



HOTEL & LEISURE ADVISORS

**MARKET FEASIBILITY STUDY
FOR THE
PROPOSED HOTEL & CONVENTION CENTER
169 FARM TO MARKET ROAD 20
BASTROP, BASTROP COUNTY, TEXAS**



Date of Report:

April 14, 2026

FOR

Sylvia Carrillo
City Manager
City of Bastrop Manager's Office
1311 Chestnut Street
Bastrop, Texas 78602



HOTEL & LEISURE ADVISORS

April 14, 2026

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City Manager
City of Bastrop Manager's Office
1311 Chestnut Street
Bastrop, Texas 78602

**RE: Proposed Hotel & Convention Center
Bastrop, Bastrop County, Texas**

Dear Ms. Carrillo:

In fulfillment of our engagement letter, we completed our study of the market demand and economic feasibility for the proposal to develop a full-service hotel and convention center in Bastrop, Bastrop County, Texas. The study is based on market conditions observed as of the date of our market inspection on January 6, 2026, and research conducted in January through March 2026.

The property will be at 169 Farm to Market Road 20. It will be part of a mixed-use commercial 392-acre development. The subject will be developed on 33 acres.

Assumptions

The conclusions contained in this report are based upon a review of information provided by you and on-site field work in the market area, which is described in the Scope of the Assignment section. As in all studies of this type, the conclusions do not take into account or make provisions for the effect of any sharp rise or decline in local or general economic conditions not presently foreseeable. The estimated results are based on competent and efficient management of the proposed hotel and convention center, as well as an aggressive marketing program. We assume the subject will hire appropriate management personnel to operate and market the hotel and convention center. We assume that the subject will be affiliated with a national franchise. We assume the proposed hotel will open January 1, 2029. We presume no significant change in the competitive position of the hotel industry in the area as set forth in this report. We do not warrant that the estimates will be attained, but they have been conscientiously prepared on the basis of information obtained and our experience in the hotel industry.

It is expressly understood that the scope of this study and the report thereon do not include the possible impact of zoning regulations, licensing requirements, or other restrictions concerning the project, except where such matters have been brought to our attention and are set forth in this report.

This report and its contents are intended solely for the information of our client for internal use relative to determining the project's feasibility. The report should not be relied upon for any other purpose. Neither our report nor any of its contents nor any reference to Hotel & Leisure Advisors (H&LA) may be disseminated online or included or quoted in any document, offering circular, registration statement, prospectus, sales

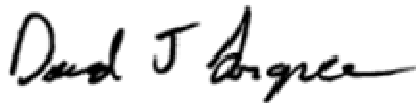
brochure, other appraisal, or other agreement without our prior written approval. Such permission will not be unreasonably withheld.

As part of our contract, we have partnered with Project Luong to prepare a site planning analysis. These deliverables will be issued separately and will feature clear, compelling visual materials illustrating the recommended program, size, scope, and scale of the proposed hotel and convention center.

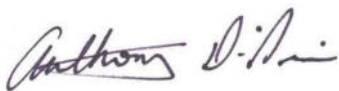
We offer additional consulting services on this proposed property as the scope of the development is finalized. We appreciate the opportunity to be of service to your organization and look forward to working with you again.

Respectfully submitted,

Hotel & Leisure Advisors, LLC



David J. Sangree, MAI, ISHC
President



Anthony DiPonio, CHIA
Senior Associate

**MARKET FEASIBILITY STUDY REPORT FOR THE
PROPOSED HOTEL & CONVENTION CENTER
169 FARM TO MARKET ROAD 20
BASTROP, BASTROP COUNTY, TEXAS
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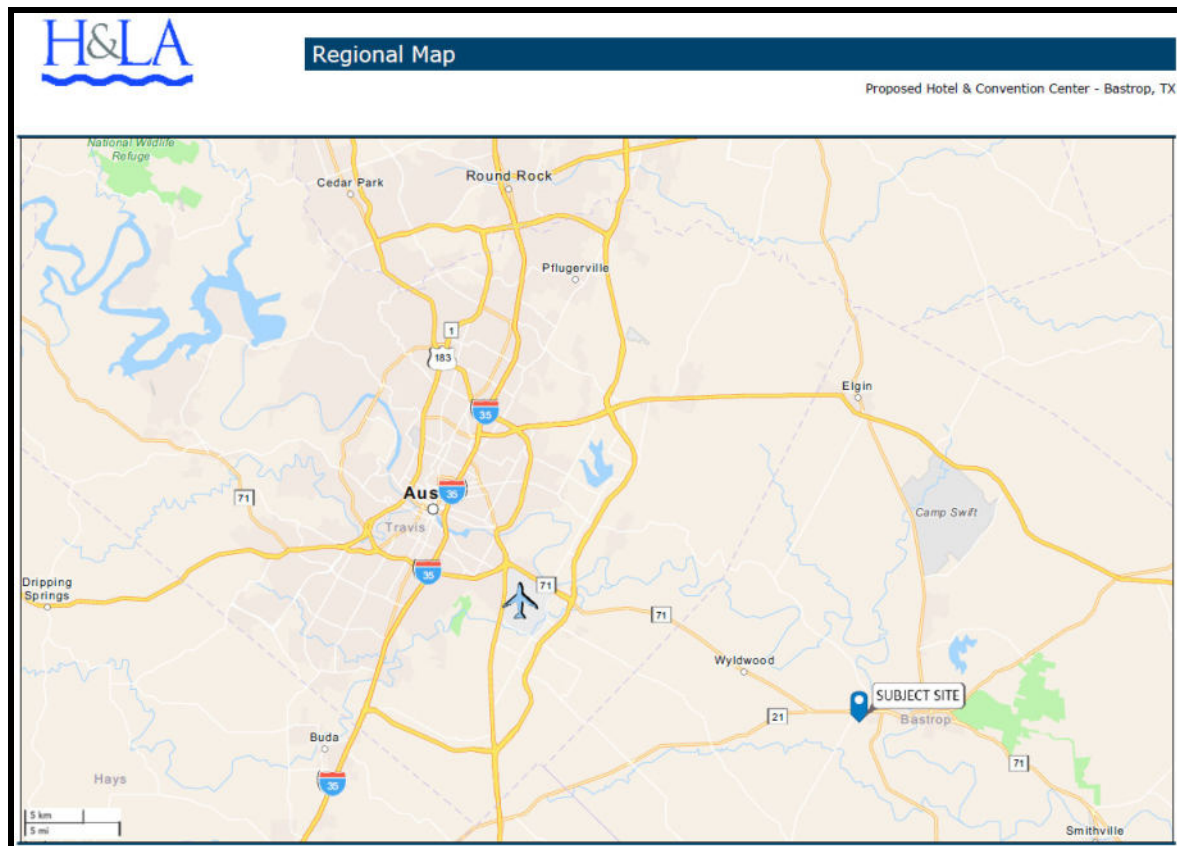
SCOPE OF THE ASSIGNMENT

Sylvia Carrillo with City of Bastrop Manager’s Office retained Hotel & Leisure Advisors to estimate the potential market feasibility of the development of a hotel and convention center in Bastrop, Texas. The study is part of a two-firm contract with Project Luong who issued a separate planning analysis report. The reader is encouraged to review both reports.

Objective:

To assess the market feasibility of developing a full-service hotel and convention center:

- Location: Bastrop, Bastrop County, Texas



Methodology Overview

To complete this study, we conducted comprehensive market research and field analysis, including:

Fieldwork and Site Evaluation

- Conducted physical inspection of the subject site
- Collected property-specific data from client representatives
- Assessed the subject site and its relationship to potential users
- Analyzed site advantages and limitations vs. competing resorts and attractions

Stakeholder & Industry Interviews

- Local authorities: Convention and visitor bureau, chamber of commerce, economic development officials, city and county officials, and others
- Competitive benchmarking: Owners and managers of existing/proposed hotels
- Representatives of various hotel chains to determine performance of area hotels and proposed new supply additions
- Area attractions: Usage trends and planned new developments

Market & Industry Research

- Studied U.S. hotel and convention center industry trends and benchmarks
- Analyzed various agencies and databases for demographic data, land use policies and trends, growth estimates, and employment data
- Reviewed internal and third-party data sources on hotel and convention center performance

Usage and Pricing Projections

- Considered relevant market indicators to inform projections
- Analyzed and projected occupancy, ADR, and attendance projections

Prospective Financial Analysis

- We developed the financial projections for the subject facility for 11 years, beginning January 1, 2029
 - Revenues based on industry benchmarks and comparable properties
 - Expenses modeled after industry standards and comparable historical data
 - EBITDA derived from projected revenues and operating costs

Deliverables Summary

- Site analysis
- Market feasibility projections
- Competitive landscape insights
- 11-year financial outlook
- Project Luong will deliver a separate report inclusive of program fit verification, adjacency review for entertainment programming, code and zoning compliance review, and site plans

EXECUTIVE SUMMARY

The city of Bastrop is interested in the potential development of a full-service hotel with a convention center on approximately a 33-acre portion of a 392-acre parcel. The overall parcel will be a mixed-use development and may include the development of a hospital/medical mall, retail, entertainment, residential, and other commercial uses.

We recommend development of a midsize, full-service hotel and convention center with a national brand affiliation that would offer resort amenities. The facility should include a restaurant, bar, meeting space, spa, and an aquatic recreation feature.

Bastrop may be eligible for the Texas qualified hotel project program. Under the program, an eligible hotel and convention center development receives a 100% rebate of the state hotel occupancy tax collected from the hotel and a 100% rebate of the state sales tax collected from the hotel, convention center, and ancillary development within 1,000 feet for the first 10 years of the hotel's operation. Under the terms of the legislation, the City of Bastrop must own the convention center. The city has not yet determined whether the developer or the city would retain the rebated taxes from the state. Our study indicates the projected rebate estimates in the financial projections.

Proposed Hotel and Convention Center Overview

- **Scope & Size:** The proposed hotel and convention center will be a full-service hotel offering a large event center and competing with other full-service hotels and resorts in the region that offer event space. We recommend that it offer 300 rooms, a 40,000-square-foot convention center, food and beverage outlets, arcade, spa, fitness center, business center, and an aquatic recreation feature, such as a 2-acre lagoon with Wibit inflatable watercourse or a resort-style pool with waterslides and a lazy river on a 33-acre site.
- **Location:** Situated at 169 Farm to Market Road 20, Bastrop, Bastrop County, Texas. The site is vacant land in a Planned Development (PD) district.



- **Accessibility:** Access to the subject site is obtained via State Highway 71. A traveler on State Highway 71 will exit at Frontage Road toward South/Lockhart from the east or Farm to Market (FM) 969 West/FM 20 South from the west. The traveler would travel south on FM Road 20 for 0.4 miles to the subject site.
- **Seasonality:** The hotel and convention center will operate year-round. We project stronger occupancy in the summer and school vacation periods when more families are traveling as the hotel will appeal to more leisure travelers.
- **Market Segmentation:** Market segmentation for the proposed resort will include:
 - Leisure overnight guests (primary)
 - Groups and conferences (secondary)
 - Business and commercial overnight travelers (tertiary)

The following table profiles our recommendations for the proposed hotel and convention center in Bastrop, Bastrop County, Texas.

Recommended Facility

Proposed Hotel & Convention Center

Number of Units		300	
Room Mix	Units	Room Breakdown %	Size (S.F.)
King	140	47%	300-400
Double-Queen	130	43%	300-400
Suites	30	10%	500-700
Franchise Recommendations			
Curio Collection by Hilton			
Marriott			
Kimpton by IHG			
Meeting Rooms		Square Feet	Banquet Capacity
Ballroom (divisible into 8 rooms)		20,000	1,660
Junior ballroom (divisible into 5 rooms)		7,000	580
Meeting rooms		5,000	
Pre-function space		8,000	
Outdoor event space			
Total square feet		40,000	2,240
Food and Beverage Outlets			
Three-meal restaurant			
Coffee shop			
Lobby bar			
Outdoor aquatics snackbar			
Swim-up bar			
Aquatic Recreation Features			
Resort-style pool w/ waterslides (Option 1)			
Lazy river (Option 1)			
One- to two-acre lagoon (Option 2)			
Wibit inflatable water course (Option 2)			
Hot tub			
Amenities			
Complimentary high-speed Internet			
Fitness room			
Business center			
Complimentary self-parking			
Spa		5,000	
Arcade		2,000	
Outdoor patio with firepits			
Convention space flex use for sporting events			
<i>Source: Hotel & Leisure Advisors</i>			

Proposed Features and Recommendations

The following are our recommendations for the proposed development.

Guestrooms

- **Room Count:** 300
- **Breakdown of Rooms:** King - 140; Double-Queen - 130; Suites - 30
- **Room Sizing:** Guestrooms should be the size of brand standard hotel guestrooms with an average square footage of 300 to 400 square feet and suites offering 500 to 700 square feet
- **Room Components:** All rooms should include a desk and work chair, mini-fridge, microwave, and coffee maker. All suites should include a pull-out sofa to provide additional sleeping options.

Meeting and Conference Space

- **Ballrooms:**
 - A 20,000-square-foot main ballroom divisible into eight rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat approximately 1,660 people at 72" round tables.
 - A 7,000-square-foot junior ballroom divisible into five rooms. As a banquet area, this space will seat 580 people at 72" round tables.
- **Meeting Rooms:**
 - Additional 5,000 square feet of meeting room spaces to be used as breakout rooms or to host smaller receptions.
 - An 8,000-square-foot pre-function space that will be flexible in use.
- **Outdoor Area:** The subject hotel should have an outdoor event area that would be used seasonally for social gatherings.
- **Versatility:** The meeting rooms should be well-appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The conference space should have the ability to be converted into a sports facility to attract youth sports tournaments, such as basketball and volleyball.

Food & Beverage Options

- **Full-Service Restaurant:** Serving all three meals, including a breakfast buffet, a la carte lunch, and dinner service. It should offer a separate public entrance in addition to a hotel lobby entrance. We assume the property will obtain a liquor license.
- **Lobby Bar:** Should also offer light food options
- **Coffee Shop:** Grab and go coffee, pastries, soft drinks, and packaged snacks
- **Seasonal Outdoor Aquatics Snack Bar:** Snack bar offering outdoor food and beverages near the outdoor waterpark or lagoon
- **Swim-up Bar:** Alcoholic beverage service offered in the aquatics area

Aquatic Recreation & Features

- **Outdoor Size:** 2-3 acres
- **Resort-Style Pool (Option 1):** Pool offering two 48" waterslides and a treehouse play structure with multiple kids' water activities and slides
- **Lazy River (Option 1):** A relaxing river ride with a fast-moving section for added excitement
- **Lagoon (Option 2):** One- to two-acre lagoon

- **Wibit Inflatable Water Course (Option 2):** Inflatable water course that is installed in the lagoon
- **Whirlpool:** Outdoor whirlpools for adults and older children
- **Cabanas:** The property should offer a mixture of larger and smaller cabanas

Hotel Amenities:

- Fitness Center
- Complimentary Wi-Fi
- Business Center
- Outdoor Patio with firepits
- Arcade room with 2,000 square feet

Spa

- Approximately 5,000-square-foot spa and salon
 - Multiple treatment rooms
 - Offers services such as massages, facials, therapies, hair stylists, and other treatments for adults and children

Other

- **Parking:** Complimentary surface parking should be provided for guests. Valet parking should be offered for a fee.
- **Phasing:** The developers should plan the facility to add a second phase expansion of hotel rooms, meeting space, and aquatics if demand allows
- **Building Performance:** We recommend the subject try to obtain either the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification or the Passive House certification. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings. According to multiple studies, green buildings offer significant operational cost savings for utilities. Passive House is an internationally recognized design and construction standard, focused first on the enclosure, which produces reduced balances in building energy use and carbon emissions.

Development Budget

The developers have not yet prepared a formal development budget. Based on our review of construction costs at other hotels and convention centers, we project the proposed subject development costs to range from \$400,000 to \$500,000 per room or approximately \$120,000,000 to \$150,000,000.

Subject Hotel Projections

The following forecasts of income and expenses reflect the subject's anticipated performance for calendar years beginning in 2029. We projected that the subject's operations will stabilize in the fourth year and all income and expense items will increase thereafter at the underlying inflation rate of 3.0%. We note that departmental expense ratios are expressed as a percentage of departmental revenues. Franchise fees are expressed as a percentage of rooms revenue. All other expense ratios are expressed as a percentage of total revenues. We presented rounded figures to the nearest thousand.

**Proposed Hotel & Convention Center - Bastrop, Texas
Introduction**

Forecasted Financial Performance

Proposed Hotel & Convention Center

	2029 - First Year				2030 - First +1				2031 - First +2				2032 - First +3			
	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night
Available Rooms	300				300				300				300			
Occupancy	64.8%				67.8%				69.8%				71.0%			
Average Rate	\$260.00				\$273.00				\$283.92				\$292.44			
Days Open	365				365				365				365			
Occupied Room Nights	70,907				74,206				76,424				77,758			
Available Room Nights	109,500				109,500				109,500				109,500			
Revenues																
Rooms	\$18,436	58.8%	\$61,453	\$260.00	\$20,258	59.7%	\$67,527	\$273.00	\$21,698	60.2%	\$72,327	\$283.92	\$22,739	60.3%	\$75,797	\$292.43
Food and Beverage	9,800	31.3%	32,667	138.21	10,399	30.6%	34,663	140.14	10,923	30.3%	36,410	142.93	11,381	30.2%	37,937	146.36
Other Operated Departments	1,086	3.5%	3,620	15.32	1,152	3.4%	3,840	15.52	1,210	3.4%	4,033	15.83	1,261	3.3%	4,203	16.22
Miscellaneous Income (Net)	1,011	3.2%	3,370	14.26	1,073	3.2%	3,577	14.46	1,127	3.1%	3,757	14.75	1,174	3.1%	3,913	15.10
Spa	1,000	3.2%	3,333	14.10	1,061	3.1%	3,537	14.30	1,115	3.1%	3,717	14.59	1,161	3.1%	3,870	14.93
Total Operating Revenue	31,333	100.0%	104,443	441.89	33,943	100.0%	113,143	457.41	36,073	100.0%	120,243	472.01	37,716	100.0%	125,720	485.04
Departmental Expenses																
Rooms	4,148	22.5%	13,827	58.50	4,382	21.6%	14,607	59.05	4,589	21.1%	15,297	60.05	4,774	21.0%	15,913	61.40
Food and Beverage	6,272	64.0%	20,907	88.45	6,626	63.7%	22,087	89.29	6,939	63.5%	23,130	90.80	7,218	63.4%	24,060	92.83
Other Operated Departments	597	55.0%	1,990	8.42	631	54.8%	2,103	8.50	660	54.5%	2,200	8.64	687	54.5%	2,290	8.84
Spa	700	70.0%	2,333	9.87	739	69.7%	2,463	9.96	774	69.4%	2,580	10.13	806	69.4%	2,687	10.37
Total Departmental Expenses	11,717	37.4%	39,057	165.25	12,378	36.5%	41,260	166.81	12,962	35.9%	43,207	169.61	13,485	35.8%	44,950	173.42
Total Departmental Profit	19,616	62.6%	65,387	276.65	21,565	63.5%	71,883	290.61	23,111	64.1%	77,037	302.40	24,231	64.2%	80,770	311.62
Undistributed Operating Expenses																
Administrative & General	2,507	8.0%	8,357	35.36	2,642	7.8%	8,807	35.60	2,763	7.7%	9,210	36.15	2,871	7.6%	9,570	36.92
Information & Telecom Systems	376	1.2%	1,253	5.30	396	1.2%	1,320	5.34	414	1.1%	1,380	5.42	431	1.1%	1,437	5.54
Sales and Marketing	2,193	7.0%	7,310	30.93	2,312	6.8%	7,707	31.16	2,417	6.7%	8,057	31.63	2,512	6.7%	8,373	32.31
Franchise Fees	1,014	5.5%	3,380	14.30	1,114	5.5%	3,713	15.01	1,193	5.5%	3,977	15.61	1,251	5.5%	4,170	16.09
Prop. Oper. & Maintenance	1,128	3.6%	3,759	15.90	1,255	3.7%	4,183	16.91	1,381	3.8%	4,603	18.07	1,436	3.8%	4,787	18.47
Utilities	940	3.0%	3,133	13.26	991	2.9%	3,303	13.35	1,036	2.9%	3,453	13.56	1,077	2.9%	3,590	13.85
Total Undistributed Oper. Expenses	8,158	26.0%	27,192	115.05	8,710	25.7%	29,033	117.37	9,204	25.5%	30,680	120.43	9,578	25.4%	31,927	123.18
Gross Operating Profit	11,458	36.6%	38,194	161.60	12,855	37.9%	42,850	173.23	13,907	38.6%	46,357	181.97	14,653	38.9%	48,843	188.44
Management Fees	940	3.0%	3,133	13.26	1,018	3.0%	3,393	13.72	1,082	3.0%	3,607	14.16	1,131	3.0%	3,770	14.55
Income Before Non-Oper. Expenses	10,518	33.6%	35,061	148.34	11,837	34.9%	39,457	159.52	12,825	35.6%	42,750	167.81	13,522	35.9%	45,073	173.90
Non-Operating Expenses																
Property Tax	1,410	4.5%	4,700	19.89	1,452	4.3%	4,840	19.57	1,496	4.1%	4,987	19.57	1,541	4.1%	5,137	19.82
Insurance	345	1.1%	1,150	4.87	355	1.0%	1,183	4.78	366	1.0%	1,220	4.79	377	1.0%	1,257	4.85
Reserve for Replacement	627	2.0%	2,090	8.84	1,018	3.0%	3,393	13.72	1,443	4.0%	4,810	18.88	1,509	4.0%	5,030	19.41
Total Non-Operating Expenses	2,382	7.6%	7,940	33.59	2,825	8.3%	9,417	38.07	3,305	9.2%	11,017	43.25	3,427	9.1%	11,423	44.07
Net Income/EBITDA Less Reserve	\$8,136	26.0%	\$27,121	\$ 114.75	\$9,012	26.6%	\$30,040	\$ 121.45	\$9,520	26.4%	\$31,733	\$ 124.57	\$10,095	26.8%	\$33,650	\$129.83
State Tax Rebate																
Hotel Occupancy Tax (6%)	1,106	3.5%	3,687	15.60	1,215	3.6%	4,052	16.38	1,302	3.6%	4,340	17.03	1,364	3.6%	4,548	17.55
Sales Tax (6.25%)	653	2.1%	2,176	9.21	693	2.0%	2,309	9.34	728	2.0%	2,426	9.52	758	2.0%	2,527	9.75
Alcohol Sales Tax (8.25%)	202	0.6%	674	2.85	214	0.6%	715	2.89	225	0.6%	751	2.95	235	0.6%	782	3.02
Total Tax Rebate	1,961	6.3%	6,537	27.66	2,123	6.3%	7,076	28.61	2,255	6.3%	7,516	29.51	2,357	6.3%	7,858	30.32
Revised EBITDA Less Reserve	\$10,098	32.2%	\$33,660	\$ 142.41	\$11,135	32.8%	\$37,117	\$ 150.05	\$11,775	32.6%	\$39,250	\$ 154.07	\$12,452	33.0%	\$41,507	\$160.14

Source: Hotel & Leisure Advisors

Key Metrics

- Opening Year: 2029
 - Occupancy:
 - 64.8% first year
 - 71.0% by stabilized year (2032)
 - Average rate:
 - \$260.00 in 2029 (first year)
 - \$292.44 by 2032 (stabilized year)
-

Revenue Overview

- First year revenue:
 - \$31,333,000 from all departments
 - Stabilized year revenue:
 - \$37,716,000 from all departments
 - Revenue breakdown in first year:
 - Rooms: 58.8% of total revenue
 - Food & beverage: 31.3%
 - Other operated departments: 3.5%
 - Miscellaneous income (net): 3.2%
 - Spa: 3.2%
-

Costs & Expenses

- Departmental expenses: 37.4% of total revenue in first year
 - Undistributed Operating Expenses: 26.0% of total revenue in first year
 - Gross Operating Profit (GOP):
 - First year: 36.6% of revenue
 - Stabilized year: 38.9% of revenue
-

EBITDA (including state tax rebates)

- EBITDA Less Reserve:
 - First year: \$10,098,000
 - Stabilized year: \$12,452,000
-

Key Insights

- Our analysis indicates that the development of the proposed hotel and convention center produces a positive return.
- We analyzed the potential value for the hotel and convention center utilizing an 10.0% discount rate and a 8.0% terminal capitalization rate on an as completed basis, and a 50 basis point decrease on an as stabilized basis.
 - The valuation indicates a conclusion of \$135,200,000 or \$450,667 per available hotel room as completed and \$155,300,000 or \$517,667 per available hotel room as stabilized.

Area Review

Bastrop is a small city in central Texas, approximately 30 miles southeast of Austin, 90 miles northeast of San Antonio, 130 miles west of Houston, and 220 miles southwest of Dallas. As the capital of Texas, Austin is home to the state legislature and several large state government offices. The city is also a major regional center for health care, higher education, and technology companies. One of the fastest-growing sections of the Austin MSA, Bastrop County has recently gained notoriety as the site of SpaceX and The Boring Company corporate campuses.



Since 2020, Bastrop and Bastrop County have experienced higher growth rates than the MSA as a whole, and this is projected to remain the case heading into the near future. By 2030, the resident population in Bastrop County is projected to top 130,000.

Based on Placer.ai tracking, Bastrop County saw roughly 506,000 overnight trips in 2024, leading to 1.3 million visit nights. The top metro area of origin was Houston, followed by Dallas/Fort Worth, and San Antonio.

The Bastrop Convention Center hosted 212 events in 2025 and 612 total events from 2023 through 2025. The city of Bastrop is anticipating closing its current convention center to promote and utilize the proposed subject's larger facility to attract more groups and meetings to the city. The city plans to convert the convention center into a recreation center.

Competitive Hotel Market

The proposed hotel will be the first full-service hotel in Bastrop, though there are full-service hotels in neighboring communities. The subject will benefit from its proposed event space, brand affiliation, amenities, and location within the proposed mixed-use development. We analyzed a set of ten hotels, eight of which are full-service hotels with meeting and meeting space in the Austin and Houston areas, and two limited-service hotels in Bastrop.



Holiday Inn Express & Suites
Bastrop



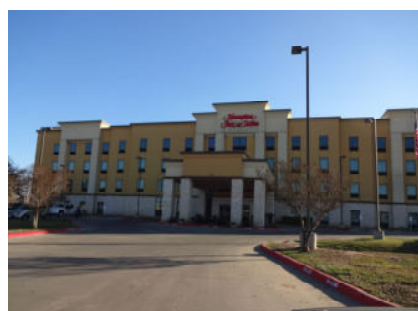
Renaissance Austin



Omni Barton Creek
Resort & Spa



Marriott Houston Sugar Land



Hampton Inn & Suites
Bastrop



Hilton Austin Airport



Hyatt Regency Lost Pines
Resort & Spa



Houston CityPlace Marriott
at Springwoods Village



Embassy Suites San Marcos



Horseshoe Bay Resort

The following table provides their operating performance.

Competitors' Operating Performance										
Proposed Hotel & Convention Center										
Year	Annual Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2017	990,669		682,256		68.9%		\$172.43		\$118.80	
2018	961,004	-3.0%	646,533	-5.2%	67.3%	-2.3%	\$168.17	-2.5%	\$113.18	-4.7%
2019	1,145,499	19.2%	752,014	16.3%	65.6%	-2.5%	\$175.48	4.3%	\$115.11	1.7%
2020	1,080,986	-5.6%	370,275	-50.8%	34.3%	-47.7%	\$170.02	-3.1%	\$58.32	-49.3%
2021	1,207,234	11.7%	609,477	64.6%	50.5%	47.2%	\$188.89	11.1%	\$95.39	63.6%
2022	1,193,573	-1.1%	745,244	22.3%	62.4%	23.6%	\$219.55	16.2%	\$137.00	43.6%
2023	1,207,618	1.2%	779,305	4.6%	64.5%	3.4%	\$222.67	1.4%	\$143.62	4.8%
2024	1,208,196	0.0%	791,852	1.6%	65.5%	1.6%	\$229.65	3.1%	\$150.42	4.7%
2025	1,208,765	0.0%	783,047	-1.1%	64.8%	-1.1%	\$230.77	0.5%	\$149.54	-0.6%
Average	1,133,727	2.8%	684,445	6.5%	60.4%	2.8%	\$197.51	3.9%	\$120.15	8.0%

Note: Data includes an anonymized 'Composite Property' to protect the confidentiality of data participants. Supply and demand are inflated by approximately 5%. Occupancy, ADR, and RevPAR approximates the actual results of the competitive set.

Source: CoStar

The existing competitive supply is primarily focused on leisure and group demand. The market achieves its highest occupancy levels in the summer.

Forecasted Occupancy

Demand Penetration Rates and Occupancy						
Proposed Hotel & Convention Center						
	2029	2030	2031	2032	2033	2034
Room Nights by Segment						
Commercial	16,327	16,986	17,403	17,739	17,739	17,739
Group	28,291	29,662	30,502	31,060	31,060	31,060
Leisure	26,288	27,558	28,519	28,958	28,958	28,958
Total Occupied Room Nights	70,907	74,206	76,424	77,758	77,758	77,758
Percentage of Room Nights by Segment						
Commercial	23.0%	22.9%	22.8%	22.8%	22.8%	22.8%
Group	39.9%	40.0%	39.9%	39.9%	39.9%	39.9%
Leisure	37.1%	37.1%	37.3%	37.2%	37.2%	37.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subject available rooms per day	300	300	300	300	300	300
Subject available rooms per year	109,500	109,500	109,500	109,500	109,500	109,500
Subject Property Projections						
Subject occupancy	64.8%	67.8%	69.8%	71.0%	71.0%	71.0%
Market share	8.4%	8.6%	8.8%	8.9%	8.9%	8.9%
Fair share	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Penetration	99.5%	102.2%	104.1%	105.9%	105.9%	105.9%
Market Occupancy	65.1%	66.3%	67.0%	67.0%	67.0%	67.0%

Source: Hotel & Leisure Advisors

Subject Development Outlook

Our study indicates that the proposed hotel and convention center is feasible, contingent upon final construction costs and municipal incentives.

