ 19.81
Marketing / Signage	\$ 5,000.00	\$ 0.08	\$ 2,000.00	\$ 0.18
Soft Costs Contingency 5% (excludes commissions)	\$ 38,039.04	\$ 0.58	\$ 16,926.18	\$ 1.52
Total Soft Costs	\$ 1,688,169.74	\$ 25.83	\$ 375,449.68	\$ 33.82
Title Policy & Survey Costs	\$ 45,000.00	\$ 0.69	\$ 10,000.00	\$ 0.90
Lenders inspection Fee	\$ 8,000.00	\$ 0.12	\$ 2,000.00	\$ 0.18
Closing Costs/ Legal	\$ 100,000.00	\$ 1.53	\$ 25,000.00	\$ 2.25
Interim Interest	\$ 436,360.88	\$ 6.68	\$ 54,588.88	\$ 4.92
Total Financing Costs	\$ 589,360.88	\$ 9.02	\$ 91,588.88	\$ 8.25
Development Fees (4% total Costs)	\$ 650,000.00	\$ 9.94	\$ 96,603.54	\$ 8.70
TOTAL PROJECT COSTS	\$ 17,154,029.40	\$ 262.45	\$ 3,491,792.09	\$ 314.58
Development Yield 9.5 (with Commissions calculated in overall costs)		\$ 24.65 NNN		\$ 29.88 NNN
Development Yield 9%				\$ 28.31 NNN

Note: The land costs included in the medical column is appraised value land is already paid for in retail center

Example

Crosswinds at Phoenix City

ID	Task Mode	Task Name	Duration	Start	Finish	Phenix City Master Schedule 6-20-19.mpp											
						4th Quarter			3rd Quarter			2nd Quarter			1st Quarter		
						S	J	M	S	J	M	S	J	M	S	J	M
1	➔	Crosswinds @ Phenix City	482 days?	Mon 11/6/17	Tue 9/10/19	50%											
2	➔	General Requirements	479 days?	Mon 11/6/17	Thu 9/5/19	92%											
3	➔	Mobilization	5 days	Mon 1/8/18	Fri 1/12/18	■ Mobilization											
4	➔	Grading Permit	122 days	Mon 11/6/17	Tue 4/24/18	▬ Grading Permit											
5	➔	Remobilization	0 days	Fri 6/22/18	Fri 6/22/18	◆ 6/22											
6	➔	ALDOT Permit	46 days	Fri 11/16/18	Fri 1/18/19	▬ ALDOT Permit											
7	➔	Waterline Permit	10 days	Mon 2/11/19	Fri 2/22/19	▬ Waterline Permit											
8	➔	Bldg Permit	5 days	Fri 5/31/19	Thu 6/6/19	■ Bldg Permit											
9	➔	Renfroe's Substantial Completion	0 days	Wed 8/21/19	Wed 8/21/19	◆ 8/21											
10	➔	Renfroe's Punchlist & Cleaning	10 days	Thu 8/22/19	Wed 9/4/19	▬ Renfroe's Punchlist & Cleaning											
11	➔	Renfroe's Turnover	0 days	Thu 9/5/19	Thu 9/5/19	◆ 9/5											
12	➔	ALDOT Light Relocation CO Approval	0 days	Thu 4/11/19	Thu 4/11/19	◆ 4/11											
13	➔	ALDOT Decel/Accel Lane CO Approval	0 days	Tue 6/25/19	Tue 6/25/19	◆ 6/25											
14	➔	Waterline Casing Final Decision	0 days	Wed 4/3/19	Wed 4/3/19	◆ 4/3											
15	➔																
16	➔	Site Construction	399 days	Mon 2/5/18	Thu 8/15/19	71%											
17	➔	Clear & Grub, SWPPP	25 days	Mon 2/5/18	Fri 3/9/18	▬ Clear & Grub, SWPPP											
18	➔	Mass Cut/Fill	95 days	Mon 6/25/18	Fri 11/2/18	▬ Mass Cut/Fill											
19	➔	Mass Cut/Fill Finish	75 days	Mon 2/18/19	Fri 5/31/19	▬ Mass Cut/Fill Finish											
20	➔	Retaining Walls	80 days	Mon 7/2/18	Fri 10/19/18	▬ Retaining Walls											
21	➔	Public Drive Loop(C&G, Pave, Utilities) (Scope before Building)	65 days	Mon 2/11/19	Fri 5/10/19	▬ Public Drive Loop(C&G, Pave, Utilities) (Scope before Building)											
22	➔	Public Drive Loop(C&G, Pave, Utilities) (Scope after Building Permit)	12 days	Tue 6/25/19	Wed 7/10/19	▬ Public Drive Loop(C&G, Pave, Utilities) (Scope after Building Permit)											
23	➔	ALDOT Roadwork (South Entrance)	14 days	Wed 4/3/19	Mon 4/22/19	▬ ALDOT Roadwork (South Entrance)											

ID	Task Mode	Task Name	Duration	Start	Finish	Gantt Chart Area											
						4th Quarter			3rd Quarter			2nd Quarter			1st Quarter		
						S	J	M	S	J	M	S	J				
47	▶	Thermal and Moisture Protection	16 days	Wed 7/31/19	Wed 8/21/19												
48	▶	TPO Roof	10 days	Wed 7/31/19	Tue 8/13/19												
49	▶	Roof Metal	10 days	Thu 8/8/19	Wed 8/21/19												
50	▶	Slab Joint Filler/Burnish	10 days	Fri 8/2/19	Thu 8/15/19												
51	▶																
52	▶	Doors and Windows	10 days	Thu 8/8/19	Wed 8/21/19												
53	▶	Doors and Windows	10 days	Thu 8/8/19	Wed 8/21/19												
54	▶																
55	▶	Finishes	18 days	Mon 7/29/19	Wed 8/21/19												
56	▶	Paint Bldg Exterior	8 days	Tue 7/30/19	Thu 8/8/19												
57	▶	Exterior Framing/Sheathing	15 days	Mon 7/29/19	Fri 8/16/19												
58	▶	Framing/Gyp Interior	10 days	Thu 8/8/19	Wed 8/21/19												
59	▶	Deco Stone	10 days	Tue 7/30/19	Mon 8/12/19												
60	▶																
61	▶	Fire Protection	15 days	Thu 8/1/19	Wed 8/21/19												
62	▶	Fire Protection OH	15 days	Thu 8/1/19	Wed 8/21/19												
63	▶																
64	▶	Plumbing	49 days	Mon 6/10/19	Thu 8/15/19												
65	▶	Plbg Main Underground	12 days	Mon 6/10/19	Tue 6/25/19												
66	▶	Plbg OH Rough	5 days	Wed 8/7/19	Tue 8/13/19												
67	▶	Gas Piping	10 days	Fri 8/2/19	Thu 8/15/19												
68	▶																
69	▶	HVAC & Refrigeration	14 days	Wed 7/31/19	Mon 8/19/19												

ID	Task Mode	Task Name	Duration	Start	Finish	Gantt Chart											
						4th Quarter			3rd Quarter			2nd Quarter			1st Quarter		
						S	J	M	S	J	M	S	J				
70	▶	RTUs & HVAC Specialties	10 days	Wed 7/31/19	Tue 8/13/19												
71	▶	RTU startup	2 days	Fri 8/16/19	Mon 8/19/19												
72	▶																
73	▶	Electrical	73 days	Mon 5/13/19	Wed 8/21/19												
74	▶	Site Electric & Lighting	15 days	Mon 5/13/19	Fri 5/31/19												
75	▶	Electrical Bldg Underground	10 days	Mon 6/17/19	Fri 6/28/19												
76	▶	Switchgear	5 days	Wed 8/14/19	Tue 8/20/19												
77	▶	Bldg Conduit	15 days	Thu 8/1/19	Wed 8/21/19												
78	▶	OH Lighting, Wall Packs	12 days	Tue 8/6/19	Wed 8/21/19												
79	▶	Framed Wall	5 days	Thu 8/15/19	Wed 8/21/19												
80	▶	Pull Wire & Terminate	15 days	Thu 8/1/19	Wed 8/21/19												
81	▶																
82	▶	13500 SF Structure (Building 1)	82 days	Mon 5/20/19	Tue 9/10/19												
83	▶	Subgrade	15 days	Mon 5/20/19	Fri 6/7/19												
84	▶	Foundations	10 days	Mon 6/10/19	Fri 6/21/19												
85	▶	Slabs	5 days	Mon 6/24/19	Fri 6/28/19												
86	▶	Tilt Up	15 days	Mon 7/1/19	Fri 7/19/19												
87	▶	Steel	10 days	Mon 7/22/19	Fri 8/2/19												
88	▶	Ext Framing/Sheathing	10 days	Mon 8/5/19	Fri 8/16/19												
89	▶	Roofing	10 days	Mon 8/19/19	Fri 8/30/19												
90	▶	MEP	17 days	Mon 8/19/19	Tue 9/10/19												
91	▶	Doors and Windows	6 days	Mon 9/2/19	Mon 9/9/19												
92	▶	Site Flatwork	15 days	Mon 7/22/19	Fri 8/9/19												

Example

The Village at Brocks Gap Phase II



THE VILLAGE AT BROCK'S GAP - PHASE II
a new development for Hoover, Alabama by eds America Development LLC



DEVELOPMENT LEASING PLAN

THE VILLAGE AT BROCK'S GAP - PHASE II



BIRDSEYE SITE PLAN AERIAL VIEW



SOUTH BIRDSEYE AERIAL VIEW



SOUTHEAST BIRDSEYE AERIAL VIEW



NORTHEAST BIRDSEYE AERIAL VIEW



NORTH BIRDSEYE AERIAL VIEW



NORTHWEST BIRDSEYE AERIAL VIEW



BUILDINGS 1 AND 3 - NORTH ENTRY VIEW FROM BROCK'S GAP PARKWAY



BUILDING 1 - STREET VIEW 1



BUILDING 1 - STREET VIEW 2



BUILDING 1 - STREET VIEW 3



BUILDING 2 - STREET VIEW



BUILDING 3 - STREET VIEW



BUILDINGS 3 AND 4 WITH DEVELOPMENT SIGN - NORTH ELEVATED VIEW



BUILDINGS 3, 4 AND 5 - OPEN SPACE VIEW 1



BUILDING 4 - OPEN SPACE VIEW 2



BUILDINGS 4 AND 5 - OPEN SPACE VIEW 3



BUILDING 3 AND 4 - OPEN SPACE VIEW 4



BUILDING 3 AND 4 - WEST PATIO VIEW



BUILDING 4 - CENTRAL ELEVATED VIEW



BUILDING 4 - CENTRAL PATIO VIEW



BUILDINGS 4 AND 5 - EAST PATIO VIEW



BUILDING 4 - UPPER LEVEL TENANT VIEW 1



BUILDING 4 - UPPER LEVEL TENANT VIEW 2



BUILDING 4 - UPPER LEVEL TENANT VIEW 3



BUILDING 4 - SOUTH STREET VIEW 1



BUILDING 4 - SOUTH STREET VIEW 2



BUILDING 4 - SOUTHWEST STREET VIEW



BUILDINGS 6 AND 7 - STREET VIEW



BUILDINGS 6 AND 7 - WEST ELEVATED VIEW



BUILDINGS 6 AND 7 - EAST ELEVATED VIEW



BUILDINGS 6 AND 7 - STREET VIEW AT STADIUM TRACE PARKWAY AND BROCK'S GAP PARKWAY

Example

*Market
Analysis for a
Proposed
Hotel*



MARKET ANALYSIS FOR A PROPOSED HOTEL

Vestavia Hills, Alabama

Alabama SBDC Network
March 2023

Growing Alabama's Economy, One Small Business at a Time.

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1. Executive Summary

Vestavia Hills exemplifies its slogan, “A Life Above,”¹ as an economically powerful and culturally intriguing community that enjoys a strong sense of community pride, top-performing schools, and a thriving economy. The city is an affluent suburb of Birmingham with a dense suburban feel and higher than state average household income. Most activities and attractions are suited to a suburban lifestyle with multiple country clubs, entertainment districts, and modern sporting facilities. With its proximity to Birmingham, a strong job market and endless activities are just a few miles away.

Vestavia Hills is located in Jefferson County, near the border of Shelby County, in the central portion of the state. Jefferson County is the largest county in Alabama by population, while Shelby County is the seventh largest (and one of the fastest growing). Located near the southernmost extension of the Appalachian Mountains, the area offers a temperate climate and beautiful landscapes. The area is also home to diverse industry including manufacturing, healthcare, warehousing, and business services. The city of Vestavia Hills is located along Interstate 65, US Highway 31, and Interstate 459, making city life and industry easily accessible.



Jefferson County
Source: Encyclopedia of Alabama

Vestavia Hills is a family-oriented community featuring a strong economy where retail stores, restaurants, and small businesses thrive. The area plays host to many large events that draw people from around the state and across state lines to the community. Vestavia Hills offers easy access to activities and attractions to suite any group of travelers, including the Vestavia Hills Country Club, Oak Mountain State Park, the Hoover Met Complex, Cahaba Heights Entertainment District, Liberty Park Sports Complex, and the Dogwood Festival. With a mix of outdoor adventures, sporting facilities, entertainment venues, and major employers, Vestavia Hills offers something for everyone.

