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DOWNTOWNER HOTEL FLORENCE, AL

ECONOMIC IMPACT ANALYSIS

PREPARED FOR:
Pinkowski & Company

PREPARED BY:



JACKSON » 97 DIRECTORS ROW | JACKSON, TN 38305 | 731.668.7367
MEMPHIS » 2157 MADISON AVENUE | MEMPHIS, TN 38104 | 901.272.5005



A Review of Economic Impact Downtowner Hotel - Florence, Alabama

Introduction

Younger Associates was retained by the Pinkowski & Company to conduct an economic impact analysis of the proposed Downtowner Hotel to be constructed in the downtown area of Florence, Alabama.

The Downtowner Hotel is being developed to attract small to medium size conferences and events that would draw new visitors to the City of Florence. The proposed hotel will have 120 rooms and offer food and beverage services as well as meeting and conference facilities.

The purpose of this study is to provide developers, local leaders, and other elected officials with a general understanding of the potential job, wage and local tax impact that could be generated by development of the property and the ongoing business operations. Additionally, the economic impact from new visitor spending is considered in this study. This analysis measures the economic impact on the Lauderdale County, Alabama economy.

Methodology

The economic impact calculations in this study are generated using an economic model of the Lauderdale County economy driven by the regional input-output multipliers (RIMS II) from the U.S. Bureau of Economic Analysis. The model also utilizes county and region-specific data such as local tax rates, annual average wage rates, commute patterns and historical spending patterns.

The U.S. Bureau of Economic Analysis develops RIMS II Multipliers are based on historic economic activity at the county level for each of 372 detailed industry sectors. The RIMS II Multipliers account for inter-industry relationships within regions comprised of one or more counties. They are widely used in both the public and private sectors. They were originally developed to estimate the regional impacts of public projects such as military base closings and airport construction.

Younger Associates has used this impact calculation methodology in hundreds of projects across the United States over the past 30 years. The methodology is recognized by the International Economic Development Council and utilized in courses by the Economic Development Institute. Over the years, our approach has proven to be highly accurate in projecting jobs, wages, and output while slightly conservative, by design, in projecting tax revenue generation.

Primary data regarding the direct jobs, wages, annual revenue, and capital investment was supplied by the developer. Secondary data was collected by Younger Associates for this analysis from the U.S. Bureau of Economic Analysis, U.S. Department of Labor, Bureau of Labor Statistics, Alabama Department of Revenue. In addition, proprietary licensed data from Nielsen Claritas and ESRI was utilized.

Impact Definitions

Economic Impact – the total dollar value of change in output from all industries within the local economy that results from \$1 of change in output from operations.

Direct Jobs – the number of jobs directly employed by the hotel.

Indirect Jobs – the number of jobs across all industries in the local economy that are supported by the ongoing operations of the hotel and subsequent visitor spending. This could include jobs (or hours of work, which comprise portions of a job) of vendors, business services, retail, personal services, transportation, and all other industry sectors.

Local Taxes – the dollar amount of taxes collected for Lauderdale County from local sales, property and other local tax. State or federal taxes are not included, nor is local revenue sharing from state and federal tax revenues.

One-Time Economic Impact of Construction

The projected capital investment of \$49.8 million to develop the hotel will have a one-time impact of \$78.1 million and support 481 jobs during the construction period. Additionally, \$1.6 million in local taxes will be generated from wages paid to jobs supported and local spending during the construction and set-up of the hotel.

Annual Jobs and Wage Impact of Hotel Operations

It is anticipated that the hotel will reach stabilization in year five of operations. The economic impact when the hotel reaches stabilized operations is \$8.5 million annually. Food services and facility rentals will generate an additional \$3.2 million impact on the Lauderdale County economy. Operations of the hotel and related services will support a total of 99 jobs directly and indirectly.

Annual wages paid to these jobs will total \$3.8 million. Local (city and county) direct and indirect taxes as well as fees generated from hotel operations are estimated to be \$676,362 annually.



Annual Jobs and Wage Impact of from Visitor Spending

The Downtowner Hotel will draw new visitors to Florence and Lauderdale County. At stabilization, the projected number of new visitors annually is 26,412. New visitor spending for goods and services outside the hotel is projected to be \$1.5 million annually creating a \$2.1 million impact on the local economy and supporting an additional 31 jobs. Projected local direct and indirect tax generated from visitor spending is an additional \$110,000 annually.

Summary of Impacts

The total annual economic impact from the ongoing operations of the hotel and visitor spending are projected to be \$13.8 million annually. This represents the total dollars flowing through the Lauderdale County economy due to the operations of the Downtowner Hotel. The table below summarizes the annual impact from hotel and related operations as well as new visitor spending.

Annual Impact	Hotel & Related Operations	New Visitor Spending	Total
Economic Impact	\$11,706,014	\$2,131,814	\$13,837,828
Jobs Supported Direct & Indirect	99	31	130
Wages Paid to Jobs Supported	\$3,791,851	\$1,331,202	\$5,123,053
Local Sales Tax Direct & Indirect	\$213,738	\$109,987	\$323,725
Local Hotel Occupancy Tax	\$398,665	N/A	\$398,665
Property Tax Direct & Indirect	\$575,023	N/A	\$575,023



30-Year Economic Impact

An additional component of this analysis includes a look at a 30-year period of hotel operations. The developer requested that, after stabilization, a three percent (3%) growth factor be applied to future hotel performance and revenue levels.

The projected total impact on the Florence/Lauderdale County economy over the thirty-year period is \$641 million, which includes the one-time impact from the development of the hotel. This impact reflects the total number of dollars flowing through the Lauderdale County economy due to the construction and 30 years of ongoing operations of the hotel as well as new visitor spending. This economic activity is projected to support 144 jobs and generate \$47.7 million in city and county taxes and fees.

The table below summarizes the total economic impact over a two-year period.