Key Issues:

- **Strategic Location:** The proposed site is part of a 392-acre development with a variety of proposed businesses, including a medical mall, education mall, mixed-use, entertainment, and other commercial businesses.
- **Visibility & Accessibility:** The site benefits from easy access from State Highway 75.
- **Proximity to Attractions:** The location is convenient to the Bastrop State Park, Buescher State Park, Lost Pines Golf Club, Circuit of the Americas, and Austin, providing multiple activities for visitors.
- **Robust Tourism Market:** Bastrop attracted 1.3 million visitor nights in 2024 according to Placer.ai, providing a base of potential customers for the proposed hotel and convention center.
- **Performance Outlook:** We project that the hotel and convention center will achieve strong performance from leisure and group travelers, with a lesser number of corporate travelers. The proposed hotel will benefit from the continued growth of the Austin area and the strong interest in additional leisure destinations.
- **State Tax Rebate:** Bastrop is an eligible community for the qualified hotel project program as designated by the State of Texas. Our financial projections reflect the proposed hotel receiving the full rebate of the state sales tax (6.25%) and hotel occupancy tax (6%). Additionally, we assume Bastrop will approve the rebate of the alcohol sales tax of 8.25% for the project. This includes the hotel receiving a 100% rebate on the state portion of the state sales tax collected from the hotel and ancillary facilities within 1,000 feet of the hotel. Our study accounted for the rebated sales tax generated by the hotel, but not any ancillary retail that may be developed along with the proposed hotel and convention center. Additionally, as part of the legislation, the City of Bastrop is required to own the convention center, which would exempt this component from property tax.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

We assume that qualified professional hospitality management with demonstrated expertise in management of hotels will operate the subject property. We assume that adequate funds will be available for upkeep and repair of the facility.

The location and amenities of the proposed hotel and convention center, and the details concerning its structure, are still in the idea stage. The financial projections shown in this report may change depending on the type of facility and amenities utilized. As these plans are determined, they could have a material impact on this study.

Our study assumes the proposed hotel will receive the rebated state portion of the sales tax and hotel occupancy tax for 10 years as part of the State of Texas' qualified hotel program.

There are no other extraordinary assumptions or hypothetical conditions.

COMPETENCY OF THE CONSULTANTS

Hotel & Leisure Advisors is a national hospitality consulting firm specializing in appraisals, feasibility studies, economic impact studies, and impact analyses for hotels, outdoor and indoor waterparks, resorts, ski resorts, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants have completed more than 4,200 hotel and attraction studies since 1987 at various firms. Our expertise is internationally recognized. H&LA has been honored with two Leading Edge Awards from the World Waterpark Association, recognizing our innovative contributions during the feasibility phase of projects that helped guide development concepts and shape successful waterpark developments.

David J. Sangree, MAI, CPA, ISHC and other H&LA consultants have written articles about hotels, resorts, and waterparks for *Hotel Management*, *Lodging Hospitality*, *World Waterpark Magazine*, *Midwest Real Estate News*, *Aquatics Magazine*, *Hotel Online*, and *Cornell Hotel and Restaurant Administration Quarterly* and is a national expert on these types of properties. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts, and waterparks.

H&LA maintains databases and files concerning various types of hospitality properties. Therefore, we possess the knowledge and experience to conduct the inspection, analysis, and reasoning necessary to estimate the feasibility of the subject.

STANDARD CONDITIONS

The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter, and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersede any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used or relied upon by any person other than the party to whom they are addressed, nor may they be used for purposes other

than that for which they were prepared. Neither the engagement letter, nor the report, nor their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, or the American Institute of Certified Public Accountants, (or the MAI, ISHC, or CPA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in the event of a breach of this Section 2, in addition to any other rights and remedies of H&LA, Client hereby consents to injunctive relief.

3. H&LA assumes no responsibility for the legal description or any matters that are legal in nature. Title to the property is assumed to be good and marketable, and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended to be used for legal or technical purposes.
4. The information used in H&LA's services may come from data gathered from the property owner and other sources. H&LA has the right to rely on this information as being reliable, accurate, and complete. Neither the consultants nor H&LA shall be responsible for determining the accuracy or completeness of such information, including but not limited to the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time based on the information provided or available to them. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect property value or performance.
6. H&LA has not considered the presence of unknown conditions or potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination, and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.

8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements. In the event such services are agreed upon, the client will be obligated to pay in advance for H&LA's standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA and the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for the management or operations of the property or any future marketing efforts or other actions upon which actual results will depend.
12. The forecast of income and expenses is not a prediction of the future. Rather, they are H&LA or the consultants' best estimates of current market thinking on future income and expenses. H&LA does not warrant that the estimates will be achieved, but only that they have been prepared in a conscientious manner on the basis of information obtained by H&LA during the course of this study.
13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in the operation of the hotel prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.
14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule, or regulation of any kind or nature whatsoever shall apply.
16. Client acknowledges and agrees that the maximum damages recoverable from H&LA members or affiliates and their respective officers, directors, and employees, relative to this engagement, shall be limited to the amount of the money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and

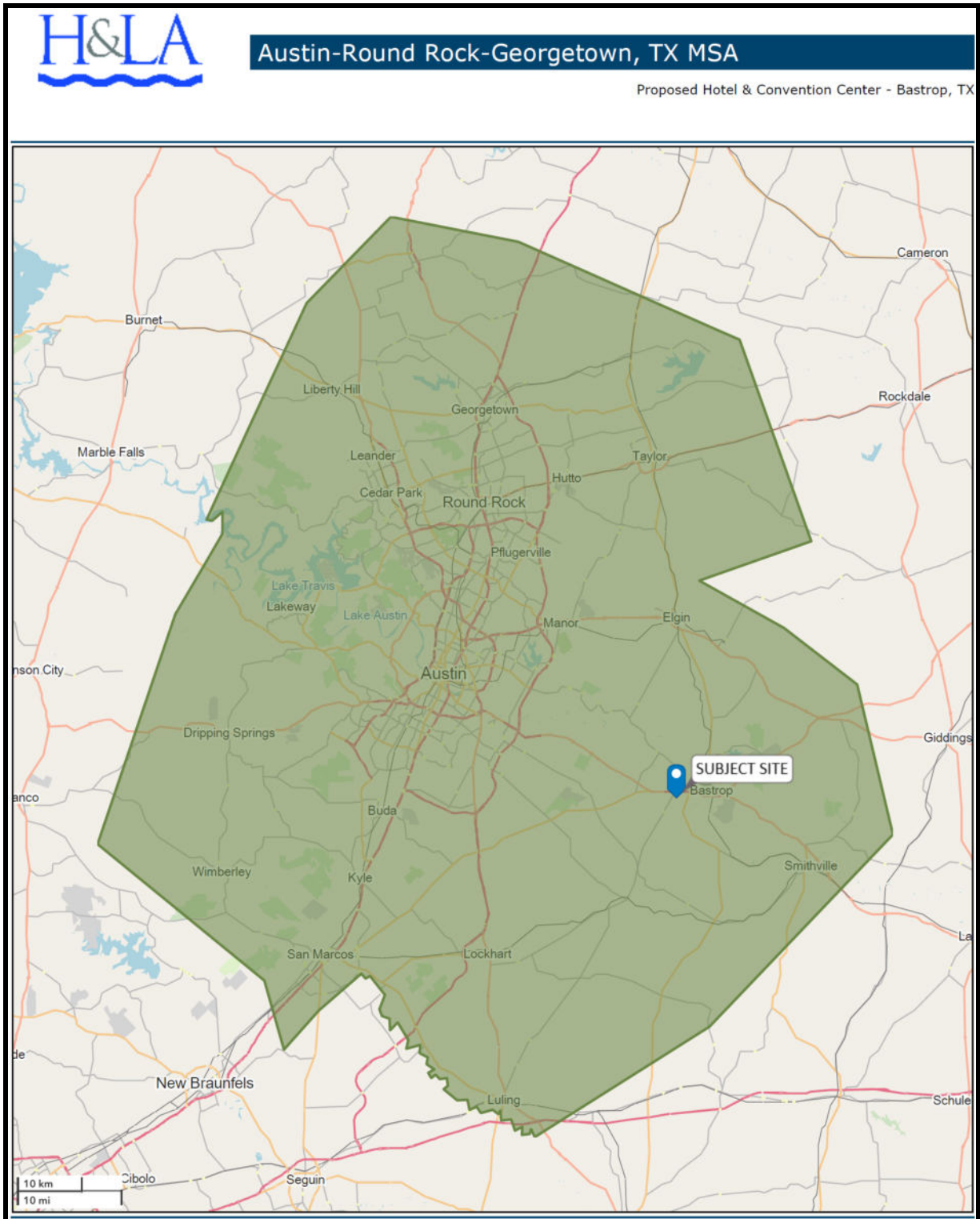
makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.

17. The client hereby releases and discharges H&LA, its members, and their directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend, and hold harmless H&LA and its members, and their directors, officers, and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses, and costs arising out of or relating to H&LA's work on the project or the report.
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act, as well as regulations and accessibility guidelines promulgated thereunder.
19. The provisions of the report, the engagement letter, and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter, or these standard conditions invalid, illegal, or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.
20. Client acknowledges that H&LA is an independent contractor engaged in the operation of a business and is not an agent of Client or its affiliates. Neither party has any actual or apparent authority to act on the other party's behalf.
21. This agreement and the work performed by H&LA shall be governed in all respects by the laws of the State of Ohio. Any disputes arising from this agreement or the work performed by H&LA shall be heard by the appropriate state or federal court located in Cleveland, OH, and Client agrees that such courts shall have sole venue and jurisdiction for all such disputes and hereby submits to the jurisdiction of such courts.

AREA REVIEW

The feasibility of a hotel and convention center project is influenced in a general manner by the economic, political, physical, and social characteristics of its surrounding area. A portion of the subject site is in an unincorporated section of Bastrop County, Texas, just outside the city of Bastrop but is projected to be annexed into Bastrop when the development proceeds. The site is within the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area (MSA). An MSA consists of at least one urbanized area of 50,000 or more people plus adjacent areas having a high degree of social and economic integration with the core. According to the U.S. Census Bureau, the Austin-Round Rock-Georgetown MSA consists of Bastrop, Caldwell, Hays, Travis, and Williamson counties. Throughout this section of the report, this statistical area will be referred to simply as the Austin MSA.

The following map shows the location of the subject site within the Austin MSA.



The city of Austin is in central Texas, approximately 80 miles northeast of San Antonio, 150 miles west of Houston, and 180 miles southwest of Dallas. As the capital of Texas, Austin is home to the state legislature and several large offices of the state government. The city is also a major regional center for health care, higher education, and technology companies. One of the fastest-growing sections of the Austin MSA, Bastrop County has recently gained notoriety as the site of SpaceX and The Boring Company corporate campuses.

According to The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, all real estate markets are influenced by the attitudes, motivations, and interactions of buyers and sellers of real property, which in turn are subject to various social, economic, governmental, and environmental forces. Analysis of these forces is performed by investigating specific factors pertaining to each. With a hospitality property, particular emphasis is placed on trends affecting visitation to the area.

Social Forces

In performing a market area analysis, it is necessary to identify relevant social characteristics and influences. Those characteristics that influence property values most in a community tend to overlap. Price levels in the subject market in relation to prices in competing areas reflect the overall desirability of the subject market area. Relevant demographic characteristics include population density, employment categories, age levels, household size, and employment status. This section of the report will present demographics and income figures for Bastrop, Bastrop County, the Austin MSA, and the state of Texas based on official Census findings and estimates and projections from the Environmental Systems Research Institute (ESRI).

Population Trends: The following table presents population growth trends for the subject area.

Population Growth Trends							
Bastrop, Texas							
Area	2010 Census	2020 Census	2025 Est.	2030 Proj.	%Change 2010-20	%Change 2020-25	%Change 2025-30
Bastrop	7,341	9,688	12,029	14,064	32.0%	24.2%	16.9%
Bastrop County	74,173	97,216	113,298	130,340	31.1%	16.5%	15.0%
Austin MSA	1,716,273	2,283,371	2,612,392	2,885,709	33.0%	14.4%	10.5%
Texas	25,145,558	29,145,505	31,161,977	32,906,031	15.9%	6.9%	5.6%

Sources: U.S. Census Bureau, ESRI

The Austin metro area has seen exceptionally strong population growth in recent years, and the same is true for the local market. Since 2020, Bastrop and Bastrop County have experienced higher growth rates than the MSA as a whole, and this is projected to remain the case heading into the near future. By 2030, the resident population in Bastrop County is projected to top 130,000.

Households: Household consumption plays a critical role in the economic outlook of a region. A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. The following table presents household growth trends for the subject area.

Household Growth Trends

Bastrop, Texas

Area	2010 Census	2020 Census	2025 Est.	2030 Proj.	%Change 2010-20	%Change 2020-25	%Change 2025-30
Bastrop	2,740	3,714	4,925	5,861	35.5%	32.6%	19.0%
Bastrop County	25,841	33,267	39,765	46,411	28.7%	19.5%	16.7%
Austin MSA	650,452	880,668	1,032,861	1,158,229	35.4%	17.3%	12.1%
Texas	8,922,932	10,491,147	11,517,470	12,352,897	17.6%	9.8%	7.3%

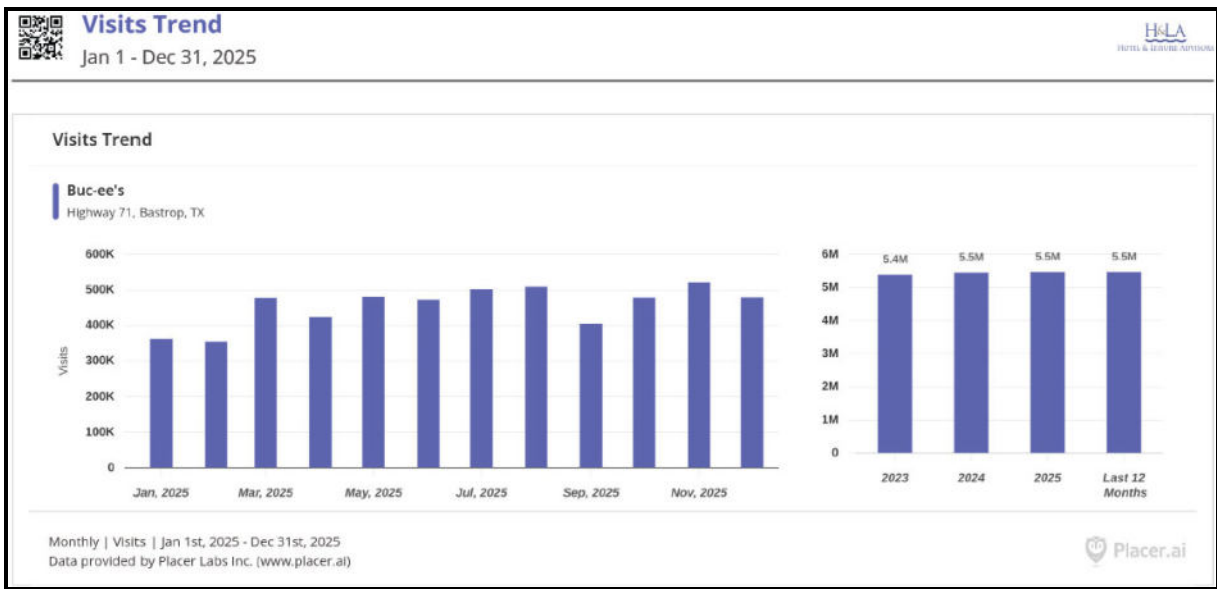
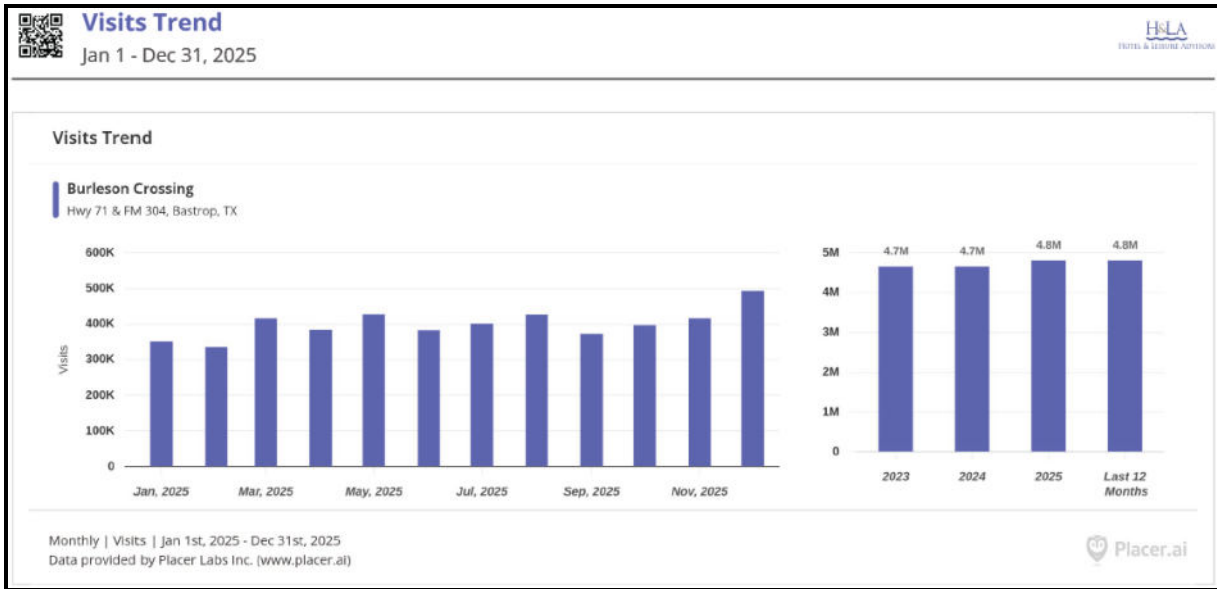
Sources: U.S. Census Bureau, ESRI

Once again, these figures depict an area of strong and continued growth at all geographic levels. The fact that growth in the number of households has outpaced population growth indicates a trend toward smaller households. By 2030, the household count in the Austin MSA is projected to reach almost 1.2 million, with over 46,000 households in Bastrop County alone.

Retail Centers: According to the U.S. Travel Association, shopping is one of the most frequent travel activities among domestic leisure travelers, second only to visiting relatives. While there may be many types of retail stores in a given area, travelers are typically drawn to traditional enclosed malls, outlet malls, downtown shopping districts, and outdoor “lifestyle” centers.

The nearest major retail development is Burleson Crossing, located just along State Highway 71 in Bastrop. This area offers a handful of big box retailers such as Lowe’s, Hobby Lobby, and The Home Depot, along with about two dozen smaller shops and restaurants. Bastrop is also home to a Buc-ee’s travel stop.

The following charts, generated by Placer.ai, show recent annual and monthly visitation trends at Burleson Crossing and Buc-ee’s. Placer.ai utilizes cell phone tracking software to determine the number of visits to a predefined target area. Such tracking does not provide exact attendance to a destination but does offer a representation of the number of visitors.



Beyond Bastrop, major retail centers in the larger metro area include Barton Creek Square, Lakeline Mall, and The Domain, all of which offer more than one million square feet of leasable retail space. In terms of outlet shopping, the next nearest centers are Round Rock Premium Outlets, San Marcos Premium Outlets, Tanger Outlets San Marcos.

Tourism Statistics: Tourism is a major economic driver for the state of Texas. Based on the latest data from Dean Runyan Associates, statewide visitor spending reached \$97.5 billion in 2024, a 3.5% increase over the previous year. Visitor expenditures supported roughly 726,700 jobs in Texas in 2024 and generated about \$9.2 billion in state and local tax receipts.

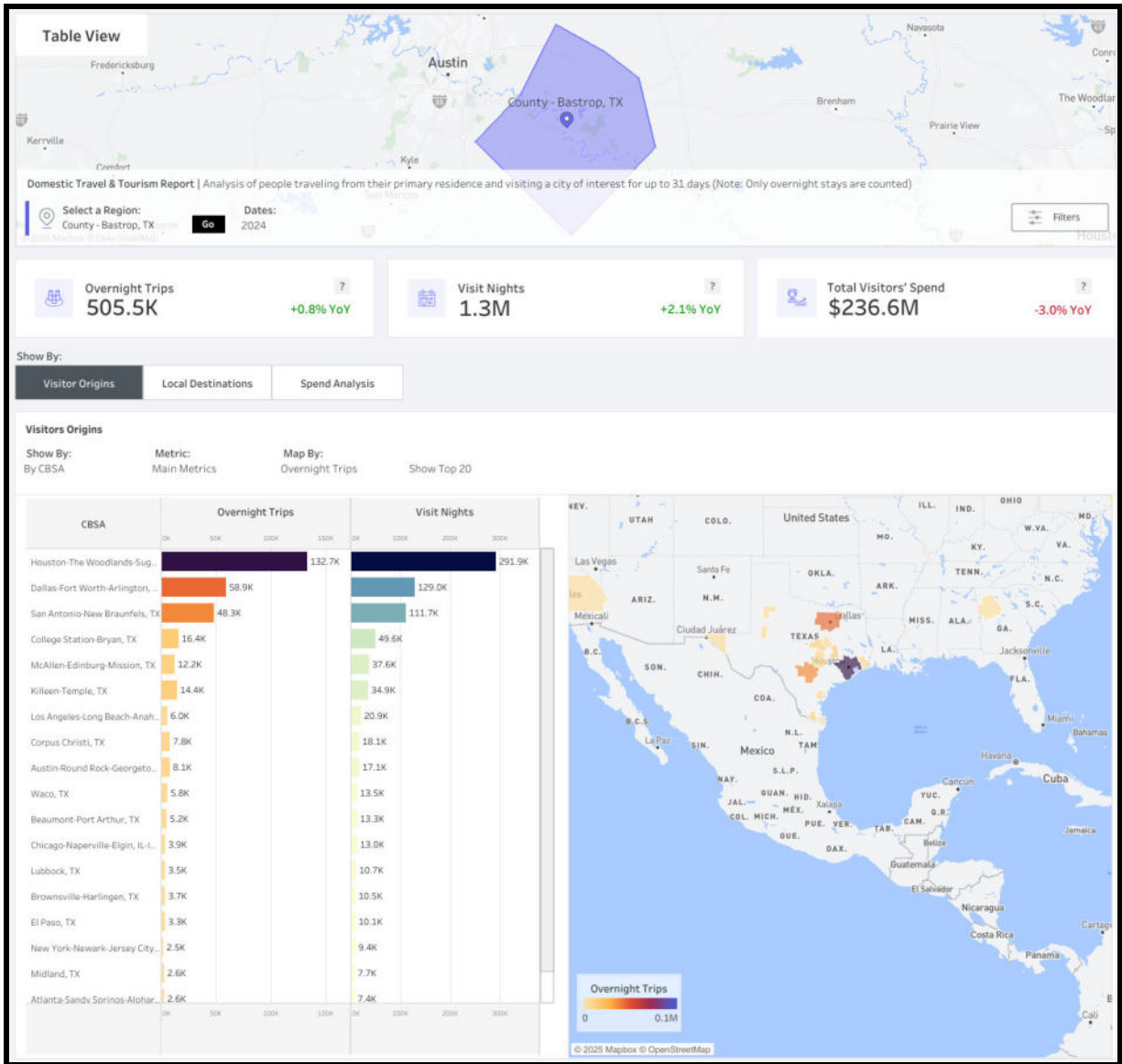
The next table shows the annual direct travel spending in Bastrop, Bastrop County, and the Austin MSA for each of the past six years. As these numbers suggest, the local

market was not as adversely affected by the COVID-19 pandemic as the MSA as a whole, and the city and county have both seen solid growth in travel spending over the past four years.

Total Direct Travel Spending, 2019-2024						
	Bastrop	% Change	Bastrop County	% Change	Austin MSA	% Change
2019	\$31,286,341	—	\$167,910,000	—	\$9,262,665,279	—
2020	\$26,842,296	-14.2%	\$120,720,000	-28.1%	\$5,492,310,781	-40.7%
2021	\$27,994,015	4.3%	\$159,100,000	31.8%	\$8,178,568,498	48.9%
2022	\$33,777,541	20.7%	\$190,190,000	19.5%	\$10,571,152,045	29.3%
2023	\$35,150,299	4.1%	\$200,280,000	5.3%	\$10,950,237,384	3.6%
2024	\$36,438,199	7.9%	\$209,100,000	9.9%	\$11,146,108,988	5.4%

Source: Dean Runyan Associates, *Texas Travel Impacts 2010-2019p*

The following chart, generated by Placer.ai, presents a summary of tourism activity in Bastrop County in 2024.



Based on Placer.ai tracking, Bastrop County saw roughly 506,000 overnight trips in 2024, leading to 1.3 million visit nights. The top metro area of origin was Houston, followed by Dallas/Fort Worth, and San Antonio.

Recreation and Regional Attractions: Recreational facilities and regional attractions enhance an area’s quality of life. These activities also have a significant economic impact on an area by increasing the demand for services and retail trade created by visitors. Tourists in turn tend to generate lodging demand on weekends, holidays, and summer months, offsetting commercial visitations during weaker periods. The following table lists major attractions in the area.

Major Tourist Attractions

Subject Area

Attraction	Location	Est. Annual Attendance/Visitation
Circuit of the Americas	Del Valle, TX	1,100,000
Typhoon Texas Waterpark Austin	Pflugerville, TX	226,000
Bullock Texas State History Museum	Austin, TX	201,000
Blandon Museum of Art	Austin, TX	189,000
Bastrop State Park	Bastrop, TX	129,000
LBJ Presidential Library & Museum	Austin, TX	100,000
Sherwood Forest Faire	McDade, TX	85,000
Buescher State Park	Smithville, TX	57,000
Bastrop Convention & Exhibit Center	Bastrop, TX	56,000
Lost Pines Golf Club	Cedar Creek, TX	30,000
Bastrop Opera House	Bastrop, TX	22,000
Bastrop County Museum & Visitor Center	Bastrop, TX	16,000

Sources: Texas Parks and Wildlife Department, Bastrop Convention & Exhibit Center, Placer.ai

The largest attraction in the local market is Bastrop State Park, located about 10 miles east of the subject site. Covering more than 2,000 acres, this popular state park offers areas for scenic hiking, fishing, swimming, and camping amid the area’s famed loblolly pines. Buescher State Park, another well-known recreation area, is about 15 miles from Bastrop. Other noteworthy attractions in and around Bastrop include the Bastrop Opera House, Bastrop County Museum & Visitor Center, Lost Pines Art Center, McKinney Roughs Nature Park, The Dinosaur Park, and the Lost Pines Golf Club at the Hyatt Regency Lost Pines Resort.

Major points of interest in nearby Austin include the Texas State Capitol, Umlauf Sculpture Gardens, the Texas Memorial Museum, and Zilker Park. Austin is also home to the Blanton Museum of Art, Austin Arboretum, Austin Zoo, Austin Aquarium, the George Washington Carver Museum, and the Lyndon Baines Johnson Presidential Library & Museum, and the Circuit of the Americas auto racing complex. Typhoon Texas Austin is a commercial outdoor waterpark attraction with a wave pool, lazy river, ropes courses, and multiple water slides. Round Rock, north of Austin, is home to several major sports and entertainment attractions, such as the Dell Diamond minor league ballpark, Round Rock Sports Center, Rock’N River Waterpark, the Kalahari Resort, and Old Settlers Park.

Austin bills itself as the “Live Music Capital of the World” due to the abundance of theaters, auditoriums, and nightclubs devoted to showcasing local and touring musical talent. The city hosts several major festivals and events each year, including the Austin City Limits Music Festival in September; the Austin Film Festival in October; the Star of Texas Fair & Rodeo in March; and the South by Southwest (SXSW) music, film, and media festival in March.

The following table shows the driving distance from the subject site to prominent attractions in the surrounding area.

Estimated Driving Distance from Subject Site	
	Miles
Burleson Crossing	2.2
Ascension Seton Bastrop	2.4
Bastrop County Museum & Visitor Center	4.4
Bastrop Opera House	4.6
Buc-ee's	4.8
Bastrop Convention & Exhibit Center	5.1
McKinney Roughs Nature Park	6.8
The Dinosaur Park	8.1
SpaceX Bastrop	8.2
Capital of Texas Zoo	9.0
Hyatt Regency Lost Pines Resort	9.6
Lake Bastrop	9.8
Bastrop State Park	10.5
MD Anderson Cancer Center	13.2
Buescher State Park	15.6
Sherwood Forest Faire	19.4
Circuit of the Americas	20.2
Austin-Bergstrom International Airport	23.4
Austin Convention Center	26.8
University of Texas at Austin	27.6
Texas State Capitol	30.1
Bullock Texas State History Museum	30.6
Blandon Museum of Art	30.6
LBJ Presidential Library & Museum	30.7
Zilker Metropolitan Park	32.6
Typhoon Texas Waterpark Austin	38.0

Source: Waze.com

Meeting and Event Facilities: Large event facilities such as convention centers, exposition centers, fairgrounds, theaters, stadiums, and arenas play a major role in attracting visitors to an area. These visitors frequently make use of paid overnight accommodations and patronize local restaurants, retail stores, and tourist attractions.

The subject site is about five miles west of the existing Bastrop Convention & Exhibit Center. This 26,000-square-foot facility offers four meeting rooms, two large patios, and 316 on-site parking spots. This versatile venue can accommodate a wide range of events, such as weddings, banquets, conventions, trade shows, and corporate functions. The next table presents a summary of usage statistics at the Bastrop Convention & Exhibit Center over the past three years.

Bastrop Convention & Exhibit Center			
Usage Statistics, 2023-2025			
	2023	2024	2025
Total Events	198	202	212
Local	127	112	105
Non-Local	71	90	107
Meeting	96	100	94
Trade Show	52	54	58
Special Event	49	48	58
Other	1	0	2
Est. Total Attendees	58,712	53,718	56,321
Total Rental Fees (before discounts)	\$303,750	\$310,741	\$327,534

Source: Bastrop Convention & Exhibit Center

Outside of Bastrop, the county’s largest event facilities are at the Hyatt Regency Lost Pines Resort in nearby Cedar Creek. Elsewhere, smaller meeting and event spaces are available at a handful of smaller hotels, Bastrop State Park, Jerry Fay Wilhelm Center for the Performing Arts, and the Lost Pines Art Center.

According to Placer.ai tracking, a total of 1,614 events were held in Bastrop County in 2025, including festivals, expositions, concerts, and smaller community gatherings. The following table presents a summary of recent events in the area.

2025 Summary of Events - Bastrop County, Texas			
	# of Events	Total Attendees	Avg. Attendees/Event
Festivals	100	214,281	2,143
Community	992	156,423	158
Concerts	211	78,738	373
Expositions	137	28,210	206
Performing Arts	19	26,769	1,409
Sports Games	88	18,264	208
Conferences	67	11,780	176
Total	1,614	534,465	331

Source: Placer.ai

The next table ranks the top individual events 2025 in terms of attendance.

Top 2025 Events in Bastrop County, Texas				
Event Name	Type of Event	Month(s)	Duration (days)	Estimated Attendance
Sherwood Forest Faire	Festivals	March, April	51	85,000
Hogeye Festival	Festivals	October	1	30,000
Old Settler's Music Festival	Festivals	April	4	16,000
Heroes & Hot Rods Cruise In & Car Show	Expositions	November	2	10,000
Western Days	Festivals	June	3	8,000
7th Annual Home & Garden Show	Expositions	March	1	5,000
McDade Watermelon Festival	Festivals	July	3	4,000
Celtic Yuletide Fest	Festivals	December	3	3,200

Source: Placer.ai

The county's largest annual event is the Sherwood Forest Faire, a long-running Renaissance festival held in McDade, Texas, about 15 miles northeast of Bastrop. Other top events in Bastrop County include the Hogeye Festival, Old Settler's Music Festival, the Heroes & Hot Rods car show, and Western Days.