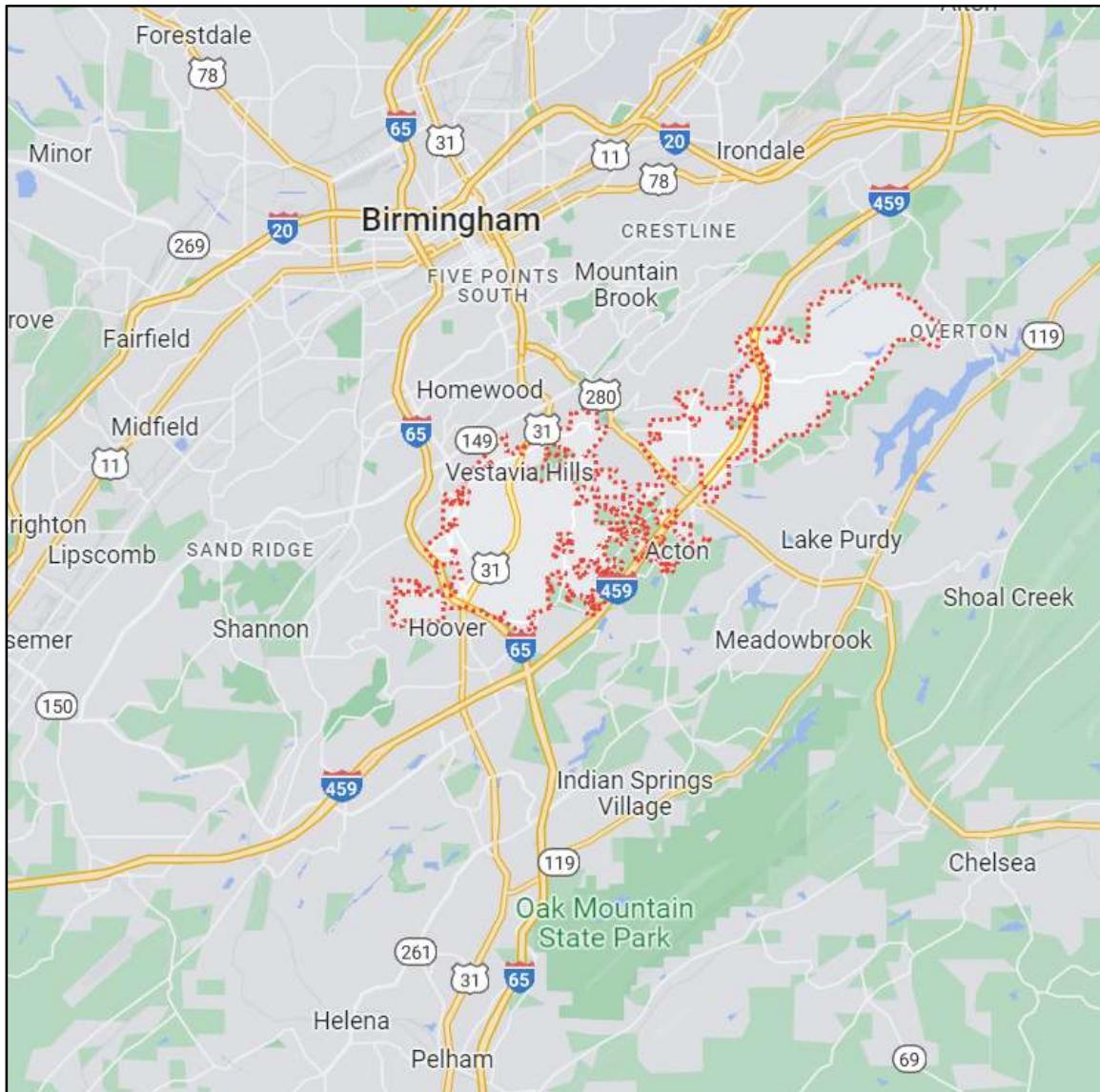
The subject of this market study is a proposed hotel in Vestavia Hills located near the intersection of US Highway 31 and Interstate 65. The hotel would be located near several fast food options, and is part of a larger redevelopment plan for the City of Vestavia Hills. With easy access to three major highways, the site is within 10 miles of numerous attractions in every direction, including downtown Birmingham to the north, Oak Mountain State Park and Pelham Civic Complex to the south, the Hoover Met Complex to the west, and major medical complexes to the east. The nearest competing property is 2.5 miles from the proposed subject site.

The purpose of this study is to analyze external and internal dynamics of Vestavia Hills’ population and area demographics by examining the current state of the hotel and lodging industry, the current local market and competition, and the background of the area. The research provides an in-depth analysis of the following:

- Market
- Industry
- Competition
- Projections

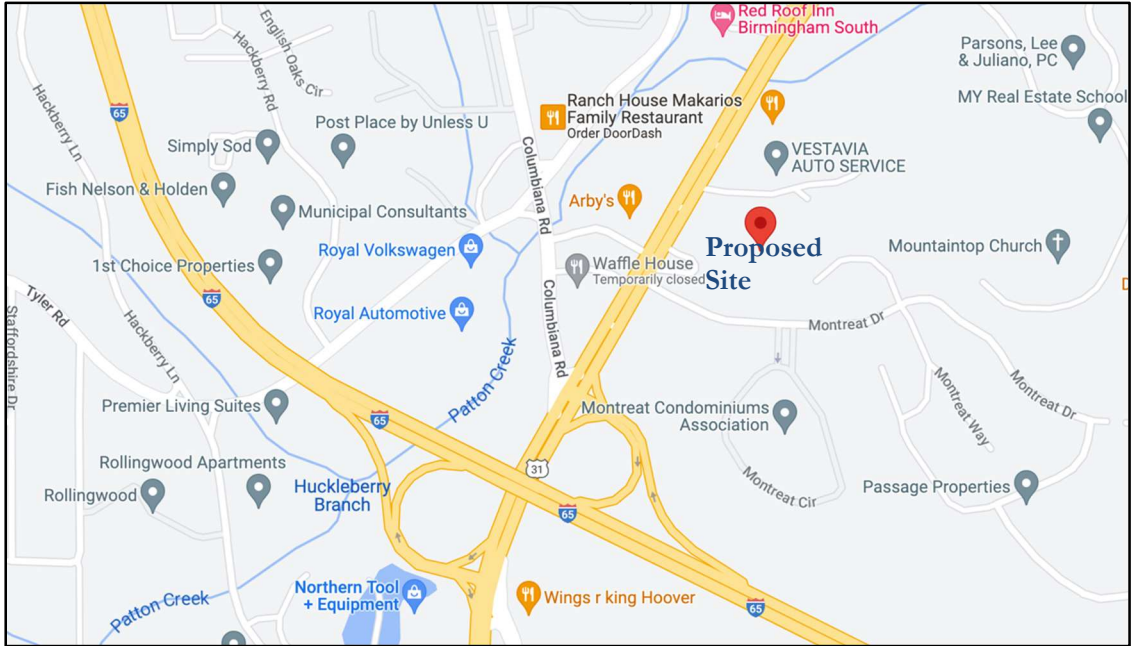
2. Market Area Analysis

The suitability of the land for the operation of a hotel facility is an important consideration affecting the economic viability of a property and its feasibility. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the attractiveness of a site. The proposed property will be located in Vestavia Hills, Alabama, near the intersection of U.S. Highway 31 and Interstate 65.



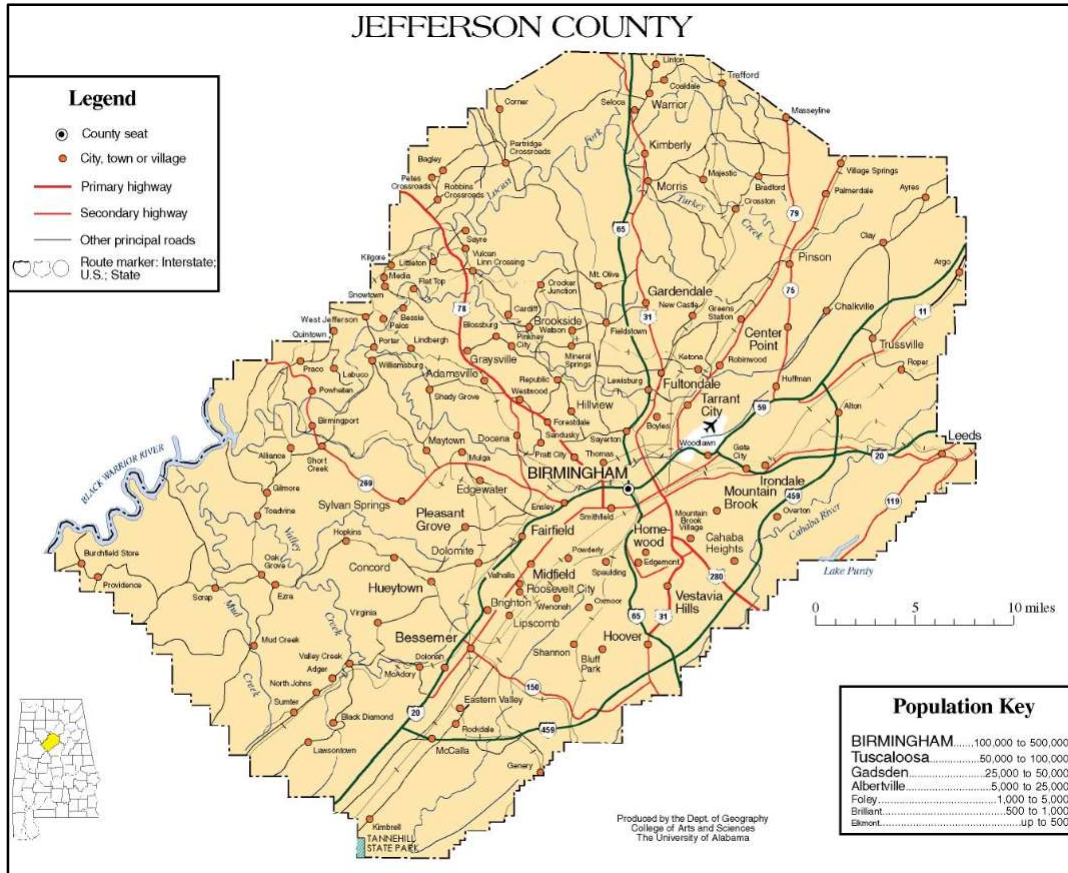
The proposed hotel will be situated on approximately 3.5 acres near where Interstate 65 crosses U.S. Highway 31 north of Hoover. The property, which is currently owned by the City of Vestavia Hills, is part of a larger redevelopment plan for the City. Plans include nearby retail development, new gateway landscaping, a rebuild of the Waffle House site across from the proposed hotel site, and a transportation and landscape enhancement project at nearby Columbiana Road and Highway 31. The proposed site is indicated on the maps below.

¹ <https://vhal.org>



2.1 Accessibility

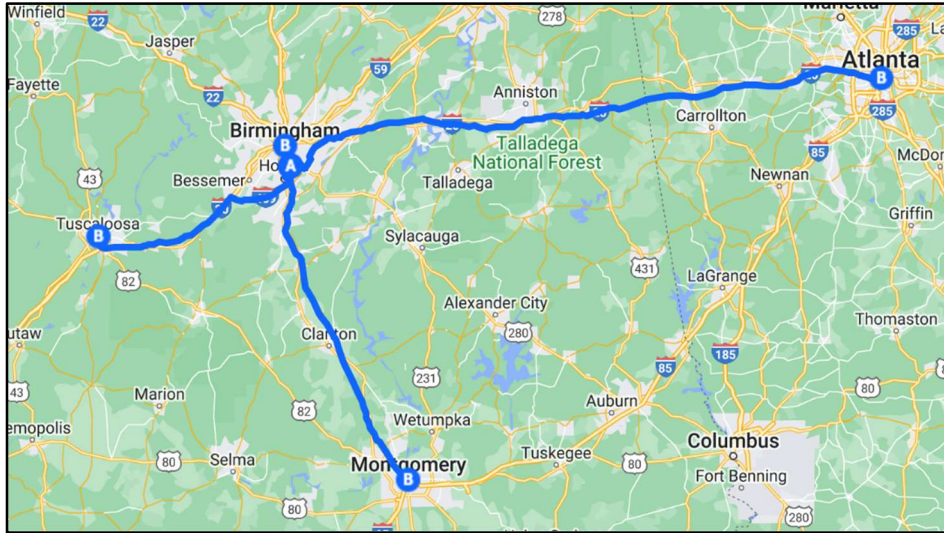
It is important to analyze the market in regard to ease of access to regional and local transportation routes and demand generators. Vestavia Hills, located in Jefferson County, is a suburb of Birmingham, Alabama and is linked to major cities via US Hwy 31, I-65, I-459, and US Hwy 280.



Source: Alabama Maps, UA Department of Geography²

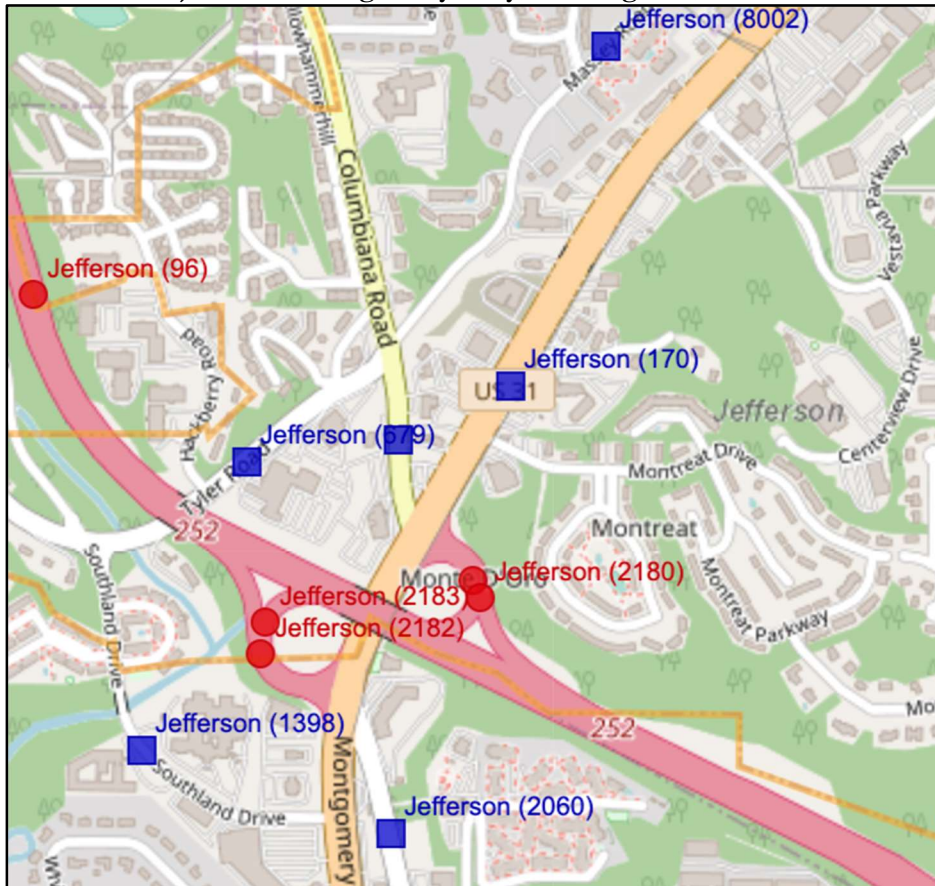
Vestavia Hills is situated in central Alabama, south of metropolitan Birmingham. Interstate 65, the nation's 16th longest highway, runs through west Vestavia Hills. I-65 runs all the way from Chicago to the Gulf of Mexico and is used by thousands of travelers every year to reach Alabama's Gulf Coast. The city is 7 miles south of Birmingham via Highway 31; 84 miles northwest of Montgomery via I-65; 58 miles northeast of Tuscaloosa via I-20 and I-459; and 149 miles west of Atlanta, Georgia via I-20.