30-Year Impact	One-Time Impact From Construction	Hotel & Related Operations	New Visitor Spending	Total
Economic Impact	\$78,109,460	\$488,933,703	\$74,255,443	\$641,298,606
Jobs Supported Direct & Indirect	481 During Construction Period	99	45	144
Wages Paid to Jobs Supported	\$19,460,779	\$132,326,451	\$56,279,024	\$208,066,254
Local Sales Tax Direct & Indirect	\$1,614,994	\$8,206,761	\$4,105,243	\$13,926,998
Local Hotel Occupancy Tax	N/A	\$16,651,189	N/A	\$16,651,189
Property Tax Direct & Indirect	N/A	\$17,152,371	N/A	\$17,152,371



The Downtowner Hotel City of Florence, Lauderdale County, AL Economic Impact Analysis - Detailed Summary

Annual Impact from Operations - At Full Operation*									
Activity	Economic Impact	Total Jobs (Direct & Indirect)	Total Wages Paid to Direct & Indirect Jobs	Local Direct Sales Tax	Local Indirect Sales Tax (from wages)	Hotel Tax and Occupancy Fees	Indirect Property Tax - From Jobs Supported	Total Local Taxes Generated from Hotel Operations	Direct Real & Personal Property Tax Paid by Hotel
Hotel & Related Operations	\$ 11,706,014	99	\$ 3,791,851	\$ 108,836	\$ 104,902	\$ 398,665	\$ 63,959	\$ 676,362	\$ 511,064
Visitor Spending	\$ 2,131,814	31	\$ 1,331,202	\$ 73,159	\$ 36,828	N/A	N/A	\$ 109,987	N/A
Total	\$ 13,837,828	130	\$ 5,123,053	\$ 181,995	\$ 141,730	\$ 398,665	\$ 63,959	\$ 786,349	\$ 511,064

N/A

One-Time Impact from Construction									
Activity	Economic Impact	Total Jobs (Direct & Indirect)	Total Wages Paid to Direct & Indirect Jobs	Local Direct Sales Tax	Local Indirect Sales Tax (from wages)	Hotel Tax and Occupancy Fees	Indirect Property Tax	Total Local Taxes Generated During Construction	Direct Real & Personal Property Tax
Construction	\$ 78,109,460	481	\$ 19,460,779	\$ 1,076,612	\$ 538,382	N/A		\$ 1,614,994	N/A

30-Year Impact from Operations Plus One-Time Impact from Construction									
Development Type	Economic Impact	Total Jobs (Direct & Indirect)**	Total Wages Paid to Direct & Indirect Jobs	Local Direct Sales Tax	Local Indirect Sales Tax (from wages)	Hotel Tax and Occupancy Fees	Indirect Property Tax - From Jobs Supported	Total Local Taxes Generated from Construction and Hotel Operations	Direct Real & Personal Property Tax from Hotel
Construction	\$ 78,109,460	N/A	\$ 19,460,779	\$ 1,076,612	\$ 538,382	N/A	N/A	\$ 1,614,994	N/A
Hotel & Related Operations	\$ 488,933,703	99	\$ 132,326,451	\$ 4,545,950	\$ 3,660,811	\$ 16,651,189	\$ 1,918,770	\$ 26,776,720	\$ 15,233,601
New Visitor Spending	\$ 74,255,443	45	\$ 56,279,024	\$ 2,548,284	\$ 1,556,959	N/A	N/A	\$ 4,105,243	N/A
Total for 30-Year Period	\$ 641,298,606	144	\$ 208,066,254	\$ 8,170,846	\$ 5,756,152	\$ 16,651,189	\$ 1,918,770	\$ 32,496,957	\$ 15,233,601

*Year 5 data is used for the annual operations impact as this is considered the stabilization year when the hotel is at full operation.

**Construction jobs are considered transient and are not included in the total jobs supported for the 30-year period.



**The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis**

One-Time Impact from Construction	
Total Capital <i>(Excludes Land Valued at \$5,150,000)</i>	\$ 49,786,900
Demolition of Current Structure	\$ 850,000
Construction Cost/Real Property Investment*	\$ 45,811,900
Total Development	\$ 46,661,900
Final Demand Output Multiplier - Specified Industry ¹	1.5819
Economic Impact	\$ 73,814,460
Personal Property	\$ 3,125,000
Final Demand Output Multiplier - Specified Industry ²	1.3744
Economic Impact	\$ 4,295,000
Total Economic Impact from Construction & Set-Up	\$ 78,109,460
Sales Tax Revenue from Capital Investment ³	\$ 1,076,612
Final Demand Employment Multiplier - Specified Industry ⁴	9.8257
Direct/Indirect Jobs Supported During Construction Period**	481
Lauderdale County Annual Average Wage - All Industries ⁵	\$ 40,459
Wages Paid to Direct/Indirect/Induced Jobs	\$ 19,460,779
Local Sales Tax Revenue from Wages ⁶ (Indirect)	\$ 538,382
Total Sales Tax Revenue During Construction Period (Direct & Indirect)	\$ 1,614,994

*Construction estimates provided by the developer.

**This number represents the total number of jobs supported during the construction period. If the construction period is two years, the annual average number of jobs would be 240 per year.