Within the greater Austin area, the largest convention venue is the Austin Convention Center in downtown Austin. Now closed for a \$1.6 billion renovation and expansion, the Convention Center will reopen in 2029 with more than 620,000 square feet of rentable event space, a substantial increase over the 365,000 square feet available pre-expansion. Other leading event venues in the greater Austin area include the Circuit of the Americas, Palmer Events Center, Moody Theater, Brazos Hall, Kalahari Resorts Round Rock, and various facilities on the campuses of the University of Texas at Austin and Texas State University at San Marcos.

Economic Forces

Economic considerations relate to the financial capacity of a market area's occupants and their ability to purchase goods and services. Among the economic factors that can be considered in this type of analysis are median household income levels, per capita income, income distribution for households, unemployment levels, and the amount and type of economic development in a given area.

Income: The economic vitality of an area is an important consideration in forecasting the demand and potential income for commercial real estate. The following table lists median household income estimates for the subject area.

Median Household Income Estimates			
Bastrop, Texas			
Area	2025 Est.	2030 Proj.	%Change 2025-30
Bastrop	\$78,152	\$85,671	9.6%
Bastrop County	\$79,670	\$86,871	9.0%
Austin MSA	\$104,066	\$114,891	10.4%
Texas	\$79,964	\$89,448	11.9%

Sources: U.S. Census Bureau, ESRI

Income levels in Bastrop and Bastrop County tend to be fairly representative of the state of Texas as a whole. In contrast, the median household income in the five-county Austin MSA is more than 30% above the state average. As an additional point of comparison, the median household income for the United States as a whole was estimated at \$81,624 for 2025. At all geographic levels, the area is projected to see healthy income growth over the period of 2025 to 2030.

Cost of Living: According to the C2ER *Cost of Living Index*, the cost of living in the Austin MSA is slightly below average compared to other major metro areas in the United States. For first-quarter 2025, the Austin MSA had a cost of living index of 95.7. As an index score of 100 represents the national average, MSAs with a cost of living index below 100 are considered to have a lower cost of living, while those with an index score above 100 are considered to have a higher cost of living.

The following table compares the cost of living in the Austin MSA to that of other major metro areas in the United States.

Cost of Living Comparison	
Metro Area	Cost of Living Index
St. Louis MO-IL	88.2
San Antonio-New Braunfels TX	91.8
Minneapolis-St. Paul-Bloomington MN-WI	91.9
Orlando-Kissimmee-Sanford FL	92.5
Houston-The Woodlands-Sugar Land TX	93.7
Austin-Round Rock-Georgetown TX	95.7
Atlanta-Sandy Springs-Alpharetta GA	96.3
Tampa-St. Petersburg-Clearwater FL	96.7
Dallas-Plano-Irving TX	98.6
Baltimore-Columbia-Towson MD	100.2
Detroit-Dearborn-Livonia MI	101.5
Philadelphia PA	105.8
Phoenix-Mesa-Chandler AZ	106.8
Denver-Aurora-Lakewood CO	110.4
Chicago-Naperville-Evanston IL	116.9
Portland-Vancouver-Hillsboro OR-WA	117.0
Miami-Miami Beach-Kendall FL	120.9
Washington-Arlington-Alexandria DC-VA-MD-WV	135.2
Seattle-Bellevue-Kent WA	142.1
Boston MA	145.1
San Diego-Chula Vista-Carlsbad CA	146.3
Los Angeles-Long Beach-Glendale CA	150.2
San Francisco-San Mateo-Redwood City CA	160.3
New York-Jersey City-White Plains NY-NJ (Brooklyn)	163.3
New York-Jersey City-White Plains NY-NJ (Manhattan)	232.6

Source: C2ER, Cost of Living Index 1st Quarter 2025

Industries and Employment

Information on the size of a region’s labor force and the relative trends in employment and unemployment are key local economic indicators.

Unemployment Rates: The widely cited unemployment rate provides a good measure of the relative utilization of labor in a region. These measures are “residency-based,” providing current information on the labor force status of the residents of a county or region. The following table presents unemployment rates for the subject area. Figures for the city of Bastrop are not included here because the Bureau of Labor Statistics does not track unemployment in communities of fewer than 25,000 residents.

Historical Unemployment Rates						
	2019	2020	2021	2022	2023	2024
Bastrop County	3.2%	6.1%	4.6%	3.5%	3.6%	3.6%
Austin MSA	2.8%	6.3%	4.2%	3.0%	3.5%	3.5%
Texas	3.5%	7.7%	5.6%	3.9%	4.0%	4.1%
United States	3.7%	8.1%	5.3%	3.6%	3.6%	4.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Unemployment rates in the Austin area tend to be below the state and national averages. Like most U.S. markets, the Austin MSA saw an uptick in unemployment in 2020 due to the pandemic. This was followed by a rapid recovery, and the annual unemployment rate remained below 4% through 2024. The Bureau of Labor Statistics also tracks unemployment on a monthly basis. Preliminary figures for August 2025 indicate an unemployment rate of 4.2% in Bastrop County, 3.9% in the Austin MSA, and 4.7% in the state of Texas.

Employment by Industry: The distribution of employment helps determine the economic character of an area. The following table shows the three largest industrial sectors in terms of the estimated number of persons employed in 2025 for each geographic area.

Largest Industrial Sectors, 2025						
Bastrop, Texas						
	Largest industrial sector		2nd largest industrial sector		3rd largest industrial sector	
	Industry	% of employees	Industry	% of employees	Industry	% of employees
Bastrop	Health Care/ Social Assistance	19.3%	Retail Trade	19.1%	Accommodation/ Food Services	15.3%
Bastrop County	Accommodation/ Food Services	18.3%	Retail Trade	13.7%	Health Care/ Social Assistance	11.8%
Austin MSA	Health Care/ Social Assistance	12.8%	Accommodation/ Food Services	11.6%	Retail Trade	11.5%
Texas	Health Care/ Social Assistance	14.5%	Retail Trade	12.1%	Accommodation/ Food Services	10.5%

Source: ESRI

The top sector in the city of Bastrop is Health Care/Social Assistance, followed closely by Retail Trade. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of travel and tourism to a local economy. In 2025, this sector accounted for an estimated 15.3% of the overall employment in Bastrop, 18.3% in Bastrop County, 11.6% in the Austin MSA, and 10.5% in Texas. This comparison suggests that hospitality-oriented businesses like hotels and restaurants are of greater relative importance to the local market than to the larger geographies to which it belongs.

The next table shows the total annual nonfarm employment in the Austin MSA and the state of Texas for the years 2019 through 2024, plus the latest monthly numbers for 2025 as compared to the same period in 2024.

Total Nonfarm Employment, 2019-2024					
	Austin MSA	% Change	Texas	% Change	
2019	1,120,300	—	12,813,600	—	
2020	1,091,400	-2.6%	12,276,400	-4.2%	
2021	1,172,100	7.4%	12,729,300	3.7%	
2022	1,276,000	8.9%	13,475,800	5.9%	
2023	1,330,300	4.3%	13,920,700	3.3%	
2024	1,359,900	2.2%	14,131,200	1.5%	
September 2024	1,361,400		14,142,400		
September 2025, Preliminary	1,371,100	0.7%	14,311,200	1.2%	

Source: U.S. Department of Labor, Bureau of Labor Statistics

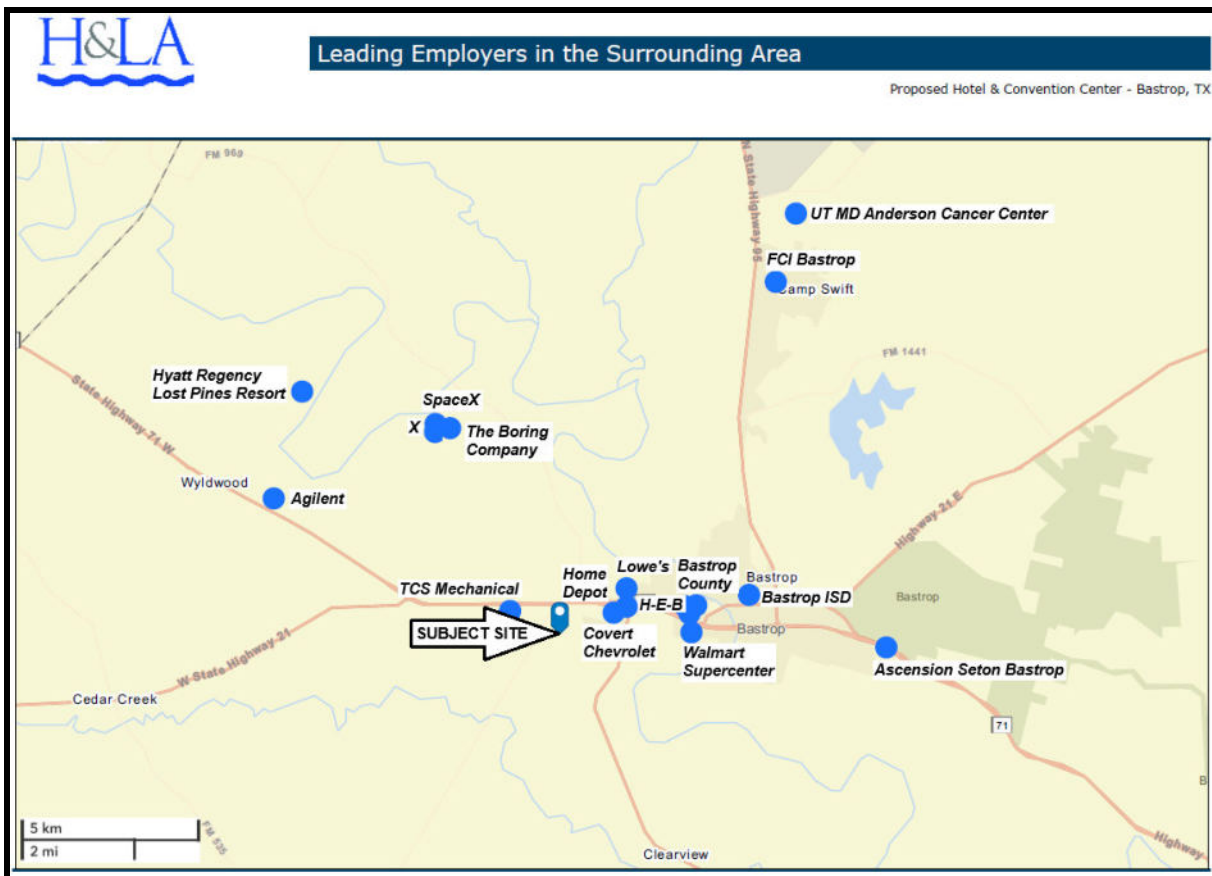
Despite the COVID-related losses of 2020, the Austin MSA experienced a net gain of almost 240,000 jobs over the six-year period shown. On a percentage basis, the MSA saw faster job growth in recent years than the state at large. The latest available monthly numbers indicate that the MSA continued to add jobs as of the third quarter of 2025.

Major Employers: The demand for hotels is closely tied to the types of businesses in an area, their economic strengths, and their growth potential. The largest employers in the area are listed in the following table.

Major Employers in Bastrop County, Texas			
Firm/Organization	Location	#Employees	Industry Description
Bastrop ISD	Bastrop	1,601	Elementary & Secondary Schools
Elgin ISD	Elgin	1,003	Elementary & Secondary Schools
SpaceX	Bastrop	775	Aerospace
HEB Food Store Bastrop	Bastrop	730	Grocery Stores
Bastrop County	Bastrop	583	County Administration
Hyatt Regency Lost Pines Resort	Cedar Creek	530	Hotels & Resorts
Bluebonnet Electric Co-op	Bastrop	424	Electric Utility
HEB Food Store Elgin	Elgin	386	Grocery Stores
MD Anderson Cancer Center	Camp Swift	353	Health Care & Medical Research
Agilent	Cedar Creek	306	Life Sciences
Walmart Bastrop	Bastrop	300	Retail
Ascension Seton Bastrop	Bastrop	298	Health Care
Smithville ISD	Smithville	277	Elementary & Secondary Schools
Bastrop FCI	Camp Swift	204	Correctional Facilities
Home Depot	Bastrop	200	Retail
Walmart Elgin	Elgin	186	Retail
TCS Mechanical	Bastrop	156	Mechanical Contractor
Acme Brick	Elgin	149	Construction Supplies Manufacturing
OnePointe Solutions	Elgin	117	Furniture Manufacturing
The Boring Company	Bastrop	100	Tunnel Construction & Infrastructure

Sources: City of Bastrop, Bastrop County, Opportunity Austin Regional Partnership

The next map illustrates the location of the subject site in relation to major employers in the surrounding area.



New Developments: The following bullets describe recent developments that will influence tourism, employment, and the general economy in the area.

- A 75-acre mixed-use development called Sendero is in progress at the intersection of State Highway 71 and FM 969 in Bastrop. This major project will include a mix of residential, hospitality, retail, and restaurant uses, to be completed in phases over the next few years. Notable businesses slated to open at Sendero in 2026 include Chuy's Tex-Mex, Texas Roadhouse, and Scooter's Coffee.
- A new retail development called Burleson Crossing East is now taking shape in Bastrop that will include a Sprouts Farmers Market grocery store, LongHorn Steakhouse, and PetSmart. Located near State Highway 71, this project will add to the existing retail and restaurant offerings at Burleson Crossing.
- South Korea-based LS Electric opened its first North American production facility in Bastrop in April 2025. This 58,925-square-foot facility now employs 50 workers, and the company plans to invest \$240 million in the facility and expand its local workforce over the next five years.
- Global manufacturer Acutronic recently acquired 14 acres of land in Bastrop where it plans to build the only jet engine manufacturing facility in the state of Texas.

Representing an investment of more than \$4 million in the construction phase alone, this project will generate at least 50 new jobs in the area.

- SpaceX/Starlink is currently expanding its existing Bastrop facility by more than one million square feet. Representing a total investment of over \$280 million, this large-scale project is expected to create 400 new jobs. This major investment follows the recent relocation of related Elon Musk enterprises to Texas, including Tesla, X, and The Boring Company.
- A multi-faceted 75-acre entertainment production campus called Wyldwood Studios is now under development in Bastrop that will include film studios, a hotel, restaurants, and two hillside amphitheaters. Assuming this project moves forward as planned, the first sound stages at Wyldwood Studios will open in 2027. Line 204 Texas, a larger film studio lot, is planned for 546 acres along the Colorado River in Bastrop. These projects are expected to bring major film productions to the area over the next several years.

Governmental Forces

Governmental considerations relate to the laws, regulations, and property taxes that affect properties in the market area and the administration and enforcement of these constraints such as zoning laws, building codes, and housing and sanitary codes. The property tax burden associated with the benefits provided and the taxes charged for similar benefits in other areas are considered. The enforcement of applicable codes, regulations, and restrictions should be equitable and effective. Governmental characteristics that should be considered in the analysis of a market area include property tax burden relative to services provided, special assessments, zoning and building codes, quality of public services, and environmental regulations. Some of these factors are discussed in the zoning and real estate tax sections later in this report.

Environmental Forces

Environmental influences consist of any natural or human-made features that are contained in or affect the market area and its location. These include a building's type and size, topographical features such as terrain and vegetation, changes in property use and land use patterns, and the adequacy of public utilities.

Highway Transportation: Highway accessibility is a primary consideration in planning an area's future growth and development. Bastrop County is served by US Route 290, State Highway 21, State Highway 71, State Highway 95, State Highway 304, and a sparse system of local roads. US Route 290 and State Highway 71 both provide east/west access between Austin and Bastrop County. Primary north/south access is provided by State Highway 95 and State Highway 304.

State Highway 71 merges with State Highway 21 for a stretch of about three miles through the city of Bastrop. The proposed site is along FM 20 just south of State Highway 21/71, on the western edge of Bastrop. The following table presents traffic volume statistics on these main roads from the points closest to the subject site.

Annual Average Daily Traffic Volume

Bastrop, Texas

	State Highway 21/71		FM 20
	West of FM 20	East of FM 20	South of SH 21/71
2019	47,811	46,905	6,867
2020	43,667	40,338	4,896
2021	49,245	49,762	6,936
2022	50,312	53,021	7,488
2023	54,508	50,324	8,195
2024	56,688	49,274	9,723

Source: Texas Department of Transportation

Air Transportation: The metro area’s main commercial airport is Austin-Bergstrom International, south of downtown Austin. This airport is served by 18 commercial carriers, with nonstop flights to more than 50 domestic and international destinations. The following table presents historical passenger activity at Austin-Bergstrom International Airport. As shown, the airport experienced strong post-pandemic gains, with passenger totals far exceeding 2019 levels in recent years.

Passenger Volume

Austin-Bergstrom International Airport

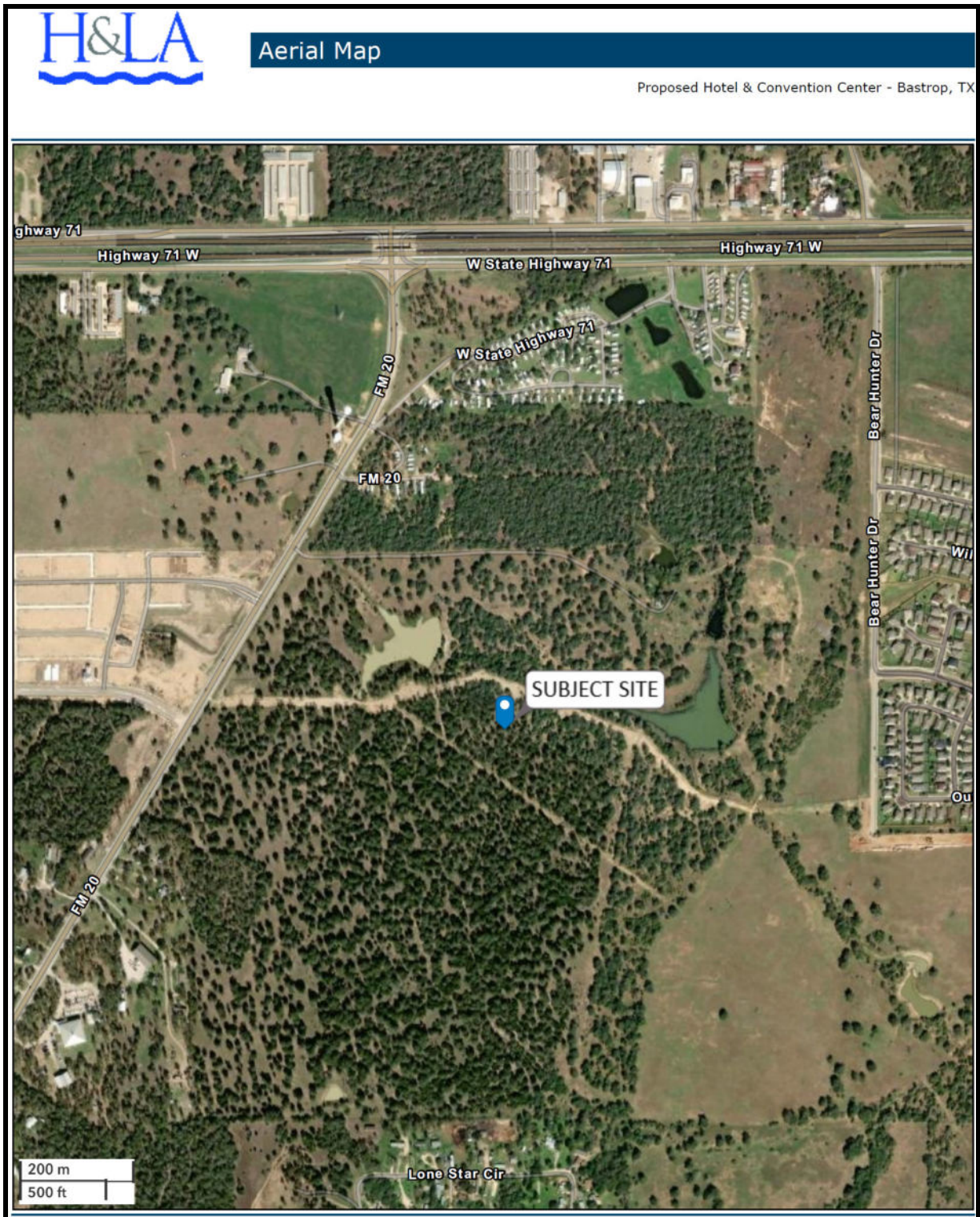
	Passenger Enplanements	%Change
2019	8,507,410	—
2020	3,141,505	-63.1%
2021	6,666,215	112.2%
2022	10,382,573	55.7%
2023	10,833,443	4.3%
2024	10,678,073	-1.4%

Source: Federal Aviation Administration

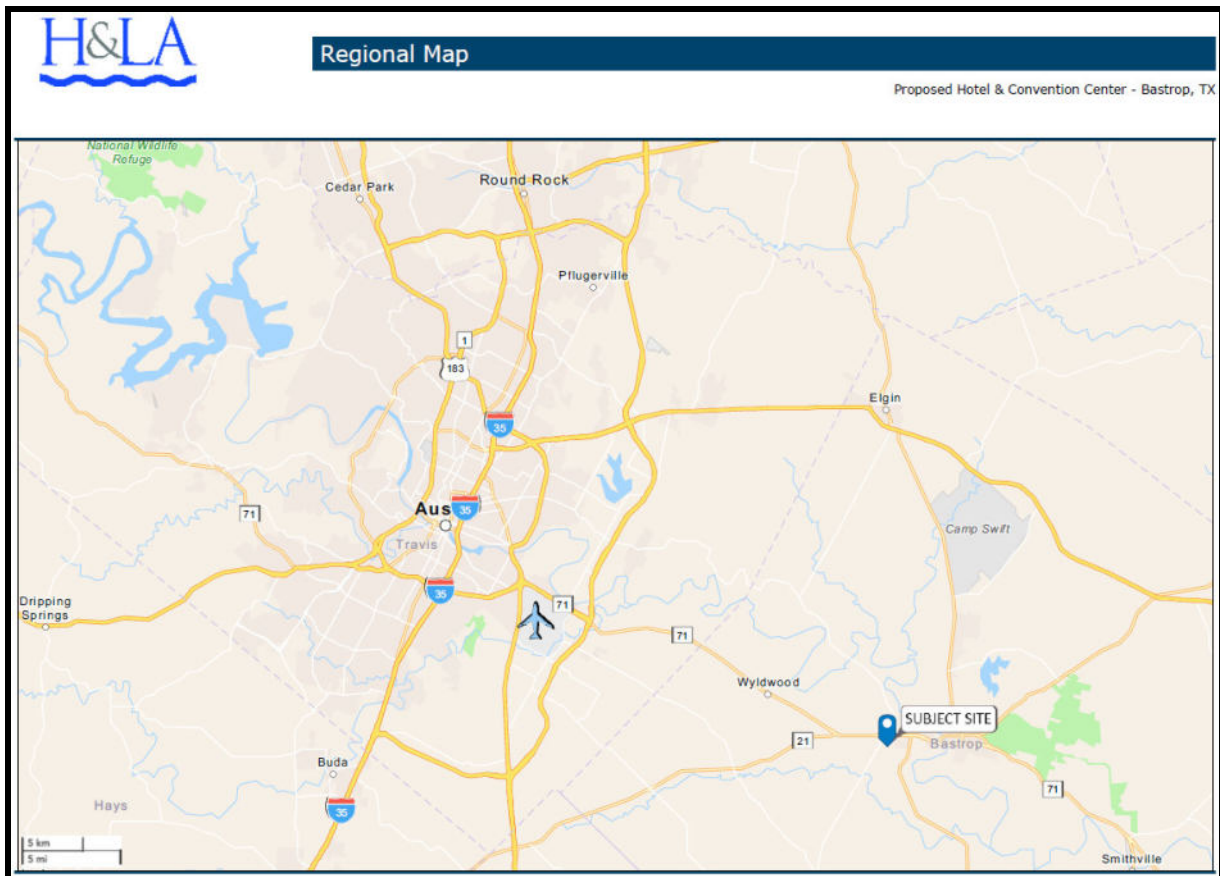
NEIGHBORHOOD ANALYSIS

The neighborhood surrounding a lodging facility impacts a hotel’s status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. The subject site is in a partially developed area on the western edge of Bastrop, surrounded by new housing developments, churches, RV parks, small ponds, and open land.

Aerial Photograph: The following image is an aerial photograph of the subject site and its immediate surroundings.



The next map shows the location of the subject site in relation to major roads and highways in the surrounding area.



Flood Zone Determinations: According to FEMA definitions, the term 100-year floodplain indicates an area in which there is a 1% or greater annual probability of a flood occurring; the term 500-year floodplain indicates an area with a 0.2% or greater annual probability of flooding.

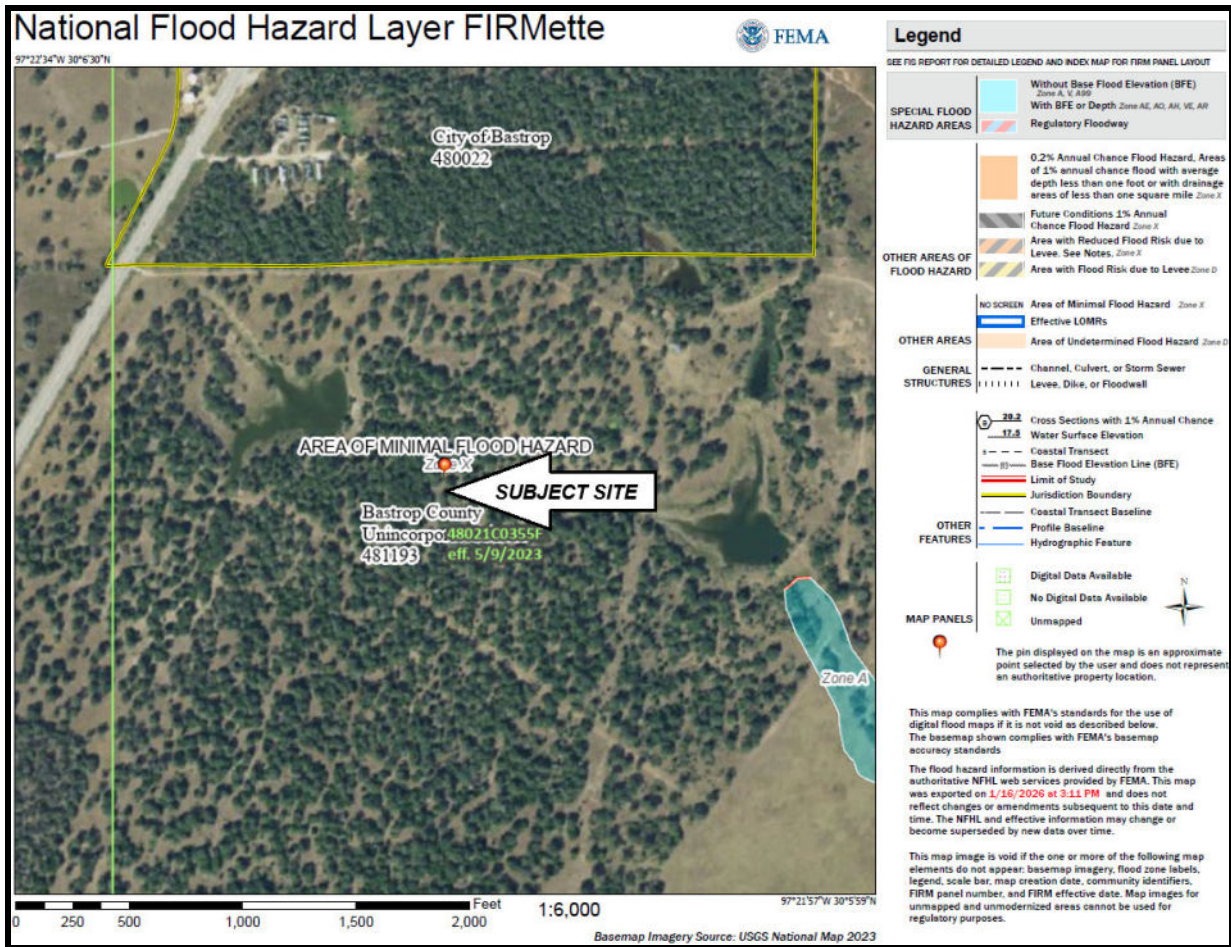
The most common flood zone definitions are as follows:

- ZONE A** An area inundated by 100-year flooding for which base flood elevations have not been established
- ZONE AE** An area inundated by 100-year flooding for which base flood elevations are provided
- ZONE B** An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than one foot or with drainage areas less than one square mile; or an area protected by levees from 100-year flooding
- ZONE C** An area that is determined to be outside the 100- and 500-year floodplains

ZONE D An area of undetermined but possible flood hazards

ZONE X An area within a 500-year floodplain; an area within the 100-year floodplain with average depths of less than one foot or width drainage areas less than one square mile and areas protected by levees from 100-year flood

The following map presents the FEMA flood zone determinations for the subject site as of May 9, 2023. The map (Map Number 48021C0355F) indicates that the subject site is in a Zone X area.



Outlook

Our review of the above data indicates a positive outlook for Bastrop and the greater Austin area based on recent demographic trends. The area has seen exceptionally strong growth in population and employment in recent years, which are generally signs of economic vitality. The metro area benefits from the stabilizing presence of the state government and the University of Texas at Austin, as well as several large corporate employers. The subject site is well-positioned within the regional highway infrastructure, making it easy to reach from Austin and surrounding markets. Several major projects are currently planned or underway in the Bastrop area that will support new commercial

development for years to come. When considered together, these factors point to sustained economic growth and should benefit the local hotel market by ensuring high levels of demand heading into the future.

SITE ANALYSIS

Site Location: The subject is at 169 Farm to Market Road 20, Bastrop, Bastrop County, Texas.

Size and Shape: According to the site plan, the developer, Kazam Khonsari, owns 392 acres, of which approximately 33 acres will be utilized for the hotel and convention center. The shape of the parcel is irregular.

Access and Exposure: Access to the subject site is obtained via State Highway 71. A traveler on State Highway 71 will exit at Frontage Road toward South/Lockhart from the east or Farm to Market (FM) 969 West/FM 20 South from the west. The traveler would travel south on FM Road 20 for 0.4 miles to the subject site. The subject site is approximately one mile from the State Highway 71 exit.

Zoning: According to City of Bastrop officials, the entire subject site will be zoned Planned Development District. Permitted uses include offices, hotels, motels, restaurants, bars, and other commercial uses. Therefore, the proposed subject development would be a legally conforming use. Approximately 170 acres are in Bastrop, and the remaining land is in unincorporated area.

