APPLICATION FOR TAX INCREMENT FINANCING ("TIF")

DATE: APRIL 26, 2017

APPLICANT: Broadway Lodging Two, LLC (the "Applicant")

ADDRESS: #5 McBride & Sons Center Drive, Chesterfield, MO 63005

PHONE #: (636) 530-0770

FAX #: (636) 536-3761

CONTACT PERSON: Mr. David Parmley

PROJECT NAME: Broadway Hotel Tower Two

1) In no more than three pages provide relevant information on the Applicant's background and development experience. Include resumes of key individuals assigned to the project.

Broadway Lodging LLC was originally formed to facilitate the redevelopment of the former Regency Hotel site in Columbia into the upscale hotel known as The Broadway, A DoubleTree by Hilton hotel. Day to day management of The Broadway is provided by Chesterfield Hotels, Inc. of which David Parmley is President and Owner. Chesterfield Hotels, Inc. is an independent company specializing in hotel management. Due to the success of The Broadway as redevelopment project made possible by TIF assistance, Broadway Lodging Two, LLC (an affiliate of Broadway Lodging LLC, which will be operated and managed in the same manner as The Broadway) is considering redevelopment of property adjacent to The Broadway into an additional hotel tower.

Mr. Parmley began his career with Breckenridge Hotels Corporation in 1982 and has a thirty-five year background in hotel management ranging from full service luxury hotels to limited service franchises. In addition to The Broadway, Mr. Parmley has constructed and currently operates four Hampton Inn hotels in Missouri and Colorado.

As both a principal and manager, Mr. Parmley has effectively implemented his business plans, including long-term ownership of his projects. Mr. Parmley's philosophy of building hotels only in markets with "high barriers to entry" and a determined "hands on" approach to development and redevelopment have proven to be a winning formula. His extensive experience, industry knowledge, and focused attention on controlling construction costs have resulted in high quality hotels. Each of his projects has proven to be successful, including The Broadway hotel, and they consistently rank at the top of their respective markets for customer satisfaction. All of his hotels are independently owned and operated under franchises from the Hilton Hotels Corporation and each property is held as a single asset entity.

The Broadway – Columbia, Missouri

Broadway Lodging LLC owns The Broadway, a Double Tree by Hilton in Columbia, which has 114 rooms, a lobby-level restaurant, meeting rooms, and a roof-top restaurant and bar. The Broadway opened in 2014 and Midland States and Carrollton Banks provided both the construction and permanent financing for the hotel. At the onset of the project Mr. Parmley was determined not to build a "cookie cutter" hotel. Noting that most of the Downtown businesses were independent versus national franchises he set out to design a property unlike any other in the country. Every aspect of the hotel was designed to reflect the local features, attributes and assets of Columbia. The project's engaging design captures both the natural landscape of mid-Missouri along with the energy and excitement of our community. The exterior façade pays homage to both Columbia's past, and future by combining traditional brick and the bold use of stainless steel accents while the use of custom artwork from local artists further enhances the overall local flavor of the hotel.

The Broadway has a talented staff drawn from Hospitality School graduates, Mizzou students and the community as a whole that provide exemplary service with a friendly "small town" feeling not often associated with upscale luxury hotels. Mr. Parmley plans to apply the same "local" emphasis to the proposed redevelopment project.

When developing The Broadway hotel the main goals were to create an upscale hotel that would serve as the gateway to Downtown Columbia ("Downtown"), act as an anchor for the North Village Arts District and would be a catalyst for future development in the area. The hotel's vibrant boutique design and convenient location offers visitors easy access to explore all of the unique shopping, dining, entertainment and night life that makes Columbia special. The Broadway, a Doubletree by Hilton hotel, was also recognized by Hilton Hotels and received their worldwide award for "Best New Doubletree Development in 2014". This accolade was presented to The Broadway based on the overall quality of the development, community impact and its unique design and feel. The Broadway has substantially contributed to reinvigorating Downtown, as well as the Arts District, and is a project that our City can take pride in. It is expected that the proposed redevelopment project (second hotel tower) will have the same positive effects.