² <http://alabamamaps.ua.edu/contemporarymaps/alabama/counties/index.html>



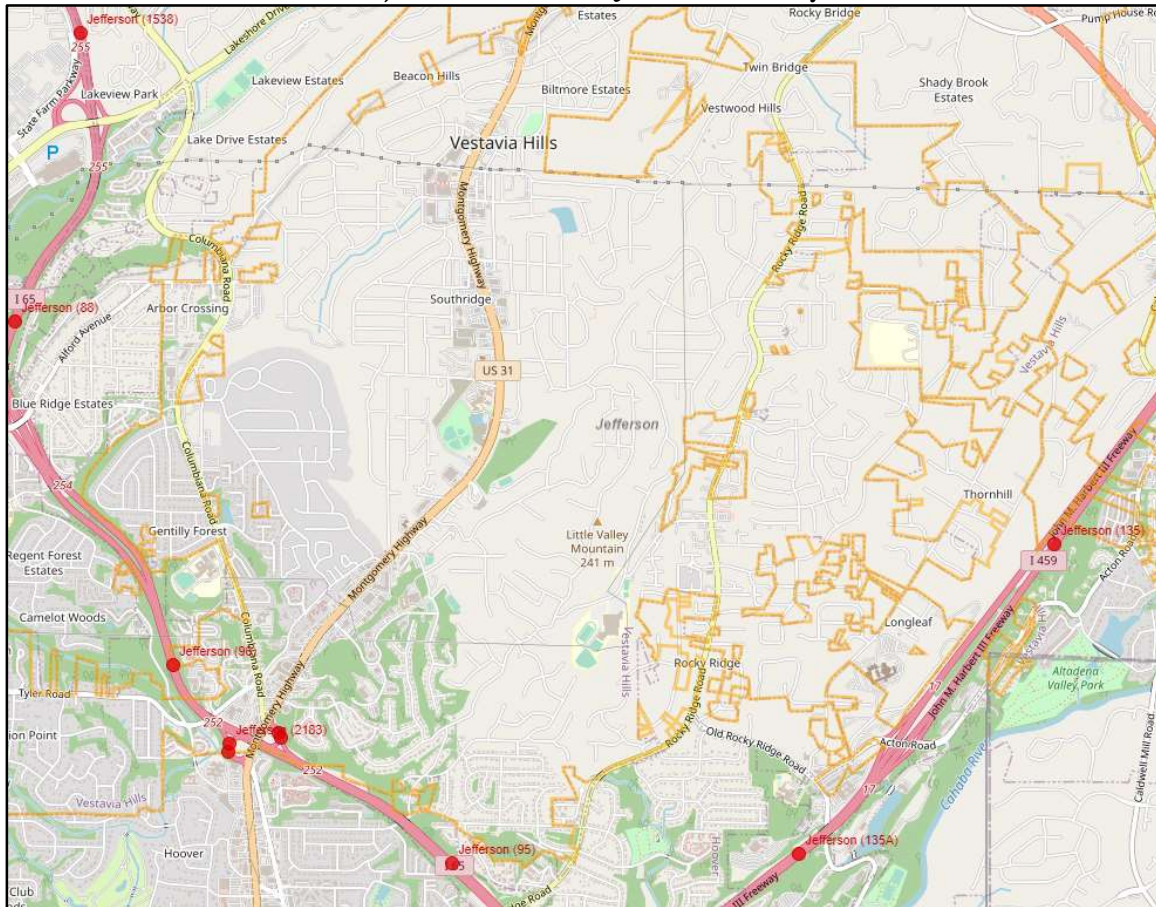
The City of Vestavia Hills is located along US Highway 31 and Interstate 459, and Interstate 65 runs through the west side of the city. I-65 runs north-south through the entirety of Alabama from Athens to Mobile. As it goes through Vestavia, I-65 has average daily traffic volumes of 116,000 to 118,000. The average daily traffic is over 35,000 along Highway 31 as it passes the subject site. The maps below from the Alabama Department of Transportation denote the traffic counts near the proposed subject site, and for the surrounding area.

Subject Site: Montgomery Hwy, Birmingham, AL 35216



Subject Site Traffic Montgomery Hwy (US 31) & Interstate 65		
Counter ID	Description	2021 AADT ³
170	US 31 – Subject Site	35,463
2060	Lorna Road South of Subject Site	17,562
96	I-65 North of Subject Site	116,980
2180	I-65 Exit 252 South of Subject Site	11,902
2182	I-65 Exit 252 south-bound South of Subject Site	11,735

Subject Site: Vestavia, Jefferson County



Subject Site Traffic City of Vestavia Hills & Jefferson County		
Counter ID	Description	2021 AADT ⁴
88	I-65 Jefferson County near Exit 254	119,001
1538	I-65 Jefferson County, near Exit 255	123,078
95	I-65 Jefferson County near Exit 250	118,989
135	I-495, Jefferson County near Exit 17	103,477

³ Alabama Department of Transportation

⁴ Alabama Department of Transportation

Vestavia’s location in Jefferson County is nearly the geographical center of Alabama. As such, the major highways (I-65, Highway 31, and Highway 280) receive a large amount of traffic, as do the multiple connector roads in the area. In addition to the local highways and roads, Vestavia has access to the following modes of transportation:

Commercial Air Facilities offering flights from major airlines include **Birmingham International Airport** (10 miles north of Vestavia). Locally, **Shelby County Airport** (22 miles from Vestavia) serves private charters and corporate jets for business and leisure travelers.

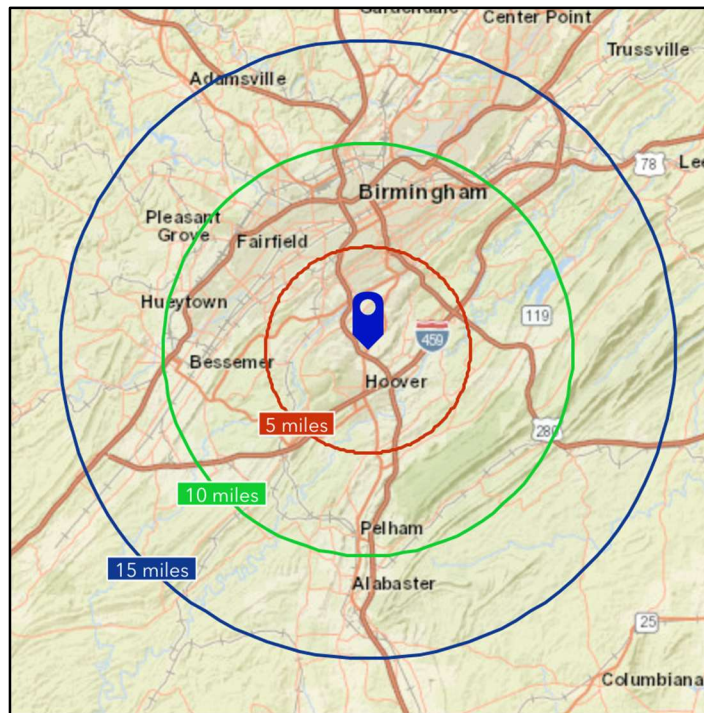
2.2 Market Area Analysis

The economic viability of the market area is another important consideration in forecasting hotel demand. Vestavia Hills, Alabama is located in south central Jefferson County, which is ranked first out of 67 counties in Alabama by population.⁵ Vestavia is near the border of neighboring Shelby County, which has the seventh highest population in Alabama. Vestavia, who’s slogan boasts “Unity, Prosperity, Family” is a suburb of the Birmingham metropolitan area. The city has a total area of 20.27 square miles.

Several macroeconomic trends are relevant to the market area’s economic health. Population statistics, median household incomes, and unemployment rates are key factors affecting the local economy. Directly and indirectly, these trends can also affect the local lodging industry.

Population Trends

Esri reports a 2022 population of 154,861 within a five-mile radius of the subject site, and 66,004 households within the same radius. Within a ten-mile radius, the population totals 457,909 with 192,090 households, while total population measures 660,020 and 269,774 households within a fifteen-mile radius. From 2010 to 2022, the population within a five-mile radius increased by 7.9%. Over the five years from 2022 to 2027, the population is expected to decrease slightly at an annual rate of -0.14%.



⁵ <http://worldpopulationreview.com/us-counties/al/>

Household Incomes

Average household income within a five-mile radius of the subject site is currently reported at \$124,806, while the median is \$83,055. The median household income is approximately 159% of Alabama’s median household income of \$52,035.⁶

Selected neighborhood demographics in 5, 10, and 15-mile radii from the subject site are shown in the following table.

Demographic Analysis for Primary Trade Area			
Description	5 miles Total	10 miles Total	15 miles Total
Population			
2022 Population	154,861	457,909	660,020
2027 Projection	153,807	457,781	660,205
2022 Median Age	37.5	38.5	39.0
Households			
2022 Households	66,004	192,090	269,774
2027 Projection	65,636	192,481	270,357
2022 Average Household Size	2.29	2.31	2.39
2022 Households by Household Income			
Income Less than \$15,000	6.6%	12.6%	11.9%
Income \$15,000 - \$24,999	5.2%	7.6%	7.6%
Income \$25,000 - \$34,999	7.3%	8.3%	8.5%
Income \$35,000 - \$49,999	10.8%	10.9%	11.4%
Income \$50,000 - \$74,999	16.1%	15.4%	16.4%
Income \$75,000 - \$99,999	10.5%	9.5%	10.2%
Income \$100,000 - \$149,999	18.4%	15.9%	16.6%
Income \$150,000 - \$199,999	11.2%	8.6%	8.0%
Income \$200,000 and above	14.0%	11.2%	9.4%
2022 Average Household Income	\$124,806	\$106,752	\$100,959
2022 Median Household Income	\$83,055	\$65,158	\$64,035
2022 Tenure of Occupied Housing Units			
Owner Occupied	53.3%	53.1%	57.7%
Renter Occupied	38.5%	36.4%	32.4%
Vacant	8.2%	10.6%	9.8%
2022 Median Home Value	\$342,919	\$292,880	\$244,401

Source: Esri

Businesses and Employers

Total employment in Jefferson County was 317,069 in December 2022, up from 309,584 in December of 2021.⁷ The following figure shows estimated employment in each major economic sector. Health

⁶ 2017-2022 American Community Survey 5-Year Estimates

⁷ Civilian Labor Force Data, Alabama Department of Labor.

<https://www2.labor.alabama.gov/laus/entyclf.pdf>.

care and social assistance, retail, manufacturing, and educational services represent large components of the labor force in the county.

Employing Industry Distribution in Jefferson County, AL (2022)	
Industry	Employment
Health Care & Social Assistance	17.3%
Retail Trade	9.9%
Manufacturing	8.7%
Educational Services	8.7%
Finance & Insurance	7.3%
Accommodation & Food Services	7.3%
Professional/Scientific/Tech	6.6%
Construction	5.7%
Other Services (Excluding Public)	5.4%
Transportation/Warehousing	4.6%
Public Administration	4.2%
Admin/Support/Waste Management	3.8%
Wholesale Trade	3.1%
Utilities	1.8%
Information	1.8%
Real Estate/Rental/Leasing	1.8%
Arts/Entertainment/Recreation	1.4%
Mining/Quarrying/Oil & Gas	0.3%
Agriculture/Forestry/Fishing	0.1%
Management of Companies	0.1%

Source: Esri Civilian Labor Force Profile, 2022

Top Employers in the Birmingham Metropolitan Area

Employer	Industry	# of Employees
UAB	Education & Healthcare	23,000
Regions Financial Corporation	Banking	9,000
St. Vincent's Health System	Healthcare	5,100
Children's of Alabama	Healthcare	5,000
AT&T	Information	4,517
Brookwood Baptist Health	Healthcare	4,459
Jefferson County Board of Education	Government & Education	4,400
City of Birmingham	Government	4,200
Blue Cross – Blue Shield of Alabama	Insurance	3,100
Alabama Power Company	Utilities Services	3,092
Birmingham Board of Education	Government & Education	2,721
Jefferson County Commission	Government	2,500
Shelby County Board of Education	Government & Education	2,491
Birmingham Veterans Affairs Medical Center	Healthcare	2,440
BBVA Compass ⁸	Banking	2,285

⁸ Acquired by PNC Financial Services in 2021.

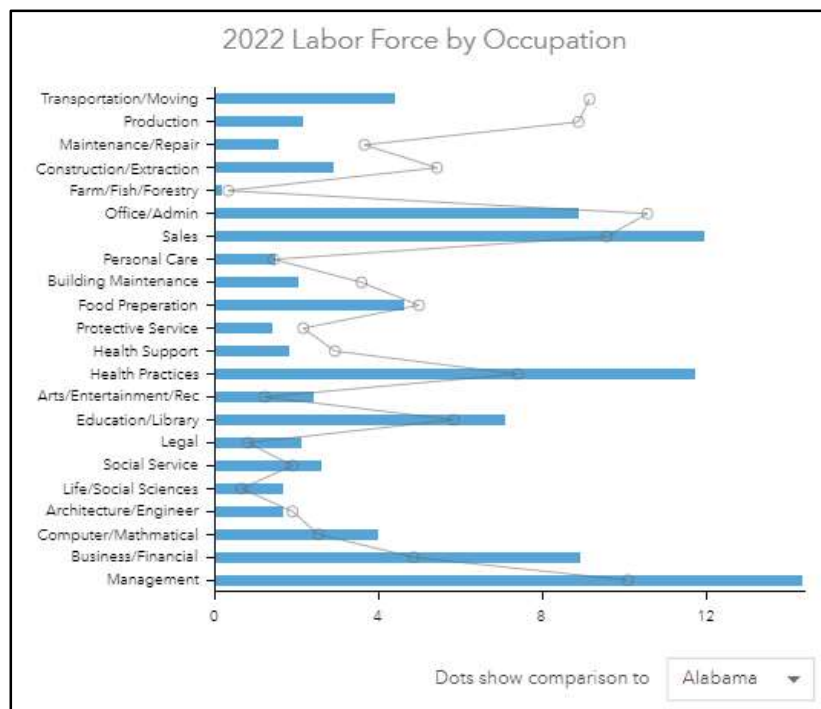
Grandview Medical Center	Healthcare	2,172
U.S. Postal Service	Government	2,000
Wells Fargo	Banking	1,978
Southern Company Services	Utilities	1,881
Social Security Administration	Government	1,800
Hoover Board of Education	Government & Education	1,773
Dollar General Distribution Center	Wholesale distribution	1,700
EBSCO Industries, Inc.	Professional Services & Manufacturing	1,600
Protective Life Corporation	Insurance	1,550
American Family Care, Inc.	Healthcare	1,464

Source: Birmingham Business Alliance (BBA) 2020.