Site Conditions: We were not provided with an engineering or environmental study for the subject site because one has yet to be completed. H&LA has not performed an engineering study or test borings and makes no conclusion as to the condition of the foundation or the soil and subsoil conditions. The subject site is currently forested.

Utilities: We assume that all necessary utilities and services are available mostly to the subject site. We assume the City of Bastrop will provide adequate water and sewer services.

Deed Restrictions/Easements: We assume that the standard utility easements from the local electrical, telephone, and gas companies will encumber the subject property. These easements are considered typical for the operation of commercial property and are not detrimental. There is a wastewater easement that goes through the site.

Property Taxes: The subject consists of two real estate tax parcels, which are 108532 and 25125. Commercial property in Bastrop County is assessed at 100.0% of theoretical market value. The assessors utilize a cost approach to estimate the assessed market value. Properties in Bastrop County were last reassessed in 2025. The sale of a property does not trigger a reassessment. The tax rate for the neighborhood is 0.021006 per \$1,000 of assessed value. There is a separate tax for personal property in Texas; however, per Chapter 23 of the Texas Tax Code "If real property is appraised by a method that takes into account the value of furniture, fixtures, and equipment in or on the real property, the furniture, fixtures, and equipment shall not be subject to additional appraisal or taxation as personal property".

To derive a reasonable property tax estimate for the subject, we analyzed the assessed values for comparable hotels in the area of the subject, which are shown in the following table.

Subject and Comparable Assessments			
	Rooms	Assessment	Per Room
Comparables			
2025 - Holiday Inn Express & Suites Bastrop	56	\$4,150,000	\$74,107
2025 - Hampton Inn & Suites Bastrop	89	\$5,900,000	\$66,292
2025 - Hyatt Regency Lost Pines Resort & Spa	490	\$126,677,066	\$258,525

Source: Hotel & Leisure Advisors and County Assessor

Assessments average \$132,975 per room. The current assessments of the subject are inconsequential since the subject will be reassessed when it opens.

Competitive Advantages and Disadvantages of Subject Site

Advantages

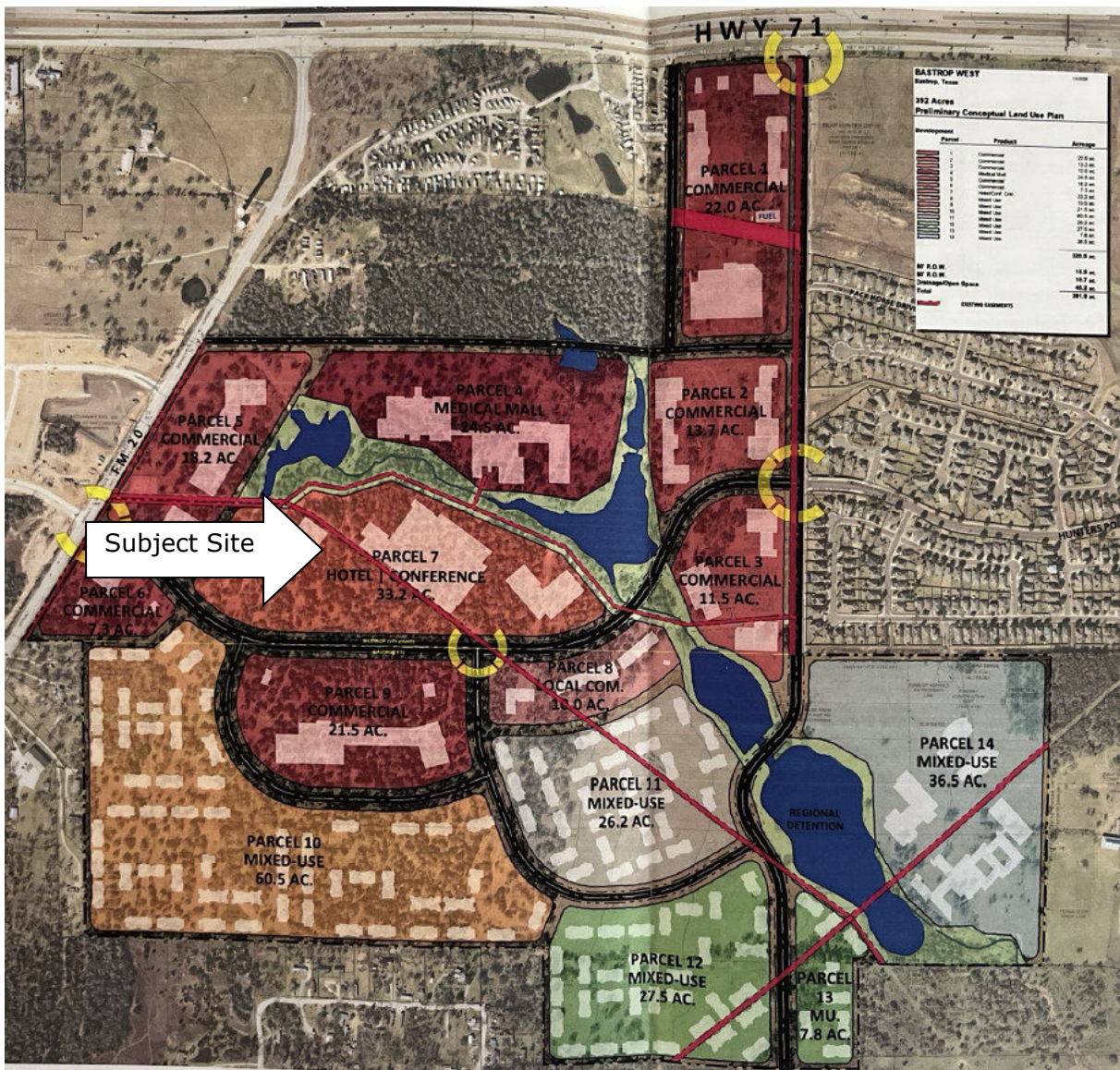
- The planned subject site is a component of a larger, overall development to include a medical mall, entertainment, mixed-use, sports and recreation, educational mall, and other commercial businesses, which will complement the subject as the land is improved.
- The land area for the proposed subject contains 33 acres, which allows for sufficient land for an attractive master plan for the subject site.
- The development will be able to erect monument signs off State Highway 71 to promote the project.
- The subject site is within 180 miles of Austin, Houston, and San Antonio, which are projected to be the primary demand sources.

Disadvantages

- Bastrop is a rural area approximately 30 miles southeast of Austin, where many other full-service hotels with conference space currently exist.
- The subject site is approximately 40 miles from the closest interstates, Interstates 35 and 10. Extensive signage will be required as part of the proposed development.

Conclusion

The subject neighborhood as it currently exists could be considered an attractive location for hotel and convention center development. With the level of infrastructure proposed by the developers, including the other proposed developments near the subject, our opinion is that the area around the subject site will offer a sufficient number of businesses and attractions to become an attractive location for the proposed hotel and convention center.



SITE MAP

Pictures of Subject



FM 20 Road from Subject Site facing Southwest



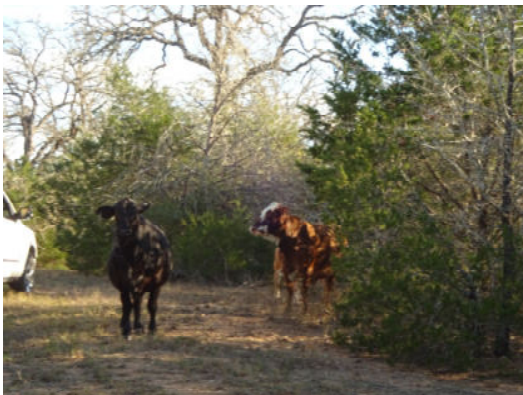
Subject Site



Subject Site



Subject Site



Cattle at Subject Site



Subject Site

Pictures of Subject



Subject Site



Subject Site



Subject Site



Subject Site



View of FM Road 20 from Subject Site
facing Northwest



Entrance to Subject Site

DESCRIPTION OF PROJECTED/RECOMMENDED IMPROVEMENTS

General: We analyzed the proposed development and reviewed the preliminary development plans. The city of Bastrop is interested in the potential development of a full-service hotel with a convention center on approximately a 33-acre portion of a 392-acre parcel. The overall parcel will be a mixed-use development that may include the development of a hospital/medical mall, retail, entertainment, residential, and other commercial uses.

We recommend development of a midsize full-service hotel and convention center with a national brand affiliation that would offer resort amenities. The facility should include a restaurant, bar, meeting space, spa, and an aquatic recreation feature.

Bastrop may be eligible for the Texas qualified hotel project program. Under the program, an eligible hotel and convention center development receives a 100% rebate of the state hotel occupancy tax collected from the hotel and a 100% rebate of the state sales tax collected from the hotel, convention center, and ancillary development within 1,000 feet for the first 10 years of the hotel's operation. Under the terms of the legislation, the City of Bastrop must own the convention center. The city has not yet determined whether the developer or the city would retain the rebated taxes from the state.

We recommend that the architects and land planners prepare preliminary plans for an expansion of the hotel to allow for future expansion if warranted. We project the proposed property will open by January 1, 2029.

The following table indicates our recommendations for the resort.

Recommended Facility

Proposed Hotel & Convention Center

Number of Units

300

Room Mix	Units	Room Breakdown %	Size (S.F.)
King	140	47%	300-400
Double-Queen	130	43%	300-400
Suites	30	10%	500-700

Franchise Recommendations

Curio Collection by Hilton

Marriott

Kimpton by IHG

Meeting Rooms

Square Feet

Banquet Capacity

Ballroom (divisible into 8 rooms)	20,000	1,660
Junior ballroom (divisible into 5 rooms)	7,000	580
Meeting rooms	5,000	
Pre-function space	8,000	
Outdoor event space		
Total square feet	40,000	2,240

Food and Beverage Outlets

Three-meal restaurant

Coffee shop

Lobby bar

Outdoor aquatics snackbar

Swim-up bar

Aquatic Recreation Features

Resort-style pool w/ waterslides (Option 1)

Lazy river (Option 1)

One- to two-acre lagoon (Option 2)

Wibit inflatable water course (Option 2)

Hot tub

Amenities

Complimentary high-speed Internet

Fitness room

Business center

Complimentary self-parking

Spa 5,000

Arcade 2,000

Outdoor patio with firepits

Convention space flex use for sporting events

Source: Hotel & Leisure Advisors

Guestrooms

- **Room Count:** 300
- **Breakdown of Rooms:** King - 140; Double-Queen - 130; Suites - 30
- **Room Sizing:** Guestrooms should be the size of brand standard hotel guestrooms with an average square footage of 300 to 400 square feet and suites offering 500 to 700 square feet
- **Room Components:** All rooms should include a desk and work chair, mini-fridge, microwave, and coffee maker. All suites should include a pull-out sofa to provide additional sleeping options.

Meeting and Conference Space

- **Ballrooms:**
 - A 20,000-square-foot main ballroom divisible into eight rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat approximately 1,660 people at 72" round tables.
 - A 7,000-square-foot junior ballroom divisible into five rooms. As a banquet area, this space will seat 580 people at 72" round tables.
- **Meeting Rooms:**
 - Additional 5,000 square feet of meeting room spaces to be used as breakout rooms or to host smaller receptions.
 - An 8,000-square-foot pre-function space that will be flexible in use.
- **Outdoor Area:** The subject hotel should have an outdoor event area that would be used seasonally for social gatherings.
- **Versatility:** The meeting rooms should be well-appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The conference space should have the ability to be converted into a sports facility to attract youth sports tournaments, such as basketball and volleyball.

Food & Beverage Options

- **Full-Service Restaurant:** Serving all three meals, including a breakfast buffet, a la carte lunch, and dinner service. It should offer a separate public entrance in addition to a hotel lobby entrance. We assume the property will obtain a liquor license.
- **Lobby Bar:** Should also offer light food options
- **Coffee Shop:** Grab and go coffee, pastries, soft drinks, and packaged snacks
- **Seasonal Outdoor Aquatics Snack Bar:** Snack bar offering outdoor food and beverages near the outdoor waterpark or lagoon
- **Swim-up Bar:** Alcoholic beverage service offered in the aquatics area

Aquatic Recreation & Features

- **Outdoor Size:** 2-3 acres
- **Resort-Style Pool (Option 1):** Pool offering two 48" waterslides and a treehouse play structure with multiple kids' water activities and slides
- **Lazy River (Option 1):** A relaxing river ride with a fast-moving section for added excitement
- **Lagoon (Option 2):** One- to two-acre lagoon
- **Wibit Inflatable Water Course (Option 2):** Inflatable water course that is installed in the lagoon
- **Whirlpool:** Outdoor whirlpools for adults and older children
- **Cabanas:** The property should offer a mixture of larger and smaller cabanas

Hotel Amenities:

- Fitness Center
 - Complimentary Wi-Fi
 - Business Center
 - Outdoor Patio with firepits
 - Arcade room with 2,000 square feet
-

Spa

- Approximately 5,000-square-foot spa and salon
 - Multiple treatment rooms
 - Offers services such as massages, facials, therapies, hair stylists, and other treatments for adults and children
-

Other

- **Parking:** Complimentary surface parking should be provided for guests. Valet parking should be offered for a fee.
 - **Phasing:** The developers should plan the facility to add a second phase expansion of hotel rooms, meeting space, and aquatics if demand allows
 - **Building Performance:** We recommend the subject try to obtain either the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification or the Passive House certification. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings. According to multiple studies, green buildings offer significant operational cost savings for utilities. Passive House is an internationally recognized design and construction standard, focused first on the enclosure, which produces reduced balances in building energy use and carbon emissions.
-

FRANCHISE AFFILIATION ANALYSIS

Hotel Chain Scales

Chain scale segments are a method by which branded hotels are grouped based on the actual average room rates. Independent hotels, regardless of their average room rates, are included as a separate chain-scale category. Brands' placement in the scales is reviewed yearly. Following is STR's most recent chain scale listing.

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STR 2026 Chain Scales - United States					
Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
1 Hotel	Ace Hotel	AC Hotels by Marriott	APA Hotel	A Victory	Affordable Suites of America
21c Museum Hotel	Apartments by Marriott	Aiden by Best Western	Aqua Hotels & Resorts	AmericInn	America's Best Inn
AKA	Autograph Collection	aloft Hotel	Atwell Suites	Avid	Americas Best Value Inn
Allia	Blue Bird by Lark	Ascend Collection	Best Western Executive Residency	Baymont	AmeriVu Inn & Suites
Aman	Bunkhouse	Aston Hotel	Best Western Plus	belvilla	B&B HOTEL
Andaz	Canopy by Hilton	Ayres	Boarders Inn & Suites	Best Western	Budget Host
Auberge Collection	Club Quarters	Best Western Premier	BW Signature Collection	BlissPoint	Budget Suites of America
Bvlgari	Curio Collection by Hilton	BW Premier Collection	Centerstone Hotels	Candlewood Suites	Budgetel
Conrad	Disney's Deluxe Resorts	Cambria Hotels	Chase Suites	Choice White Label Midscale	Capital O
Corinthia	Dolce Hotels & Resorts	Canad Inn	Choice White Label Upper Midscale	City Express by Marriott	Choice White Label Economy
Delano	Dream Hotels	Caption by Hyatt	Citadines	Coratel Inn & Suites	Country Hearth Inn
Destination by Hyatt	Embassy Suites by Hilton	Choice White Label Upscale	Clarion	Crystal Inn	Days Inn
Dorchester Collection	Gaylord	citizenM	Clarion Pointe	Everhome Suites	Dazzler Select by Wyndham
Edition	Graduate Hotel	Coast Hotels	Cobblestone	Extend-a-Suites	Downtowner Inn
Faena	Grand America	Compass by Margaritaville	Comfort	Extended Stay America Premier Suites	ECHO Suites Extended Stay by Wyndham
Fairmont	Great Wolf Lodge	Courtyard	Comfort Inn	Extended Stay America Suites	Econo Lodge
Fasano	Harold Rock	Crowne Plaza	Comfort Suites	FairBridge Inn	Efficiency Lodge
Firmdale	Hilton	Delta Hotel	Country Inn & Suites	FairBridge Inn Express	Extended Stay America Select Suites
Four Seasons	Hilton Grand Vacations	Disney's Moderate Resorts	Country Inn & Suites by Choice	Garner	E-Z 8
Grand Hyatt	Hilton White Label Upper Upscale	DoubleTree by Hilton	Disney's Value Resorts	Generator Hotel	Good Nite Inn
IHG White Label Luxury	Hotel Indigo	Drury Inn & Suites	DoubleTree Club	GreenTree Inn	Great Western
InterContinental	Hotel Nikko	Drury Plaza Hotel	Fairfield Inn	GuestHouse	Henn na Hotel
JW Marriott	Hyatt	Eaton	Fireside Inn & Suites	Hawthorn Suites by Wyndham	HomeTowne Studios by Red Roof
Kirkwood Collection	Hyatt Centric	element	GLO Best Western	Hotel O	Howard Johnson
Langham	Hyatt Regency	Eurostars	GrandStay Hotels	ibis Styles	InTown Suites
Loews	Hyde	EVEN Hotels	Hampton by Hilton	IHG White Label Midscale	Jameson Inn
Lotte Hotel	JdV by Hyatt	Executive Hotel	Handwritten Collection	InnSuites Hotel	Key West Inn
Luxury Collection	Kasa	Four Points by Sheraton	Holiday Inn	LivSmart Studios by Hilton	Knights Inn
LXR Hotels & Resorts	Kimpton	Hilton Garden Inn	Holiday Inn Express	Loyalty Inn	Lite Hotels
Mandarin Oriental	L7	Hilton White Label Upscale	Home2 Suites by Hilton	Magnuson	LivAway Suites
Marriott White Label Luxury	Le Meridien	Holiday Inn Club Vacations	Hyatt Select	MainStay Suites	M Star
MGallery Collection	Life House	Homewood Suites by Hilton	Hyatt Studios	Marriott White Label Midscale	Master Hosts Inns
Miraval	Magnolia	Hotel RL	IHG Military Hotels	My Place	Microtel Inn & Suites by Wyndham
Mondrian	Margaritaville	Hyatt House	IHG White Label Upper Midscale	Palace Inn	Motel 6
Montage	Marriott	Hyatt Place	Isle of Capri	Park Inn by Choice	National 9
Nobu Hotels	Marriott Conference Center	Iberostar Waves	La Quinta Inns & Suites	Pear Tree Inn	OYO
NoMad	Marriott Vacation Club	IHG White Label Upscale	Magnuson Grand	Quality Inn	OYO Townhouse
Oetker Hotels	Marriott White Label Upper Upscale	Inside by Melia	Mama Shelter	Ramada	Passport Inn
Omni	Mint House	Larkspur Landing	Marriott White Label Upper Midscale	Red Lion Inn & Suites	Premier Inn
One & Only	Mint House by Kasa	Legacy Vacation Club	MOXY	Signature Inn	Red Carpet Inn
Park Hyatt	Morgans Originals	Mantra	Oxford Suites	Sleep Inn	Red Roof Inn
Pendry	NH Collection	Marriott White Label Upscale	Quality	Sonesta Simply Suites	Red Roof PLUS+
Raffles	Outdoor Collection by Marriott Bonvoy - U	Melia	Red Lion Hotel	Spark by Hilton	Rodeway Inn
Regent	Outrigger Resorts	Millennium	Selina	Stayable Suites	Scottish Inn
Registry Collection Hotels	Pullman	Miyako	Series by Marriott	stayAPT Suites	Select Inn
Ritz-Carlton	Radisson Blu by Choice	MOD A Sonesta Collection	Shilo Inn	StudioRes	Siegel Select
RockResorts	Radisson Individuals by Choice	Motto by Hilton	Sonesta ES Suites	Tru by Hilton	Siegel Suite
Rosewood	Radisson RED by Choice	Mysk by Shaza	Sonesta Essential	Uptown Suites	Studio 6
Signia by Hilton	Renaissance	Novotel	St. Giles Hotel	Vista	Suburban Studios
Six Senses	Royal Sonesta	Outdoor Collection by Marriott Bonv	The Red Collection	Wingate by Wyndham	Super 8
Sixty Hotels	Sandman Signature	Outset Collection by Hilton	TownePlace Suites		SureStay
SLS	Sheraton Hotel	Park Plaza by Choice	Trademark Collection by Wyndham		SureStay Collection
Sofitel	Sheraton Vacation Club	Pestana	Tryp by Wyndham		SureStay Plus
St. Regis	Silver Cloud	Pestana CR7	WaterWalk Extended Stay by Wyndham		SureStay Studio
Taj	Sonder by Marriott Bonvoy	Radisson by Choice	Westgate		Travelodge
The Doyle Collection	Starhotels	Residence Inn	Wyndham Garden		Vagabond Inn
The Peninsula	Swissotel	RIU Hotel			WoodSpring Suites
The Prince	Tapestry Collection by Hilton	RIU Plaza			
The Unbound Collection	The Hoxton	Shilla Stay			
Thompson Hotels	The Marmara	Sonesta Hotel			
Trump International	The Standard	Sonesta Select			
Under Canvas	Tribute Portfolio	SpringHill Suites			
Viceroy	Unscripted	Staybridge Suites			
Vignette Collection	Valencia Hotel Group	Stoney Creek			
Virgin Hotels	Warwick Hotel	Tempo by Hilton			
W Hotel	Westin	The Cloud One			
Waldorf Astoria	Westin Vacation Club	Vacation Condos by Outrigger			
WorldHotels Luxury	WorldHotels Crafted	Vib			
	WorldHotels Elite	voco			
	Wyndham Grand	Westmark			
		WorldHotels Distinctive			
		Wyndham			
		Wyndham Vacation Resort			
		YOTEL			

Sources: STR and Hotel & Leisure Advisors

Approximately 70% of all lodging facilities in the United States are affiliated with a hotel brand, which helps to provide a level of recognition for the traveling public. Brands often target different market segments – some target the hip and trendy, while others target business clientele, or extended-stay guests – and are segmented by their service level.

The subject hotel could affiliate with a national hotel franchise and receive the benefits of this affiliation. In some cases, however, the costs of affiliating with a national franchise

can exceed the additional value created. As the subject will be in Bastrop, which offers other hotels affiliated with national brands, we recommend the hotel be affiliated with a national franchise to improve awareness and marketability.

Launched in 2014 by Hilton Hotels, **The Curio Collection** was created for travelers who seek local discovery and authentic experiences. Curio is a carefully selected, global collection of distinctive upscale and luxury hotels. Just as the word “curio” can refer to something of interest, unique or even rare, each Curio hotel will be different from the next, with individuality being a common thread, along with the reassurance of the Hilton name behind every location. As of December 31, 2024, 88 Curio-branded hotels were operating in the United States, with 29 in the pipeline. The average ADR was \$257.42 in 2024, with a median room rate of \$234.79. The average occupancy for these hotels in 2024 was 67.3%, with a median occupancy of 70.8%. The brand charges a royalty fee of 5% of gross rooms revenue, 2% royalty fee of gross spa revenue, and a 4% royalty fee on gross rooms revenue for a program fee.

Kimpton Hotels are a part of the IHG collection of hotels and are individually designed and positioned boutique hotels and restaurants. These hotels represent a diverse group of properties, including new build projects, historic building transformations, and mixed-use developments, and span everything from intimate havens to grand spaces. The hotels are customized to reflect the destinations. As of December 31, 2024, 57 Kimpton hotels were operating in the United States, with 24 additional hotels in the pipeline. The total investment necessary to begin operation of a typical 200-room hotel under the Kimpton Hotels & Restaurants brand, excluding land costs and other matters, ranges from \$67,536,551 to \$94,715,966 (or \$337,683 to \$473,580 per guest room). The brand charges a royalty fee of 6% of gross rooms revenue, 1% of gross food and beverage sales, and 3% of gross rooms revenue for a services contribution. In 2024, the brand had average occupancy of 72.6% and an average ADR of \$274.47.

Marriott Hotels is the flagship full-service brand of Marriott International. The brand features large, convention-capable hotels in urban, suburban, airport, and resort destinations, offering extensive meeting space, multiple food and beverage outlets, fitness centers, concierge lounges, and other full-service amenities. Marriott Hotels properties are typically new construction or significant conversions and are tailored to reflect their local markets while maintaining the brand’s global standards. As of December 31, 2024, 368 Marriott Hotels properties were operating in the United States and Canada, with 11 additional hotels in the pipeline. In 2024, Marriott Hotels reported an average occupancy of 66.3% and an average ADR of \$181.34. The brand charges a royalty fee of 6% of gross rooms revenue, 3% of food and beverage sales, and an amount equal to 1.62% of gross rooms revenue plus \$50,000 per year plus \$510 per guestroom per year for a program services contribution. The brands charge a franchise fee of between 5% and 6% of rooms revenue in addition to marketing and reservation fees ranging from 2% to 4% of rooms revenue. We recommend that the developers hire a competent hotel management company to operate the subject property as a franchise hotel.

DEVELOPMENT COSTS

The following table outlines the development costs averages for different segments of new hotel development. The wide range of costs depends upon the quality of the property and the extent of the amenities; the property’s location; labor costs;

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construction material and energy prices; financing costs; and amount of entrepreneurial profit.

U.S. Hotel Development Costs Per Room - HVS 2025							
	Land	Building & Site Improvements	Soft Costs	FF&E	Pre-Opening & Working Capital	Developer Fee	Total
Full-Service Hotels							
Average	\$66,551	\$317,731	\$70,998	\$39,907	\$14,594	\$16,012	\$503,545
% of Total	10%	63%	14%	8%	3%	3%	100%

Note: % of Total is calculated based on the total sample of all budgets.

Source: HVS - U.S. Hotel Development Cost Survey 2025

The brands we analyzed estimate the following development costs, according to their franchise development documents:

Brand Development Budget Analysis									
Brand	Parent Company	Number of Units		Furniture and Fixtures Per Unit		Total		Total Per Unit	
		Low	High	Low	High	Low	High	Low	High
Marriott	Marriott International	300	300	32,000	40,900	93,910,590	168,938,990	313,035	563,130
Curio Collection	Hilton Corporation	250	250	0	68,000	4,683,359	143,454,204	18,733	573,817
Kimpton	IHG	200	200	32,835	8,303	67,536,551	94,715,966	337,683	473,580
Average		250	250	21,612	39,068	55,376,833	135,703,053	223,150	536,842

Source: Hotel & Leisure Advisors and Franchise Disclosure Documents

The following table shows a few proposed hotels with conference space in Texas and their development costs.

Hotel with Convention Center Development Costs							
Property	City	Year Opened	Rooms	Meeting Space (SF)	Total Cost	Cost per Room	
Marriott Hotel and Convention Center Cedar Park	Cedar Park, TX	U/C - 2027	297	50,797	\$95,000,000	\$319,865	
EpiCenter Hotel and Convention Center	Rosenberg, TX	U/C - 2027	254	70,000	\$75,000,000	\$295,276	
The Meuse Hotel, a Kimpton Hotel	Fredericksburg, TX	U/C - 2027	210	18,500	\$65,000,000	\$309,524	
Average			254	46,432	\$78,333,333	\$308,804	

Source: Hotel & Leisure Advisors

A formal development budget has not been prepared for the proposed hotel and convention center. The subject's development budget will heavily depend on the hotel's height and the type of construction materials used. Development costs for hospitality properties have increased in the past year due to inflationary pressures and supply considerations. Development costs for the proposed hotel are projected to be approximately \$400,000 to \$500,000 per room or approximately \$120,000,000 to \$150,000,000.

NATIONAL LODGING MARKET OVERVIEW

We analyzed trends and statistics within the national lodging market, using our research and that of nationally recognized hospitality data providers. Our analysis focuses on the overall operating performance of the U.S. hotel industry, primarily regarding occupancy, average daily rate (ADR), and revenue per available room (RevPAR). In addition, we consider new supply additions, travel forecasts, performance projections, and hotel sales values. Information in the following overview is the most recent available.

Operating Performance Forecasts

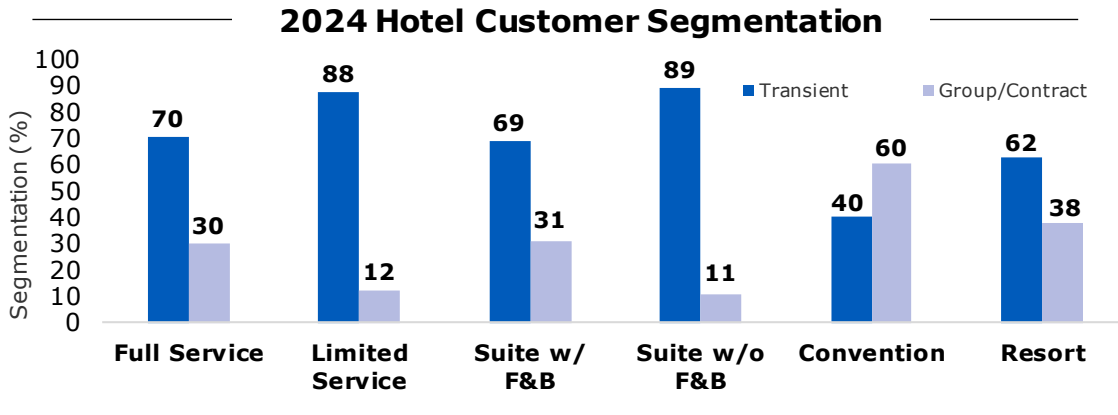
The U.S. hotel industry experienced growth in occupancy and ADR between 2014 and 2018 followed by stable performance in 2019. In 2020, the industry was negatively affected by the COVID-19 pandemic and the dramatic reduction in travel that ensued. Following a year of record lows in 2020, and building on welcome signs of improvement in 2021, the U.S. hotel industry strengthened further in the ensuing years. STR/CoStar forecasts a downturn in occupancy but an increase in ADR in 2026, with growth in RevPAR between 2027 and 2030. The following table shows historical performance for all U.S. hotels from 2016 to 2025, year-to-date through January 2026, and five-year projections from the CoStar *U.S. Hospitality National Report* dated February 20, 2026.

Overall U.S. Lodging Performance						
Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2016	65.2%	0.1%	\$124.51	3.0%	\$81.23	3.2%
2017	65.7%	0.7%	\$127.08	2.1%	\$83.46	2.7%
2018	66.0%	0.5%	\$130.24	2.5%	\$85.94	3.0%
2019	65.8%	-0.3%	\$131.57	1.0%	\$86.60	0.8%
2020	43.9%	-33.4%	\$103.32	-21.5%	\$45.31	-47.7%
2021	57.5%	31.1%	\$124.76	20.8%	\$71.75	58.3%
2022	62.6%	8.8%	\$149.58	19.9%	\$93.58	30.4%
2023	63.0%	0.7%	\$156.21	4.4%	\$98.45	5.2%
2024	63.1%	0.1%	\$159.05	1.8%	\$100.29	1.9%
2025	62.3%	-1.2%	\$160.54	0.9%	\$100.01	-0.3%
YTD	52.4%	-0.2%	\$152.09	0.6%	\$79.69	0.4%
2026	61.8%	-0.8%	\$161.84	0.8%	\$99.98	0.0%
2027	62.1%	0.5%	\$164.05	1.4%	\$101.83	1.9%
2028	62.6%	0.8%	\$166.53	1.5%	\$104.17	2.3%
2029	62.8%	0.4%	\$169.71	1.9%	\$106.56	2.3%
2030	63.3%	0.8%	\$172.02	1.4%	\$108.92	2.2%

Source: CoStar *U.S. Hospitality National Report*, 2/20/2026

Performance by Demand Segment

CBRE Hotels Research tracks transient and group demand by property type in its annual Trends® report. According to CBRE’s *2025 Trends in the Hotel Industry* report showing 2024 data, transient business dominated segmentation across all property types except convention hotels. In 2024, groups and contracts accounted for 60% of convention hotel business as well as 38% of resort business. Contract demand makes up a small portion of demand and is included in the group segment in the following chart since the group sales team usually books those rooms.