Hampton Inn – Chesterfield, Missouri

Chesterfield Lodging LLC (of which Mr. Parmley is a principal and manager) owns the 92-room Hampton Inn - Chesterfield. The hotel was opened in February of 1997. Magna Bank provided the construction and takeout loan. It was subsequently refinanced with a securitized conduit loan from Nomura Asset Capital and is currently serviced by Wells Fargo Bank. The immediate success of this first limited service hotel in the Chesterfield market allowed us to open a 2nd hotel in Chesterfield market three years after the completion of this property.

Hampton Inn & Suites – Chesterfield, Missouri

Valley Lodging LLC (of which Mr. Parmley is a principal and manager) owns the Hampton Inn & Suites in Chesterfield Valley. It was opened in August of 2000. Building upon the success of our first Chesterfield property, this second hotel was designed to offer a more upscale décor, 4,000 square feet of meeting space, two-room suites with full kitchens and additional amenities targeting a different client niche at a higher price point than our original hotel. Construction and permanent financing for the 120 room property was obtained through Marshall & Ilsley Bank and the hotel was refinanced in 2002 with funds from Eagle Bank and Trust of St. Louis, which remains as the lender as of this date.

Hampton Inn & Suites – Steamboat Springs, Colorado

In 2007, Mesa Lodging LLC (of which Mr. Parmley is a principal and manager) purchased the Hampton Inn & Suites in Steamboat Springs, Colorado with financing provided by Eagle Bank and Trust of St. Louis. Originally opened in 1998 as the Ski Town Lodge, the hotel was converted by the previous owners to a Hampton Inn & Suites. After acquisition, Mesa

Lodging LLC completed over $1,500,000 of renovations and improvements to the property including the addition of five more guest rooms bringing the total property count to 73 guest rooms and suites. The property is located in a popular summer and winter travel destination with high barriers to entry.

Hampton Inn & Suites at the University of Missouri, Columbia, Missouri

Stadium Lodging LLC (of which Mr. Parmley is a principal and manager) opened the Hampton Inn & Suites at the University of Missouri on August 1st, 2008. The new hotel is located at the former site of the Campus Inn, which coincidentally was also the property where Mr. Parmley first got his start in hotel management serving as Director of Sales in 1984. Financing of the project was funded through Enterprise and Southwest Banks of St. Louis.

Located at the corner of Stadium Boulevard and College Avenue the hotel is surrounded the University of Missouri. Its strategic position on the south side of campus is within easy walking distance to Faurot Field, Mizzou Arena, the Hearnes Center and both the University of Missouri and VA Hospitals, placing the property at the epicenter for sporting events and room night demand generated by the University.

The property has 133 guest rooms and suites, over 6,000 SF of meeting space, an indoor pool, fitness center and business center which are strongly embraced by the community, Mizzou Alumni, and visitors to the City. Since its opening, the hotel has provided accommodations to dignitaries and celebrities including Barrack Obama, Sheryl Crow, Joe Biden, Bonnie Raitt, Michael Jordan and Buddy Guy. Stadium Lodging LLC also opened the adjacent Stadium Grill in 2009, which benefited the overall hotel operation with the extra foot traffic and positive word of mouth within the marketplace.

David Parmley - Hotel & Restaurant Experience

Property	Year	# of Rooms	Position
The Broadway, a DoubleTree Hilton Hotel Columbia, MO	2013 to present	114	Owner / Managing Partner
Stadium Grill Columbia, MO	2009 to present	N/A	Owner / Managing Partner
Hampton Inn & Suites University of MO - Columbia, MO	2008 to present	133	Owner / Managing Partner
Hampton Inn & Suites Steamboat Springs, CO	2007 to present	73	Owner / Managing Partner
Hampton Inn & Suites Chesterfield, MO	2000 to present	120	Owner / Managing Partner
Hampton Inn Chesterfield, MO	1997 to present	92	Owner / Managing Partner
Chesterfield Hotels, Inc. Chesterfield, MO	1997 to present	N/A	Owner / President
RE/MAX Suburban Chesterfield, MO	1989 to present	N/A	Broker / Associate

Days Inn Airport St. Louis, MO	1988	102	General Manager
Ramada Inn – South County St. Louis, MO	1987	172	General Manager
The Danielle Hotel Clayton, MO	1987	90	General Manager
Breckenridge Kings Inn Airport St. Louis, MO	1986	196	General Manager
Breckenridge on the Lake Resort Osage Beach, MO	1985	220	Director of Sales
Breckenridge Campus Inn Columbia, MO	1984	98	Director of Sales
Osage House Resort & Restaurant Osage Beach, MO	1982 to 1984	170	Food & Beverage Director

2) Identify the Applicant's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant's legal counsel, Applicant's financial advisor).