The Downtowner Hotel
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Annual Impact of Operations - Hotel	Year 1 - Half Year	Year 2	Year 3	Year 4	Year 5 - Stabilization	Year 6	Year 7	Year 8
Total Rooms*	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 185.50	\$ 191.00	\$ 197.00	\$ 203.00	\$ 209.00	\$ 215.27	\$ 221.73	\$ 228.38
Occupancy Rate*	62%	65%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	13,690	28,470	29,346	29,346	29,346	29,346	29,346	29,346
Total Annual Revenue	\$ 2,539,421	\$ 5,437,770	\$ 5,781,162	\$ 5,957,238	\$ 6,133,314	\$ 6,317,313	\$ 6,506,889	\$ 6,702,039
Direct Local Lodging Taxes & Fees (6.5%) ⁸	\$ 165,062	\$ 353,455	\$ 375,776	\$ 387,220	\$ 398,665	\$ 410,625	\$ 422,948	\$ 435,633
Total Local Direct Taxes	\$ 165,062	\$ 353,455	\$ 375,776	\$ 387,220	\$ 398,665	\$ 410,625	\$ 422,948	\$ 435,633
Final Demand Output Multiplier - Specified Industry ⁹	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828
Total Economic Impact	3,511,511	7,519,348	7,994,191	8,237,669	8,481,147	8,735,580	8,997,726	9,267,580
Direct Jobs Supported (FTE)	75	75	75	75	75	75	75	75
Total Wages Paid to Direct Jobs	\$ 1,300,800	\$ 2,640,624	\$ 2,680,233	\$ 2,720,436	\$ 2,761,243	\$ 2,802,662	\$ 2,844,702	\$ 2,887,373
Direct Effect Employment Multiplier - Specified Industry ¹⁰	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202
Indirect Jobs Supported From Hotel Operations	24	24	24	24	24	24	24	24
Lauderdale Co. Annual Average Wage - All Industries ⁵	\$ 40,459	\$ 41,066	\$ 41,682	\$ 42,307	\$ 42,942	\$ 43,586	\$ 44,240	\$ 44,904
Wages Paid to Indirect Jobs Supported from Hotel Operations	\$ 485,508	\$ 985,584	\$ 1,000,368	\$ 1,015,368	\$ 1,030,608	\$ 1,046,064	\$ 1,061,760	\$ 1,077,696
Total Employment - Direct & Indirect	99	99	99	99	99	99	99	99
Total Wages - Direct and Indirect	1,786,308	3,626,208	3,680,601	3,735,804	3,791,851	3,848,726	3,906,462	3,965,069
Local Sales Tax Revenue from Wages ⁶	\$ 49,418	\$ 100,319	\$ 101,824	\$ 103,351	\$ 104,902	\$ 106,475	\$ 108,072	\$ 109,694
Residential/Commercial Property Tax Revenue ¹¹	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959
Total Tax Revenue & Fees from Operations & Wages (Direct & Indirect)	\$ 278,439	\$ 517,733	\$ 541,559	\$ 554,530	\$ 567,526	\$ 581,059	\$ 594,979	\$ 609,286

*Projection provided by the developer. Includes a 3% growth factor after Year 5.

**Assumes 90% of revenue is subject to sales tax.



The Downtowner Hotel
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Annual Impact of Operations - Hotel	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Total Rooms*	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 235.23	\$ 242.29	\$ 249.56	\$ 257.05	\$ 264.76	\$ 272.70	\$ 280.88	\$ 289.31
Occupancy Rate*	67%	67%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346
Total Annual Revenue	\$ 6,903,060	\$ 7,110,242	\$ 7,323,588	\$ 7,543,389	\$ 7,769,647	\$ 8,002,654	\$ 8,242,704	\$ 8,490,091
Direct Local Lodging Taxes & Fees (6.5%) ⁸	\$ 448,699	\$ 462,166	\$ 476,033	\$ 490,320	\$ 505,027	\$ 520,173	\$ 535,776	\$ 551,856
Total Local Direct Taxes	\$ 448,699	\$ 462,166	\$ 476,033	\$ 490,320	\$ 505,027	\$ 520,173	\$ 535,776	\$ 551,856
Final Demand Output Multiplier - Specified Industry ⁹	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828
Total Economic Impact	9,545,551	9,832,043	10,127,057	10,430,998	10,743,868	11,066,070	11,398,011	11,740,098
Direct Jobs Supported (FTE)	75	75	75	75	75	75	75	75
Total Wages Paid to Direct Jobs	\$ 2,930,684	\$ 2,974,644	\$ 3,019,264	\$ 3,064,553	\$ 3,110,521	\$ 3,157,179	\$ 3,204,537	\$ 3,252,605
Direct Effect Employment Multiplier - Specified Industry ¹⁰	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202
Indirect Jobs Supported From Hotel Operations	24	24	24	24	24	24	24	24
Lauderdale Co. Annual Average Wage - All Industries ⁵	\$ 45,578	\$ 46,262	\$ 46,956	\$ 47,660	\$ 48,375	\$ 49,101	\$ 49,838	\$ 50,586
Wages Paid to Indirect Jobs Supported from Hotel Operations	\$ 1,093,872	\$ 1,110,288	\$ 1,126,944	\$ 1,143,840	\$ 1,161,000	\$ 1,178,424	\$ 1,196,112	\$ 1,214,064
Total Employment - Direct & Indirect	99	99	99	99	99	99	99	99
Total Wages - Direct and Indirect	4,024,556	4,084,932	4,146,208	4,208,393	4,271,521	4,335,603	4,400,649	4,466,669
Local Sales Tax Revenue from Wages ⁶	\$ 111,339	\$ 113,010	\$ 114,705	\$ 116,425	\$ 118,172	\$ 119,944	\$ 121,744	\$ 123,570
Residential/Commercial Property Tax Revenue ¹¹	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959
Total Tax Revenue & Fees from Operations & Wages (Direct & Indirect)	\$ 623,997	\$ 639,135	\$ 654,697	\$ 670,704	\$ 687,158	\$ 704,076	\$ 721,479	\$ 739,385

*Projection provided by the developer. Includes a 3% growth factor after Year 5.