Labor Force & Population Flows

In a 5-mile radius surrounding the subject site, there are an estimated 9,452 businesses and 118,799 employees.⁹ The unemployment rate is estimated at 2.4%, compared to 2.2% in Jefferson County and 2.3% in Alabama.¹⁰

In the 5-mile radius surrounding the subject site, 77.4% of working adults are employed in white collar jobs, while 11.2% are employed in blue collar jobs and 11.5% are employed in service industry jobs. The chart below represents the labor force by occupation in the area, as compared to the labor force by occupation in Alabama.

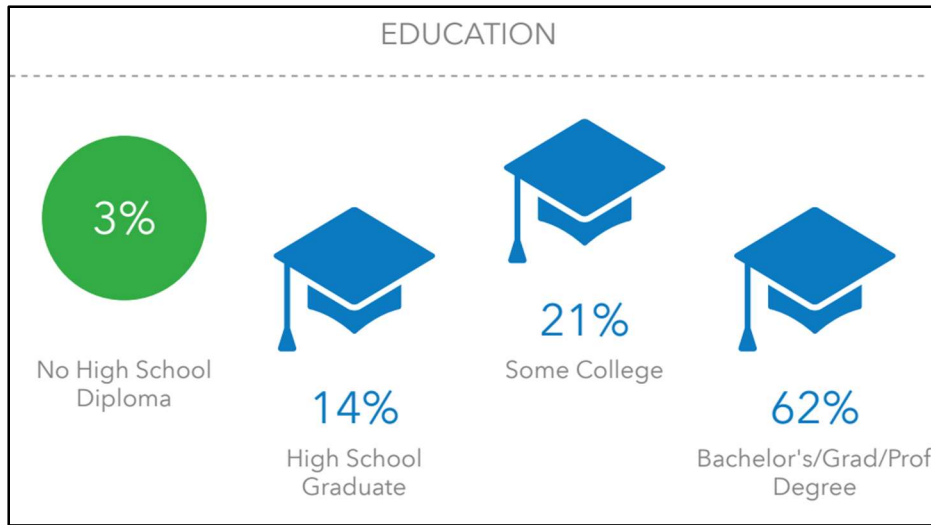


Source: Esri; Dots show comparison to Alabama

⁹ Esri Business Analyst 2022

¹⁰ Not seasonally adjusted; estimates prepared by the Alabama Department of Labor in cooperation with the Bureau of Labor Statistics. <http://www2.labor.alabama.gov/LAUS/cntyclf.pdf>

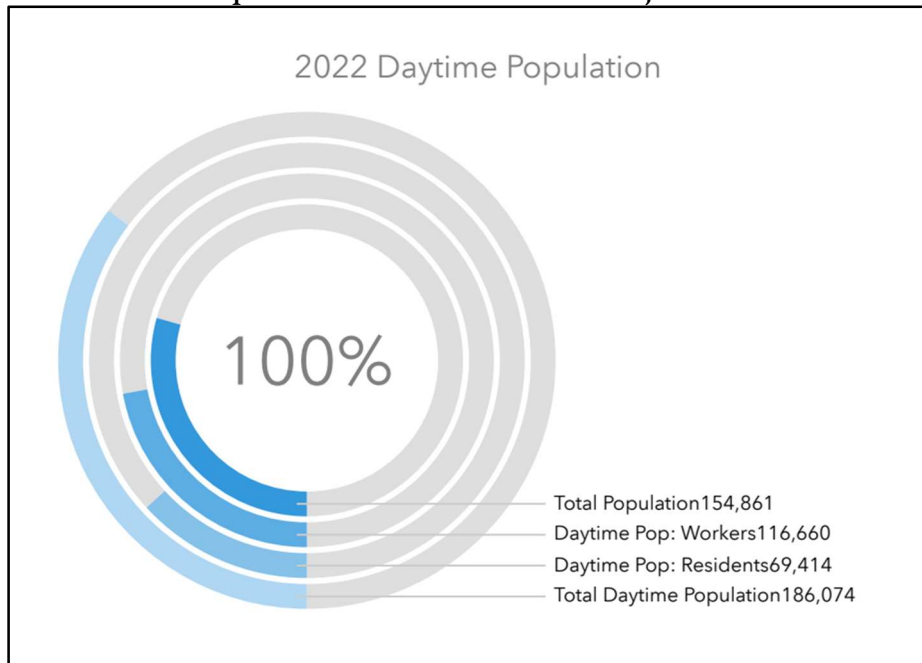
In this 5-mile radius, 62% of residents hold a bachelor's, graduate, or professional degree (compare this to 27% for the state of Alabama).



Source: Esri

The 5-mile radius surrounding the subject site is home to 154,861 people. The daytime population, after people have traveled to or from the area for work, is 186,074.

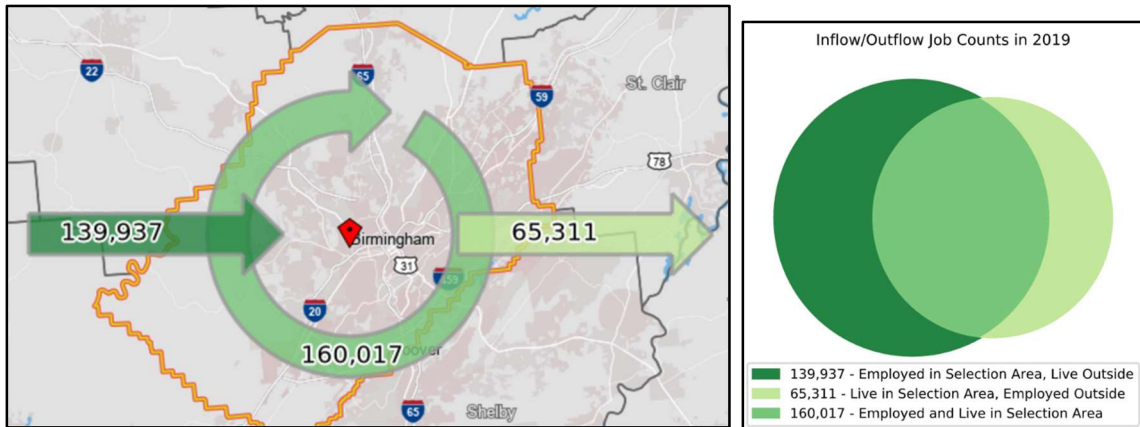
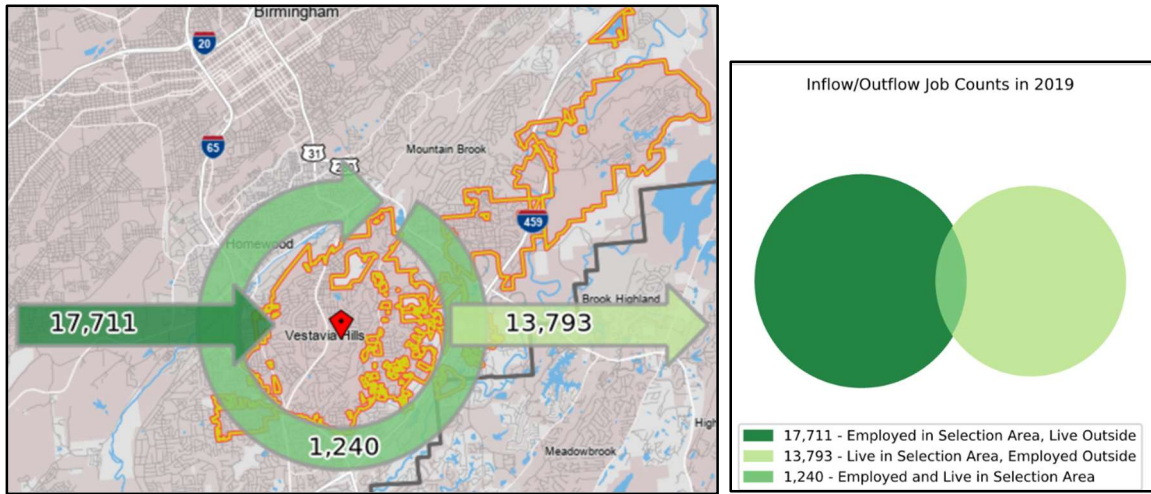
Population in a 5-mile radius of Subject Site



Source: Esri

The following figures represent the inflow and outflow of the population to and from the city of Vestavia Hills, as well as to and from Jefferson County (based on 2019 data, the latest available). In 2019, 17,711 people were employed in Vestavia Hills, but lived outside of the city; 13,793 people lived in the city of Vestavia but were employed outside of the city. In Jefferson County, 139,937 people were employed in the county, but lived outside of it; 65,311 people lived in the county but were employed outside of it. The top five counties receiving workers from Jefferson County include: (1) Shelby; (2)

Tuscaloosa; (3) Madison; (4) Montgomery; and (5) St. Clair. The top five counties sending workers to Jefferson County include (1) Shelby; (2) St. Clair; (3) Blount; (4) Tuscaloosa; and (5) Walker.¹¹



Source: U.S. Census Bureau, Center for Economic Studies, On the Map. 2019 Statistics.

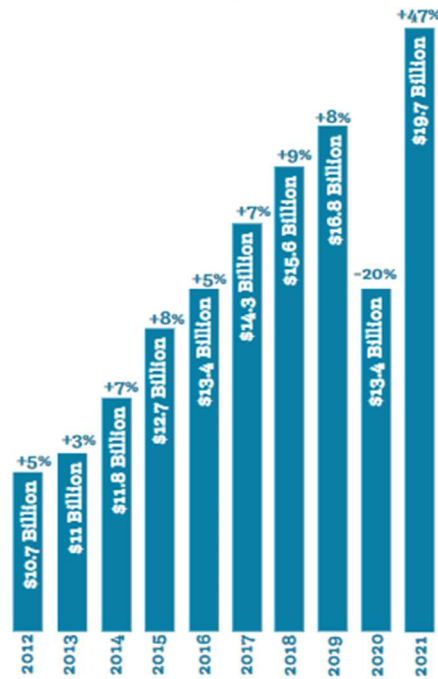
2.3 Travel and Tourism

Over the 10-year period from 2012 to 2021, tourism expenditures in the state of Alabama have increased by 85%. This upward trend, demonstrated in the following chart, is encouraging for the hotel industry, as it means more tourists are traveling to and spending money in the state. In 2021, the state saw a record \$19.7 billion in tourism expenditures. This represented a 47% increase as compared to 2020 spending, an encouraging improvement as the travel industry recovered from the Covid-19 pandemic in 2020. According to The Alabama Department of Tourism, **Jefferson County** had travel-related expenditures of \$2.3 billion in 2021, which represents 58.4% growth over 2020.¹² Neighboring **Shelby County** had travel-related expenditures of \$410.7 million in 2021. This figure represented a 48.8% growth over 2020.

¹¹ Alabama Department of Labor, Labor Market Information Division. Jefferson County Profile, 2020. <https://www2.labor.alabama.gov/workforcedev/CountyProfiles/Jefferson%20County.pdf>.

¹² The Alabama Tourism Department *Economic Impact Report 2021*.

Alabama Tourism Expenditures 2012-2021



Source: The Alabama Department of Tourism

The Alabama Tourism Department’s 2021 Economic Impact Report reported the following statistics:

- Based on the primary and secondary data, it is estimated that over 28.2 million people visited the State of Alabama during 2021. Those visitors spent a record amount of almost \$20 billion.
- An estimated 227,334 jobs - 11% of non-agricultural employment in Alabama - were directly or indirectly attributable to the travel and tourism industry. Every \$128,231 of travel-related expenditures creates one direct job in Alabama.
- Lodging facilities accounted for 13% of the \$19.7 billion in total state travel expenditures in 2021.
- Baldwin and Jefferson Counties are, by far, the largest travel-concentrated counties in the state, accounting for 42% of all travel-related employment.
- Total travel-related expenditures for **Jefferson County** were: 2019, \$2.4 billion; 2020, \$1.5 billion; and 2021, \$2.3 billion. Total travel-related expenditures for **Shelby County** were: 2019, \$406 million; 2020, \$276 million; and 2021, \$410.7 million. Travel-related expenditures represent visitor spending in the county on lodging, eating and drinking, general retail, entertainment, public transportation, and auto transportation.
- Total travel-related earnings for **Jefferson County** were: 2019, \$870.6 million; 2020, \$535.5 million; 2021, \$830.6 million. Total travel-related earnings for **Shelby County** were: 2019, \$167 million; 2020, \$117 million; 2021, \$175 million. Travel-related earnings are earnings attributable to travel-generated expenditures. Travel expenditures in Alabama lead to employment, which in turn leads to additional earnings.
- Total travel-related employment in **Jefferson County** was: 2019, 32,628 employed; 2020, 20,278 employed; and 2021, 31,174 employed. From 2020 to 2021, total travel-related employment grew by 53.7%. Total travel-related employment in **Shelby County** was: 2019, 6,847 employed; 2020, 4,789 employed; and 2021, 7,129 employed. From 2020 to 2021, total travel-related employment grew by 48.9%.
- Approximate annual state lodging tax collections for **Jefferson County** were as follows: 2019, \$11.4 million; 2020, \$6.9 million; and 2021, \$10.9 million. From 2020 to 2021, annual state

lodging tax collections increased by \$4.0 million in Jefferson County (58.35%). Approximate annual state lodging tax collections for **Shelby County** were as follows: 2019, \$1.95 million; 2020, \$1.32 million; and 2021, \$1.97 million. From 2020 to 2021, annual state lodging tax collections increased by \$646,222 in Shelby County (48.8%).