Engineering/Architectural/Contact: LLW Architects
Address: 803 S. Mt. Moriah, Suite 100B
Memphis, TN 38117
Telephone: 901-683-7175
Fax: (901) 683-2385

General Contractor/Contact: Not Yet Determined
Address:
Telephone
Fax

Legal Advisor: Van Matre, Harrison, Hollis, Taylor, & Elliott, P.C.
Mr. Robert Hollis
Address: 1103 E. Broadway, Columbia, MO 65205-1017
Telephone: (573) 874-7777
Fax: (573) 875-0017

Planning Consultant: Development Dynamics, LLC
Mr. Patrick Nasi
Address: 1001 Boardwalk Springs Place, Suite #50,
O'Fallon, Missouri 63368-4151
Telephone: (636) 561-8602
Fax: (636) 561-8605

Accounting Firm: Anders, Minkler & Diehl
Address: 705 Olive

	St. Louis, Missouri 63101
Telephone:	(314) 655-5500
Fax:	(314) 558-2580

3) Describe the proposed project, including the size and scope and phasing of the proposed project. Specifically outline residential development, if any, to be included in the project.

Broadway Lodging Two LLC is proposing to demolish an existing building and construct an approximately 73,000 square feet, seven story hotel tower on the site at 1104 East Walnut Street (the "Redevelopment Project") as a single phase project. This site is located due north of our existing hotel and is just west of the Short Street garage. The ground floor would include a reception lobby entered off of Walnut Street, two new meeting rooms, a board room, and ancillary support areas and offices for our banquet staff. We would also be adding an additional eighty (80) guest rooms and suites on floors two thru six. The hallmark of the project will be the large ballroom and reception area with expansive windows providing panoramic views of Downtown from the top floor of the new tower.

The new tower would be connected to the existing hotel via enclosed walkways at the 4th and 7th floors. These walkways would span about 20 feet across the alleyway which separates the two towers.

Having the 7th floor walkway will also allow guests to pass between both our new ballrooms directly over to The Roof venue at our existing hotel.

Currently The Broadway hotel only has around 3,000 square feet of meeting space which much less than many comparable hotels. Its largest meeting room will accommodate around 150 people with banquet style seating. This has limited the ability of the existing facility to host many larger, out of town, meetings and events that would like to stay Downtown We think there is a real untapped demand from meeting planners who would like to hold their events here but are unable to find suitable meeting space.

Construction of the new tower (the "Redevelopment Project") would allow The Broadway to almost triple the amount of its existing meeting space with the addition of a 6,000 SF rooftop ballroom & reception area and another 2,000 SF of meeting space to be located on the ground floor.

4) Define the boundaries of the proposed TIF area by address and locator number(s). Include a map of the proposed TIF area.

This Application addresses property located at 1104 East Walnut Street, Columbia, MO (the "Redevelopment Project Area") and encompasses a single (1) tax parcel (17-117-00-37-001.00). The Redevelopment Project Area is located in the City of Columbia, Boone County, MO. The property is owned by Richard and Rosario Ditter but under contract to the Applicant.

Map of Proposed Redevelopment Project Area



5) Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.

The Applicant currently controls the subject property under a Contract for Purchase.

6) Is the property currently zoned for the proposed use? If not, what zoning change will be required?

The Redevelopment Project Area is currently zoned M-DT under which a hotel is a permissible use.

7) Will the proposed project result in the relocation of residential, commercial or industrial facilities? If so, discuss the nature of any anticipated relocations.

No.

8) State the need and justification for TIF assistance, Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored.

The Applicant intends to redevelop the Redevelopment Project Area by demolishing the existing, aged structure and by constructing a modern hotel tower. The Applicant has determined that traditional financing of the required acquisition, improvements, construction, and other costs associated with the Redevelopment Project from revenues generated by the property is not available, such that additional funding, including TIF assistance, will be required to implement the Redevelopment Project.