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The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Hotel	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
Total Rooms*	120	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 297.99	\$ 306.93	\$ 316.14	\$ 325.62	\$ 335.39	\$ 345.45	\$ 355.81	\$ 366.48	\$ 377.47
Occupancy Rate*	67%	67%	67%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346
Total Annual Revenue	\$ 8,744,815	\$ 9,007,168	\$ 9,277,444	\$ 9,555,645	\$ 9,842,355	\$ 10,137,576	\$ 10,441,600	\$ 10,754,722	\$ 11,077,235
Direct Local Lodging Taxes & Fees (6.5%) ⁸	\$ 568,413	\$ 585,466	\$ 603,034	\$ 621,117	\$ 639,753	\$ 658,942	\$ 678,704	\$ 699,057	\$ 720,020
Total Local Direct Taxes	\$ 568,413	\$ 585,466	\$ 603,034	\$ 621,117	\$ 639,753	\$ 658,942	\$ 678,704	\$ 699,057	\$ 720,020
Final Demand Output Multiplier - Specified Industry ⁹	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828	1.3828
Total Economic Impact	12,092,330	12,455,112	12,828,850	13,213,546	13,610,008	14,018,240	14,438,644	14,871,630	15,317,601
Direct Jobs Supported (FTE)	75	75	75	75	75	75	75	75	75
Total Wages Paid to Direct Jobs	\$ 3,301,394	\$ 3,350,915	\$ 3,401,179	\$ 3,452,197	\$ 3,503,980	\$ 3,556,540	\$ 3,609,888	\$ 3,664,036	\$ 3,718,997
Direct Effect Employment Multiplier - Specified Industry ¹⁰	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202	1.3202
Indirect Jobs Supported From Hotel Operations	24	24	24	24	24	24	24	24	24
Lauderdale Co. Annual Average Wage - All Industries ⁵	\$ 51,345	\$ 52,115	\$ 52,897	\$ 53,690	\$ 54,495	\$ 55,312	\$ 56,142	\$ 56,984	\$ 57,839
Wages Paid to Indirect Jobs Supported from Hotel Operations	\$ 1,232,280	\$ 1,250,760	\$ 1,269,528	\$ 1,288,560	\$ 1,307,880	\$ 1,327,488	\$ 1,347,408	\$ 1,367,616	\$ 1,388,136
Total Employment - Direct & Indirect	99	99	99	99	99	99	99	99	99
Total Wages - Direct and Indirect	4,533,674	4,601,675	4,670,707	4,740,757	4,811,860	4,884,028	4,957,296	5,031,652	5,107,133
Local Sales Tax Revenue from Wages ⁶	\$ 125,424	\$ 127,305	\$ 129,215	\$ 131,153	\$ 133,120	\$ 135,117	\$ 137,144	\$ 139,201	\$ 141,289
Residential/Commercial Property Tax Revenue ¹¹	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959
Total Tax Revenue & Fees from Operations & Wages (Direct & Indirect)	\$ 757,796	\$ 776,730	\$ 796,208	\$ 816,229	\$ 836,832	\$ 858,018	\$ 879,807	\$ 902,217	\$ 925,268

*Projection provided by the developer. Includes a 3% growth factor after Year 5.

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**The Downtowner Hotel
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Annual Impact of Operations - Hotel	Year 26	Year 27	Year 28	Year 29	Year 30	30-Year Total
Total Rooms*	120	120	120	120	120	
Average Revenue Per Room*	\$ 388.79	\$ 400.45	\$ 412.46	\$ 424.83	\$ 437.57	
Occupancy Rate*	67%	67%	67%	67%	67%	
Annual Guest Rooms Occupied	29,346	29,346	29,346	29,346	29,346	
Total Annual Revenue	\$ 11,409,431	\$ 11,751,606	\$ 12,104,051	\$ 12,467,061	\$ 12,840,929	\$ 256,172,159
Direct Local Lodging Taxes & Fees (6.5%) ⁸	\$ 741,613	\$ 763,854	\$ 786,763	\$ 810,359	\$ 834,660	\$ 16,651,189
Total Local Direct Taxes	\$ 741,613	\$ 763,854	\$ 786,763	\$ 810,359	\$ 834,660	\$ 16,651,189
Final Demand Output Multiplier - Specified Industry ⁹	1.3828	1.3828	1.3828	1.3828	1.3828	
Total Economic Impact	15,776,961	16,250,121	16,737,482	17,239,452	17,756,437	354,234,862
Direct Jobs Supported (FTE)	75	75	75	75	75	75
Total Wages Paid to Direct Jobs	\$ 3,774,782	\$ 3,831,404	\$ 3,888,875	\$ 3,947,208	\$ 4,006,416	\$ 96,359,871
Direct Effect Employment Multiplier - Specified Industry ¹⁰	1.3202	1.3202	1.3202	1.3202	1.3202	
Indirect Jobs Supported From Hotel Operations	24	24	24	24	24	24
Lauderdale Co. Annual Average Wage - All Industries ⁵	\$ 58,707	\$ 59,588	\$ 60,482	\$ 61,389	\$ 62,310	
Wages Paid to Indirect Jobs Supported from Hotel Operations	\$ 1,408,968	\$ 1,430,112	\$ 1,451,568	\$ 1,473,336	\$ 1,495,440	\$ 35,966,580
Total Employment - Direct & Indirect	99	99	99	99	99	99
Total Wages - Direct and Indirect	5,183,750	5,261,516	5,340,443	5,420,544	5,501,856	132,326,451
Local Sales Tax Revenue from Wages ⁶	\$ 143,408	\$ 145,560	\$ 147,743	\$ 149,959	\$ 152,209	\$ 3,660,811
Residential/Commercial Property Tax Revenue ¹¹	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 63,959	\$ 1,918,770
Total Tax Revenue & Fees from Operations & Wages (Direct & Indirect)	\$ 948,980	\$ 973,373	\$ 998,465	\$ 1,024,277	\$ 1,050,828	\$ 22,230,770

*Projection provided by the developer. Includes a 3% growth factor after Year 5.

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The Downtowner Hotel
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Annual Impact of Operations - Food & Beverage Service	Year 1 - Half Year	Year 2	Year 3	Year 4	Year 5 - Stabilization	Year 6	Year 7	Year 8	Year 9
Estimated Annual Revenue from Food and Beverage Services	\$ 820,566	\$1,757,711	\$1,866,149	\$1,922,133	\$1,979,797	\$2,039,191	\$2,100,367	\$2,163,378	\$2,228,279
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 40,618	\$ 87,007	\$ 92,374	\$ 95,146	\$ 98,000	\$ 100,940	\$ 103,968	\$ 107,087	\$ 110,300
Final Demand Output Multiplier - Specified Industry ¹²	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418
Total Economic Impact	1,183,092	2,534,268	2,690,614	2,771,331	2,854,471	2,940,106	3,028,309	3,119,158	3,212,733

**Projection provided by the developer. Includes a 3% growth factor after Year 5.*

***Assumes 90% of revenue is subject to sales tax.*



The Downtowner Hotel
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Annual Impact of Operations - Food & Beverage Service	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
Estimated Annual Revenue from Food and Beverage Services	\$2,295,127	\$2,363,981	\$2,434,900	\$2,507,947	\$2,583,185	\$2,660,681	\$2,740,501	\$2,822,716	\$2,907,397
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 113,609	\$ 117,017	\$ 120,528	\$ 124,143	\$ 127,868	\$ 131,704	\$ 135,655	\$ 139,724	\$ 143,916
Final Demand Output Multiplier - Specified Industry ¹²	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418
Total Economic Impact	3,309,114	3,408,388	3,510,639	3,615,958	3,724,436	3,836,170	3,951,254	4,069,792	4,191,885