Features and Demand Generators

Vestavia Hills is an economically powerful and culturally fascinating community that exemplifies the ideals of fine southern hospitality. A strong sense of community pride, coupled with top-performing schools and a thriving economy, make Vestavia Hills “A Life Above.”¹³ The city is an affluent suburb of Birmingham with a dense suburban feel and higher than state average household income. Most activities and attractions are suited towards a suburban lifestyle with multiple country clubs, entertainment districts, and modern sporting facilities. With its proximity to Birmingham, a fast-paced city life, a strong job market, and endless activities are just a few miles away.

Located on Interstate 65 and Highway 31, Vestavia Hills is an ideal community for conducting business. The family-centered community features a strong economy where retail stores, restaurants, and small businesses thrive. The area further plays host to a number of large events that draw people from around the state and across state lines to the community. A few of the major draws to the area include the Vestavia Hills Country Club, Oak Mountain State Park, the Hoover Met Complex, Cahaba Heights Entertainment District, Liberty Park Sports Complex, and the Dogwood Festival. Listed below are just a few of the main features of Vestavia Hills that drive tourism for the city and ultimately attract visitors who stay in the hotels in the area:

Birmingham

Birmingham Alabama is known as the “Dinner Table of the South.” From the country’s best barbecue to global dishes with the influence of the American South, Birmingham’s dining scene is one to relish. A talented and energetic music community entertains in clubs and music venues all around the area. Birmingham was ground zero for the American Civil Rights Movement, now drawing visitors from around the world to immerse themselves in the historic events. Golfers come to play Birmingham’s courses on the world-class Robert Trent Jones Golf Trail. With about 200,000 residents and over 3.6 million overnight visitors in 2021, Birmingham is an action-packed city which draws tremendous traffic through Vestavia Hills.¹⁴



Vestavia Country Club

Nestled atop the mountains of Vestavia Hills and spanning over 176 acres, Vestavia Country club offers a rich tradition of hospitality, recreation, and family focus for all ages in a luxurious and welcoming atmosphere. VCC began as a successful riding club in the late 1940s. It opened to membership in 1948 and is regarded as one of the finest clubs in the Southeast. It is a treasure for its finely manicured grounds, breathtaking views, extraordinary golf courses, and upscale facilities. VCC offers members a resort-like experience just minutes from home.



¹³ <https://vhal.org>

¹⁴ <https://www.birminghamtimes.com/2022/05/tourists-spent-estimated-2-2-billion-in-jefferson-county-al-last-year-report/#:~:text=The%20greater%20Birmingham%20area%20was,26%20percent%20increase%20in%202021.>

Member amenities include an 18-hole golf course, 9-hole Par 3 course, 15 tennis courts, a full-service fitness center, resort style pool, intermediate pool, adult infinity edge pool, and a premiere childcare center.¹⁵

Old Overton Country Club

Ranked as a top 5 private golf course in Alabama, Old Overton Club offers superior amenities and community to its members and their families. Old Overton Club is located in the heart of the Liberty Park Community, a welcoming neighborhood located just a few miles out of Birmingham. This private, nestled country club provides year-round, family-friendly recreation for an active and diverse membership. Extensive amenities include an 18-hole world-class golf course and a well-appointed practice facility, an impressive 20,000 square foot clubhouse with several dining options, a resort-style pool, and a state-of-the-art tennis facility, plus a full calendar of social and recreational events.



Sports Complexes & Venues

Vestavia Hills is home to several sports and recreation facilities which host a variety of tournaments and events throughout the year. Venues include:

- **Liberty Park Sports Complex.** Liberty Park Sports Complex features 4 youth softball fields, 5 adult softball fields, 4 soccer fields, and 1 football field. Regional sports tournaments are held at the facility which draw baseball, softball, soccer, and lacrosse teams from all parts of Alabama to Vestavia Hills.
- **Rathmell Sports Park.** Rathmell Sports Park, maintained by the Mountain Brook Sports Park Foundation, consists of 6 fields used for soccer and lacrosse. There is a pavilion that houses a concession stand and restrooms for convenient use. These fields host various soccer and lacrosse tournaments throughout the year and draw teams and their families from all parts of Alabama to Vestavia Hills.
- **Wald Park.** The newly renovated Wald Park features multiple baseball fields (including a Miracle League Field), a walking track, aquatic complex (including competition and leisure pools), picnic areas, walking trails, and community playgrounds. A dog park and tennis complex are also under construction. This modern sporting facility hosts baseball tournaments and is a primary draw of Vestavia Hills for outdoor recreation and leisure.
- **Sicard Hollow Athletic Complex.** This multi-purpose sports complex in Vestavia Hills hosts the Vestavia Hills Soccer Club, a youth soccer program for the community. The complex offers four synthetic turf multi-purpose fields with an adjacent playground. The main stadium seats 1,500 spectators.



¹⁵ <https://www.vestaviacc.com>

- **Vestavia Hills Civic Center**

The Vestavia Hills Civic Center opened in December 2022. The 100,000 square foot building offers gymnasiums, a fitness center and offices, and multipurpose spaces for dance, exercise, and fitness classes. Additionally, the Civic Center has a 10,000 square foot banquet space with a warming kitchen. The venue is also home to the Vestavia Hills Sports Hall of Fame.



Entertainment Districts

The Cahaba Heights, City Center, and Rocky Ridge Entertainment Districts are communal spaces where the open carry of alcoholic beverages is permitted. These zones have become the heart of Vestavia Hills recreation and host community events such as concerts and banquets. They are a hub for independent restaurants and small businesses to connect with the community and these spaces promote a more walkable, lively community.



They are a hub for independent restaurants and small businesses to connect with the community and these spaces promote a more walkable, lively community.

The Hoover Met Complex

Located roughly 7 miles south of Vestavia Hills and the proposed hotel site, the Hoover Met Complex offers a variety of sports facilities and event venues. Facilities include The Finley Center, the Hoover Met Stadium, NCAA-regulation outdoor fields, tennis courts, and an RV park. The Finley Center is a 155,000 square foot facility that has 83,000 square feet of uninterrupted space for sports, trade shows, banquets, exhibits, and social events. There are 11 basketball courts,



17 volleyball courts, three meeting rooms, full-service food and beverage operations, an indoor climbing center, an indoor walking track, and pre-function space. The Hoover Met Stadium has a capacity of 10,800 and can be expanded to a capacity of 16,000 with portable seating on the field. Amenities include 10 private skyboxes, a banquet room, press areas, and more. In addition to hosting baseball and football games, the stadium can hold concerts, outdoor festivals, marching band competitions, and more. The Hoover Met Complex hosts many events and tournaments throughout the year, drawing thousands of families and sports fans to the area. Among many other events, the Hoover Met Complex hosts:

- Baseball tournaments, including the SEC Baseball Tournament, the Hoover High School Spring Break Baseball Tournament, the PG Deep South Easter Championship and PG National Elite Championship.

- High school and club (AAU) volleyball tournaments, including the Alabama Icebreaker Volleyball Tournament, the Sweet Tea Volleyball Tournament, and the Hype Nation Southern Classic.
- Cheer competitions, wrestling tournaments, football tournaments, AAU basketball tournaments, and much more.

Pelham Civic Complex and Ice Arena

Located approximately 10 miles south of Vestavia Hills, the Pelham Civic Complex and Ice Arena is host to ice sports, conferences, concerts, and entertainment opportunities. The two NHL-sized ice pads transform into a 30,000 square foot conference and exhibition space to further complement the banquet space. Home of the Birmingham Bulls, the complex draws families and sports fans to this staple within the community of Pelham. The arena further plays host to youth hockey tournaments and skating competitions drawing users from around the south-east and beyond. Among other events, Pelham Civic Complex & Ice Arena hosts:



- The Birmingham Bulls - Southern Professional Hockey League - 28 home games (Oct-Apr)
- UAB Hockey - 7 home games (Sept-Feb)
- UA Hockey - D1 and D3 - 24 home games (Sept-Feb)
- Hockey & Figure Skating - Twenty weekends of youth hockey tournaments and numerous regional and national figure skating competitions

Oak Mountain State Park

The largest park in the state of Alabama, Oak Mountain State Park is comprised of 11,632 acres and is considered a highlight of Shelby County. The park draws visitors from the Birmingham metropolitan area and surrounding counties. Visitors can experience a variety of outdoor activities including mountain biking, kayaking, fishing, 50 miles of hiking, and camping within the park. The park further offers a BMX course, boat rentals, an 18-hole golf course, and water sport activities. In January 2022, the state park expanded by 1,600 acres. With the additional acreage, The Department of Conservation and Natural Resources plans to expand biking, hiking and horse-riding trails.¹⁶



In 2020, 6.27 million people visited Alabama's 21 parks. Oak Mountain, one of the state's most visited parks, receives annual visits of over 676,600. Located just outside Vestavia Hills, the popular park will certainly draw visitors to the region.

3. Industry Analysis

An overview of the hotel and motel industry in the United States will provide a better perspective on the external forces that impact all hotel and motel operators, including the proposed subject property. The hotel and motel industry (excluding casino hotels) comprises establishments primarily engaged in

¹⁶ <https://www.shelbycountyreporter.com/2022/01/04/oak-mountain-state-park-officially-expands-by-more-than-1600-acres/>

providing short-term lodging in facilities known as hotels, motor hotels, resort hotels, and motels. The establishments in this industry may offer food and beverage services, recreational services, conference rooms and convention services, laundry services, parking, and other amenities.

Hotels are an integral part of the fabric of each community across the country, advancing lifelong careers, investing in community development, and boosting economic opportunities. The travel and tourism industry ranks as one of the top ten largest industries in almost all fifty states in the U.S., and guests spend more than one billion occupied room nights in American hotels every year.¹⁷ However, the onset of COVID-19 in the U.S. resulted in record low travel demand in 2020, devastating small business hotel owners and its workforce.¹⁸ Fortunately, on the back of robust demand from the domestic leisure travel segment the industry has experienced revenue growth in 2021 and 2022. Consequently, IBISWorld expects industry revenue to rise at an annualized rate of 3.6% to \$407.1 billion over the next five years. Although domestic leisure travel rebounded strongly in 2021, both international and business travel remain significantly below pre-pandemic levels amid the emergence of multiple virus variants and remote work options. In 2023 business travel levels have remained subdued due to a continuation of many employees working from home. The trend of companies restricting travel spending and conference attendance to focus on technology-based alternatives in an effort to preserve capital is likely to continue during the next five years, however at a decreasing rate.¹⁹

As the economy continues to recover and tourism picks back up, hotels are expected to continue experiencing growth. Specialty hotels, including extended-stay hotels, boutique hotels, spas, health retreats and resorts, will experience higher growth as they offer unique features that differentiate them from the competition. But large hotel chains are looking to expand to new foreign markets, lowering new investments within the United States and limiting revenue growth. This slowing of American hotel construction is largely due to high interest rates in place since May 2022 to help combat inflation due to the pandemic and high energy costs. This will result in a slower growth rate, with the industry growing at a CAGR of 3.6% to \$407.1 billion over the years through 2028.

3.1 National Trends

The Hotels and Motels industry is highly susceptible to changes in the domestic and global economic environments, which caused the industry to experience substantial volatility due to the onset of the COVID-19 (coronavirus) pandemic in 2020. Over most of the five years to 2022, the industry benefited from increases in travel spending, corporate profit and general consumer spending. These factors were all affected substantially by the coronavirus pandemic. The onset of the virus in the United States immediately reversed economic trends that were benefiting the industry by stifling spending and halting travel; as a result, the industry was one of the hardest hit industries by the pandemic. Nonetheless, thanks to robust demand from the domestic leisure travel segment the industry experienced revenue growth in 2021 and 2022.

Over the past five years, hotel operators have experienced substantial external competition from companies such as Airbnb Inc. and VRBO. These services permit consumers to rent rooms, apartments or whole houses online rather than a traditional hotel room. Such services provide a wide range of options to consumers and can play into a variety of different price points. This has forced many operators to offer competitive pricing to maintain high demand or to provide upscale amenities to compensate for the price difference.

¹⁷ “Midyear State of the Hotel Industry Top Findings.” AHLA, July 20, 2021. <https://www.ahla.com/sites/default/files/Midyear%20State%20of%20the%20Hotel%20Industry%20Report%2072621.pdf>

¹⁸ “Hotel Industry Facing Historic Wave of Foreclosures.” AHLA, August 18, 2020. <https://www.ahla.com/press-release/report-hotel-industry-facing-historic-wave-foreclosures>.

¹⁹ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

Although a competitive market, the outlook for hotels of all sizes is positive. Profits, measured as earnings before interest and taxes, is estimated to account for 23.6% of revenue in 2022, up from 17.7% in 2018. Rising revenue and profit have led smaller hotel operators to enter the industry, and the number of industry establishments has increased an annualized 9% to 203,452 locations over the past five years. Additionally, large hotels and chains have enjoyed high profits due to their ability to distinguish their amenities and use their scale to offer cheaper prices.

In a report released in November 2022, the 2022 average revenue per available room is expected to be \$93.72 in the United States with an average room rate of \$149.17. The occupancy rate in the United States increased from just 43.9 percent in 2020 to 62.8 percent in 2022.²⁰ Prior to the outbreak of COVID-19, RevPAR growth had been decelerating, increasing just 0.9 percent for 2019. Slightly stronger growth occurred in the first two months of 2020, but COVID-19 began to impact market performance and in 2020 RevPAR was down 47.4 percent compared to the prior year. Overall, the average daily room rates declined 21.1 percent in 2020 compared to 2019, but began to recover in 2021, going up 20.8 percent with the resultant RevPAR rebounding from a decline of over 47 percent in 2020 to an increase of over 58 percent in 2021. In 2022, the RevPAR is expected to surpass pre-pandemic levels to reach \$93.72, nearly \$7 higher than it was in 2019.

The Fed's continued increases in their policy/interest rate has caused uncertainty in the public markets. Future lodging demand will be affected by tensions in Ukraine, the possibility of recession, possible new virus variants, and high energy costs. Meanwhile, high fuel prices will reduce consumer leisure travel and increase hotel operating expenses. The annual occupancy for US hotels this year is now expected to be 62.8%, slightly lower than previously predicted in May 2022.²¹ Despite this uncertainty, models predict both international and domestic tourism will surpass pre-pandemic levels by the end of 2028.

²⁰ "Hospitality Directions U.S." PwC, November 2022. <https://www.pwc.com/us/en/industries/consumer-markets/assets/pwc-hospitality-directions-november-2022.pdf>.

²¹ "Hospitality Directions U.S." PwC, November 2022.