Source: CBRE 2025 Trends in the Hotel Industry

Comparing 2024 data (as shown in the table below) to 2023, every property type experienced occupancy gains (except resort hotels, which decreased by 1.2%), ranging from 0.7% for both limited service and suites without food & beverage to 2.8% for convention hotels. ADR performance increased or held steady in all categories (except resort hotels, which decreased by 0.5%), with convention hotels outperforming all segments with 2.8% growth. RevPAR improved across all segments as well (except resort hotels, which lost 1.6%), with full-service hotels experiencing the largest growth (3.5%) year-over-year. Despite these gains, none of the segments in 2024 reached pre-pandemic occupancy rates of 2019. However, 2024 ADR and RevPAR in every segment surpassed 2019.

Performance Data by Property Type							
	All Hotels	Full Service	Limited Service	Suite w/ F&B	Suite w/o F&B	Convention	Resort
Occupancy	69.9%	69.3%	71.3%	73.4%	75.2%	66.6%	67.5%
ADR	\$218.17	\$221.21	\$151.32	\$185.49	\$151.44	\$232.38	\$356.24
RevPAR	\$152.60	\$153.40	\$107.84	\$136.08	\$113.87	\$154.72	\$240.43

Source: CBRE 2025 Trends in the Hotel Industry

New Supply: Following a significant dip in the number of new hotel room openings in 2022 compared to 2021, the number of new rooms has steadily increased each year since. In 2025, 640 projects with 74,079 rooms were added to the supply, compared to 590 projects with 68,716 rooms in 2024. The following table, which shows year-end construction pipeline data from Lodging Econometrics (LE), details historic hotel openings by number of rooms and the growth rate of total U.S. supply, as well as LE’s forecasts as of January 2026.

U.S. Hotel Openings 2019 - 2027

Year	Number of New Rooms	Growth of New Supply
2019	119,399	2.1%
2020	97,203	1.3%
2021	105,705	1.9%
2022	54,620	1.0%
2023	60,436	1.1%
2024	68,716	1.2%
2025	74,079	1.3%
2026 (forecast)	80,034	1.4%
2027 (forecast)	88,095	1.5%

Source: Lodging Econometrics

New supply gained 1.3% in 2025 and is expected to grow 1.4% in 2026 and 1.5% in 2027.

According to LE's *U.S. Construction Pipeline Trend Report*, the total U.S. construction pipeline was composed of 6,146 projects and 720,089 rooms as of year-end 2025. The following table compares 2024 and 2025 year-end pipeline figures by number of rooms.

U.S. Construction Pipeline - Dec 2024 vs Dec 2025

Phase	2024	2025	% Change
Under Construction	142,238	134,380	-5.5%
Final Planning	259,108	253,750	-2.1%
Planning	345,640	331,959	-4.0%
Total Pipeline	746,986	720,089	-3.6%

Source: Lodging Econometrics

At the close of 2025, the upper midscale (218,526 rooms) and upscale (167,316 rooms) chain scales were the overall leading segments. Brand conversions in the pipeline reached a record high at the end of 2025, with 1,497 projects (12% growth year over year) and 148,981 rooms (16% growth year over year). While hotel renovations remained static, when combined with conversions, these two categories represent a substantial portion of hotel development activity (2,118 projects/278,628 rooms). Leading cities for these renovation and conversion projects include Houston and Atlanta, followed by Washington DC, Chicago, and New York.

LE identified the U.S. markets with the largest hotel construction pipelines at year-end 2025:

- Dallas with 193 projects and 23,720 rooms
- Atlanta with 159 projects and 17,804 rooms
- Phoenix with 124 projects and 16,303 rooms
- Nashville with 120 projects and 15,983 rooms
- Austin with 120 projects and 14,120 rooms

Travel Forecasts

The U.S. Travel Association’s Fall 2025 travel forecast projects total U.S. travel spending to grow 1.1% to \$1.35 trillion in 2025, reaching \$1.49 trillion by 2029 (in 2024 inflation-adjusted dollars). While international inbound travel is expected to drop in 2025 for the first time since 2020, it is offset by continued growth in domestic leisure travel. They predict that upcoming large events, including the 2026 FIFA World Cup, America’s 250th anniversary, the 2028 Summer Olympics in Los Angeles, the 2031 Men’s Rugby World Cup, the 2033 Women’s Rugby World Cup, and the 2034 Winter Olympics in Salt Lake City, will help drive visits to the U.S., and forecast 3.7% growth in inbound international visits in 2026. The U.S. Travel Association projects domestic business travel spending to increase by 1.4% in 2025, with continued improvement that is expected to exceed leisure growth rates in 2027 through 2029. The following table shows actual and forecasted travel volume and spending in the United States.

U.S. Travel Forecasts - Volume & Spending - Fall 2025											
	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Total Number of Trips	2.40 B	1.60 B	2.04 B	2.30 B	2.37 B	2.43 B	2.47 B	2.52 B	2.58 B	2.65 B	2.71 B
Domestic Person Trips	2.32 B	1.58 B	2.02 B	2.25 B	2.31 B	2.36 B	2.40 B	2.45 B	2.51 B	2.57 B	2.62 B
Leisure	1.85 B	1.40 B	1.77 B	1.88 B	1.89 B	1.92 B	1.96 B	2.00 B	2.05 B	2.09 B	2.14 B
Business	463.9 M	181.3 M	249.5 M	370.9 M	413.1 M	436.0 M	442.4 M	451.2 M	463.3 M	475.4 M	487.2 M
Auto	2.13 B	1.50 B	1.88 B	2.08 B	2.12 B	2.16 B	2.20 B	2.25 B	2.30 B	2.35 B	2.41 B
Air	188.9 M	78.6 M	140.4 M	174.6 M	190.7 M	200.2 M	199.8 M	203.4 M	208.8 M	213.9 M	219.1 M
International Arrivals	79.4 M	19.2 M	22.3 M	50.8 M	66.3 M	72.4 M	67.9 M	70.4 M	74.4 M	78.1 M	81.9 M
Total Travel Spending	\$1.405 T	\$880.4 B	\$1.113 T	\$1.242 T	\$1.302 T	\$1.335 T	\$1.350 T	\$1.380 T	\$1.419 T	\$1.456 T	\$1.493 T
Leisure	1.039 T	757.9 B	963.2 B	975.3 B	1.002 T	1.023 T	1.036 T	1.059 T	1.089 T	1.117 T	1.144 T
Business	366.3 B	122.4 B	149.8 B	266.8 B	300.3 B	311.9 B	314.5 B	320.6 B	329.9 B	339.4 B	348.8 B
Domestic	1.187 T	831.0 B	1.063 T	1.121 T	1.141 T	1.156 T	\$1.177 T	1.200 T	1.228 T	1.256 T	1.284 T
Leisure	864.8 B	718.2 B	921.9 B	875.8 B	870.9 B	877.4 B	\$894.5 B	911.7 B	932.4 B	953.2 B	973.6 B
Business	322.4 B	112.9 B	141.4 B	244.7 B	269.9 B	278.5 B	\$282.4 B	287.9 B	295.5 B	303.1 B	310.6 B
Transient	187.2 B	76.8 B	99.6 B	148.9 B	159.8 B	165.3 B	\$167.2 B	170.3 B	174.6 B	179.0 B	183.2 B
Group	135.2 B	36.1 B	41.7 B	95.8 B	110.1 B	113.2 B	\$115.2 B	117.6 B	120.8 B	124.1 B	127.3 B
International	217.8 B	49.4 B	49.7 B	121.6 B	161.2 B	178.9 B	173.2 B	180.4 B	190.7 B	199.9 B	208.9 B

Note: Spending is adjusted for inflation, in 2024 dollars.

Source: U.S. Travel Association, 10/1/2025

The U.S. Travel Association’s monthly *U.S. Travel Insights Dashboard* is supported by approximately 20 data partners that follow various indicators of industry performance. According to the January 6, 2026 dashboard, overall U.S. travel spending in November 2025 fell 1.8% year-over-year, negatively impacted by the U.S. government shutdown, despite solid volume around Thanksgiving. Domestic air trips declined by 0.7%, hotel room demand fell by 2.1%, and national park visits decreased by 6.2%. However, travel from Mexico rose by double digits. Consumer indicators were relatively stable in November, including steady labor market conditions and inflation, and continued interest in travel.

According to the *2026 Global Business Travel Forecast* released in July 2025 by the Global Business Travel Association (GBTA) and CWT (formerly Carlson Wagonlit Travel), a period of relative stability is anticipated, with more predictable growth rates compared to the post-pandemic years. However, external factors such as economic uncertainty, geopolitical tensions, and softening leisure demand, as well as recessionary and sustainability concerns, may impact costs. The following table shows changes in global travel pricing from 2020 to 2024 and forecasts for 2025 and 2026.

Global Year-Over-Year Travel Price Changes							
	2020	2021	2022	2023	2024	2025F	2026F
Airfare	-12.4%	-25.9%	72.2%	-1.6%	4.8%	-2.2%	0.4%
Ground Transportation	-2.5%	5.1%	9.8%	3.0%	6.1%	2.9%	2.8%
Hotel Rates	-13.3%	-9.5%	29.8%	3.9%	1.9%	1.2%	1.8%

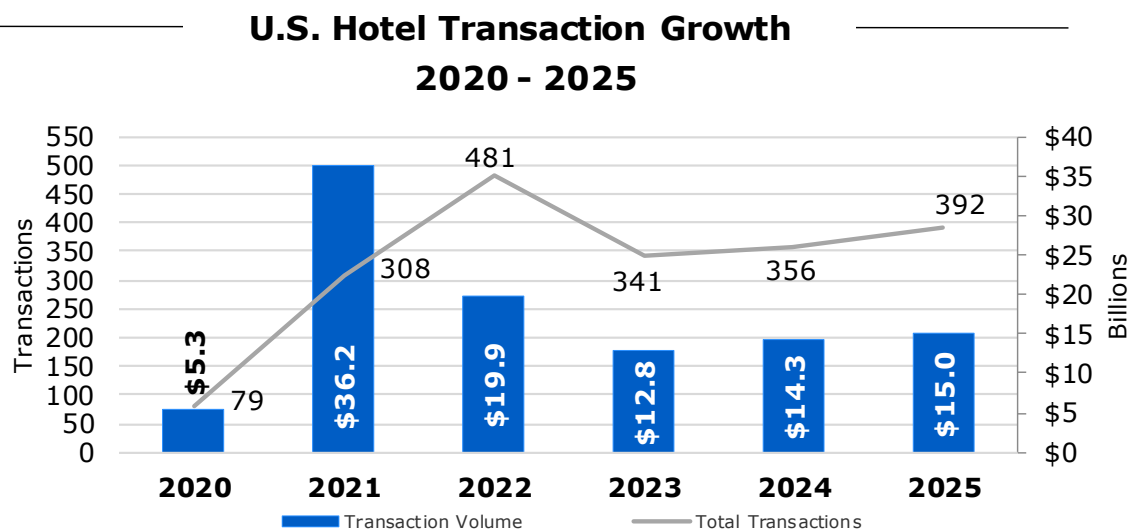
Source: *Global Business Travel Forecasts, GBTA/CWT*

In North America, GBTA/CWT’s 2026 forecast reports the following:

- **Air** – In 2024, average ticket prices were \$831, a 6.9% increase and the highest of any region, due in large part to strong demand and premium cabin bookings. Price growth is expected to soften amid economic uncertainty, with a 2.9% drop to \$807 expected for 2025 and a slight 1.7% uptick to \$821 in 2026.
- **Ground** – There was a solid 7.2% uptick in prices to an average daily rate of \$41.60 in 2024. Price growth is projected to slow significantly, with forecasted increases of 3.4% in 2025 and 2.6% in 2026.
- **Hotel** – Rates increased 3.3% in 2024 to \$188, supported by robust corporate and group travel. ADRs are expected to increase by 2.1% in 2025, reaching \$192, and experience 1.6% growth in 2026. A drop in leisure demand, especially among lower-income travelers, may dampen overall growth.

Hotel Sales & Investment

We analyzed historical sales activity for hotel transactions as reported in the *LWHA Major U.S. Hotel Sales Survey*, an annual publication from LW Hospitality Advisors. The following table shows historical statistics from 2020 to 2025.



Note: Includes only single asset sale transactions over \$10 million

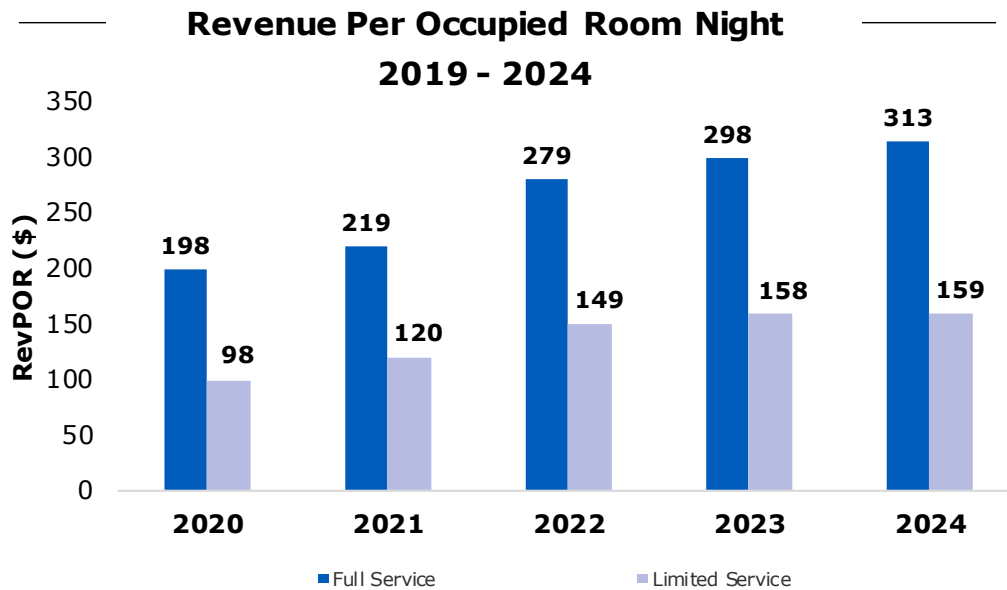
Source: LWHA Major U.S. Hotel Sales Surveys, 2020-2025

LWHA included 392 single transactions over \$10 million in the 2025 survey, totaling nearly \$15 billion, including 70,700 hotel rooms with an average sale price of \$211,000 per room. Between 2016 and 2019, there was an average of about 180 major U.S. hotel deals per year, but transactions and prices fell drastically after the pandemic began in 2020. In 2021, the number of major trades increased nearly fourfold to 308 transactions. These transactions totaled more than \$36.2 billion and included approximately 84,200 hotel rooms for an average sale price of \$431,000 per room, which was up roughly 58% from 2020's price per room of \$273,000. LWHA identified a record high of 481 transactions in 2022, totaling roughly \$19.9 billion and including 78,300 hotel rooms with an average sale price of \$253,000 per room. There were signs of continued improvement in 2024 and 2025. Year-over-year increases in 2025 include the number of trades (10%), total dollar volume (approximately 5%), and number of rooms (20%).

The 10 largest transactions in 2025 equaled \$3.6 billion, approximately one quarter of the total, with 29 properties selling for more than \$100 million. Half of the total sales volume was comprised of transactions in three states: Florida (\$2.7 billion/59 transactions), California (\$2.4 billion/59 transactions), and New York (\$2.4 billion/24 transactions). Other top states include Arizona (\$1.1 billion/11 transactions), Colorado (\$941 million/23 transactions), and Tennessee (\$645 million/21 transactions). Forecasts for 2026 and beyond anticipate improved sales activity as the economy is expected to strengthen.

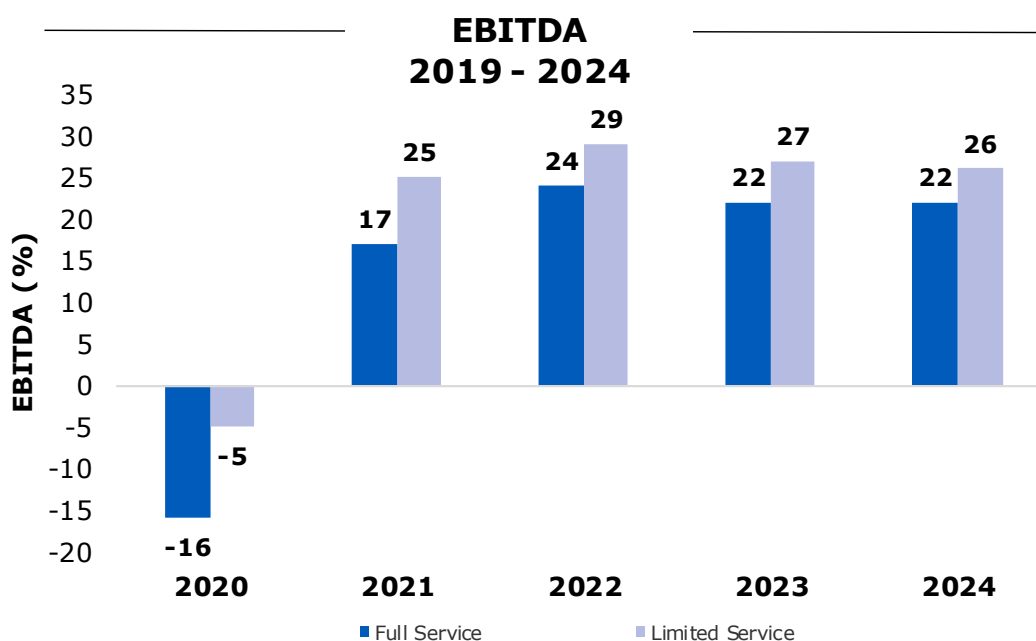
Financial Performance

We analyzed financial statistics published in various editions of CBRE's *Trends in the Hotel Industry*. The following charts present selected financial data for full-service and limited-service hotels for the past five years. Note that both revenue per occupied room (RevPOR) and earnings before interest, taxes, depreciation, and amortization (EBITDA) ratios were down significantly in 2020 due to the coronavirus pandemic.



Source: CBRE Trends in the Hotel Industry reports

RevPOR is much higher for full-service hotels, given their higher rates and strong reliance on food and beverage. However, while full-service hotels generate higher RevPOR, they lag behind their limited-service counterparts in both gross operating profit and EBITDA ratios due to the higher expenses these properties incur to deliver the expected level of service. In 2020, the limited expenses and ability to more easily control costs allowed limited-service hotels to achieve profits at a lower occupancy than what is required of full-service hotels. In 2022 and 2023, RevPOR levels at both full-service and limited-service hotels exceeded those of 2019, signaling continued normalcy post pandemic. RevPOR levels in 2024 increased at both full-service and limited-service hotels, by 5.0% and 0.6%, respectively. EBITDA at full-service hotels approached and at limited-service hotels exceeded pre-pandemic levels in 2022 and then dipped a bit in both segments in 2023. In 2024, EBITDA remained constant in full-service hotels and decreased by 3.7% in limited-service hotels.



Source: CBRE Trends in the Hotel Industry reports

Regional Hotel Overview

STR/CoStar tracks key performance metrics by market. The following table shows the 10 top-performing U.S. hotel markets by supply, based on statistics from the *U.S. Hospitality National Report* dated February 20, 2026.

U.S. Lodging Performance in Top 10 Markets by Inventory									
Market	12 Month Occupancy			12 Month ADR			12 Month RevPAR		
	Rank	%	Year Growth	Rank	Per Room	Year Growth	Rank	Per Room	Year Growth
Las Vegas, NV	3	74.3%	-7.3%	11	\$199.21	-4.3%	9	\$147.96	-11.3%
Orlando, FL	8	71.4%	-0.5%	10	\$203.25	4.0%	10	\$145.19	3.5%
New York, NY	1	84.3%	-0.1%	1	\$334.27	4.7%	1	\$281.82	4.6%
Chicago, IL	19	66.5%	2.5%	22	\$171.23	1.5%	19	\$113.91	4.0%
Los Angeles, CA	9	71.1%	-1.4%	12	\$196.41	0.7%	11	\$139.56	-0.7%
Washington, DC	22	65.5%	-4.0%	14	\$183.27	-3.3%	16	\$120.10	-7.1%
Atlanta, GA	32	62.9%	-1.9%	58	\$126.10	0.9%	50	\$79.30	-1.0%
Houston, TX	49	58.9%	-8.3%	65	\$120.45	-0.4%	59	\$70.92	-8.7%
Dallas, TX	27	64.4%	-1.0%	54	\$128.48	0.0%	42	\$82.73	-0.9%
Phoenix, AZ	15	66.8%	-2.1%	20	\$174.02	0.4%	17	\$116.26	-1.8%

Source: CoStar U.S. Hospitality National Report, 2/20/2026

NATIONAL CONVENTION CENTER OVERVIEW

Definitions

A variety of specialized venues of all styles and sizes have been developed to meet diverse meeting needs, including those for business and leisure. Below is a list of common meeting facility types.

Banquet Facility – A facility that consists of an enclosed hall, building, or portion of any building, made available for holding banquets, dinners, entertainment, luncheons, sports events, or other similar activities or events on a for-profit basis.

Convention Centers – These centers typically incorporate exhibit, meeting, and ballroom space. Usually located in medium to large-sized cities, convention centers tend to focus on attracting out-of-town economic impact-generating events such as conventions and tradeshows. Convention centers also tend to host many secondary events such as corporate meetings, public shows, and banquets. Typically, one or more convention-quality hotels are usually close to the center.

Conference Centers – Smaller than convention centers, these facilities usually possess both flexible and dedicated meeting space and banquet space. Most traditional conference centers do not incorporate prime exhibit space. Most centers focus on accommodating local and non-local corporate meetings/conferences and other local event activities such as private receptions and banquets. Many conference centers are situated within hotel facilities. Conference centers are further broken into several categories related to their type/focus:

- Corporate Conference Centers – Corporate centers are typically planned for only the use of the parent corporation with specialized facilities but often become open market centers with changing corporate needs. These centers are usually designed to high commercial standards and can appear to guests as comparable to executive or even resort conference centers.
- Executive Conference Centers – User groups are typically corporations, associations, and other organizations that emphasize the quality of accommodations and services over price. This type of facility was developed primarily to satisfy upper-level management meetings and educational/training seminars. Facilities usually include state-of-the-art audio/visual equipment and are staffed with conference coordinators. Recreational amenities are generally limited. Executive conference centers are typically located near urban areas with concentrations of large corporate facilities.
- Resort Conference Centers – The meetings held at resort conference centers are like those held at executive or corporate-owned conference centers, but with a greater emphasis on recreation and social activities for conferees. These centers are typically, but not always, located in a resort environment and have extensive on-site recreational amenities.
- College/University Centers – These conference centers are typically owned by a higher education institution. These centers cater to college/university-affiliated guests, executive MBA programs, or the open market.

Convention Centers in the U.S.

The United States has more than 250 convention centers with approximately 85 million square feet of meeting and exhibit space. The largest convention center in North America is McCormick Place in Chicago, which has a combined 2.6 million square feet of prime exhibit space in four connected buildings, 1.2 million of which are on one level. States with 20 or more convention centers each include California, Florida, and Texas.

Larger cities tend to make the best meeting locations for large and mid-size events because they are typically easy to get to, offer public transportation, and provide plenty of dining and entertainment options. Convention center size is often the primary consideration for event planners, but other factors – such as nearby hotel rooms, average hotel cost, travel time from the nearest airport, and the number of direct flights to and from the destination – are all taken into account.

The following table lists the United States’ top 25 convention centers based on total exhibit square footage from Northstar Meetings Group’s *2025 Convention Cities Index*.

Top 25 U.S. Convention Centers Ranked by Exhibit Space Square Footage						
Destination City	Convention Center	Total Exhibit Sq. Ft.	Total Hotel Rooms	Average Hotel Cost	Total Flights in May 2025	Minutes to Airport
Chicago	McCormick Place	2,600,000	122,579	\$231.37	37,717	15
Las Vegas	Las Vegas Convention Center	2,500,000	159,862	\$251.86	17,316	7
Orlando	Orange County Convention Center	2,053,820	140,957	\$237.68	15,002	12
Atlanta	Georgia World Congress Center	1,500,000	114,584	\$206.36	30,547	16
New Orleans	Ernest N. Morial Convention Center	1,100,000	43,171	\$250.55	4,626	16
Anaheim, CA	Anaheim Convention Center	1,000,000	5,699	\$275.34	18,763	14
Dallas	Kay Bailey Hutchison Convention Center	1,000,000	100,282	\$214.64	33,807	20
New York City	Javits Center	850,000	123,039	\$316.08	25,226	24
Rosemont, IL	Donald E. Stephens Convention Center	840,000	6,207	\$192.60	31,615	4
San Francisco	Moscone Center	790,000	49,773	\$329.75	13,252	16
Houston	George R. Brown Convention Center	773,000	106,511	\$204.15	19,462	20
Indianapolis	Indiana Convention Center & Lucas Oil Stadium	749,000	36,727	\$186.36	4,603	14
Detroit	Huntington Place	723,000	48,411	\$203.53	12,112	20
Los Angeles	Los Angeles Convention Center	720,000	115,110	\$253.93	17,315	26
Houston	NRG Center	706,000	106,511	\$204.15	19,462	28
Washington DC	Walter E. Washington Convention Center	703,000	113,864	\$297.34	12,632	8
Philadelphia	Pennsylvania Convention Center	679,000	52,913	\$213.01	11,098	14
Louisville, KY	Kentucky Exposition Center	674,000	24,534	\$187.70	2,483	4
Phoenix	Phoenix Convention Center	584,500	71,661	\$292.17	18,334	6
Denver	Colorado Convention Center	584,000	58,192	\$230.59	27,503	26
St. Louis	America's Center Convention Complex	574,000	40,998	\$168.30	6,203	14
San Diego	San Diego Convention Center	525,701	65,008	\$242.36	8,694	7
Boston	Boston Convention & Exhibition Center	516,000	60,564	\$271.90	14,366	5
Salt Lake City	Salt Palace Convention Center	515,000	25,871	\$197.56	9,975	8
San Antonio	Henry B. Gonzalez Convention Center	514,000	49,401	\$200.29	3,835	8

Source: *Convention Cities Index, May/June 2025, Northstar Meetings Group*

Chicago is the most accessible destination on the list, with roughly 38,000 monthly direct flights into the city’s airports, while Las Vegas offers the most hotel rooms (nearly 160,000). The *2025 Convention Cities Index* notes that tightening budgets have led organizations to consider mid-size and smaller cities for their meetings. To limit costs, groups that still want to meet in major cities might consider shortening the length of the conference or choosing more midscale properties.

According to the 2025 index, the average daily rate for all U.S. cities is \$218. A number of popular U.S. cities provide room rates below the average, including Atlanta, which offers approximately 31,000 direct flights per month and an impressive 115,000 hotel rooms with an average cost of \$206 per night. Other options include Houston (19,000 flights, 107,000 rooms, and an ADR of \$204) and Dallas (34,000 flights, 100,000 rooms, and an ADR of \$215). Among mid-sized cities with ample access are Fort Worth (28,000 flights), Charlotte (22,000 flights), and Phoenix (18,000 flights).

The most affordable room rate options on the list are Omaha (\$146) and Des Moines (\$151). Other well-priced destinations include Pittsburgh (\$155), Minneapolis (\$167), Baltimore (\$176), Cleveland (\$185), Indianapolis (\$186), Louisville (\$188), Atlantic City (\$190), Charlotte (\$192), and Salt Lake City (\$198).

Meetings Forecasts

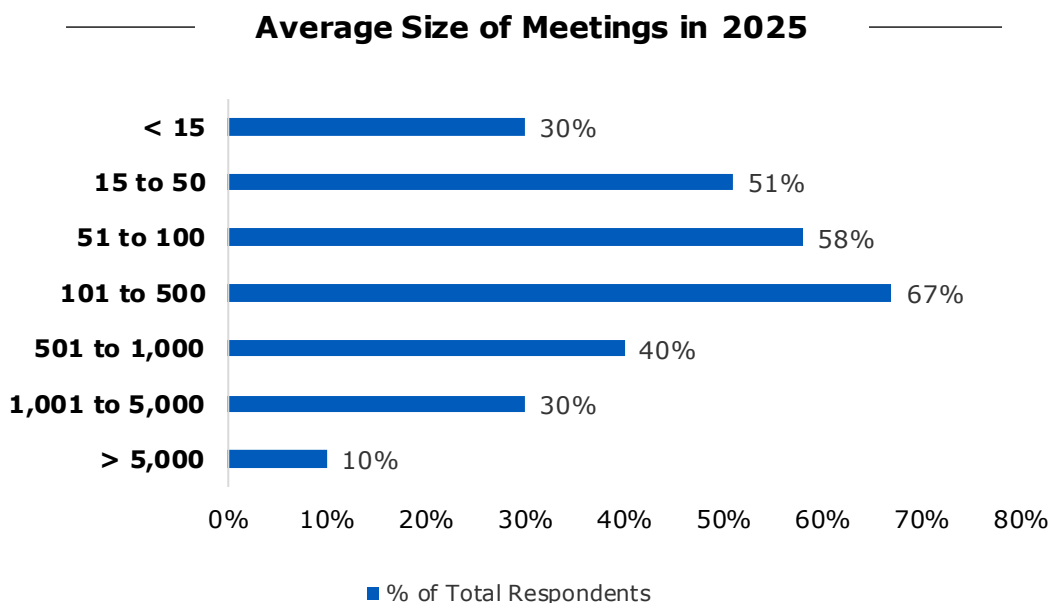
The COVID-19 pandemic led to a near shut-down of in-person meetings in 2020, with the events industry quickly pivoting to virtual events. In the years that followed, the shape of meetings continued to evolve. According to the *2026 Global Meetings & Events Forecast* from American Express Global Business Travel (Amex GBT), there is greater stability in the meetings and events industry, with 85% of meetings & events professionals optimistic about the sector, a five-year high. Top trends are the use of artificial intelligence (AI), creating memorable experiences for attendees, active attendee involvement (networking and social events), and the use of data to measure meeting success. Budgets are expected to increase in 2026 but may not align with rising prices. Approaches to help manage higher costs include securing sponsorships, charging attendees for exclusive networking opportunities with senior management, and hosting events in secondary markets or on Mondays or Fridays, which are often less-preferred days of the week.