**Projection provided by the developer. Includes a 3% growth factor after Year 5.*

***Assumes 90% of revenue is subject to sales tax.*



The Downtowner Hotel
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Annual Impact of Operations - Food & Beverage Service	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27
Estimated Annual Revenue from Food and Beverage Services	\$2,994,619	\$3,084,458	\$3,176,992	\$3,272,302	\$3,370,471	\$3,471,585	\$3,575,733	\$3,683,005	\$3,793,495
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 148,234	\$ 152,681	\$ 157,261	\$ 161,979	\$ 166,838	\$ 171,843	\$ 176,999	\$ 182,309	\$ 187,778
Final Demand Output Multiplier - Specified Industry ¹²	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418	1.4418
Total Economic Impact	4,317,642	4,447,172	4,580,587	4,718,005	4,859,545	5,005,331	5,155,492	5,310,157	5,469,461

**Projection provided by the developer. Includes a 3% growth factor after Year 5.*

***Assumes 90% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Food & Beverage Service	Year 28	Year 29	Year 30	30-Year Total
Estimated Annual Revenue from Food and Beverage Services	\$3,907,300	\$4,024,519	\$4,145,255	\$ 82,693,740
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 193,411	\$ 199,214	\$ 205,190	\$ 4,093,341
Final Demand Output Multiplier - Specified Industry ¹²	1.4418	1.4418	1.4418	
Total Economic Impact	5,633,545	5,802,551	5,976,629	119,227,835

**Projection provided by the developer. Includes a 3% growth factor after Year 5.*

***Assumes 90% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Meeting Space/Rentals/	Year 1 - Half Year	Year 2	Year 3	Year 4	Year 5 - Stabilization	Year 6	Year 7	Year 8	Year 9
Project Annual Revenue from Retail, Rental, Miscellaneous Services	\$ 108,878	\$ 233,224	\$ 247,612	\$ 255,040	\$ 262,692	\$ 270,573	\$ 278,690	\$ 287,051	\$ 295,663
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 4,491	\$ 9,620	\$ 10,214	\$ 10,520	\$ 10,836	\$ 11,161	\$ 11,496	\$ 11,841	\$ 12,196
Final Demand Output Multiplier - Specified Industry ¹³	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100
Total Economic Impact	153,518	328,846	349,133	359,606	370,396	381,508	392,953	404,742	416,885

**Projection provided by the developer. Includes a 3% growth factor after Year 5.*

***Assumes 75% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Meeting Space/Rentals/	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
Project Annual Revenue from Retail, Rental, Miscellaneous Services	\$ 304,533	\$ 313,669	\$ 323,079	\$ 332,771	\$ 342,754	\$ 353,037	\$ 363,628	\$ 374,537	\$ 385,773
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 12,562	\$ 12,939	\$ 13,327	\$ 13,727	\$ 14,139	\$ 14,563	\$ 15,000	\$ 15,450	\$ 15,913
Final Demand Output Multiplier - Specified Industry ¹³	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100
Total Economic Impact	429,392	442,273	455,541	469,207	483,283	497,782	512,715	528,097	543,940

**Projection provided by the developer. Includes a 3% growth factor after Year 10.*

***Assumes 75% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Meeting Space/Rentals/	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27
Project Annual Revenue from Retail, Rental, Miscellaneous Services	\$ 397,346	\$ 409,266	\$ 421,544	\$ 434,190	\$ 447,216	\$ 460,632	\$ 474,451	\$ 488,685	\$ 503,346
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 16,391	\$ 16,882	\$ 17,389	\$ 17,910	\$ 18,448	\$ 19,001	\$ 19,571	\$ 20,158	\$ 20,763
Final Demand Output Multiplier - Specified Industry ¹³	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100	1.4100
Total Economic Impact	560,258	577,065	594,377	612,208	630,575	649,491	668,976	689,046	709,718

**Projection provided by the developer. Includes a 3% growth factor after Year 20.*

***Assumes 75% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Meeting Space/Rentals/	Year 28	Year 29	Year 30	30-Year Total
Project Annual Revenue from Retail, Rental, Miscellaneous Services	\$ 518,446	\$ 533,999	\$ 550,019	\$ 10,972,344
Direct Local Sales Tax Generated from Operation (5.5%)	\$ 21,386	\$ 22,027	\$ 22,688	\$ 452,609
Final Demand Output Multiplier - Specified Industry ¹³	1.4100	1.4100	1.4100	1.4100
Total Economic Impact	731,009	752,939	775,527	15,471,006