Industry at a Glance

Key Statistics

\$341.7bn
Revenue



\$80.6bn
Profit



23.6%
Profit Margin



185k
Businesses



3m
Employment



\$71.4bn
Wages



Key External Drivers

% = 2018–23 Annual Growth

-4.5% Consumer confidence index	2.0% Consumer spending
0.8% Domestic trips by US residents	-5.5% Inbound trips by non-US residents

Industry Structure

POSITIVE IMPACT

Concentration
Low

MIXED IMPACT

Life Cycle Mature	Regulation & Policy Medium / Steady
Technology Change Medium	Barriers to Entry Medium / Steady
Industry Globalization Medium / Increasing	

NEGATIVE IMPACT

Revenue Volatility Very High	Capital Intensity High
Industry Assistance Low / Increasing	Competition High / Increasing

Key Trends

- The continuation of working from home is estimated to continue to limit industry demand
- The industry is still largely property-based
- Many operators offer competitive pricing to maintain high demand
- The industry will likely benefit from improvements in the domestic and global economies
- Industry operators are anticipated to increasingly focus on opportunities abroad
- The low-cost hotel and motel segment is anticipated to expand
- Rising external competition has increased pressure on many hotel and motel operators

3.2 Buyer Characteristics

One of the major driving forces of the industry, particularly following the decline in the global economy, is the strength of the buyers. As such, a look at hotel and motel customer characteristics is essential to understanding the industry as a whole. Buyers in the hotel industry can be broadly categorized as leisure (domestic or international) and business (domestic or international).

The vast majority of visitor spending in the United States is by domestic travelers. In 2021, domestic travelers spent \$731.5 billion on travel and tourism (95% of total visitor spending by domestic and international travelers).²² Nearly 4 out of 5 domestic trips are taken for leisure purposes.²³ In 2023, the total projected revenue for the hotel and motel industry in the U.S. is \$341.7 billion, and 86.2% of revenue is expected to come from domestic leisure travelers.²⁴ Meanwhile, 3.7%, or \$12.6 billion in revenue is expected to come from international leisure travelers.²⁵ Most leisure travel is discretionary and therefore subject to broad economic trends such as the unemployment rate, per capita disposable income, and fuel prices. For this reason, leisure travel has increased significantly over the past decade as the domestic economy has grown and people feel comfortable spending money on leisure activities and vacations. However, vacation destinations and modes of transport can be easily substituted for less desirable alternatives when economic conditions are tough, leaving this market subject to volatility. This is especially true where there is a public health crisis, as demonstrated by the Covid-19 pandemic in 2020. In 2021 domestic travel rebounded strongly, as pent-up demand for travel has skewed the recovery toward domestic leisure markets where restrictions have been lifted. Moreover, due to the continued restrictions regarding inbound international visitors and the trend of business meetings and conferences being conducted virtually, the domestic leisure market is expected to hold increasing importance to operators.²⁶ Common leisure travel activities for U.S. domestic travelers include visiting friends and relatives, shopping, fine dining, and rural sightseeing.²⁷

International travelers are a vital market as well, as international tourists tend to stay five to ten times longer than domestic travelers and spend more money.²⁸ Pre-pandemic, each overseas traveler spent approximately \$3,700 in the U.S. and stayed an average of 17 nights.²⁹ In 2020, international visits plummeted by 76%, and remained at just 28% of 2019 levels in 2021.³⁰ In 2022, international travel remains significantly lower than its pre-pandemic levels.³¹ Top leisure travel activities for overseas visitors include shopping, dining, city sightseeing, visiting historical places and amusement/theme parks.³²

According to the U.S. Travel Association, direct spending on business travel by domestic and international travelers, including expenditures on meetings, events and incentive programs (ME&I),

²² World Travel & Tourism Council, United States 2022 Annual Research: Key Highlights.

<https://wttc.org/research/economic-impact>.

²³ "U.S. Travel Answer Sheet." The U.S. Travel Association, March 2020.

https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf

²⁴ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

²⁵ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

²⁶ IBISWorld Industry Report 72111: Hotels & Motels in the US, July 2022.

²⁷ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

²⁸ "The Year of the 'New' Traveler - The American Hotel & Lodging Association 2022 State of the Hotel Industry Report in Collaboration with Accenture." AHLA, January 2022.

<https://www.ahla.com/sites/default/files/AHLA%20SOTI%20Report%202022%201.24.22.pdf>

²⁹ "U.S. Travel Answer Sheet." The U.S. Travel Association, May 2022.

<https://www.ustravel.org/sites/default/files/2022-05/ust-data-master.pdf>.

³⁰ "U.S. Travel Answer Sheet." The U.S. Travel Association, May 2022.

³¹ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

³² IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

totaled \$334.2 billion in 2019. Of this spending, about 58% was related to general business travel and 42% associated with ME&I. After years of growth as many corporations benefited from the growth in the domestic economy, business travel contracted sharply in 2020 due to the spread of the coronavirus. In 2022, business travel levels remained subdued due to the continuation of many employees working from home and avoiding nonessential travel. This trend of companies restricting travel spending and conference attendance to focus on technology-based alternatives to preserve capital is likely to continue, albeit at a decreasing rate.³³ A full recovery in business travel isn't expected through 2028, primarily as inflation and oil prices remain high.³⁴ In 2023, 7.0% of hotel industry revenue (\$23.9 billion) is expected to come from business travelers; 3.1% of hotel industry revenue (\$10.6 billion) is expected to come from ME&I travelers.³⁵ Going forward, those who travel for work will be guided by new corporate policies and will likely be facing tighter budgets than in pre-pandemic times.³⁶

The following trends apply to this industry in 2023:³⁷

- **Bleisure (business and leisure) travelers & hotel workspaces:** Working remotely has become commonplace for many employees and is forecasted to become more than just a passing trend. In a shift accelerated by the global public health crisis, an unprecedented number of high-profile companies – with big tech companies like Twitter, Facebook, and Amazon leading the way – announced that they will adopt a hybrid or flexible approach to working remotely. A study carried out by freelancer platform Upwork found that 22% of the American workforce will be remote by 2025. This means that hospitality venues are turning themselves into remote working hotspots for locals and travelers alike. This is a great opportunity for hotels and F&B venues to capitalize on the trend and adapt their offering to meet the needs and wants of this emerging segment; ample plug sockets, free high-speed WIFI, meeting rooms, and great coffee are good starting points.
- **Holistic hospitality, health & well-being:** Preventative medicine and self-care are undisputedly trending right now. The wellness industry is transforming into a booming trillion-dollar market and hospitality venues are well positioned to take a large piece of the pie, especially those with existing spa facilities.
- **Digital guest experiences:** Apps are increasingly important in the way hoteliers manage the services they provide to their customers and can now control many aspects of the guest cycle and experience. The trend towards digital and contactless services has gained new momentum since 2020. Traditionally customer-facing services are being given an overhaul thanks to the more widespread use of technology-assisted options, such as mobile check-in, contactless payments, voice control, and biometrics.
- **Hyper-Personalization:** Today's guests have grown to expect to be recognized and treated as individuals, with one study revealing that 71% of buyers expect personalized interactions. In 2023, customer expectation has moved beyond personalization at the segment level towards *hyper-personalization*. This may mean using technological platforms such as CRM and CEM to create highly customized one-on-one interactions between the guest and the host. Travel providers are able to draw on data to utilize insights into customers' past browsing or buying habits, enabling hotels to tailor their offers and promotions and provide the services the individual is searching for.
- **Experience economy & essentialism:** Customers request both extreme personalization and unique experiences. Unique experiences that give back to local communities in meaningful ways are in demand, as are niche properties, adventurous holidays, and relaxation retreats.

³³ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

³⁴ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

³⁵ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

³⁶ "The State of Travel and Hospitality Q4 2021." Morning Consult, November 2021.

https://go.morningconsult.com/rs/850-TAA-511/images/211207_Report_State_of_Travel.pdf

³⁷ "2023 Top Hospitality Trends." EHL Insights. <https://hospitalityinsights.ehl.edu/hospitality-industry-trends>.

Standardization is no longer the norm, and it is becoming critical to personalize and tailor services to the needs and preferences of the traveler.

- **Renewable energy:** A hospitality trend that is both current and a hallmark of recent years: “sustainability” once again assumes its position, with a focus on renewable energy. In recent years hospitality outlets have been making small steps by prioritizing the removal of disposable plastics, eliminating unnecessary paper consumption thanks to opt-in receipts, and reducing food waste. However, more far-reaching ethical and environmental considerations are shaping decisions made at the hospitality management level and within the construction stage.
- **Virtual & augmented reality:** Following on from the orientation towards visually appealing content, it seems only natural that businesses in the hospitality industry should seek to capitalize on features such as virtual tours, conjuring up a digital environment for consumers to picture themselves in. Videos providing 360-degree views of restaurant ambiance, sweet little café terraces enveloped in greenery, or hotel beachfront locations are just the ticket to make an establishment stand out this year. As ever, keeping the access threshold low is key to reaching as broad an audience as possible with virtual reality material: making content accessible on a variety of devices, without the need for a VR headset.
- **Deal-seekers:** Consumers are more price sensitive, and the bargain hunters are out in force due to the cost-of-living crises many countries are facing due to global conflicts, soaring energy prices, and record-shattering inflation rates. Consumers always seek value for money, but the ongoing cost of living crisis has heightened price awareness. This means that consumers will be particularly receptive to timely recommendations and offers from businesses, especially when the messaging is relevant and personalized.

3.3 Industry Forecast

According to IBISWorld Industry Reports, the Hotels and Motels industry is expected to rebound and expand over the next five years to 2028, with particularly strong growth in extended-stay hotels, boutique hotels, spa and health retreats, and resorts segments. As demand for these auxiliary services picks up, industry employment is anticipated to recover and increase over the next five years. Industry players are also expected to continue expanding abroad into emerging economies, such as Asia, Eastern Europe, and South America. These foreign markets will somewhat detract from domestic investment, as they offer higher growth prospects for industry operators. Nonetheless, industry revenue is estimated to increase at an annualized rate of 3.6% to \$407.1 billion over the five years to 2028. An excerpt from the IBISWorld Industry Report is included below:³⁸

Future economic uncertainty slows down growth

- High inflation, interest rates and unemployment have resulted in increasing economic uncertainty.
- Guests are less likely to travel if they’re worried about their future finances, slowing down hotel performance.
- High gas prices have resulted in elevated travel expenses, discouraging families from taking long-distance trips.

Tourism picks back up

- Both international and domestic tourism will reach pre-pandemic levels by the end of 2028.
- Increases in tourism allow for the average profit margin to continue growing.
- Hotels and motels will have to continue monitoring their costs, regardless of an influx in tourism.

³⁸ IBISWorld Industry Report 72111: Hotels & Motels in the US, January 2023.

International investment opportunities become more popular

- Hotels look to compensate for pandemic-caused losses by creating new investment opportunities.
- Building new rooms limits performance, as hotels will be hesitant to increase their nightly rates to remain competitive.
- Large chains will focus on building facilities abroad to tap a larger market, placing downward pressure on domestic tourism.

US government looks to increase tourism

- In 2022, the US Department of Commerce created a plan to boost international tourism in the United States, aiming to bring 90.0 million tourists annually.
- The hospitality sector, often a very profitable industry, took a significant cut from the pandemic. The government aims to boost the economy by creating jobs in industries that support tourism, including hotels.
- The plan intends to promote tourism in typically underserved communities in a sustainable and community-based way.

REVENUE OUTLOOK

<i>Year</i>	<i>Revenue \$ Million</i>
2023	341,713
2024	365,991
2025	380,273
2026	390,974
2027	400,262
2028	407,082

In 2022, PwC estimates that occupancy will increase by 9.2% over the previous year to reach 62.8% occupancy, with the Average Daily Rate (ADR) increasing 19.3% to \$149.17 and RevPAR climbing by 30.3% to \$93.72.³⁹

For 2023, PwC projects the U.S. hotel industry to report a 1.3% increase in occupancy to 63.6%, a 4.5% lift in ADR to \$155.81, and a 5.8% rise in RevPAR to \$99.12. The highest overall rate of RevPAR growth is expected in the Luxury and Upper Upscale segments (+11.3% and +9.6%, respectively), while the lowest is projected among Economy chains (+2.3%).⁴⁰

Chain scale outlook for the US hotel industry:

2022, percentage change from prior year

<u>Chain Scale</u>	<u>Demand</u>	<u>Supply</u>	<u>Occ.</u>	<u>ADR</u>	<u>RevPAR</u>
Luxury	41.1	5.7	33.4	10.9	48.0
Upper upscale	39.1	5.9	31.4	19.8	57.4
Upscale	17.3	3.8	13.0	19.7	35.3
Upper midscale	9.2	2.8	6.2	13.7	20.8
Midscale	1.2	(0.2)	1.4	10.6	12.1
Economy	(2.7)	(2.2)	(0.5)	8.6	8.0
<u>Independent</u>	<u>8.2</u>	<u>1.4</u>	<u>6.7</u>	<u>16.2</u>	<u>24.0</u>
US Total	11.4	2.1	9.2	19.3	30.3

³⁹ “Hospitality Directions U.S.” PwC, November 2022.

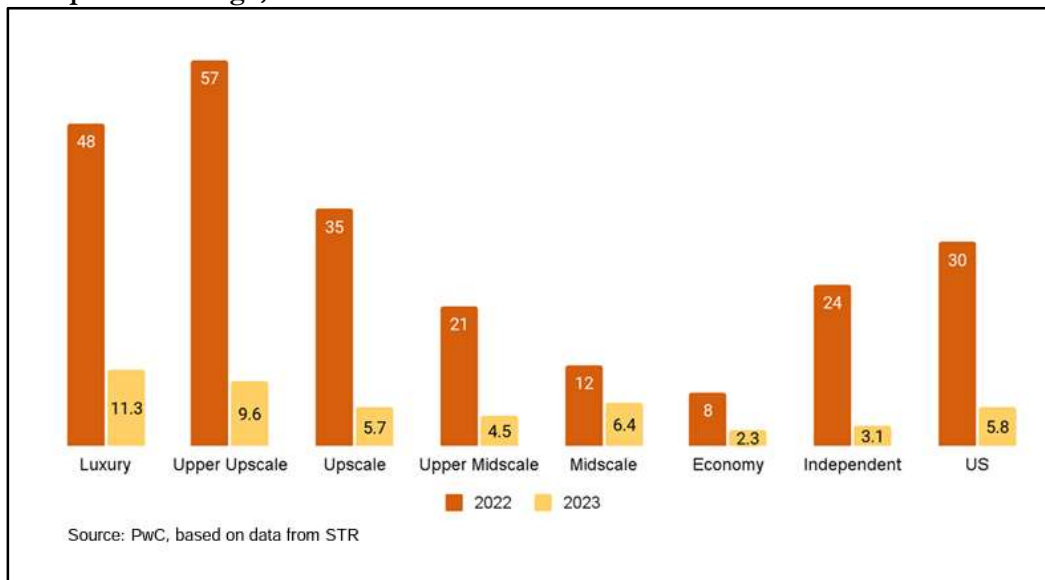
⁴⁰ “Hospitality Directions U.S.” PwC, November 2022.