Globally, the top three types of meetings in 2026 are anticipated to be product launches, internal team meetings, and conferences without trade shows/exhibits, with more than half of meeting professionals expecting most meetings to be in-person. Planners expect to harness the power of AI to generate creative concepts and themes (34%), create content (31%), and track attendee engagement (28%) in 2026. With sustainability top of mind for many attendees, particularly younger generations, 38% of organizers have adopted a sustainable meetings and events policy. This includes minimizing disposables, offering sustainably sourced food and drinks, and donating unused food. Planning professionals expect almost half (43%) of 2026 meetings to include centralized travel arrangements, such as group air management (arranging flights for 10 or more people to an event), which helps to streamline logistics.

In North America, 93% of Amex GBT survey respondents are optimistic about the health of the meetings and events industry in 2026 although 95% (compared to 70% in 2025) anticipate their overall meeting spend to increase. In terms of meeting formats, 45% believe that more than half of meetings will be in-person only. The number one priority for planners in North America is utilizing the latest technology, with AI to match attendees and sponsors topping the list for 2026. The top five destinations are Las Vegas, Chicago, New York, Orlando, and Dallas. Big events in North America in 2026 – including the FIFA World Cup across the U.S., Mexico, and Canada; celebrations for the United States' 250th birthday; and Taylor Swift's wedding – need to be kept in mind and planned around.

According to business services firm Maritz's *Industry Trends Report, September 2025*, in 2026 a relatively modest single-digit rise in prices is expected for hotels (1% to 3%), airfare (0% to 1%), food and beverage (3% to 6%), and wages for event staff (3% to 4%), an overall meetings and events cost increase of 2.4% (compared to 3.7% in 2025). These forecasts are more in keeping with overall economic conditions and inflation rates compared to the pricing instability of the past few years. As a general guideline, Maritz anticipates overall event costs to increase by approximately 2% to 4% through 2026. The report noted that for both external (customer-facing) and internal (employee-focused) large corporate events (defined as 2,000+ attendees and 5,000+ room nights) taking place between 2018 and 2030, the top host is the tech industry, followed by financial, automotive, and pharmaceutical. The most popular months for these external gatherings, with an average of 5,500 attendees, are September and April, although some spring events have shifted to summer, likely due to better availability and rates. January and February are the most popular months for internal events, with an average of 3,600 attendees.

Respondents to the December 2025 *Meetings Industry Pulse Survey* conducted by Northstar Meetings Group/Cvent report that meetings with 101 to 500 attendees were the most popular at 67%, followed by events with just 51 to 100 attendees (58%) and those with 15 to 50 attendees (51%).



Source: Northstar/Cvent Meetings Industry Pulse Survey, December 2025

Meeting Costs

Overall optimism among meeting planners is measured, with costs a continued concern. According to Northstar Meetings Group/Cvent's December 2025 *Meetings Industry Pulse Survey*, planners expect meetings-related costs in 2026 to rise on average between 9% and 13%, with budgets falling short. The February 2026 *Meetings Industry Pulse Survey* reports that the number one concern among respondents is the higher cost of goods and services, followed by budget constraints, and political, cultural, and social issues. The

level of concern felt by respondents regarding these top three issues is slightly higher than that of the February 2025 survey. However, respondents felt more positive about airline pricing, hotel/venue service levels, and hotel availability than they did a year ago. The top planning difficulties noted by respondents in the February 2026 survey are higher food and beverage and A/V costs, as well as increased accommodation rates.

The following table shows American Express Global Business Travel's 2024 expected cost per attendee in North America by meeting type. This data was not provided in the Amex GBT forecasts for 2025 or 2026. The 2026 forecast mentions that in North America, 95% of survey respondents (compared to 70% in 2025) anticipate their 2026 overall meeting spend to increase.

2024 Meeting Cost Per Attendee Forecast	
	Cost Per Attendee
Internal Team Meeting/Training	\$638.24
Product Launch (Internal/External)	\$638.24
Conference with Tradeshow/Exhibits	\$833.33
Conference without Tradeshow/Exhibits	\$785.03
Senior Leadership Meeting/Board Meeting	\$814.02
Client/Customer Advisory Board	\$725.00
Incentive/Special Event	\$871.88
Small/Simple Meetings	\$495.51
Average	\$725.16

Source: 2024 Global Meetings and Events Forecast, AmEx GBT

Forecasted costs in 2024 (per attendee per day) ranged from \$495.51 for small/simple meetings to \$871.88 for incentive/special event meetings. The average cost of \$725.16 represents a 0.3% increase over 2023's average of \$723.30.

Industry Trends

According to *The State of Events 2026* report released by EventsAir, a provider of event management software, top trends shaping the events industry in 2026 include the following.

- **In-person event formats remain the most valuable:** 97.4% of event professionals rated in-person events as either "very important" or "moderately important," up from 95.4% in 2025. Face-to-face meetings allow for personal connection, stronger networking, solid engagement, and tangible ROI.
- **Event formats and priorities are modified by budget pressures:** 61.9% of event professionals cited budget constraints as one of their top challenges. Planners are responding by being selective and prioritizing fewer, high-impact experiences.
- **Planners are prioritizing scalable, integrated event technology:** Digital tools that are integrated, scalable, and aligned with strategic goals assist planners in personalizing experiences, automating tasks, and proving event ROI.

- **The top indicator for attendee satisfaction is content quality:** 78% of event professionals rate content quality as “very important” to the success of their events, making it the top driver of attendee satisfaction and overall event performance for the second year in a row.
- **Planners are focusing on smaller, more impactful experiences:** Formats that support intimacy, exclusivity, and high engagement, such as sold-out retreats, invite-only roundtables, or conferences tailored to specific roles or sectors, can result in more memorable experiences.
- **Nearly half of planners say engagement is a top challenge:** While 74% of event professionals cite engagement as a key success factor, 39% still identify it as one of their top challenges. Attendees expect dynamic, personalized experiences rather than passive formats.
- **Success is being redefined beyond attendance:** 83% of professionals still use attendance as a core metric, but an almost equal number (82%) now see attendee feedback as an equal measure of success.
- **Artificial intelligence is gaining traction across the events industry, but adoption is uneven:** In 2026, 72% of planners believe AI is valuable or essential to improving outcomes, and many are already using it daily. However, 26% of planners report not using AI at all, voicing concerns about knowledge gaps, unclear value, and inaccurate outputs.
- **Connected data is the backbone of scalable events:** The ability for event planners to access data across every segment of the event lifecycle, from registration, engagement, marketing, budgeting, and reporting, allows them to scale events without additional overhead.
- **Hybrid and virtual events are evolving, not disappearing:** Planners use these formats to complement live events, such as expanding reach, reducing travel, or extending content beyond the in-person gathering.
- **Planners are taking on more strategic, insight-led responsibilities:** Today’s planners handle much more than logistics, including analyzing data, aligning events with company goals, and supporting DEI initiatives.

Business Travel

According to a January 2026 poll of industry professionals by the Global Business Travel Association, 59% feel positive about the industry in 2026, and about one third note a neutral position, suggesting a balance of cautious optimism. A majority of buyers (84%) expect their organization’s 2026 business travel spending to increase (44%) or stay at 2025 levels (40%). Three-quarters (75%) of travel buyers expect their overall 2026 budget for travel management operations to increase (30%) or stay at 2025 levels (45%). Among those anticipating an increase, 20% expect less than 10% growth, while 18% expect their 2026 operational budget to decline. In terms of 2026 travel volume, 35% expect the number of business trips taken at their company to increase, while almost half (47%) expect levels to remain the same as 2025. While such concerns as

balancing travel budgets with costs and traveler safety and satisfaction remain, the poll signals confidence for the year ahead.

The *State of Corporate Travel and Expense 2026*, a publication of Skift (a provider of market research to the travel industry) and Navan (a business travel, payments, and expense management platform), concludes that business travel is stronger than ever. Travel frequency, perceived value, and the desire for personal interaction have reached record highs. Almost all (90%) of survey respondents said business travel is an essential investment or necessary cost, with nearly half (48%) taking six or more business trips in the past 12 months, up from just 40% in each of the past two years. A majority (84%) of respondents agreed that meeting in person is always more effective than meeting virtually, an increase of 2% over Skift and Navan’s 2025 report. The top five reasons cited for business trips were essential client-related travel, closing a deal, establishing new business relationships, attending conferences/events as a group/team, and fostering established business relationships.

According to February 2026 U.S. hotel forecast assumptions from CoStar, group performance was mixed in 2025, with demand falling 1.8%, offset by 4% growth in ADR. Summer 2025 was the slowest time for group business, with some rebound in the fourth quarter. The group segment shows shortened booking windows in 2026, with most activity expected in the second half of the year. Group rates are expected to soften slightly compared to 2025 but remain positive.

BASTROP LODGING OVERVIEW

Bastrop is in the San Marcos/Austin Surrounding Submarket. From 2020 to 2024, occupancy and ADR improved beyond pre-pandemic levels. In 2025, the submarket saw a decline in occupancy and ADR. The following chart shows the submarket’s historical lodging performance. The San Marcos/Austin Surrounding Submarket includes 88 hotels with 5,100 available guestrooms, according to CoStar.

San Marcos/Austin Surrounding Submarket Operating Performance						
Year	OCC	% Chg	ADR	% Chg	RevPAR	% Chg
2015	64.8%	2.7%	\$101.88	2.9%	\$66.04	5.6%
2016	61.9%	-4.5%	\$103.54	1.6%	\$64.09	-3.0%
2017	59.2%	-4.4%	\$102.99	-0.5%	\$60.94	-4.9%
2018	56.2%	-4.9%	\$97.89	-4.9%	\$55.06	-9.6%
2019	60.4%	7.3%	\$97.95	0.1%	\$59.13	7.4%
2020	42.2%	-30.0%	\$81.28	-17.0%	\$34.33	-41.9%
2021	61.4%	45.4%	\$102.51	26.1%	\$62.95	83.4%
2022	63.9%	4.0%	\$118.12	15.2%	\$75.43	19.8%
2023	64.0%	0.2%	\$119.76	1.4%	\$76.66	1.6%
2024	62.7%	-2.1%	\$121.79	1.7%	\$76.35	-0.4%
2025	57.0%	-9.1%	\$117.47	-3.5%	\$66.92	-12.3%
Compound Annual Growth Rate						
2015-2024		-0.4%		2.0%		1.6%

Source: CoStar

New Supply

A number of properties have opened or are forecasted to open in the Bastrop market since 2025, as shown in the following table.

Recent and Under Construction Supply Additions					
Bastrop, Texas					
Property Name	Brand	Hotel Class	Construction Status	Year to Open	Rooms
Everhome Suites Bastrop	Everhome Suites	Midscale	Existing	2025	114
Home2 Suites by Hilton Bastrop	Home2 Suites by Hilton	Upper Midscale	Existing	2025	114
WoodSpring Suites Bastrop	WoodSpring Suites	Economy	Final Planning	2026	98
Courtyard by Marriott Bastrop	Courtyard	Upscale	Under Construction	2027	110
Avid Bastrop TX	Avid	Midscale	Final Planning	2027	60
Candlewood Suites Bastrop TX	Candlewood Suites	Midscale	Final Planning	2027	60
TownePlace Suites by Marriott Bastrop	TownePlace Suites	Upper Midscale	Final Planning	2028	59
Fairfield by Marriott Inn & Suites Bastrop	Fairfield Inn	Upper Midscale	Final Planning	2028	62
Residence Inn by Marriott Bastrop	Residence Inn	Upscale	Final Planning	2028	110

Source: CoStar

Prior to 2025, the area had not seen new hotel development since 2010. There are nine limited-service hotels planned in Bastrop. The greater Austin market has 16 properties under construction totaling 2,294 new rooms.

COMPETITIVE LODGING MARKET OVERVIEW

We analyzed the supply and demand factors for the subject’s competitive market. The subject is projected to open in 2029. Both supply and demand conditions are likely to change beyond our analysis period; therefore, projecting market conditions further into the future becomes highly speculative. The projections are for calendar years. Our projections analyze currently known supply and demand changes in the market and forecast a stabilized level of performance for both the market and the subject property.

Existing Competitive Supply: We identified a competitive hotel supply with a total of 3,154 guestrooms in ten existing lodging facilities. We analyzed the competitiveness of each hotel selected for the competitive set. In our opinion, each of the hotels is to some degree competitive with the proposed subject, and we utilized 100% of the available guestrooms in our analysis. In determining the competitive supply, we considered the proposed subject’s segmentation and sources of business. The subject will be a full-service hotel with attached convention center property. In this section, we analyze the local hotel supply of nearby limited-service hotels and larger full-service properties with facilities similar to the proposed hotel.

Occupancy and ADR figures provided in the following table are based on our interviews, analysis, and knowledge of the market. As additional support, we have also utilized Placer.ai reports. Placer.ai utilizes cell phone tracking software to determine the visitation and number of visits to a predefined target area. Such tracking does not provide exact attendance to a destination but does offer a representation of the number of visitors to the attraction.

The following tables list pertinent information about each of the competitive properties. We segmented the competitive set into two groups, Group A and Group B, to show the performance differences between the Bastrop hotels (Group B) and the more comparable properties (Group A).

**Proposed Hotel & Convention Center - Bastrop, Texas
Market Analysis**

C-17

Survey of Competitors

Hotel #	Property	Location	# of Rooms	Year Opened	Pools / Waterpark	# of F&B Outlets	Meeting Space SF	Parking/Resort Fees	Published Rooms Rates
1	Holiday Inn Express & Suites Bastrop	Bastrop, TX	56	05/01/2003	Outdoor pool	Comp bkfst	N/A	\$0.00	\$110 - \$181
2	Renaissance Austin Hotel	Austin, TX	492	08/01/1986	Indoor/Outdoor pools	2	73,628	Self: \$25	\$201 - \$479
3	Omni Barton Creek Resort & Spa	Austin, TX	493	09/05/1987	Outdoor pools	9	76,192	Resort: \$42 Self: N/A Valet: \$45	\$350 - \$645
4	Marriott Houston Sugar Land	Sugar Land, TX	303	10/01/2003	Outdoor	3	26,765	Valet: \$45	\$182 - \$300
5	Hampton by Hilton Inn & Suites Bastrop	Bastrop, TX	89	06/01/2010	Indoor pool	Comp bkfst	2,684	\$0.00	\$111 - \$215
6	Hilton Austin Airport	Austin, TX	262	01/10/2001	Outdoor pool	2	23,874	Self: \$15	\$151 - \$228
7	Hyatt Regency Lost Pines Resort and Spa	Cedar Creek, TX	490	06/01/2006	Outdoor waterpark	7	41,906	Resort: \$52.32 Self: \$25 Valet: \$45	\$434 - \$760
8	Houston CityPlace Marriott at Springwoods Village	Spring, TX	337	10/01/2018	Outdoor pool	2	24,979	Self: \$26 Valet: \$32	\$178 - \$783
9	Embassy Suites by Hilton San Marcos Hotel Conference Center	San Marcos, TX	283	10/01/2008	Outdoor pool	3	41,280	Self: \$15	\$151 - \$340
10	Horseshoe Bay Resort	Horseshoe Bay, TX	349	10/01/2004	Indoor/Outdoor pools	8	37,500	Self: \$17 Valet: \$40	\$248 - \$428
Total - Group A (#s 2, 3, 4, 6, 7, 8, 9, 10)			3,009						
Total - Group B (#s 1, 5)			145						
Total - All			3,154						

Source: Hotel & Leisure Advisors

Competitive Supply Performance Indicators

Hotel #	Property	2025 Market Segmentation			2025 Estimated Performance			Overall Penetration Rate	Placer Visitation
		Commercial	Group	Leisure	Occupancy	ADR	RevPAR		
1	Holiday Inn Express & Suites Bastrop	50%	15%	35%	80 - 90%	\$130 - \$140	\$110 - \$120	127%	47,800
2	Renaissance Austin Hotel	35%	40%	25%	60 - 70%	\$180 - \$190	\$120 - \$130	102%	276,200
3	Omni Barton Creek Resort & Spa	10%	50%	40%	50 - 60%	\$360 - \$370	\$200 - \$210	89%	353,500
4	Marriott Houston Sugar Land	40%	35%	25%	70 - 80%	\$160 - \$170	\$130 - \$140	122%	402,500
5	Hampton by Hilton Inn & Suites Bastrop	50%	15%	35%	60 - 70%	\$130 - \$140	\$90 - \$100	104%	50,900
6	Hilton Austin Airport	30%	50%	20%	80 - 90%	\$170 - \$180	\$140 - \$150	129%	182,600
7	Hyatt Regency Lost Pines Resort and Spa	0%	60%	40%	50 - 60%	\$340 - \$350	\$200 - \$210	91%	294,700
8	Houston CityPlace Marriott at Springwoods Village	45%	20%	35%	70 - 80%	\$220 - \$230	\$160 - \$170	113%	256,100
9	Embassy Suites by Hilton San Marcos Hotel Conference Center	35%	45%	20%	50 - 60%	\$160 - \$170	\$80 - \$90	83%	210,300
10	Horseshoe Bay Resort	0%	40%	60%	50 - 60%	\$200 - \$210	\$100 - \$110	80%	238,400
Average - Group A (#s 2, 3, 4, 6, 7, 8, 9, 10)		24%	43%	33%	64%	\$235.91	\$152.04		276,788
Average - Group B (#s 1, 5)		50%	15%	35%	73%	\$136.84	\$100.03		49,350
Average - All		25%	41%	33%	65%	\$230.77	\$149.64		231,300

Source: Hotel & Leisure Advisors

Comparable Properties - Bastrop Area

H&LA

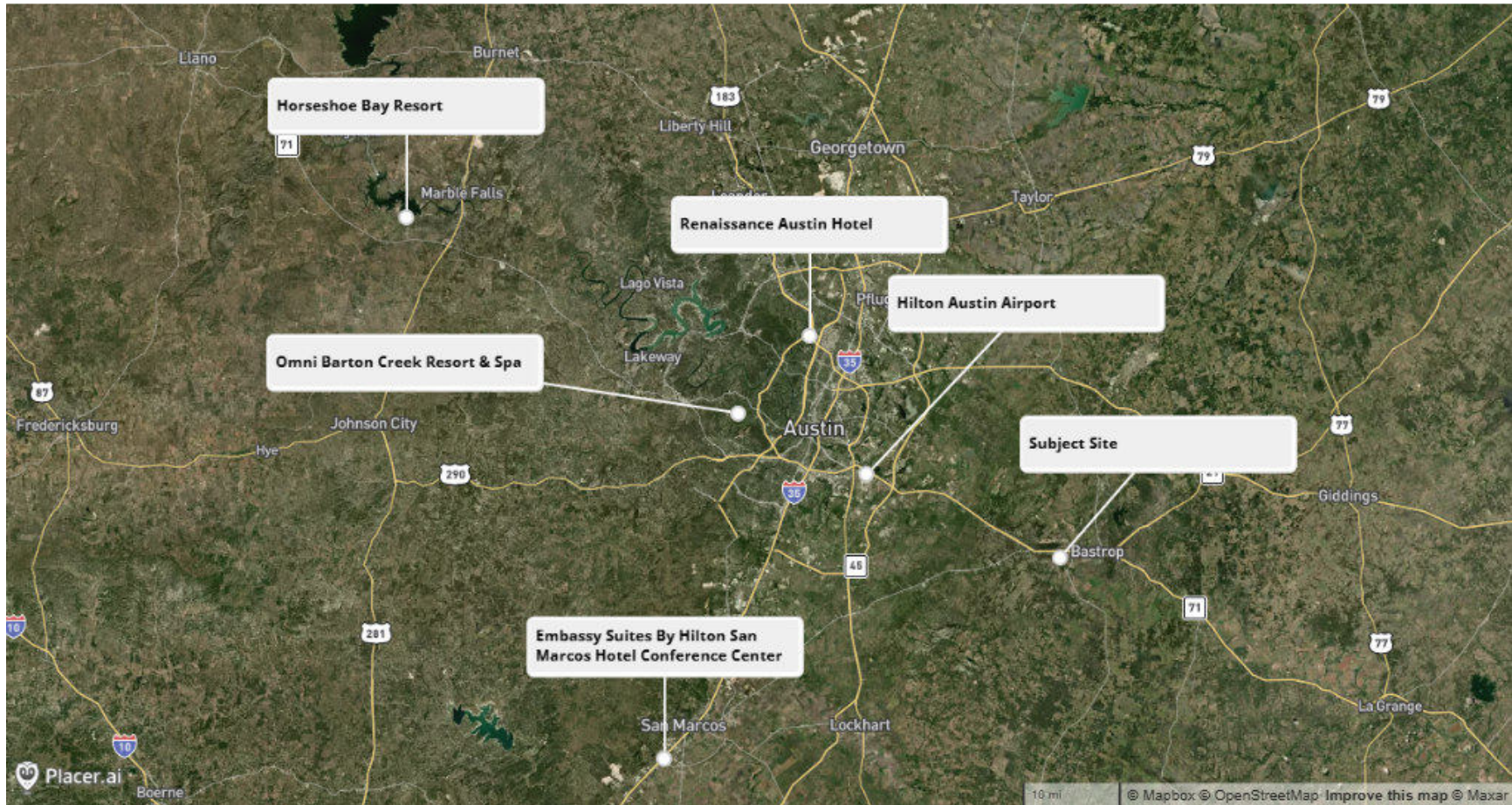


Feb 1, 2025 - Jan 31, 2026
Data provided by Placer Labs Inc. (www.placer.ai)

Placer.ai

Comparable Properties - Austin Area

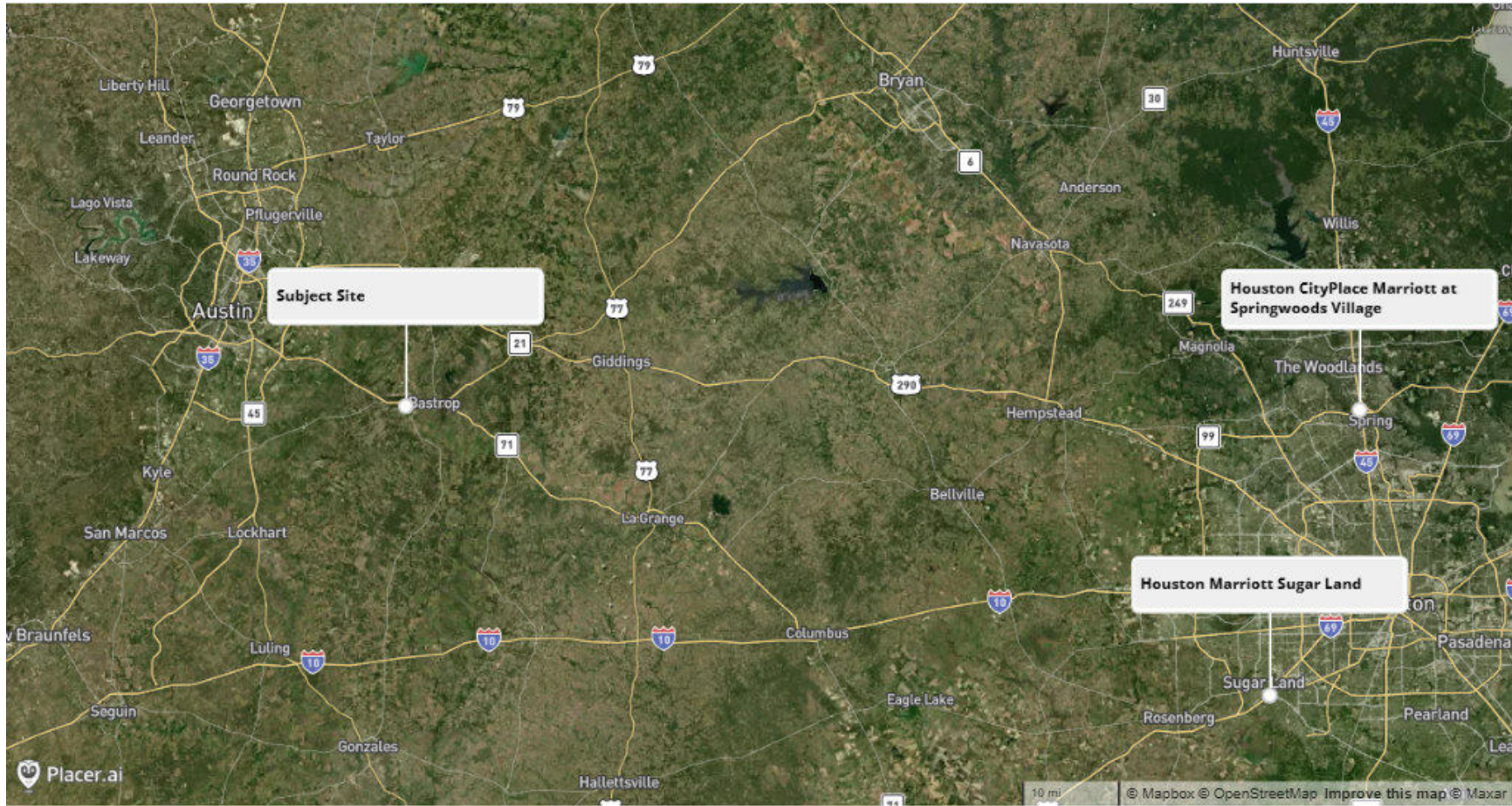
H&LA



Feb 1, 2025 - Jan 31, 2026
Data provided by Placer Labs Inc. (www.placer.ai)

Placer.ai

Comparable Properties - Houston Area



Feb 1, 2025 - Jan 31, 2026
Data provided by Placer Labs Inc. (www.placer.ai)



Competitive Property #1

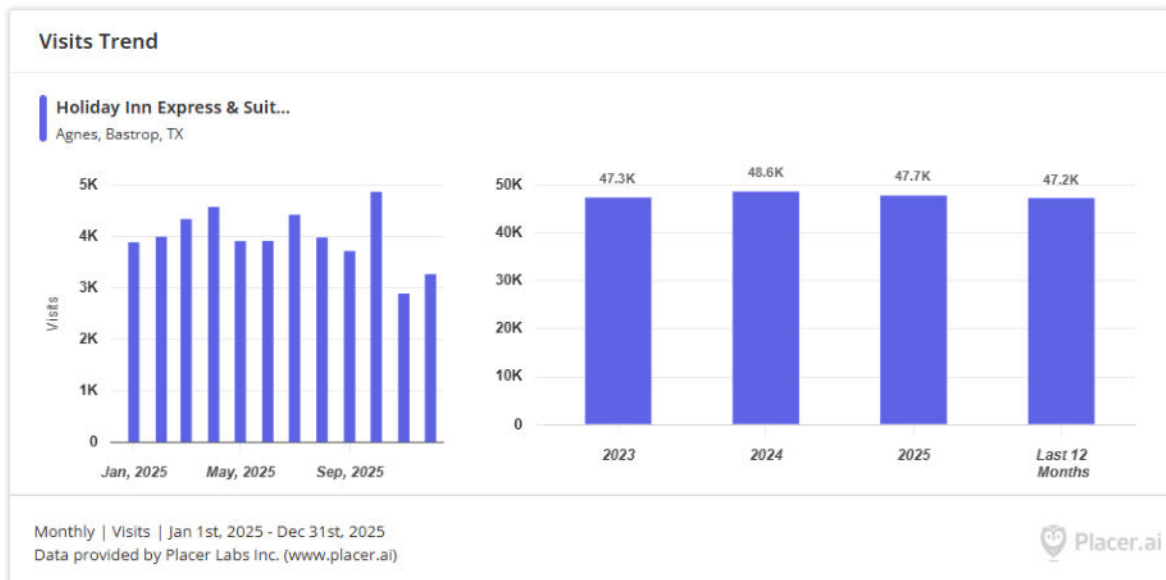
Holiday Inn Express & Suites Bastrop			
Location	Bastrop, TX	Pools / Waterpark	Outdoor pool
# of Rooms	56	# of F&B Outlets	Comp bkfst
Year Opened	05/01/2003	Meeting Space SF	N/A
Parking/Resort Fees	\$0.00	Published Rooms Rates	\$110 - \$181
2025 Estimated Performance			
Occupancy	80 - 90%	<u>Market Segmentation</u>	
ADR	\$130 - \$140	Commercial	50%
RevPAR	\$110 - \$120	Group	15%
Overall Penetration Rate	127%	Leisure	35%
Placer Visitation	47,800		

Source: Hotel & Leisure Advisors

The 56-room **Holiday Inn Express & Suites Bastrop** is closest to the subject site at approximately three miles east. It is the smallest hotel within the competitive set. The hotel opened in 2003 and was last sold in 2018 for \$3,875,000. Services and amenities offered include an outdoor pool, business center, fitness center, and complimentary breakfast.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #2

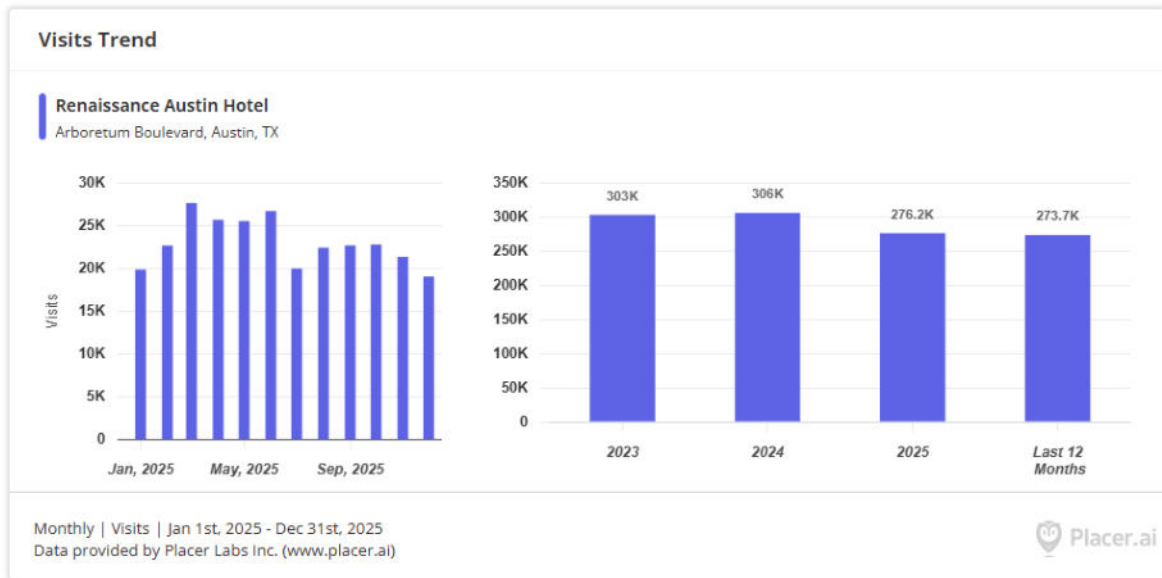
Renaissance Austin Hotel			
Location	Austin, TX	Pools / Waterpark	Indoor/Outdoor pools
# of Rooms	492	# of F&B Outlets	2
Year Opened	08/01/1986	Meeting Space SF	73,628
Parking/Resort Fees	Self: \$25	Published Rooms Rates	\$201 - \$479
2025 Estimated Performance			
Occupancy	60 - 70%	<u>Market Segmentation</u>	
ADR	\$180 - \$190	Commercial	35%
RevPAR	\$120 - \$130	Group	40%
Overall Penetration Rate	102%	Leisure	25%
Placer Visitation	276,200		