**Projection provided by the developer. Includes a 3% growth factor after Year 28.*

***Assumes 75% of revenue is subject to sales tax.*



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Visitor Spending	Year 1 - Half Year	Year 2	Year 3	Year 4	Year 5 - Stabilization	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Total Rooms*	120	120	120	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 185.50	\$ 191.00	\$ 197.00	\$ 203.00	\$ 209.00	\$ 215.27	\$ 221.73	\$ 228.38	\$ 235.23	\$ 242.29	\$ 249.56
Occupancy Rate*	62%	65%	67%	67%	67%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	13,578	28,470	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346
Estimated Occupants Per Room	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Hotel Visitors	24,440	51,246	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823
Estimated Percentage of New Visitors Generated from Downtowner	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total New Visitors to Florence/Lauderdale County	12,220	25,623	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412
Average Local Spending Outside Hotel Per Visitor Per Day ¹⁴	\$ 75.32	\$ 76.45	\$ 77.60	\$ 78.76	\$ 79.94	\$ 81.14	\$ 82.36	\$ 83.60	\$ 84.85	\$ 86.12	\$ 87.41
Total Annual New Visitor Spending Outside on Hotel	\$ 644,287	\$ 1,371,215	\$ 1,434,700	\$ 1,456,146	\$ 1,477,963	\$ 1,500,149	\$ 1,522,705	\$ 1,545,630	\$ 1,568,741	\$ 1,592,221	\$ 1,616,071
Direct Local Sales Tax Generated from Operation (5.5%)**	\$ 31,892	\$ 67,875	\$ 71,018	\$ 72,079	\$ 73,159	\$ 74,257	\$ 75,374	\$ 76,509	\$ 77,653	\$ 78,815	\$ 79,996
Final Demand Output Multiplier - Specified Industry ¹⁵	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424
Total Economic Impact	929,320	1,977,841	2,069,411	2,100,345	2,131,814	2,163,815	2,196,350	2,229,417	2,262,752	2,296,620	2,331,021
Final Demand Employment Multiplier - Specified Industry ¹⁶	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775
Indirect Jobs Supported From Hotel Operations	14	29	30	31	31	32	32	33	33	34	34
Lauderdale County Annual Average Wage - All Industries ⁵	\$ 40,459	\$ 41,066	\$ 41,682	\$ 42,307	\$ 42,942	\$ 43,586	\$ 44,240	\$ 44,904	\$ 45,578	\$ 46,262	\$ 46,956
Wages Paid to Indirect Jobs Supported from New Visitor Spending	\$ 566,426	\$ 1,190,914	\$ 1,250,460	\$ 1,311,517	\$ 1,331,202	\$ 1,394,752	\$ 1,415,680	\$ 1,481,832	\$ 1,504,074	\$ 1,572,908	\$ 1,596,504
Local Sales Tax Revenue from Wages (Indirect)⁶	\$ 15,670	\$ 32,947	\$ 34,594	\$ 36,283	\$ 36,828	\$ 38,586	\$ 39,165	\$ 40,995	\$ 41,610	\$ 43,514	\$ 44,167

*Projection provided by the developer. Includes a 3% growth factor after Year 5.

**Assumes 75% of revenue is subject to sales tax.



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Visitor Spending	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Total Rooms*	120	120	120	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 257.05	\$ 264.76	\$ 272.70	\$ 280.88	\$ 289.31	\$ 297.99	\$ 306.93	\$ 316.14	\$ 325.62	\$ 335.39	\$ 345.45
Occupancy Rate*	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346
Estimated Occupants Per Room	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Hotel Visitors	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823
Estimated Percentage of New Visitors Generated from Downtowner	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Total New Visitors to Florence/Lauderdale County	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412
Average Local Spending Outside Hotel Per Visitor Per Day ¹⁴	\$ 88.72	\$ 90.05	\$ 91.40	\$ 92.77	\$ 94.16	\$ 95.57	\$ 97.00	\$ 98.46	\$ 99.94	\$ 101.44	\$ 102.96
Total Annual New Visitor Spending Outside on Hotel	\$ 1,640,291	\$ 1,664,880	\$ 1,689,840	\$ 1,715,169	\$ 1,740,868	\$ 1,766,936	\$ 1,793,375	\$ 1,820,368	\$ 1,847,731	\$ 1,875,463	\$ 1,903,566
Direct Local Sales Tax Generated from Operation (5.5%)**	\$ 81,194	\$ 82,412	\$ 83,647	\$ 84,901	\$ 86,173	\$ 87,463	\$ 88,772	\$ 90,108	\$ 91,463	\$ 92,835	\$ 94,227
Final Demand Output Multiplier - Specified Industry ¹⁵	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424
Total Economic Impact	2,365,956	2,401,423	2,437,425	2,473,960	2,511,028	2,548,628	2,586,764	2,625,699	2,665,167	2,705,168	2,745,704
Final Demand Employment Multiplier - Specified Industry ¹⁶	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775
Indirect Jobs Supported From Hotel Operations	35	35	36	36	37	37	38	39	39	40	40
Lauderdale County Annual Average Wage - All Industries ⁵	\$ 47,660	\$ 48,375	\$ 49,101	\$ 49,838	\$ 50,586	\$ 51,345	\$ 52,115	\$ 52,897	\$ 53,690	\$ 54,495	\$ 55,312
Wages Paid to Indirect Jobs Supported from New Visitor Spending	\$ 1,668,100	\$ 1,693,125	\$ 1,767,636	\$ 1,794,168	\$ 1,871,682	\$ 1,899,765	\$ 1,980,370	\$ 2,062,983	\$ 2,093,910	\$ 2,179,800	\$ 2,212,480
Local Sales Tax Revenue from Wages (Indirect)⁶	\$ 46,148	\$ 46,840	\$ 48,902	\$ 49,636	\$ 51,780	\$ 52,557	\$ 54,787	\$ 57,072	\$ 57,928	\$ 60,304	\$ 61,208

*Projection provided by the developer. Includes a 3% growth factor after Year 12.

**Assumes 75% of revenue is subject to sales tax.



The Downtowner Hotel
City of Florence, Lauderdale County, AL
Economic Impact Analysis