2023, percentage change from prior year

Chain Scale	Demand	Supply	Occ.	ADR	RevPAR
Luxury	6.3	0.3	6.0	5.1	11.3
Upper upscale	5.1	0.1	5.0	4.3	9.6
Upscale	4.8	2.8	1.9	3.7	5.7
Upper midscale	2.6	1.6	1.0	3.5	4.5
Midscale	1.6	0.1	1.5	4.8	6.4
Economy	(2.5)	(1.5)	(1.0)	3.3	2.3
Independent	0.2	0.5	(0.3)	3.5	3.1
US Total	2.0	0.8	1.3	4.5	5.8

Source: PwC, based on STR data

RevPAR percent change, United States and chain scales⁴¹



4. Competitive Analysis

4.1 Competitive Supply

Existing competitors can provide an important basis for understanding how a proposed new hotel may be able to perform in a market. The most common measurement of supply in the hotel industry is the number of available guestrooms. For the purpose of this analysis, primary competitors are considered to be hotels in the upscale or upper upscale chain scale located within 5 miles of the proposed site near US Highway 31 or Interstate 65. In 2023, there are 12 competitors meeting this description. These hotels are clustered in three areas: south of project site via Hwy 31, north of project site via I-65, and north of project site via Hwy 31. The closest primary competitor is the Hyatt Regency Birmingham, located 2.5 miles south of proposed site.

⁴¹ “Hospitality Directions U.S.” PwC, November 2022.

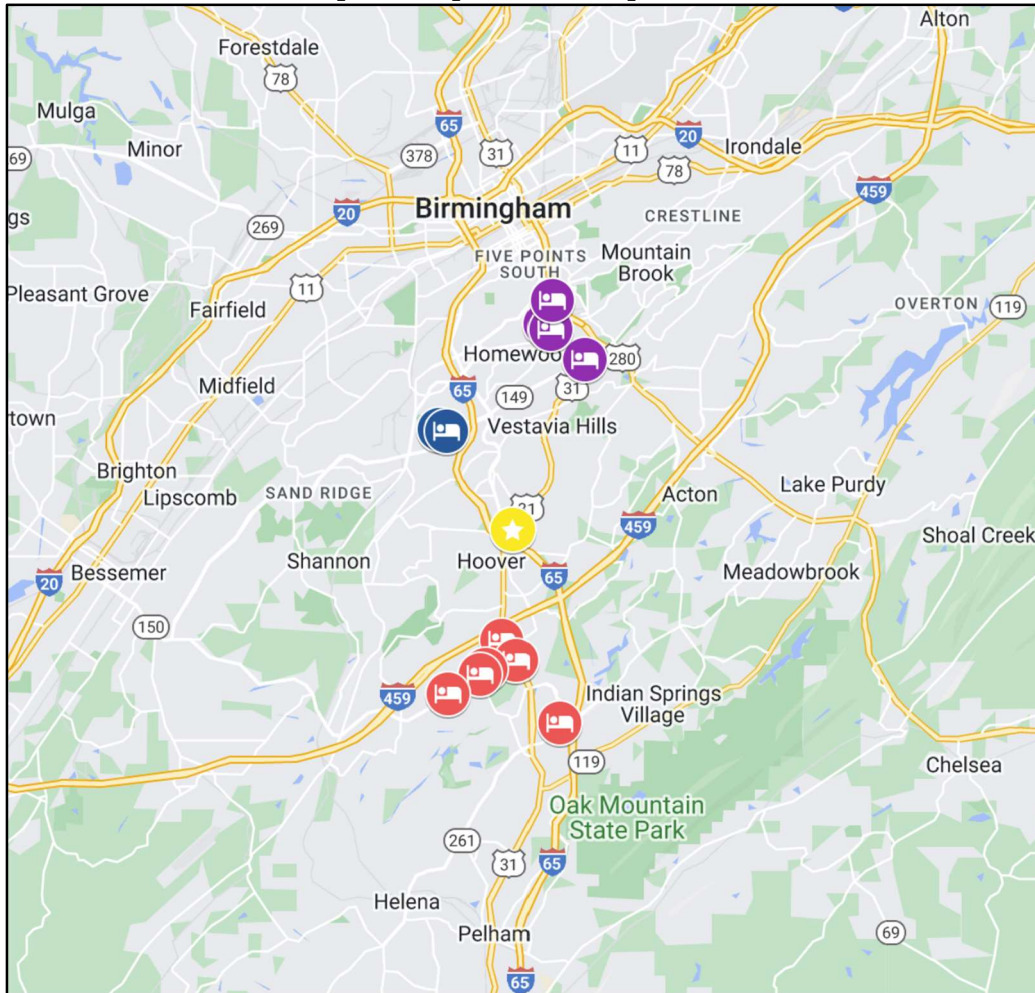
The following hotels have been identified as the competitive set for the proposed subject property.

Competitive Set of Hotels

Name of Establishment	City	Distance from Proposed Site	Chain Scale	Year Opened	Rooms	
Existing Competitive Supply						
Hyatt Regency Birmingham	Birmingham	2.5 miles	Upper upscale	1986	331	
Courtyard by Marriott Birmingham Hoover	Hoover	2.9 miles	Upscale	1987	153	
Hyatt Place Birmingham Hoover	Hoover	3.1 miles	Upscale	1997	126	
Embassy Suites by Hilton	Hoover	3.2 miles	Upper upscale	2010	208	
Residence Inn by Marriott	Hoover	3.9 miles	Upscale	2008	118	
Homewood Suites by Hilton Riverchase Galleria	Hoover	4.4 miles	Upscale	2010	113	
Four Points by Sheraton	Homewood	2.8 miles	Upscale	2008	108	
Hilton Garden Inn Birmingham /Lakeshore Drive	Birmingham	2.7 miles	Upscale	2004	100	
Courtyard by Marriott Birmingham/Homewood	Homewood	4.1 miles	Upscale	1985	140	
Valley Hotel by Hilton	Homewood	4.7 miles	Upper upscale	2021	129	
aloft (Starwood Hotels)	Birmingham	4.5 miles	Upscale	2009	111	
Embassy Suites by Hilton	Birmingham	5.1 miles	Upper upscale	1987	242	
Total Existing Competitive Supply					1,879	

The following map illustrates where the subject property is expected to be situated relative to the competitive set of existing hotels. The proposed property is indicated by the yellow circle in the map below.

Map of Competitors & Proposed Site



Source: Google Maps

4.2 Primary Competition – Upscale and Upper Upscale Hotels near Vestavia Hills, Alabama

Hyatt Regency Birmingham – The Wynfrey Hotel

1000 Riverchase Galleria, Birmingham, AL 35244

Hyatt Regency Birmingham is an upper upscale hotel that is located at Riverchase Galleria, a multi-use shopping development. This hotel has 331 rooms furnished with plush Hyatt Grand Beds, oversized flatscreen TVs, iHome alarm clock radios, and free wifi. Other amenities offered by the hotel include complimentary coffee, a gift shop, fitness center, sauna, rooftop outdoor pool and lounge. The hotel also offers 32,000 square feet of meeting and event space, as well as onsite full-service food and beverage options. Hyatt Regency Birmingham has an overall rating of 4/5 on TripAdvisor. Published room rates in May 2023 range from \$189 to \$309.

Courtyard by Marriott Birmingham-Hoover

1824 Montgomery Highway South, Hoover, AL 35244

Courtyard by Marriott Birmingham Hoover is a 153-room upscale hotel located south of the project site along US Highway 31. Each room features a flatscreen tv, air conditioning, a desk, sofa, and a safe. Other hotel amenities include a pool, tennis court, fitness center, coffee shop, and access to a business center/meeting room. Courtyard by Marriott is rated 3.5/5 on TripAdvisor. Rates range from \$118 to \$287 in May 2023.

Hyatt Place Birmingham/Hoover

2980 John Hawkins Pkwy, Hoover, AL 35244

Hyatt Place is a 126-room upscale hotel located south of the project site near US Highway 31 and I-459. Each room features a Hyatt Grand Bed and state-of-the-art media and work centers, a flatscreen tv, air conditioning, a sofa or sofa-sleeper, and a refrigerator. Hotel amenities include a free breakfast, a pool, fitness center, a bar and all-day dining, and business center/meeting rooms. The property is pet friendly. This hotel has a 4/5 rating on TripAdvisor. Room rates for May 2023 range from \$107 to \$260.

Embassy Suites by Hilton Birmingham-Hoover

2960 John Hawkins Parkway, Birmingham, AL 35244

Embassy Suites by Hilton is located south of the project site along I-459 and US Highway 31, less than 1 mile from the Riverchase Galleria and 2 miles from Aldridge Gardens. This upper upscale hotel has 208 suites which feature dining tables and living rooms with pull-out sofas, flatscreen TVs, free wifi, minifridges, microwaves, and coffeemakers. Property amenities include an indoor pool, complimentary hot breakfast, complimentary area shuttle, fitness center, a café, and an evening reception with light appetizers and drinks. The hotel is pet friendly. Embassy Suites is rated 4/5 on TripAdvisor. Published room rates for May 2023 range from \$174 to \$299.

Residence Inn by Marriott Hoover

2725 John Hawkins Pkwy, Hoover, AL 35244

Residence Inn by Marriott is an upscale, all-suite hotel that is located south of the project site off US 31 and I-459. This hotel has 118 rooms, each with a fully equipped kitchen, pullout sofa, desk, and flatscreen tv. Other amenities offered by the hotel include a free breakfast, weekday evening socials with snacks, a convenience store, outdoor pool, fitness center, BBQs, and access to a business center/meeting room. Residence Inn has an overall rating of 4.5/5 on TripAdvisor. Published room rates in May 2023 range from \$169 to \$344.

Homewood Suites by Hilton Riverchase Galleria

121 Riverchase Pkwy East, Hoover, AL 35244

Homewood Suites by Hilton is an upscale, all-suite hotel that is located south of the project site between US Hwy 31 and I-65. This hotel has 113 rooms, each with a fully equipped kitchen, dining table, and flatscreen tv. Free hot breakfast is provided, as well as complimentary light dinner and drinks on Monday-Thursday. Other amenities offered by the hotel include a convenience store, a fitness room, an outdoor pool, as well as a business center and meeting space. Homewood Suites has an overall rating of 4.5/5 on TripAdvisor. Published room rates in May 2023 range from \$144 to \$273.

Four Points by Sheraton, Homewood

492 Wildwood Circle North, Homewood, AL 35209

Four Points by Sheraton is an upscale hotel located north of the project site along I-65. The hotel is near shopping plazas and fast-food restaurants and approximately 7 miles from downtown Birmingham. There are 108 rooms which each include a flatscreen tv, minifridge, blackout curtains, microwave, and a coffee & tea maker. Other hotel amenities include an indoor pool, restaurant/bar/lounge, fitness center, and business meeting space. Four Points by Sheraton has a 3.5/5 rating on TripAdvisor. Room rates for May 2023 range from \$110 to \$165.

Hilton Garden Inn Birmingham /Lakeshore Drive

520 Wildwood Circle North, Birmingham, AL 35209

Hilton Garden Inn is an upscale hotel which is located north of the project site near I-65 and Lakeshore Drive. The hotel has 100 rooms which all have a flatscreen tv, microwave, minifridge, and a safe. Suites add separate living areas and pull-out sofas. Additional hotel amenities include an indoor pool and hot tub, free internet access, fitness center, outdoor courtyard, an event ballroom and business meeting

rooms. There is also a bar and a 24/7 convenience store, as well as an on-site restaurant. This hotel has a rating of 4/5 on TripAdvisor and May 2023 room rates range from \$131 to \$206.

Courtyard by Marriott Birmingham-Homewood

500 Shades Creek Parkway, Homewood, AL 35209

Courtyard by Marriott Birmingham-Homewood is a 140-room upscale hotel located north of the project site along US Highway 31 and Lakeshore Drive. The renovated property is convenient to Homewood, Mountain Brook, and downtown Birmingham. Each room features a flatscreen tv, a private balcony, a desk, sofa bed, and a safe. Other hotel amenities include an outdoor pool, fitness center, and an on-site restaurant serving breakfast, dinner, Starbucks beverages and specialty cocktails. This Courtyard by Marriott is rated 4/5 on TripAdvisor. Rates range from \$170 to \$296 in May 2023.

Valley Hotel by Hilton - Homewood

2727 18th Street South, Homewood, AL 35209

Valley Hotel by Hilton, located approximately 3 miles from downtown Birmingham, is an upper upscale hotel with 129 rooms. Each room has a flatscreen tv, blackout curtains, a seating area, a safe, and a minifridge and coffeemaker. Property amenities include a contemporary restaurant/bar, a fitness center, business center, meeting rooms, and pet-friendly rooms. Breakfast is available for a fee, and the hotel is located among shops and eateries in Homewood. The hotel has a rating of 4.5/5 stars on TripAdvisor. Room rates in May 2023 range from \$212 to over \$1,000 (for weekends that are nearly sold out).

Aloft (Starwood Hotels)

1903 29th Ave South, Homewood, AL 35209

Aloft is an upscale hotel with 111 rooms located in downtown Homewood, approximately 3 miles from downtown Birmingham. Rooms offer flatscreen TVs, minifridges, coffee makers, and safes. Upgraded rooms add balconies and/or city views. Property amenities include a café and lounge with a fireplace and billiards, an indoor pool, fitness center, business center and meeting space. Breakfast is available for a fee, and the hotel is pet friendly. The hotel has a rating of 4/5 stars on TripAdvisor and rates range from \$259 to \$329 in May 2023.