Source: Hotel & Leisure Advisors

The 492-room **Renaissance Austin Hotel** is approximately 36 miles northwest of the subject site. In 2022, the property completed a \$10 million renovation on its public spaces, including an expansion of its meeting space, cycling room, Choza Bar in the lobby, expanded fitness center, concierge lounge, outdoor event space, and a top-floor suite called the Governor’s Suite. The hotel offers an indoor and an outdoor pool, outdoor lawn games, business center, and 73,628 square feet of meeting space. The hotel charges \$25 per night for parking.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #3

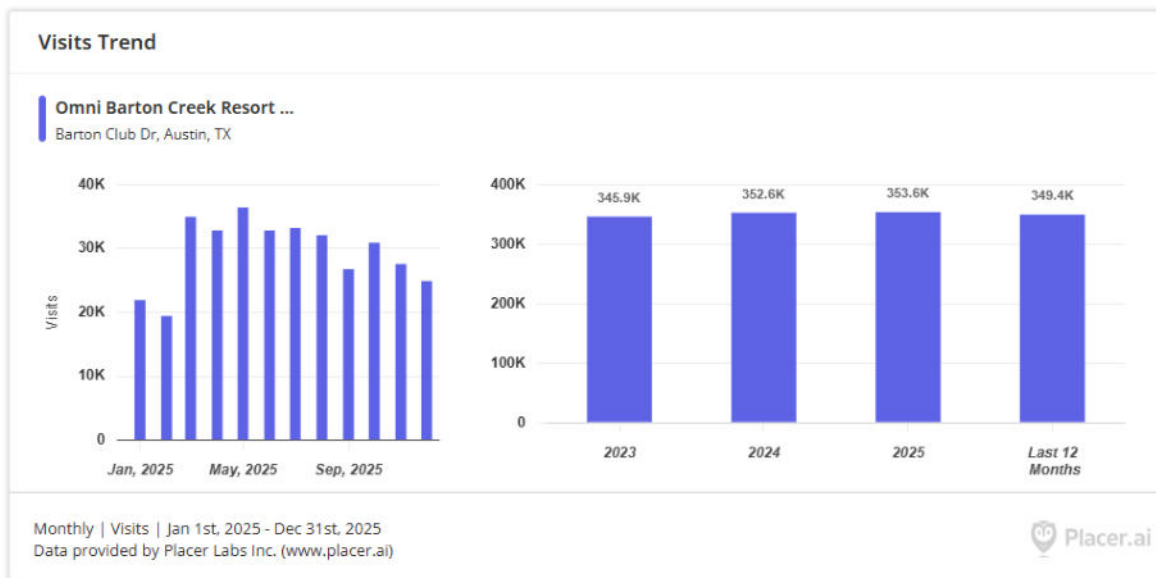
Omni Barton Creek Resort & Spa			
Location	Austin, TX	Pools / Waterpark	Outdoor pools
# of Rooms	493	# of F&B Outlets	9
Year Opened	09/05/1987	Meeting Space SF	76,192
Parking/Resort Fees	Resort: \$42 Self: N/A Valet: \$45	Published Rooms Rates	\$350 - \$645
2025 Estimated Performance			
Occupancy	50 - 60%	<u>Market Segmentation</u>	
ADR	\$360 - \$370	Commercial	10%
RevPAR	\$200 - \$210	Group	50%
Overall Penetration Rate	89%	Leisure	40%
Placer Visitation	353,500		

Source: Hotel & Leisure Advisors

The 493-room **Omni Barton Creek Resort & Spa** is approximately 37 miles northwest of the subject site. The resort completed a \$150 million expansion and renovation in 2019. The property is surrounded by an affluent neighborhood. In 2024, the property was ranked 16th in the world and 3rd in the Southwest for best resorts by Conde Nast Traveler Readers’ Choice Awards. It is also an AAA four-diamond hotel. Amenities include four 18-hole golf courses designed by Tom Fazio, Arnold Palmer, and Ben Crenshaw; indoor and outdoor pools; splash pad; fitness center; tennis courts; miniature golf; hiking and biking trails; full-service spa; retail stores; and 76,192 square feet of meeting space. The hotel charges \$42 per night for a resort fee and \$45 per night for valet parking.

Visits Trend

Jan 1 - Dec 31, 2025

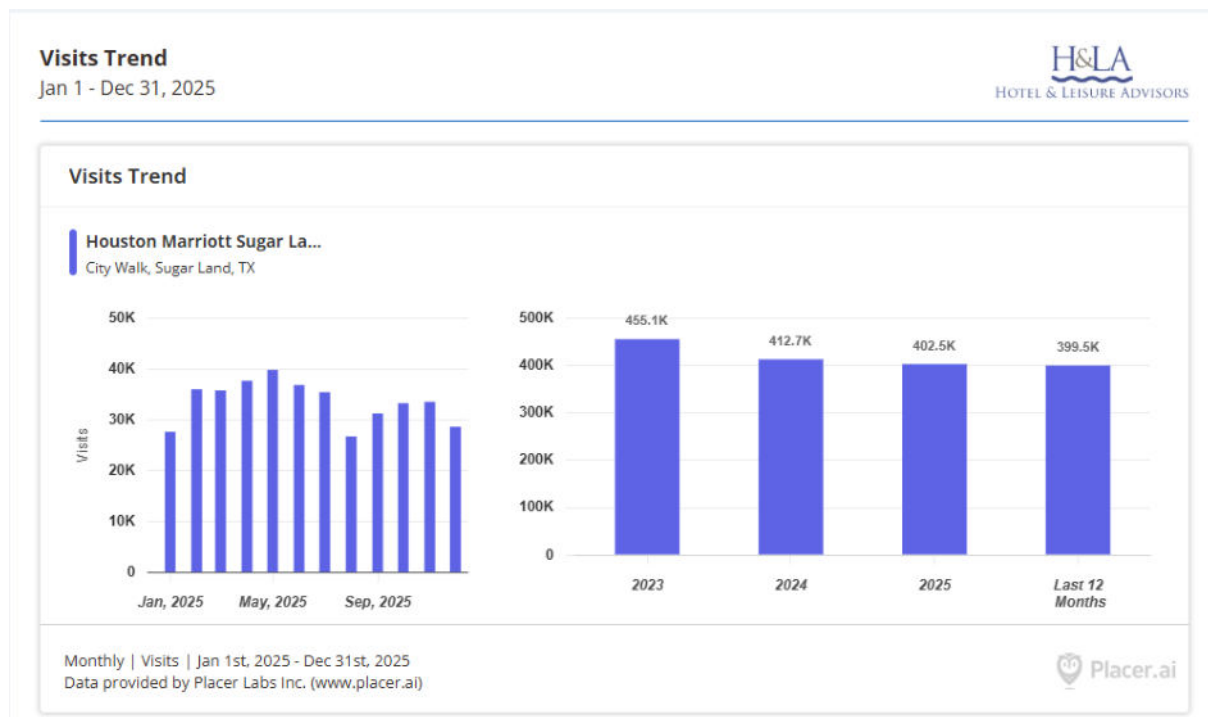


Competitive Property #4

Marriott Houston Sugar Land			
Location	Sugar Land, TX	Pools / Waterpark	Outdoor
# of Rooms	303	# of F&B Outlets	3
Year Opened	10/01/2003	Meeting Space SF	26,765
Parking/Resort Fees	Valet: \$45	Published Rooms Rates	\$182 - \$300
2025 Estimated Performance			
Occupancy	70 - 80%	Market Segmentation	
ADR	\$160 - \$170	Commercial	40%
RevPAR	\$130 - \$140	Group	35%
Overall Penetration Rate	122%	Leisure	25%
Placer Visitation	402,500		

Source: Hotel & Leisure Advisors

The 303-room **Marriott Houston Sugar Land** is approximately 135 miles southeast of the subject site. It is within the Sugar Land Town Square mixed-use development. The Sugar Land Town Square offers various restaurants, shops, the Sugar Land City Hall, leisure attractions, and office space. The hotel is owned by publicly traded Ashford Hospitality Trust and is managed by Remington Hotels. This property has a three-diamond rating from AAA and is the top-ranked hotel in Sugar Land on TripAdvisor. The hotel offers 26,765 square feet of meeting space with the main ballroom offering more than 15,000 square feet. Food and beverage options include a two-meal restaurant, a Starbucks coffee shop, and an evening lounge. There are a number of additional food and beverage options within the Sugar Land Town Square. The hotel offers a rooftop pool and hot tub, as well as a fitness center, convenience market, business center, and an outdoor patio and firepit. There is complimentary self-parking available for guests, and valet parking is available for \$45 per day.



Competitive Property #5

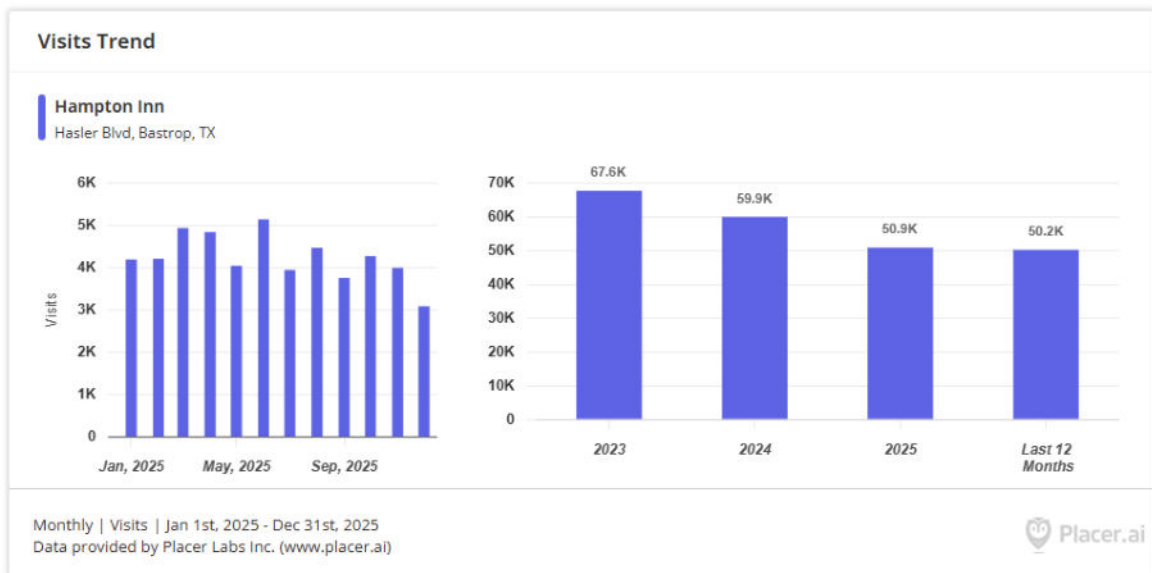
Hampton by Hilton Inn & Suites Bastrop			
Location	Bastrop, TX	Pools / Waterpark	Indoor pool
# of Rooms	89	# of F&B Outlets	Comp bkfst
Year Opened	06/01/2010	Meeting Space SF	2,684
Parking/Resort Fees	\$0.00	Published Rooms Rates	\$111 - \$215
2025 Estimated Performance			
Occupancy	60 - 70%	Market Segmentation	
ADR	\$130 - \$140	Commercial	50%
RevPAR	\$90 - \$100	Group	15%
Overall Penetration Rate	104%	Leisure	35%
Placer Visitation	50,900		

Source: Hotel & Leisure Advisors

The 89-room **Hampton by Hilton Inn & Suites Bastrop** is three miles east of the subject site. The property opened in 2010 and is managed by ROC Hospitality Management. It is the second-smallest hotel within the competitive set. Services and amenities include business center, fitness center, complimentary breakfast, indoor pool, and 2,684 square feet of meeting space.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #6

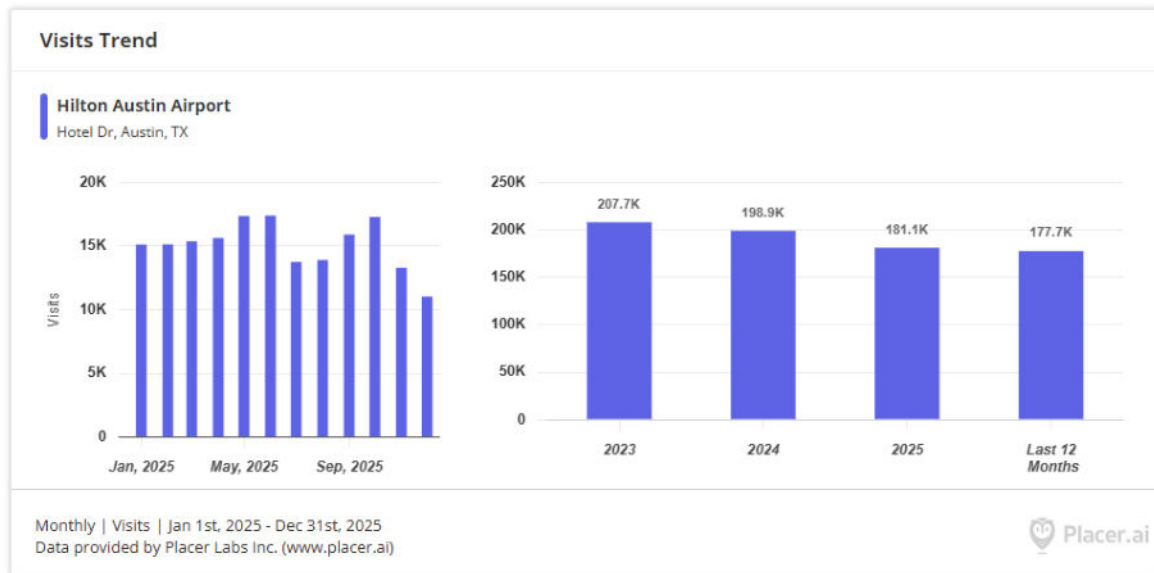
Hilton Austin Airport			
Location	Austin, TX	Pools / Waterpark	Outdoor pool
# of Rooms	262	# of F&B Outlets	2
Year Opened	01/10/2001	Meeting Space SF	23,874
Parking/Resort Fees	Self: \$15	Published Rooms Rates	\$151 - \$228
2025 Estimated Performance			
Occupancy	80 - 90%	Market Segmentation	
ADR	\$170 - \$180	Commercial	30%
RevPAR	\$140 - \$150	Group	50%
Overall Penetration Rate	129%	Leisure	20%
Placer Visitation	182,600		

Source: Hotel & Leisure Advisors

The 262-room **Hilton Austin Airport** is approximately 20 miles northwest of the subject site. The hotel opened in 2001 and completed its last renovation in 2021 for approximately \$13.3 million. The hotel is operated by Prospera Hospitality. Services and amenities include a restaurant, bar, outdoor pool, business center, fitness center, airport shuttle, and 23,874 square feet of meeting space. The hotel charges a self-parking fee of \$15 per night.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #7

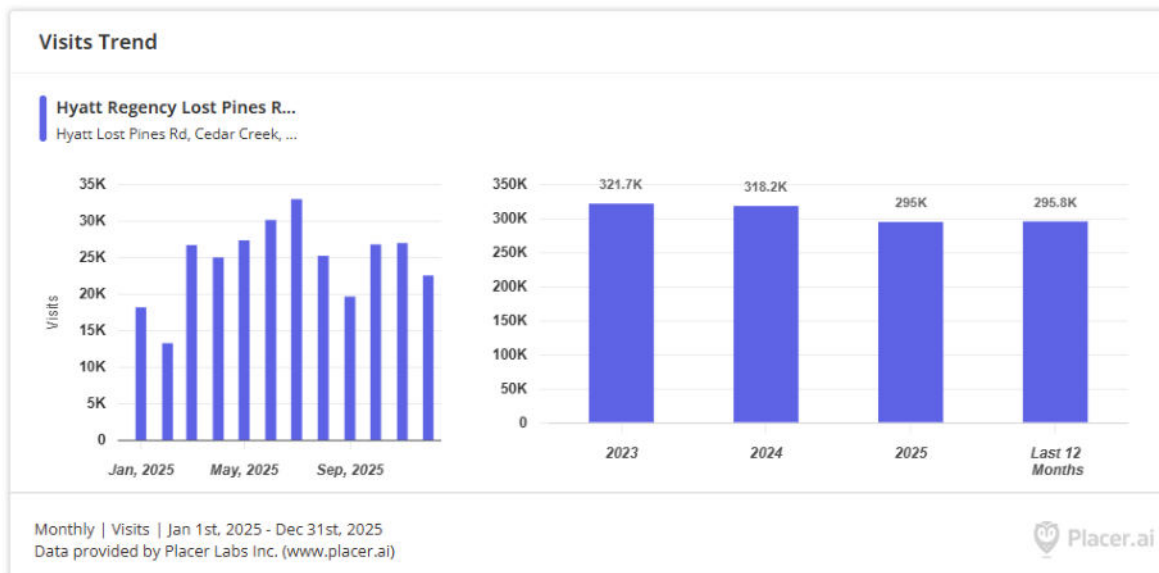
Hyatt Regency Lost Pines Resort and Spa			
Location	Cedar Creek, TX	Pools / Waterpark	Outdoor waterpark
# of Rooms	490	# of F&B Outlets	7
Year Opened	06/01/2006	Meeting Space SF	41,906
Parking/Resort Fees	Resort: \$52.32 Self: \$25 Valet: \$45	Published Rooms Rates	\$434 - \$760
2025 Estimated Performance			
Occupancy	50 - 60%	Market Segmentation	
ADR	\$340 - \$350	Commercial	0%
RevPAR	\$200 - \$210	Group	60%
Overall Penetration Rate	91%	Leisure	40%
Placer Visitation	294,700		

Source: Hotel & Leisure Advisors

The 490-room **Hyatt Regency Lost Pines Resort and Spa** is approximately ten miles west of the subject site. The resort is owned by Ohana Real Estate Investors. According to management, it completed a guestrooms renovation in 2021 and a lobby and food and beverage outlets renovation in 2024. The Firewheel Restaurant kitchen also received a major renovation. The property is adjacent to the 1,100-acre McKinney Roughs Nature Park. Recreational activities at the property include an outdoor waterpark featuring a 1,000-foot flowing river pool, a waterslide, an adult pool, two whirlpools, an activity pool, and private beach; archery; Camp Hyatt and family activities; Golf Hyatt; fitness center; hiking and jogging trails; fly fishing; horseback riding; and other outdoor activities. There is 41,906 square feet of meeting space, six restaurants and bars, an emporium and ice cream parlor, and library. The property also offers 240,000 square feet of outdoor space with pavilions and amphitheater. The hotel charges a \$52.32 resort fee per night, \$25 per night for self-parking, and \$45 per night for valet parking.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #8

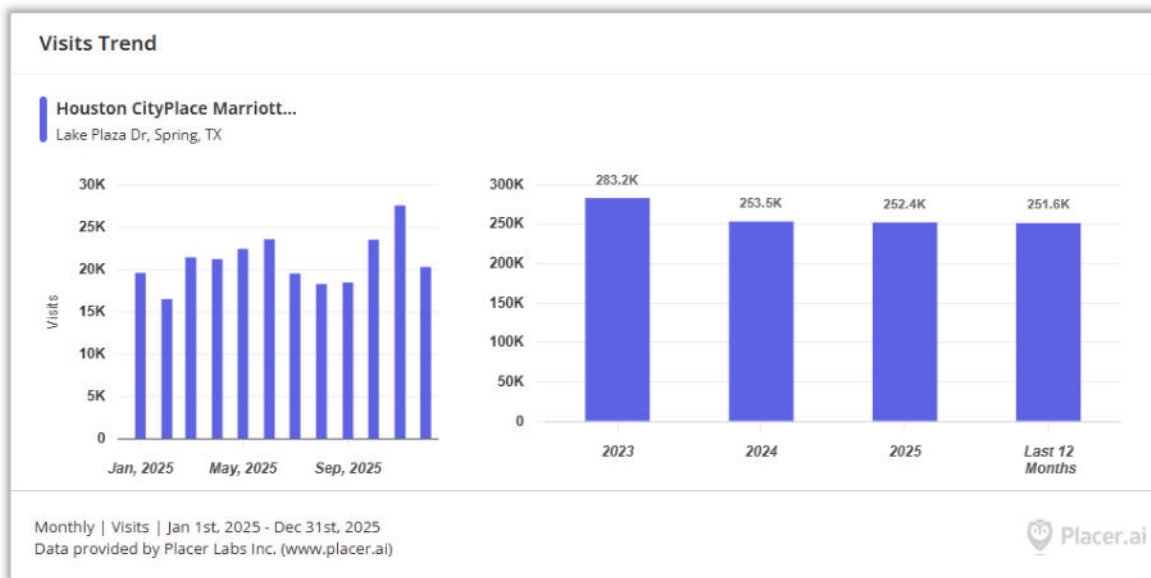
Houston CityPlace Marriott at Springwoods Village			
Location	Spring, TX	Pools / Waterpark	Outdoor pool
# of Rooms	337	# of F&B Outlets	2
Year Opened	10/01/2018	Meeting Space SF	24,979
Parking/Resort Fees	Self: \$26 Valet: \$32	Published Rooms Rates	\$178 - \$783
2025 Estimated Performance			
Occupancy	70 - 80%	<u>Market Segmentation</u>	
ADR	\$220 - \$230	Commercial	45%
RevPAR	\$160 - \$170	Group	20%
Overall Penetration Rate	113%	Leisure	35%
Placer Visitation	256,100		

Source: Hotel & Leisure Advisors

The 337-room **Houston CityPlace Marriott at Springwoods Village** is approximately 130 miles east of the subject site. The property opened in 2018 by Woodbine Development Corporation and was sold in 2024 to Coventry Development Corporation. The hotel is managed by Aimbridge Hospitality. Services and amenities include an outdoor pool, restaurant, bar, business center, fitness center, and 24,979 square feet of meeting space. The hotel charges a self-parking fee of \$26 per night and a valet fee of \$32 per night.

Visits Trend

Jan 1 - Dec 31, 2025



Competitive Property #9

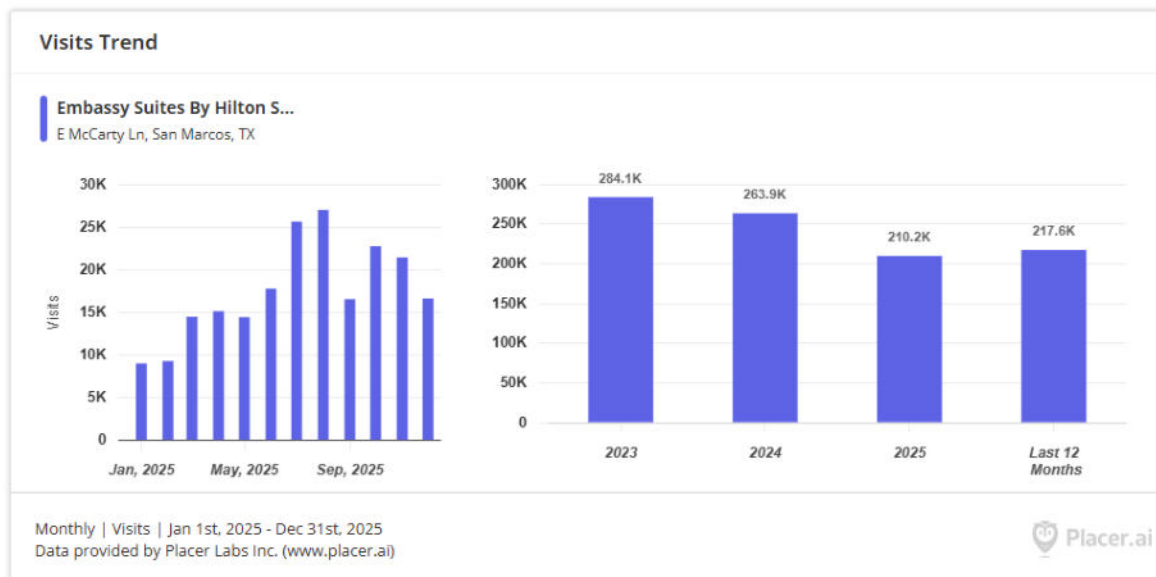
Embassy Suites by Hilton San Marcos Hotel Conference Center			
Location	San Marcos, TX	Pools / Waterpark	Outdoor pool
# of Rooms	283	# of F&B Outlets	3
Year Opened	10/01/2008	Meeting Space SF	41,280
Parking/Resort Fees	Self: \$15	Published Rooms Rates	\$151 - \$340
2025 Estimated Performance			
Occupancy	50 - 60%	<u>Market Segmentation</u>	
ADR	\$160 - \$170	Commercial	35%
RevPAR	\$80 - \$90	Group	45%
Overall Penetration Rate	83%	Leisure	20%
Placer Visitation	210,300		

Source: Hotel & Leisure Advisors

The 283-room **Embassy Suites by Hilton San Marcos Hotel Conference Center** is approximately 45 miles southwest of the subject site. The property opened in 2008 and was sold to Atrium Hospitality as part of a 33-property portfolio sale for \$1.2 billion in 2018. Atrium Hospitality also manages the hotel. According to management, the hotel completed a renovation of rooms and public spaces in 2025. Services and amenities offered at the hotel include an outdoor pool, complimentary breakfast, marketplace café, and restaurant serving dinner with a lounge. The hotel includes a 41,280-square-foot conference center. The hotel charges \$15 per night for self-parking.

Visits Trend

Jan 1 - Dec 31, 2025

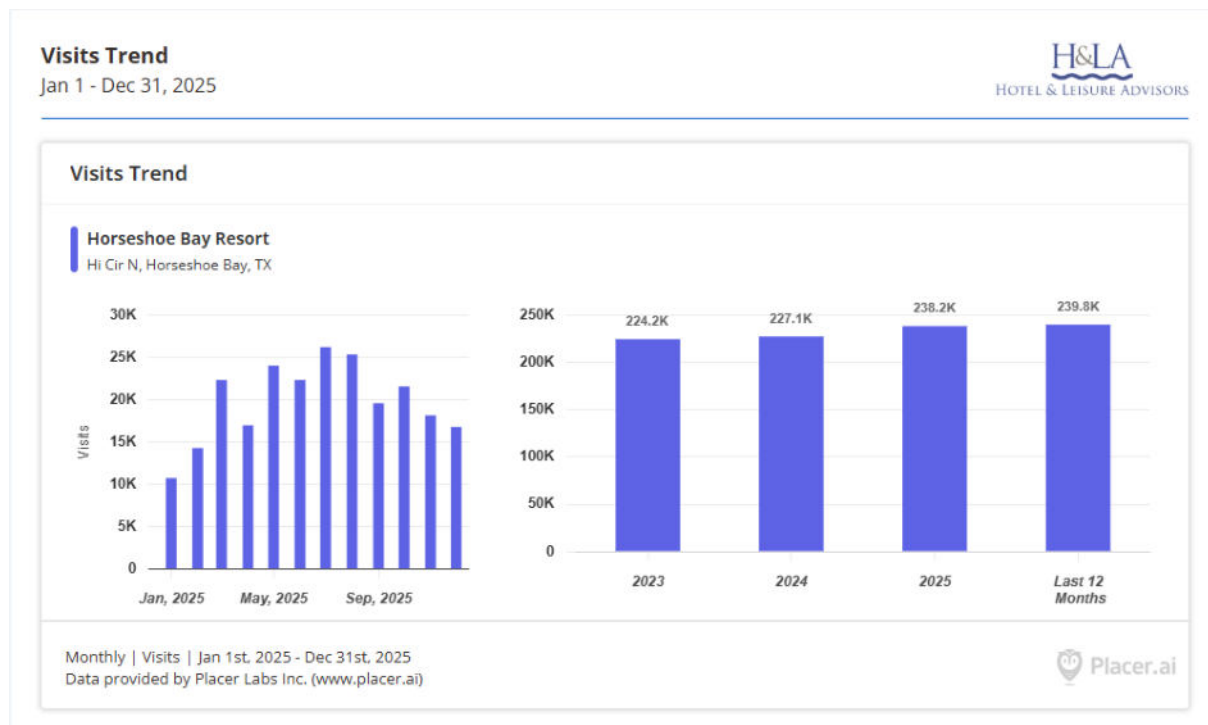


Competitive Property #10

Horseshoe Bay Resort			
Location	Horseshoe Bay, TX	Pools / Waterpark	Indoor/Outdoor pools
# of Rooms	349	# of F&B Outlets	8
Year Opened	10/01/2004	Meeting Space SF	37,500
Parking/Resort Fees	Self: \$17 Valet: \$40	Published Rooms Rates	\$248 - \$428
2025 Estimated Performance			
Occupancy	50 - 60%	<u>Market Segmentation</u>	
ADR	\$200 - \$210	Commercial	0%
RevPAR	\$100 - \$110	Group	40%
Overall Penetration Rate	80%	Leisure	60%
Placer Visitation	238,400		

Source: Hotel & Leisure Advisors

The 349-room **Horseshoe Bay Resort** is approximately 78 miles northwest of the subject site. The property opened in 2004 and is managed by Crescent Hotels. The property is recognized as a AAA Four Diamond hotel, ranked as the third best resort in the Southwest U.S. by Conde Nast Traveler Readers' Choice Awards in 2025, and selected as one of Golf Magazine's Top 100 Resorts in North America. The hotel includes a variety of amenities including, a kids club, arcade, putting course, private jet center, exotic birds, marina, beach, kids dry playground, fitness center with its own outdoor pool, spa pool and hot tub, resort-style pool, waterfront floating pool, Wibit inflatable water course, four 18-hole golf courses, golf academy and pro shop, tennis and pickleball courts with pro shop, spa, and 37,500 square feet of meeting space. The hotel charges a self-parking fee of \$17 per night and \$40 per night for valet parking.



Historical Lodging Demand: The following table provides occupancy, ADR, and RevPAR for the defined competitive set for the past nine years based upon information obtained from CoStar.