In order to complete the Redevelopment Project, the Applicant must incur costs for property acquisition, demolition, environmental remediation, landscaping and lighting, heating and cooling improvements, parking improvements, and other development charges, all of which are necessary to transform the Redevelopment Project Area into a usable and functional state. Most of these costs are considerably higher than normal because of the Redevelopment Project's location in Downtown. Land acquisition and construction costs of a mid-rise building in an urban environment are substantially more expensive than the costs associated with redevelopment in a suburban or highway locale.

As compared to just five years ago the applicant has discovered large cost increases for land, general construction and furnishings for the proposed Redevelopment Project. Currently all of the construction trades are extremely busy and are bidding any new jobs accordingly. We estimate that the new tower will cost over $20,000.000 to develop. That price represents a 38% increase per square foot in development costs as compared to the expenses incurred in constructing The Broadway. These increased costs make the economic feasibility of building the new tower prohibitively high. Without TIF, the previous redevelopment of the old Regency hotel site into The Broadway would not have been possible. The costs now associated with redeveloping this new site are even more prohibitively high, which makes TIF an absolutely essential component for this project to move forward.

The Applicant proposes the use of tax increment financing assistance to help fund eligible project costs, which, in turn, will assist in addressing issues of the project site. Projected TIF revenues would be re-invested to cover the eligible project costs incurred as part of the Redevelopment Project to reduce the redevelopment challenges applicable to the Redevelopment Project Area.

The Applicant has discussed the Redevelopment Project with investors and lenders resulting in no interest in participating in the Redevelopment Project without additional sources of equity and/or higher loan to value requirements than historically are required for such a project. The Redevelopment Project's compliance with the "but for" test will be shown by the completion of a Cost-Benefit Analysis by Development Dynamics, LLC

9) Discuss the condition(s) that would qualify the proposed TIF District as a "blighted area" or "conservation area," as defined under Mo. Rev. Stat. 99.805.

The current structure has been vacant and its present condition constitutes an economic liability. The current structure is over thirty-five (35) years old. The area is not yet a blighted area but it is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of the following factors: dilapidation, obsolescence, deterioration of site improvement, deleterious land use or layout and depreciation of physical maintenance. An analysis will be completed by Development Dynamics, LLC identifying in detail how the proposed TIF District qualifies under Mo. Rev. Stat. 99.805.

10) Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the project. Does the applicant anticipate the debt to be privately financed by the construction lender or developer or publicly sold? Please prepare information in the following table format.

Private financing is expected. There will be no financial obligations created for the City and there will be no negative impact to the City's credit rating as a result of TIF assistance to the Redevelopment Project.

a. Private Equity	$	3,900,000
b. Bank Loan		13,032,913
c. Tax Increment Assistance		2,064,949
d. Other		1,252,138 *
Total	$	20,250,000

*Separate source of funds - not for consideration by the TIF Commission.

11) Provide an outline of the costs associated with the development of the proposed project(s) and related parcel or parcels located within the TIF area. Identify in the outline those costs you would propose to fund with TIF financing and the proposed payback time frame.

Preliminary Project Costs

General Construction	$14,660,000
Change Orders/GC Contingency	$290,000
Demolition	$35,000
Land Purchase + Title Insurance/Closing Cost	$1,010,000
Civil Engineering/Survey/Abatement/Testing	$85,000
Architect/Plans/Interior Design	$550,000
Sitework/Hardscape	$40,000
Construction Loan Interest	$370,000
Legal/Loan Fees/Appraisal/Consultants	$300,000
Guest Room Furnishings	$1,040,000
Commercial Area Furniture	$250,000
Commercial Equipment	$290,000
Commercial Systems	$215,000
Pre-Open Operations	$425,000
Pre-Open Inventory	$150,000
Franchise Fees/Hilton Training	$80,000
Building Permits/Utility Taps/Deposits/Misc	$180,000
Contingency	$280,000
Total Project Cost	$20,250,000

Sources of Financing:

Private Equity	$3,900,000
Bank Loan	$13,032,913
Tax Increment Assistance	$2,064,949
Other	$1,252,138
Total	$20,250,000

Until the amount of TIF assistance is finalized and a cost-benefit analysis completed, it is premature to make a final determination as to TIF assistance allocation among the above-referenced project costs, however, no TIF assistance will be allocated to land acquisition.

12) In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. If a formal feasibility or comparable studies have been prepared, attach such reports as an appendix to this application.