Embassy Suites by Hilton, Birmingham

2300 Woodcrest Place, Birmingham, AL 35209

Embassy Suites by Hilton is an upper upscale hotel with 242 rooms located in Mountain Brook near US Highway 31. All suites feature a flatscreen tv, microwave, minifridge, coffeemaker, and safe, as well as a living room with pull-out sofas. Complementary perks include breakfast, a cocktail reception, and an airport shuttle. Other amenities include an indoor pool, fitness center, business center, meeting rooms and event space, and on-site Ruth's Chris steakhouse. The property is pet friendly. The hotel has a rating of 3/5 stars on TripAdvisor. Published room rates for May 2023 range from \$146 to \$262.

4.3 Secondary Competition

Secondary competition includes hotels within a 5-mile radius of the proposed property which are upper midscale (chain scale) but considered upscale in market class. Secondary competition also includes hotels located along Interstate 459 near US Highway 280. The following hotels have been identified as additional competition for the proposed subject property. The nearest secondary competitor is the Holiday Inn Express & Suites Birmingham-Homewood, located 2.4 miles from the proposed site.

Secondary Competition

Name of Establishment	Distance from Proposed Site	Chain Scale	Year Opened	Rooms
Holiday Inn Express & Suites Birmingham-Homewood	2.4 miles	Upper midscale	2019	96
Country Inn & Suites Homewood	2.6 miles	Upper midscale	2010	70
Drury Inn & Suites Birmingham Lakeshore Drive	2.7 miles	Upper midscale	2004	138
La Quinta Inns & Suites Birmingham Homewood	3.0 miles	Upper midscale	1996	129
Sonesta ES Suites Birmingham Homewood	3.0 miles	Upper midscale	1997	120
Hampton Inn & Suites Birmingham-Hoover-Galleria	3.0 miles	Upper midscale	2008	102
Hampton Inn Birmingham I65 Lakeshore Drive	3.1 miles	Upper midscale	2006	97
Holiday Inn Birmingham Hoover	3.4 miles	Upper midscale	2011	112
Comfort Inn Birmingham Homewood	3.7 miles	Upper midscale	1995	115
Sonesta Select Birmingham Colonnade	4.2 miles	Upscale	1997	122
SpringHill Suites Colonnade/Grandview	4.2 miles	Upscale	2008	120
Fairfield Inn & Suites Colonnade/Grandview	4.3 miles	Upper midscale	2018	95
Home2 Suites by Hilton Birmingham Colonnade	4.3 miles	Upper midscale	2018	107
La Quinta Inns & Suites Birmingham Hoover	4.4 miles	Upper midscale	1997	133
Hampton by Hilton Inn Birmingham-Colonnade 280	4.5 miles	Upper midscale	1994	133
DoubleTree by Hilton Birmingham Perimeter Park	4.7 miles	Upscale	1984	204
Hampton Inn Birmingham/Mountain Brook	4.8 miles	Upper midscale	1987	129
Drury Inn & Suites Birmingham Grandview	4.9 miles	Upper midscale	2000	149

4.4 External Environment and Competitive Position

The competitive environment in the Vestavia area can be described as moderate to high. There are 12 hotels in the upper and upper upscale classes which will directly compete with any new hotel. These hotels are clustered near three major areas along US Highway 31 and Interstate 65. Hotels south of the project site in Hoover seem to draw visitors who are attending sporting events, tournaments, or conferences. Hotels located closer to metropolitan Birmingham may have a competitive advantage due to proximity to tourist attractions and major employers.

The threat of new entrants is moderate given the high demand for lodging in Jefferson and Shelby counties. Local tourism is growing, along with the entertainment options in the area. Proximity to I-65 and US Hwy 31, historic attractions, sports, events, and large employers all drive demand for hotels.

As a hotel owner, the impact that the competitive environment has on demand can be influenced by strongly differentiating your product. Hotels that offer higher quality rooms, excellent service, and more/better amenities receive higher ratings, more reviews, and better reviews.

Hotels in the competitive set have published room rates between \$107 and \$344 per night and belong to the upscale and upper upscale chain scale. The proposed property will have an attractive location away from the clustered competitors with convenient access to US Highway 31, Interstate 65, and Interstate 459. Located in the center of a strong metropolitan area, the proposed hotel should have a reliable revenue stream. Vestavia Hills, as well as the surrounding communities, offers plenty of entertainment to entice people to visit the area.

5. Financial Projections

5.1 Overview

The industry is rebounding after unprecedented declines in occupancy rates resulting from the spread of coronavirus throughout the world in 2020. Demand growth has been building. From July 2021 through Q3 2022, average daily room rates surpassed comparable 2019 levels in every month but one (January 2022 missed by \$0.35).⁴² Since March 2022, RevPAR has exceeded comparable 2019 levels by 6.4 percent. By the end of 2022, RevPAR is expected to reach approximately 108 percent of pre-pandemic levels.⁴³ As the economy continues to rebuild, occupancy is expected to increase moderately in the near-term, while the recovery narrative continues to be centered around room rates. The table below illustrates national lodging demand and average daily rates from 2019 through 2023.

U.S. Occupancy and ADR⁴⁴

Year	Occupancy Rate	ADR	RevPAR
2019	65.9%	\$131.14	\$86.45
2020	43.9%	\$103.44	\$45.45
2021	57.5%	\$124.99	\$71.91
2022	62.8%	\$149.17	\$93.72
2023	63.6%	\$155.81	\$99.12

In 2023, the luxury, upper upscale, midscale, and upscale chain scales are expected to experience the highest levels of RevPAR growth. The following table lists the projected growth for these chain scales in 2023.

**Chain Scale Outlook 2023,
percentage change from prior year**

Chain Scale	Demand	Supply	Occ.	ADR	RevPAR
Luxury	6.3	0.3	6.0	5.1	11.3
Upper upscale	5.1	0.1	5.0	4.3	9.6
Upscale	4.8	2.8	1.9	3.7	5.7
Midscale	1.6	0.1	1.5	4.8	6.4

Source: PwC, based on STR data

When new supply enters a market, overall occupancy rates will decline correspondingly. However, the subject property will be brand new and located in a growing area with both leisure and business demand generators nearby. The nearest direct competitor is 2.5 miles from the proposed site. Therefore, assuming the property offers competitive amenities, it will likely be able to capture a significant portion of the market.

Due to the mix and proximity of multiple leisure and business demand generators, this market is expected to experience strong weekend and weeknight occupancy patterns for much of the year. The location near attractions such as the Hoover Met Complex, the Pelham Civic Complex and Ice Arena,

⁴² “Hospitality Directions U.S.” PwC, November 2022.

⁴³ “Hospitality Directions U.S.” PwC, November 2022.

⁴⁴ “Hospitality Directions U.S.” PwC, November 2022.

and downtown Birmingham, as well as the location at the intersection of two heavily trafficked highways/interstates should attract substantial demand from leisure and transient travelers.

5.2 Assumptions

The following table presents projections for the first three years of operation of a 100-room upscale hotel. Starting with an average daily rate of \$143.75 and an occupancy rate of 69.2% the company could generate \$3,630,811 in room revenue during year one. Additional revenue streams may include food, beverage, and banquet services.

Average Daily Rate

The average daily rate (ADR) in year one of operation is estimated at \$143.75. This is based on the 2022 nationwide ADR for Hilton Garden Inn (used as an example of an upscale hotel) and the projected growth in ADR for upscale hotels (3.7% according to PwC). The projected ADR will vary depending on the brand and chain scale selected for the proposed site. Projected ADR may also vary based on the results of any STR report pulled for competing properties.

Occupancy Rate

The occupancy rate is estimated at 69.2% in year one of operation, based on the 2022 nationwide ADR for Hilton Garden Inn (used as an example of an upscale hotel). Occupancy for upscale hotels is expected to grow by 1.9% in 2023, according to PwC. The projected occupancy rate will vary depending on the brand and chain scale selected for the proposed site. Projected occupancy rate may also vary based on the results of any STR report pulled for competing properties.

Franchise Fees

Franchise Fees are estimated at 10% of gross revenue. Franchise fees vary by flag, but typically range from 9% to 12% and include royalties, program fees, and marketing fund contributions. Additional fees may be required for booking platforms, technology support, and brand services.

Payroll Expense

Payroll includes the administrative team, front desk staff, laundry and housekeeping staff, breakfast staff, and property operations/maintenance staff. Wages are estimated at 20.9% of revenue, based on the IBISWorld industry average for hotels and motels in the United States. Payroll taxes and benefits are estimated at 13.95% of wages. Payroll expense may vary considerably based on the chain scale selected for the proposed site.

Promotion Expense

Promotion expense includes outdoor advertising, print advertising, and other marketing campaigns. It also includes travel commissions, or fees charged by “Other Travel Agents” (expedia.com, booking.com, etc.), as well as frequent stay programs.

Insurance

Insurance should include coverage for the building and contents and liability, as well as umbrella coverage. Insurance is estimated at \$425 per room but may vary considerably based on quotes from providers.

Number of Rooms	100						
Annual Rooms Available	36,500						
Chain Scale	Upscale						
	Year 1	%	Year 2	%	Year 3	%	
Occupancy Rate	69.20%		70.51%		71.85%		
Average Daily Rate	\$ 143.75		\$ 149.07		\$ 154.58		
Rooms Sold	25,258		25,738		26,227		
RevPar	\$ 99.47		\$ 105.11		\$ 111.08		
TOTAL REVENUE	\$ 3,630,811	100.0%	\$ 3,836,689	100.0%	\$ 4,054,240	100.0%	
<i>Payroll Expense</i>							
Administrative	363,081	10.0%	\$ 383,669	10.0%	\$ 405,424	10.0%	
Front Desk	181,541	5.0%	\$ 191,834	5.0%	\$ 202,712	5.0%	
Back of House	214,218	5.9%	\$ 226,365	5.9%	\$ 239,200	5.9%	
Payroll Taxes & Benefits	105,858	2.9%	\$ 111,861	2.9%	\$ 118,203	2.9%	
Total Payroll Expense	864,698	23.8%	\$ 913,728	23.8%	\$ 965,540	23.8%	
<i>Occupancy Expense</i>							
Utilities	72,616	2.0%	\$ 76,734	2.0%	\$ 81,085	2.0%	
Repairs & Maintenance	72,616	2.0%	\$ 76,734	2.0%	\$ 81,085	2.0%	
Total Occupancy Expense	145,232	4.0%	\$ 153,468	4.0%	\$ 162,170	4.0%	
<i>Promotion Expense</i>							
Marketing	65,355	1.8%	\$ 69,060	1.8%	\$ 72,976	1.8%	
Frequent Stay Programs	72,616	2.0%	\$ 76,734	2.0%	\$ 81,085	2.0%	
OTA Fees	72,616	2.0%	\$ 76,734	2.0%	\$ 81,085	2.0%	
Total Marketing & Promotion Expense	210,587	5.8%	\$ 222,528	5.8%	\$ 235,146	5.8%	
<i>General & Administrative</i>							
Linen & Laundry Supplies	54,462	1.5%	\$ 57,550	1.5%	\$ 60,814	1.5%	
Cleaning Supplies	54,462	1.5%	\$ 57,550	1.5%	\$ 60,814	1.5%	
Complimentary Room Amenities	63,145	1.7%	\$ 66,726	1.7%	\$ 70,509	1.7%	
Breakfast Cost	217,849	6.0%	\$ 191,834	5.0%	\$ 202,712	5.0%	
Cable, Phone, Internet	90,770	2.5%	\$ 95,917	2.5%	\$ 101,356	2.5%	
Printing, Stationary, Postage	18,154	0.5%	\$ 19,183	0.5%	\$ 20,271	0.5%	
Office Expense & Supplies	21,785	0.6%	\$ 19,183	0.5%	\$ 20,271	0.5%	
Furnishing & Décor	21,785	0.6%	\$ 23,020	0.6%	\$ 24,325	0.6%	
Dues & Subscriptions	10,892	0.3%	\$ 11,510	0.3%	\$ 12,163	0.3%	
Credit Card Fees	108,924	3.0%	\$ 115,101	3.0%	\$ 121,627	3.0%	
Franchise Fees	363,081	10.0%	\$ 383,669	10.0%	\$ 405,424	10.0%	
Management Fees	108,924	3.0%	\$ 115,101	3.0%	\$ 121,627	3.0%	
Licenses & Permits	72,616	2.0%	\$ 76,734	2.0%	\$ 81,085	2.0%	
Legal & Professional Fees	18,154	0.5%	\$ 19,183	0.5%	\$ 20,271	0.5%	
Miscellaneous	36,308	1.0%	\$ 38,367	1.0%	\$ 40,542	1.0%	
Total General & Admin Expense	1,261,313	34.7%	\$ 1,290,629	33.6%	\$ 1,363,812	33.6%	
<i>Non-Operating Expense</i>							
Property Tax	70,000	1.9%	\$ 71,400	1.9%	\$ 72,828	1.8%	
Insurance	42,500	1.2%	\$ 43,350	1.1%	\$ 44,217	1.1%	
Total Non-Operating Expense	112,500	3.1%	\$ 114,750	3.0%	\$ 117,045	2.9%	
TOTAL EXPENSES	2,594,330	71.5%	\$ 2,695,103	70.2%	\$ 2,843,712	70.1%	
Net Operating Income	1,036,481	28.5%	\$ 1,141,585	29.8%	\$ 1,210,528	29.9%	

6. Conclusion

Overall, an industry and market analysis for the hotel and motel industry reveals potential market opportunities for a new hotel in Vestavia Hills. Demand drivers near Vestavia Hills include the Hoover Met Complex, which hosts a multitude of baseball, volleyball, football, and other tournaments and events; Oak Mountain State Park, the state's largest and most visited park; Pelham Civic Complex & Ice Arena, which hosts numerous hockey and figure skating events at all levels; and an abundance of recreational and outdoor attractions. Vestavia Hills is also seeing continued development and investment in multi-use properties and is convenient to the attractions of downtown Birmingham and surrounding areas. Residents in the area have a high median income and a high degree of educational attainment, and the city saw a 14.9% increase in population from 2010 to 2020.

Success will depend upon the amenities and service offered, and the ability to differentiate the hotel from the competitors in the immediate area. Due to the competitive environment of the industry, properties that can effectively manage rates against competition and provide quality amenities with excellent customer service will find the most success. Properties that invest in highly experienced management, specifically in rate management and customer service management should be able to maximize their success within the market.

Next Steps:

STR data for Vestavia Hills would provide details on local occupancy rates, average daily rate, and revenue per available room. Additional data would support more accurate financial projections for a hotel in Vestavia Hills.

A survey of area employers and event venues would reveal business-related and event-related travel to the area, the need for group meeting facilities, and event-related bookings.