Annual Impact of Operations - Visitor Spending	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	30-Year Total
Total Rooms*	120	120	120	120	120	120	120	120	120
Average Revenue Per Room*	\$ 355.81	\$ 366.48	\$ 377.47	\$ 388.79	\$ 400.45	\$ 412.46	\$ 424.83	\$ 437.57	
Occupancy Rate*	67%	67%	67%	67%	67%	67%	67%	67%	67%
Annual Guest Rooms Occupied	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346	29,346
Estimated Occupants Per Room	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	
Total Hotel Visitors	52,823	52,823	52,823	52,823	52,823	52,823	52,823	52,823	
Estimated Percentage of New Visitors Generated from Downtowner	50%	50%	50%	50%	50%	50%	50%	50%	
Total New Visitors to Florence/Lauderdale County	26,412	26,412	26,412	26,412	26,412	26,412	26,412	26,412	
Average Local Spending Outside Hotel Per Visitor Per Day ¹⁴	\$ 104.50	\$ 106.07	\$ 107.66	\$ 109.27	\$ 110.91	\$ 112.57	\$ 114.26	\$ 115.97	
Total Annual New Visitor Spending Outside on Hotel	\$ 1,932,038	\$ 1,961,065	\$ 1,990,461	\$ 2,020,227	\$ 2,050,548	\$ 2,081,239	\$ 2,112,485	\$ 2,144,100	\$ 51,480,478
Direct Local Sales Tax Generated from Operation (5.5%)**	\$ 95,636	\$ 97,073	\$ 98,528	\$ 100,001	\$ 101,502	\$ 103,021	\$ 104,568	\$ 106,133	\$ 2,548,284
Final Demand Output Multiplier - Specified Industry ¹⁵	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	1.4424	
Total Economic Impact	2,786,772	2,828,640	2,871,041	2,913,975	2,957,710	3,001,979	3,047,048	3,092,650	74,255,443
Final Demand Employment Multiplier - Specified Industry ¹⁶	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	14.6775	
Indirect Jobs Supported From Hotel Operations	41	42	42	43	43	44	45	45	45
Lauderdale County Annual Average Wage - All Industries ⁵	\$ 56,142	\$ 56,984	\$ 57,839	\$ 58,707	\$ 59,588	\$ 60,482	\$ 61,389	\$ 62,310	
Wages Paid to Indirect Jobs Supported from New Visitor Spending	\$ 2,301,822	\$ 2,393,328	\$ 2,429,238	\$ 2,524,401	\$ 2,562,284	\$ 2,661,208	\$ 2,762,505	\$ 2,803,950	\$ 56,279,024
Local Sales Tax Revenue from Wages (Indirect)⁶	\$ 63,680	\$ 66,211	\$ 67,205	\$ 69,838	\$ 70,886	\$ 73,622	\$ 76,425	\$ 77,571	\$ 1,556,959

*Projection provided by the developer. Includes a 3% growth factor after Year 23.

**Assumes 75% of revenue is subject to sales tax.



Real Property Tax Schedule The Downtowner Hotel

Lauderdale County Tax Rate: \$0.035	Lauderdale County - Land & Building			
	Full Taxes	% of Taxes Abated	Total Taxes Abated	Taxes Paid to County
Full Value*	\$ 50,961,900			
Year 1	\$ 356,733	0%	\$ -	\$ 356,733
Year 2	\$ 356,733	0%	\$ -	\$ 356,733
Year 3	\$ 356,733	0%	\$ -	\$ 356,733
Year 4	\$ 356,733	0%	\$ -	\$ 356,733
Year 5	\$ 356,733	0%	\$ -	\$ 356,733
Year 6	\$ 356,733	0%	\$ -	\$ 356,733
Year 7	\$ 356,733	0%	\$ -	\$ 356,733
Year 8	\$ 356,733	0%	\$ -	\$ 356,733
Year 9	\$ 356,733	0%	\$ -	\$ 356,733
Year 10	\$ 356,733	0%	\$ -	\$ 356,733
Year 11	\$ 356,733	0%	\$ -	\$ 356,733
Year 12	\$ 356,733	0%	\$ -	\$ 356,733
Year 13	\$ 356,733	0%	\$ -	\$ 356,733
Year 14	\$ 356,733	0%	\$ -	\$ 356,733
Year 15	\$ 356,733	0%	\$ -	\$ 356,733
Year 16	\$ 356,733	0%	\$ -	\$ 356,733
Year 17	\$ 356,733	0%	\$ -	\$ 356,733
Year 18	\$ 356,733	0%	\$ -	\$ 356,733
Year 19	\$ 356,733	0%	\$ -	\$ 356,733
Year 20	\$ 356,733	0%	\$ -	\$ 356,733
Year 21	\$ 356,733	0%	\$ -	\$ 356,733
Year 22	\$ 356,733	0%	\$ -	\$ 356,733
Year 23	\$ 356,733	0%	\$ -	\$ 356,733
Year 24	\$ 356,733	0%	\$ -	\$ 356,733
Year 25	\$ 356,733	0%	\$ -	\$ 356,733
Year 26	\$ 356,733	0%	\$ -	\$ 356,733
Year 27	\$ 356,733	0%	\$ -	\$ 356,733
Year 28	\$ 356,733	0%	\$ -	\$ 356,733
Year 29	\$ 356,733	0%	\$ -	\$ 356,733
Year 30	\$ 356,733	0%	\$ -	\$ 356,733
Total	\$ 10,701,990		\$ -	\$ 10,701,990

Florence Tax Rate: \$0.014	City of Florence - Land & Building			
	Full Taxes	% of Taxes Abated	Taxes Abated	Taxes Paid to City
Full Value*	\$ 50,961,900			
Year 1	\$ 142,693	0%	\$ -	\$ 142,693
Year 2	\$ 142,693	0%	\$ -	\$ 142,693
Year 3	\$ 142,693	0%	\$ -	\$ 142,693
Year 4	\$ 142,693	0%	\$ -	\$ 142,693
Year 5	\$ 142,693	0%	\$ -	\$ 142,693
Year 6	\$ 142,693	0%	\$ -	\$ 142,693
Year 7	\$ 142,693	0%	\$ -	\$ 142,693
Year 8	\$ 142,693	0%	\$ -	\$ 142,693
Year 9	\$ 142,693	0%	\$ -	\$ 142,693
Year 10	\$ 142,693	0%	\$ -	\$ 142,693
Year 11	\$ 142,693	0%	\$ -	\$ 142,693
Year 12	\$ 142,693	0%	\$ -	\$ 142,693
Year 13	\$ 142,693	0%	\$ -	\$ 142,693
Year 14	\$ 142,693	0%	\$ -	\$ 142,693
Year 15	\$ 142,693	0%	\$ -	\$ 142,693
Year 16	\$ 142,693	0%	\$ -	\$ 142,693
Year 17	\$ 142,693	0%	\$ -	\$ 142,693
Year 18	\$ 142,693	0%	\$ -	\$ 142,693
Year 19	\$ 142,693	0%	\$ -	\$ 142,693
Year 20	\$ 142,693	0%	\$ -	\$ 142,693
Year 21	\$ 142,693	0%	\$ -	\$ 142,693
Year 22	\$ 142,693	0%	\$ -	\$ 142,693
Year 23	\$ 142,693	0%	\$ -	\$ 142,693
Year 24	\$ 142,693	0%	\$ -	\$ 142,693
Year 25	\$ 142,693	0%	\$ -	\$ 142,693
Year 26	\$ 142,693	0%	\$ -	\$ 142,693
Year 27	\$ 142,693	0%	\$ -	\$ 142,693
Year 28	\$ 142,693	0%	\$ -	\$ 142,693
Year 29	\$ 142,693	0%	\$ -	\$ 142,693
Year 30	\$ 142,693	0%	\$ -	\$ 142,693
Total	\$ 4,280,790		\$ -	\$ 4,280,790

Total Taxes Paid:

\$ 14,982,780

Total Taxes Abated:

\$ -

* Assumes that appraised value of the buildings will be 80% of the hard construction cost (\$45,811,900) plus the land valued at \$5,150,000.