Development Dynamics, LLC will provide a Cost Benefit Analysis study in addition to the Applicant's opinion that the project will be successful based on his extensive experience and expertise in the business.

13) On a revenue worksheet estimate the incremental property taxes and economic activity taxes to be generated by the project.

Proposed Redevelopment Area
Estimated TIF Projections

Year	Preliminary Real Property Tax Increment
Year 1	-
Year 2	76,493
Year 3	156,906
Year 4	160,122
Year 5	160,122
Year 6	163,403
Year 7	163,403
Year 8	166,750
Year 9	166,750
Year 10	170,163
Year 11	170,163
Year 12	173,645
Year 13	173,645
Year 14	177,196
Year 15	177,196
Year 16	180,818
Year 17	180,818
Year 18	184,513
Year 19	184,513
Year 20	188,282
Year 21	188,282
Year 22	192,126
Year 23	192,126
Total	**3,747,433**
Net Present Value at 5.77%	**2,064,949**

14) Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project which will be taxed as personal property.

The estimated market value of the personal property investment is $1,580,000.

15) Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?

Not applicable to this Redevelopment Project.

16) Who will own the developed property?

Broadway Lodging Two, LLC (or an affiliate of same)

17) Briefly describe the "economic and quality of life" benefits of the proposed project to the City.

A. The Redevelopment Project will restore property within the proposed Redevelopment Area to a productive use and facilitate the elimination conditions that qualify the Area as a "Conservation area" within the meaning of the TIF Act;
B. The Redevelopment Project is intended to increase property and sales taxes to help strengthen and diversify revenue sources for the City and other taxing districts;
C. The Redevelopment Project is intended to remediate factors contributing to the property's decline, within a reasonable timeframe, so the property may begin to contribute to the economic vitality of the community;
D. The Redevelopment Project is intended to expand upon the area's environment to positively contribute to the health, safety and general welfare of the City, and preserve or enhance property values within and adjacent to the site;
E. The Redevelopment Project is intended to reduce problematic conditions through general physical improvements, property upgrades, and infrastructure improvements;
F. The Redevelopment Project is intended to encourage redevelopment activities to occur in a functionally integrated manner within modern development principles and standards;
G. The Redevelopment Project is intended to enhance the tax base by inducing development of the property at its highest and best use, thereby benefiting taxing districts while continuing to encourage additional private investment in surrounding areas;
H. The Redevelopment Project is intended to help stimulate private investment and employment within the area;
I. The Redevelopment Project is intended to provide benefits to Downtown, including the "Arts District", as visualized in the H3 Studios Charrette and to conform with the City's comprehensive plan (Columbia Imagined-The Plan for How We Live and Grow) for the development of the City as a whole; and
J. The Redevelopment Project is intended to encourage out of town guests to extend their overnight stays to explore and take advantage of other cultural, shopping and dining venues in Downtown.

18) Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.

See Attached Lender Correspondence

CARROLLTON BANK

April 14, 2017

David Parmley
Broadway Lodging, LLC
#5 McBride & Son Center
Chesterfield, MO 63005

RE: Broadway Hotel Expansion Project in Columbia, MO

Dear David:

I appreciate the time and information you have provided on the proposed expansion plans for the Broadway Hotel, located at 111 E. Broadway, Columbia, MO. Having worked with you on the original financing for this project, Carrollton Bank looks forward to working with you to provide financing for the project costs, not otherwise funded by a TIF.

Based on your knowledge and experience on similar projects, Carrollton Bank is confident in your ability to make the hotel addition a success. In accordance with the Bank's procedures, any commitment to provide such financing will be subject to due diligence, credit underwriting and formal loan committee approval. All terms, conditions and loan documentation are subject to satisfactory review and acceptance by Carrollton Bank.

The financing of this project would not be feasible without the assistance and provision of public financing including, but not limited to, tax increment financing. Therefore, please be advised that we are excited to consider financing for this project should the City of Columbia approve the necessary public financing assistance and execute all of the agreements necessary to evidence such approval.

Sincerely,

Scott Z. Larson
Regional President

7911 Forsyth Boulevard • Clayton, MO 63105
314-863-8844 • fax 314-863-8848 • www.carrolltonbanking.com
Alton • Belleville/O'Fallon • Carrollton • Jerseyville • Springfield • St. Charles • St. Louis