Personal Property Tax Schedule The Downtowner Hotel

Lauderdale County Tax Rate: \$0.035	Lauderdale County					Florence Tax Rate: \$0.014	City of Florence				
	Full Taxes	Depreciation Rate	% of Taxes Abated	Taxes Abated	Payments Made in Lieu of Tax		Full Taxes	Depreciation Rate	% of Taxes Abated	Taxes Abated	Payments Made in Lieu of Tax
Value	\$ 3,125,000					Value	\$ 3,125,000				
Year 1	\$ 19,250	0.88	0%	\$ -	\$ 19,250	Year 1	\$ 7,700	0.88	0%	\$ -	\$ 7,700
Year 2	\$ 16,406	0.75	0%	\$ -	\$ 16,406	Year 2	\$ 6,563	0.75	0%	\$ -	\$ 6,563
Year 3	\$ 13,781	0.63	0%	\$ -	\$ 13,781	Year 3	\$ 5,513	0.63	0%	\$ -	\$ 5,513
Year 4	\$ 10,938	0.50	0%	\$ -	\$ 10,938	Year 4	\$ 4,375	0.50	0%	\$ -	\$ 4,375
Year 5	\$ 8,313	0.38	0%	\$ -	\$ 8,313	Year 5	\$ 3,325	0.38	0%	\$ -	\$ 3,325
Year 6	\$ 5,469	0.25	0%	\$ -	\$ 5,469	Year 6	\$ 2,188	0.25	0%	\$ -	\$ 2,188
Year 7	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 7	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 8	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 8	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 9	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 9	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 10	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 10	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 11	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 11	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 12	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 12	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 13	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 13	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 14	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 14	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 15	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 15	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 16	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 16	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 17	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 17	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 18	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 18	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 19	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 19	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 20	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 20	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 21	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 21	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 22	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 22	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 23	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 23	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 24	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 24	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 25	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 25	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 26	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 26	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 27	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 27	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 28	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 28	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 29	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 29	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Year 30	\$ 4,375	0.20	0%	\$ -	\$ 4,375	Year 30	\$ 1,750	0.20	0%	\$ -	\$ 1,750
Total	\$ 179,157			\$ -	\$ 179,157	Total	\$ 71,664			\$ -	\$ 71,664

Total Taxes Paid: **\$ 250,821**
Total Taxes Abated: **\$ -**

For the purpose of this analysis all personal property is included into one group using a standard depreciation table.



Notes for the Downtowner Hotel Economic Impact Analysis 2021

1. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for construction for Lauderdale County, Alabama. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry.
2. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for wholesale trade for Lauderdale County, Alabama.
3. For the purpose of this analysis, it is assumed that 40% of the construction costs would be for building materials that are subject to the Lauderdale County (1.0%) and the City of Florence (4.5%) local option sales tax rate of 5.5%.
4. U.S. Bureau of Economic Analysis, RIMS II final demand aggregate employment multiplier for construction for Lauderdale County, Alabama. This multiplier calculates the number of indirect jobs supported per million dollars of output by the specified industry.
5. Based upon 2020 Annual Average Wage for Lauderdale County, Alabama from Bureau of Labor Statistics Quarterly Census of Employment and Wages Data for all industry types with a 1.5% inflation factor applied for 2021/2022 and is further applied to each year of the 30-year period.
6. U.S. Department of Labor, "Consumer Expenditure Survey, Southern US" 2020; factor applied to determine the rate of indirect or "downstream" expenditures on sales taxable goods and services at the Lauderdale County (1.5%) and the City of Florence (4.5%) local option sales tax rate of 5.5%.
7. The Lauderdale County (1.0%) and the City of Florence (4.5%) local option sales tax rate of 5.5% is applied to goods and services subject to local sales tax.
8. A total of 6.5% local lodging taxes and fees will be assessed to room rentals as follows:
 - City of Florence – 1.50%
 - Lauderdale County – 0.50%
 - Florence-Lauderdale CVB -- 4.50%
9. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for accommodations for Lauderdale County, Alabama.
10. U.S. Bureau of Economic Analysis, RIMS II direct effect aggregate employment multiplier for accommodations for Lauderdale County, Alabama. This multiplier represents the total number of jobs supported in the local economy among all industry sectors for each new job created by the specified multiplier.
11. New property tax for Lauderdale County and the City of Florence based on projected new property value created by wages paid to the direct jobs supported by the new development. The new property value may be new single-family homes, new rental property, expansions or improvements to existing residential or commercial property. Although commercial property value is included, the residential rate of assessment is used as a conservative measure. The assessment rate of 10% and tax rate of \$0.049 of assessed value is used. Direct property taxes paid by the project are not included in this value.
12. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for food services and drinking establishments for Lauderdale County, Alabama.



13. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for rental and leasing services for Lauderdale County, Alabama.
14. Based on the State of Alabama Department of Tourism 2019 Annual Tourism Industry Report for per day visitor spending less the projected visitor spending on lodging and other services inside the Downtowner Hotel removed.
15. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for food services and drinking places; general merchandise retail; performing arts, spectator sports, museums and related activities; and gasoline stations for Lauderdale County, Alabama.
16. U.S. Bureau of Economic Analysis, RIMS II final demand aggregate employment multiplier for food service and drinking places; general merchandise retail; performing arts, spectator sports, museums and related activities; and gasoline stations for Lauderdale County, Alabama. This multiplier represents the total change in the number of jobs supported in the local economy among all industry sectors for each additional one million dollars of output delivered to the final demand by the specified industry.