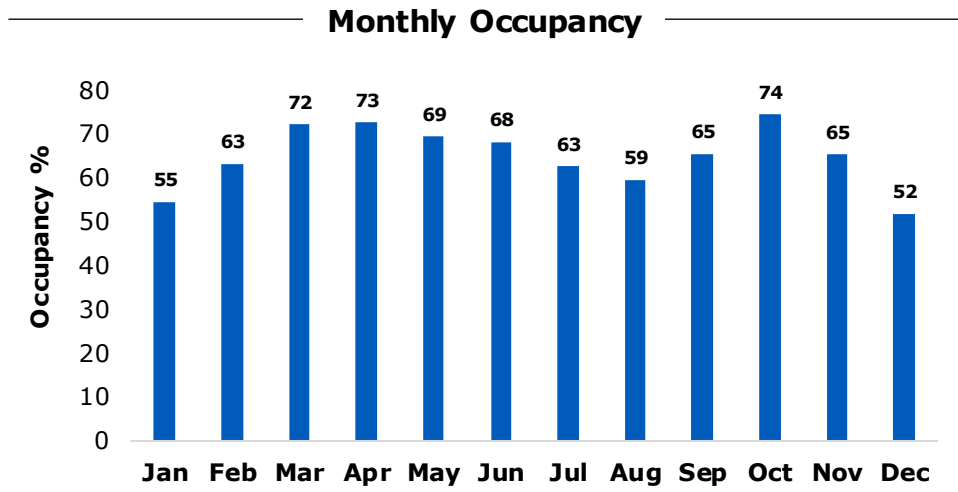
Competitors' Operating Performance										
Proposed Hotel & Convention Center										
Year	Annual Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2017	990,669		682,256		68.9%		\$172.43		\$118.80	
2018	961,004	-3.0%	646,533	-5.2%	67.3%	-2.3%	\$168.17	-2.5%	\$113.18	-4.7%
2019	1,145,499	19.2%	752,014	16.3%	65.6%	-2.5%	\$175.48	4.3%	\$115.11	1.7%
2020	1,080,986	-5.6%	370,275	-50.8%	34.3%	-47.7%	\$170.02	-3.1%	\$58.32	-49.3%
2021	1,207,234	11.7%	609,477	64.6%	50.5%	47.2%	\$188.89	11.1%	\$95.39	63.6%
2022	1,193,573	-1.1%	745,244	22.3%	62.4%	23.6%	\$219.55	16.2%	\$137.00	43.6%
2023	1,207,618	1.2%	779,305	4.6%	64.5%	3.4%	\$222.67	1.4%	\$143.62	4.8%
2024	1,208,196	0.0%	791,852	1.6%	65.5%	1.6%	\$229.65	3.1%	\$150.42	4.7%
2025	1,208,765	0.0%	783,047	-1.1%	64.8%	-1.1%	\$230.77	0.5%	\$149.54	-0.6%
Average	1,133,727	2.8%	684,445	6.5%	60.4%	2.8%	\$197.51	3.9%	\$120.15	8.0%

Note: Data includes an anonymized 'Composite Property' to protect the confidentiality of data participants. Supply and demand are inflated by approximately 5%. Occupancy, ADR, and RevPAR approximates the actual results of the competitive set.

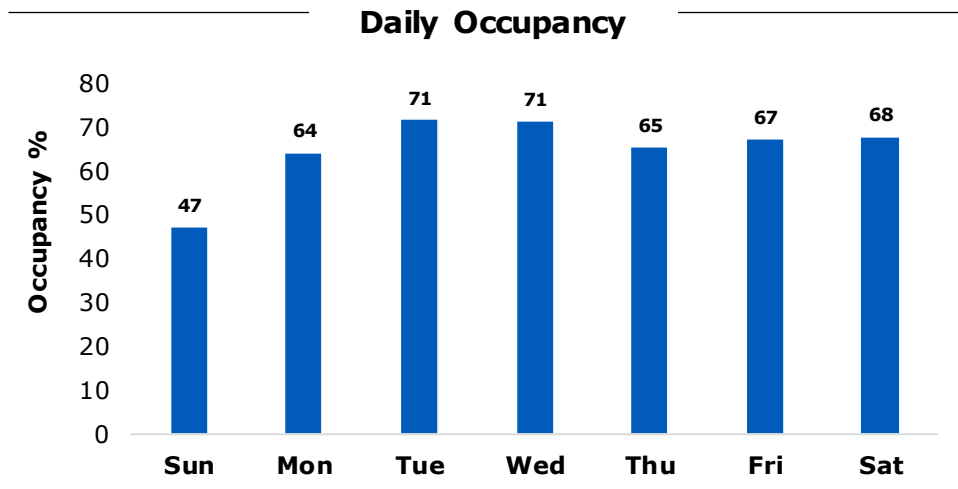
Source: CoStar

- The market recorded the opening of the Houston CityPlace Marriott at Springwoods Village in 2018. The Omni Barton Creek Resort added 180 rooms in 2019.
- Since 2017, demand increased by an average of 6.5% each year. In 2025, demand showed a decrease of -1.1% from 2024.
- The ADR of the competitive set experienced an average yearly increase of 3.9% throughout the nine-year historical period.
- During the same period, RevPAR experienced an average yearly increase of 8.0%, but showed a slight decline in 2025.

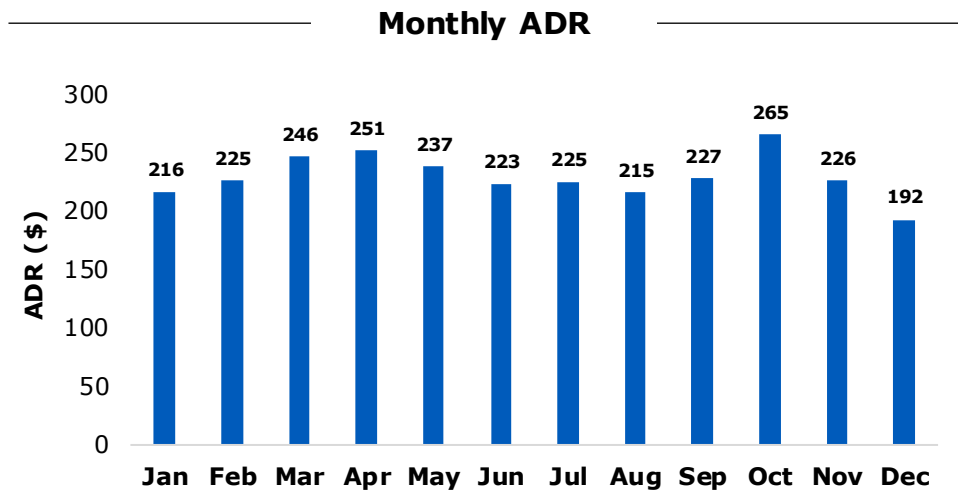
We analyzed the seasonality of the competitive set, including the performance by day. The following graphs indicate the performance shown in the STR report for 2025.



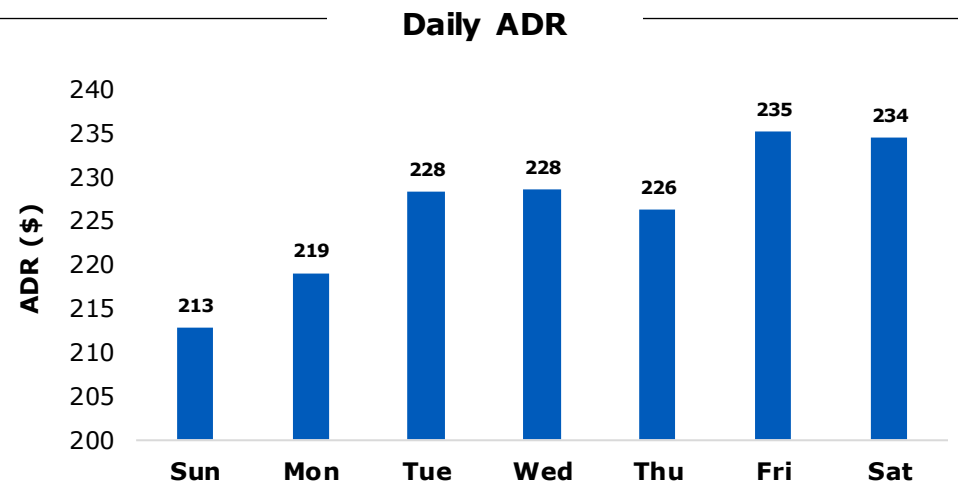
Source: CoStar



Source: CoStar



Source: CoStar



Source: CoStar

The competitive set of properties achieved its highest occupancy on Tuesdays and Wednesdays and its weakest occupancy level on Sundays. The competitive properties achieved their highest ADR on Fridays. The strongest ADR month is October while the weakest is December.

Proposed Hotel Development: Discussions with local municipal officials, real estate brokers, and hotel operators, and a review of published data revealed a number of proposals for hotels in the market as described below.

- A 110-room Courtyard by Marriott is projected to open in Bastrop in 2027. The hotel will offer an outdoor pool and bistro-style restaurant. Development costs for the hotel are estimated to be over \$10 million.
- A dual-brand Avid and Candlewood Suites is proposed to open in Bastrop in 2027. The property will have a total of 120 rooms, and each brand will have 60 rooms.

The Candlewood Suites rooms will be larger than the Avid guestrooms and will have kitchenettes for extended-stay guests.

- A dual-brand Fairfield Inn & Suites and TownePlace Suites by Marriott is proposed to open in Bastrop in 2028. The property will have a total of 121 rooms, with 59 rooms assigned to the TownePlace Suites and 62 rooms for the Fairfield. The TownePlace Suites rooms will be larger than the Fairfield guestrooms and will have kitchenettes for extended-stay guests. The property will have an outdoor pool.

The following table indicates the proposed increase in supply that we incorporated into our analysis. We included only the proposed subject and the Courtyard by Marriott in Bastrop, as the other hotel projects are limited-service properties.

	Additions to Supply					
	Forecasted (Calendar Year)					
	2026	2027	2028	2029	2030	2031
Historical Existing Rooms	3,154	3,154	3,154	3,154	3,154	3,154
Proposed Hotel & Convention Center	-	-	-	300	300	300
Courtyard by Marriott Bastrop	-	83	110	110	110	110
Total New Rooms	0	83	110	410	410	410
Total Supply	3,154	3,237	3,264	3,564	3,564	3,564
Total Rooms Nights Available	1,151,210	1,181,323	1,191,360	1,300,860	1,300,860	1,300,860
Percent Change	0.0%	2.6%	0.8%	9.2%	0.0%	0.0%

Source: Hotel & Leisure Advisors

Area Demand Analysis

Estimates of demand for lodging facilities within the market area included analysis of the following factors.

1. Identification of the appropriate demand segments for the competitive set
2. The characteristics of each demand segment, including the need for quality lodging accommodations
3. The overall contribution of room nights generated by each demand segment, as well as the growth potential of each demand segment
4. The strength and attractiveness of the market area's business environment with regard to the economy, educated labor force, leisure attractions, and quality of life
5. Historical and anticipated trends in employment distribution and growth
6. Interviews with representatives of competitive hotels and various hotel chains to determine performance of area hotels and proposed new supply additions
7. Interviews with representatives of convention and visitors bureau, chamber of commerce, city officials, county officials, economic development officials, and others

A thorough analysis of key economic and demographic indicators, annual historical growth by demand segment for the competitive market, and the anticipated impact of future development on lodging demand allows us to estimate future lodging demand generated by the primary demand segments. We analyzed induced demand separately.

Market Demand Segmentation: The market for transient accommodations relates to a wide range of travelers within a market area. For the purposes of the demand analysis, we subdivided the overall market into segments based on the type or nature of travel. The following table indicates the segments that exist in the competitive set of hotels.

Total Accommodated Demand Output		
	2025 Room Nights	Segment Percent
Commercial	190,121	25%
Group	308,988	41%
Leisure	247,400	33%
Total Accommodated Demand Output	746,509	
Market Occupancy	64.8%	
Market ADR	\$230.77	

Source: Hotel & Leisure Advisors

The previous table and the table on Page C-38 indicate our estimates of total accommodated demand utilizing our hotel supply and demand model. We obtained individual occupancy, ADR, and market mix figures from the competitors to determine the historical performance figures. Our historical performance figures may differ from those presented on Page C-32, which presents data directly from CoStar. The slight differences are due to differences in accounting for out-of-order rooms, complimentary rooms, CoStar 5% anonymized property, etc.

Commercial Demand consists of general transient overnight travel created by businesses and governmental institutions in the area. The business traveler tends to be less price-sensitive than the leisure traveler and is more likely to utilize a hotel’s food and beverage facilities. Commercial demand is typically strongest on Sunday through Thursday nights. This demand segment consists of people visiting area companies, transportation workers, government-related travelers, and travelers relocating to the area.

The commercial segment totaled the least amount of room night demand in 2025 as the competitive set contains large group and leisure oriented hotels. Commercial demand is strongest at the Renaissance Austin Hotel followed by the Houston CityPlace Marriott.

Group Demand includes those who book a minimum of 10 occupied rooms on a single night. Conventions, association and corporate meetings, training seminars, SMERF (social, military, educational, religious, and fraternal) groups, and sports teams booking in a room block all generate group demand. Groups typically utilize meeting space in the market’s hotels as well as larger convention centers and event centers within the area.

Group demand in the competitive set is strongest at the Hyatt Regency Lost Pines Resort and Spa, which contains a conference center. Other hotels within the market attract group demand utilizing their respective meeting spaces. The following table indicates the meeting spaces per available room of the competitive hotels.

Meeting Space to Rooms Ratio			
Property	Meeting Space SF	# Rooms	Meeting Space Per Available Room
Proposed Hotel & Convention Center	40,000	300	133.3
Holiday Inn Express & Suites Bastrop	-	56	
Renaissance Austin Hotel	73,628	492	149.7
Omni Barton Creek Resort & Spa	76,192	493	154.5
Marriott Houston Sugar Land	26,765	303	88.3
Hampton by Hilton Inn & Suites Bastrop	2,684	89	30.2
Hilton Austin Airport	23,874	262	91.1
Hyatt Regency Lost Pines Resort and Spa	41,906	490	85.5
Houston CityPlace Marriott at Springwoods Village	24,979	337	74.1
Embassy Suites by Hilton San Marcos Hotel Conference Center	41,280	283	145.9
Horseshoe Bay Resort	37,500	349	107.4

Source: Hotel & Leisure Advisors

The group segment equaled the largest portion of room night demand in 2025. We project an increase in group demand for the competitive set based upon historical trends in the group market. The city of Bastrop is anticipating closing its current convention center to promote and utilize the proposed subject's larger facility to attract more groups and meetings to the city.

Leisure Demand consists of individuals and families visiting the area or passing en route to other destinations. Leisure demand is strongest on Friday and Saturday nights and during school holiday periods. Tourist lodging demand peaks during the summer when amusement parks and waterparks are open. Additionally, leisure demand comes from sports tournaments and events in the metropolitan area. While the leisure segment often is comprised of more rate-sensitive travelers, the segment is willing to pay higher rates during peak demand periods. The following table presents the primary leisure attractions in the area.

Major Tourist Attractions

Subject Area

Attraction	Location	Est. Annual Attendance/Visitation
Circuit of the Americas	Del Valle, TX	1,100,000
Typhoon Texas Waterpark Austin	Pflugerville, TX	226,000
Bullock Texas State History Museum	Austin, TX	201,000
Blandon Museum of Art	Austin, TX	189,000
Bastrop State Park	Bastrop, TX	129,000
LBJ Presidential Library & Museum	Austin, TX	100,000
Sherwood Forest Faire	McDade, TX	85,000
Buescher State Park	Smithville, TX	57,000
Bastrop Convention & Exhibit Center	Bastrop, TX	56,000
Lost Pines Golf Club	Cedar Creek, TX	30,000
Bastrop Opera House	Bastrop, TX	22,000
Bastrop County Museum & Visitor Center	Bastrop, TX	16,000

Sources: Texas Parks and Wildlife Department, Bastrop Convention & Exhibit Center, Placer.ai

The leisure segment represents the second largest segment of room night demand in 2025. Leisure demand in the market peaks during major events. Resort-type properties, like the Hyatt Regency Lost Pines, Omni Barton Creek Resort, and Horseshow Bay Resort capture the majority of leisure demand in the competitive set due to their leisure-oriented amenities offered at their properties. We project increases in demand in this segment of the existing competitive set. We project additional growth from the opening of the subject, which will have aquatic recreation and spa amenities, that we accounted for primarily in induced demand.

The following table indicates the historical growth achieved by each of the segments over the past two years and our long-term projection for the subject’s market area.

Accommodated Demand Growth Rates									
	Historical		Forecasted						
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Commercial	-0.6%	-2.8%	1.0%	1.0%	1.0%	2.0%	1.0%	0.5%	0.0%
Group	1.8%	-0.6%	1.0%	2.0%	1.5%	3.0%	2.0%	1.0%	0.0%
Leisure	2.4%	0.3%	1.0%	1.0%	2.0%	3.0%	2.5%	2.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted Average	1.3%	-0.9%	1.0%	1.4%	1.5%	2.7%	1.9%	1.2%	0.0%

Source: Hotel & Leisure Advisors

Induced Demand: Induced demand is the incremental demand stimulated by the introduction of new supply, in excess of demand changes caused by external economic conditions. In other words, the introduction of a new hotel in a market can increase demand due to additional supply on sold-out nights, or due to the specific facilities or marketing efforts of a property. We considered the influence of induced demand as it relates to the opening of the subject and the other room additions.

By analyzing the current number of fill nights, we estimated the induced demand that would be created by having additional hotel rooms in the market. We project that the market will receive a percentage of induced demand when the existing hotels fill, displacing demand to surrounding markets.

Historically, the area hotels report approximately 100-125 fill nights annually, primarily between April and October.

The resorts we analyzed indicate fill nights can range from 75 to 125 annually for better performing properties, primarily on weekends, school holidays and summer months. We projected induced demand from the opening of the new hotel rooms as shown in the following table.

	Induced Demand								
	Fill Days	# Rooms	Induced Demand	Total Induced Demand (Calendar Year)					
				2026	2027	2028	2029	2030	2031
Proposed Hotel & Convention Center	120	300	36,000	-	-	-	36,000	-	-
Courtyard by Marriott Bastrop	120	110	13,200	-	9,900	3,300	-	-	-
Total		410	49,200	0	9,900	3,300	36,000	0	0

Source: Hotel & Leisure Advisors

Induced Demand

Segmentation by Property

	Commercial	Group	Leisure
Proposed Hotel & Convention Center	20%	45%	35%
Courtyard by Marriott Bastrop	50%	20%	30%

Annual Demand by Segment

	Commercial	Group	Leisure	Total
2026	0	0	0	0
2027	4,950	1,980	2,970	9,900
2028	1,650	660	990	3,300
2029	7,200	16,200	12,600	36,000
2030	0	0	0	0

Source: Hotel & Leisure Advisors

The induced demand will come from filling during the peak days of the market. For the subject hotel, we applied the majority of the induced demand to the group segment.

PROJECTED MARKET OCCUPANCY

The relationship between the estimated room night demand and guestroom supply provides a basis for forecasts of area-wide occupancy. We applied the growth rates and induced demand to the base year room night demand for each segment to arrive at a forecast of area-wide annual lodging demand. We then divided the projected room night demand by the projected annual supply (incorporating supply additions) to derive the area-wide occupancy levels. Our projections are for calendar years. The following table displays the projected supply, demand, and occupancy levels.

Market Demand and Occupancy Analysis										
	Historical			Forecasted						
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Accommodated Demand										
Commercial	196,727	195,512	190,121	192,022	193,942	195,881	199,799	201,797	202,806	202,806
Group	305,356	310,825	308,988	312,078	318,320	323,095	332,788	339,444	342,838	342,838
Leisure	240,853	246,618	247,400	249,874	252,373	257,420	265,143	271,772	277,207	277,207
Total	742,936	752,954	746,509	753,974	764,635	776,396	797,730	813,013	822,851	822,851
Induced Demand										
Commercial	-	-	-	-	4,950	6,600	13,800	13,800	13,800	13,800
Group	-	-	-	-	1,980	2,640	18,840	18,840	18,840	18,840
Leisure	-	-	-	-	2,970	3,960	16,560	16,560	16,560	16,560
Total	-	-	-	-	9,900	13,200	49,200	49,200	49,200	49,200
Total Market Demand										
Commercial	196,727	195,512	190,121	192,022	198,892	202,481	213,599	215,597	216,606	216,606
Group	305,356	310,825	308,988	312,078	320,300	325,735	351,628	358,284	361,678	361,678
Leisure	240,853	246,618	247,400	249,874	255,343	261,380	281,703	288,332	293,767	293,767
Total Room Night Demand	742,936	752,954	746,509	753,974	774,535	789,596	846,930	862,213	872,051	872,051
Total Room Demand Growth		1.3%	-0.9%	1.0%	2.7%	1.9%	7.3%	1.8%	1.1%	0.0%
Total Room Nights Available	1,151,210	1,151,210	1,151,210	1,151,210	1,181,323	1,191,360	1,300,860	1,300,860	1,300,860	1,300,860
Total Room Supply Growth		0.0%	0.0%	0.0%	2.6%	0.8%	9.2%	0.0%	0.0%	0.0%
Adjusted Market Occupancy	64.5%	65.4%	64.8%	65.5%	65.6%	66.3%	65.1%	66.3%	67.0%	67.0%

Source: Hotel & Leisure Advisors

- We project market occupancy to increase from 2026 through 2028 due to the projected growth in demand limited by the new room supply added by the Courtyard.

- We project declines in occupancy in 2029 due to the opening of the subject.
- With the strong projected induced demand from the convention center and amenities, we project overall occupancy to improve in 2030 and 2031 to levels above that achieved historically.

GROUP DEMAND RESEARCH

We researched conferences and events held at hotels in the competitive set to determine group demand that exists and to show possible room rates the proposed subject may achieve through group business. Event organizers often provide attendees with a group rate at several nearby hotels that serve as overflow accommodations for those attending events held at other venues in the area. The proposed subject may capture demand from these associations, or similar associations may consider the proposed subject to host their events. In addition, there are companies and other organizations in the regional market that utilize various hotels for meetings. Room rates vary depending on the date of the event, the size and scope of the property, and its location.

Association Demand for Facilities with Conference Space Comparable to the Subject			
Group/Event	Event Dates	Event Location	Average Nightly Room Rate
Gerontological Advanced Practice Nurses Association PharmaCon 26	March 19 to 21, 2026	Renaissance Austin Hotel	\$199
Association for Learning Environments 2026 Southern Annual Regional Conference	April 20 to 23, 2026	Renaissance Austin Hotel	\$259
Texas County & District Retirement System (TCDRS) Annual Conference	July 16 to 17, 2026	Renaissance Austin Hotel	\$173
High Impact Technology Exchange (HI-TEC) 2026 Conference	July 27 to 30, 2026	Renaissance Austin Hotel	\$239
Texas Association of Counties 2026 County Technology Conference	October 27 to 30, 2026	Renaissance Austin Hotel	\$173
Outdoorsy Group Business of Travel Summit	April 6 to 8, 2026	Omni Barton Creek Resort & Spa	\$299
Corporate Counsel on Course Circle 2026	May 20 to 21, 2026	Omni Barton Creek Resort & Spa	\$329
Energy Polymer Group Winter Tech 2026	March 3 to 4, 2026	Marriott Houston Sugar Land	\$199
Texas Municipal League Midyear Conference	March 5 to 6, 2026	Marriott Houston Sugar Land	\$179
In-Mold Decorating Association/Plastics Decorating Magazine 2026 Plastic Product Decorating Summit	September 1 to 3, 2026	Marriott Houston Sugar Land	\$169
The Birthing Chamber Power Punch Conference 2026	May 28 to 30, 2026	Hilton Austin Airport	\$163
American Academy of Dental Group Practice 2026 Conference	February 4 to 6, 2026	Hyatt Regency Lost Pines Resort and Spa	\$319
Texas Infectious Disease Society 2026 Annual Meeting	June 5 to 7, 2026	Hyatt Regency Lost Pines Resort and Spa	\$320
Mechanical Contractors Association of Texas 2026 Summer Conference and Products Show	July 22 to 26, 2026	Hyatt Regency Lost Pines Resort and Spa	\$299
Texas Academy of Nutrition and Dietetics 2026 Annual Conference and Exhibition	April 17 to 18, 2026	Houston CityPlace Marriott at Springwoods Village	\$199
Texas Trial Lawyers Association 2026 Midyear Conference and CLE Seminar	June 4 to 5, 2026	Houston CityPlace Marriott at Springwoods Village	\$239
Heat Transfer Research, Inc. Global Conference & Industry Exhibition	September 21 to 25, 2026	Houston CityPlace Marriott at Springwoods Village	\$229
Texas Association of Counties Court Assistants Training Conference	February 4 to 6, 2026	Embassy Suites by Hilton San Marcos Hotel Conference Center	\$169
Texas Occupational Therapy Association 2026 Annual Conference	November 13 to 14, 2026	Embassy Suites by Hilton San Marcos Hotel Conference Center	\$191
Texas Bankers Association Cyber Tech 2026 Conference	February 11 to 13, 2026	Horseshoe Bay Resort	\$209
Texas Health Care Association 2026 Spring Retreat & PAC Golf Tournament	April 12 to 15, 2026	Horseshoe Bay Resort	\$239
World Wake Association 2026 Nautique South Central Regatta	August 21 to 23, 2026	Horseshoe Bay Resort	\$269
Average Group Room Rate			\$230

Sources: Hotel & Leisure Advisors; association websites

Promoting the proposed meeting space to organizations like those listed above could generate a significant amount of business. Such groups are often interested in new locations provided there is enough space to meet their needs, and it is appropriately priced.

SWOT ANALYSIS OF SUBJECT

We assessed the projected competitive position of the subject property compared to the defined competitive lodging supply in the following SWOT analysis.

Strengths

- The subject will be part of a 392-acre mixed-use development. The development is proposed to include a medical mall, education mall, mixed-use developments, entertainment, and other commercial businesses.
- The proposed hotel will offer various amenities, including a business center, fitness center, outdoor aquatic recreation, spa, multiple food and beverage outlets, and a convention center that will appeal to a range of travelers.
- The subject will be the newest hotel within the competitive set and the first full-service hotel in Bastrop. It will also be Bastrop's largest hotel.
- The subject will offer a convention center with ample size for hosting a variety of meetings and events.
- The subject will be affiliated with a national brand, which will allow it to utilize the brand's reservations system and rewards program.

Weaknesses

- There are multiple full-service hotels in the Austin area and other surrounding suburbs that offer conference space and amenities similar to those considered by the proposed subject.
- Although the proposed development will offer several shops, restaurants, a medical mall, and attractions, Bastrop is not home to major companies who may need lodging. The proposed hotel will need to generate commercial demand from other organizations in the area.
- The subject is not near a major interstate and will need to have extensive billboards and directional signage on State Highway 71.

Opportunities

- The proposed hotel could create partnerships with various growing businesses coming to the area, such as SpaceX and The Boring Company near the subject site, and offer discounts for guests.
- The subject has strong potential to outperform the market, due to its range of amenities. The subject is expected to be popular during the spring and fall since demand is already strong.
- The proposed subject would offer the largest amount of event space in Bastrop once the city closes the existing convention center and converts it into a

recreation center. This would allow the CVB and city officials to market the community to larger groups and conferences.

Threats

- The Austin area has seen strong interest from hotel developers in recent years with significant new supply entering the market and additional supply proposed. With the continued development in the area, the market may become oversaturated with too many hotels.

PROJECTED SUBJECT OCCUPANCY

Using a fair market share and penetration analysis, we estimated the subject’s ability to capture future market area demand. Fair market share is the percentage of rooms that a property contributes to the total supply of guestrooms in the defined competitive market area. Penetration rate is the percentage of a property’s fair share of demand accommodated by that property. Penetration rates in excess of 100% indicate that a hotel possesses competitive advantages, while penetration rates below 100% reflect competitive weaknesses.

In determining the subject’s penetration rates, we also analyzed the projected occupancy levels of each of the properties in the competitive set, which allows us to compare the subject’s performance in context with its competitive set. The following table presents the historical penetration rates for the competitive supply, followed by the subject penetration rates.

Historical and Forecasted Penetration Rates			
	Commercial	Group	Leisure
Competitors - 2025			
Holiday Inn Express & Suites Bastrop	250%	46%	135%
Renaissance Austin Hotel	140%	98%	77%
Omni Barton Creek Resort & Spa	35%	108%	108%
Marriott Houston Sugar Land	191%	103%	92%
Hampton by Hilton Inn & Suites Bastrop	203%	38%	109%
Hilton Austin Airport	152%	156%	78%
Hyatt Regency Lost Pines Resort and Spa	0%	132%	110%
Houston CityPlace Marriott at Springwoods Village	199%	54%	119%
Embassy Suites by Hilton San Marcos Hotel Conference Center	114%	90%	50%
Horseshoe Bay Resort	0%	77%	145%
Forecasted Subject			
2029	91%	96%	111%
2030	94%	98%	114%
2031	95%	100%	115%
2032	97%	102%	117%
2033	97%	102%	117%

Source: Hotel & Leisure Advisors

Commercial Demand Penetration: We project the hotel will achieve a below fair share commercial penetration level as it is located in a more rural area. The proposed hospital and other commercial developments adjacent to the site will boost demand.

Group Demand Penetration: We recommend the subject offer a 40,000-square-foot convention center. We project an above fair share penetration rate in the group segment due to the property's large convention center while considering its location in a more rural area.

Leisure Demand Penetration: With the resort-like amenities, the subject will have an important competitive advantage over the other properties. Leisure travelers will initially be interested in the subject because it is new. Our penetration rate considers that the subject will offer amenities that will have a strong interest level from adults and families such as the aquatic recreation features and spa. Based on these factors, we anticipate the subject will penetrate this segment above fair share in the first year of operation and beyond.

The following displays present the estimated demand penetration rates and occupancy for the subject hotel for the projection period.

Demand Penetration Rates and Occupancy						
Proposed Hotel & Convention Center						
	2029	2030	2031	2032	2033	2034
Room Nights by Segment						
Commercial	16,327	16,986	17,403	17,739	17,739	17,739
Group	28,291	29,662	30,502	31,060	31,060	31,060
Leisure	26,288	27,558	28,519	28,958	28,958	28,958
Total Occupied Room Nights	70,907	74,206	76,424	77,758	77,758	77,758
Percentage of Room Nights by Segment						
Commercial	23.0%	22.9%	22.8%	22.8%	22.8%	22.8%
Group	39.9%	40.0%	39.9%	39.9%	39.9%	39.9%
Leisure	37.1%	37.1%	37.3%	37.2%	37.2%	37.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subject available rooms per day	300	300	300	300	300	300
Subject available rooms per year	109,500	109,500	109,500	109,500	109,500	109,500
Subject Property Projections						
Subject occupancy	64.8%	67.8%	69.8%	71.0%	71.0%	71.0%
Market share	8.4%	8.6%	8.8%	8.9%	8.9%	8.9%
Fair share	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Penetration	99.5%	102.2%	104.1%	105.9%	105.9%	105.9%
Market Occupancy	65.1%	66.3%	67.0%	67.0%	67.0%	67.0%

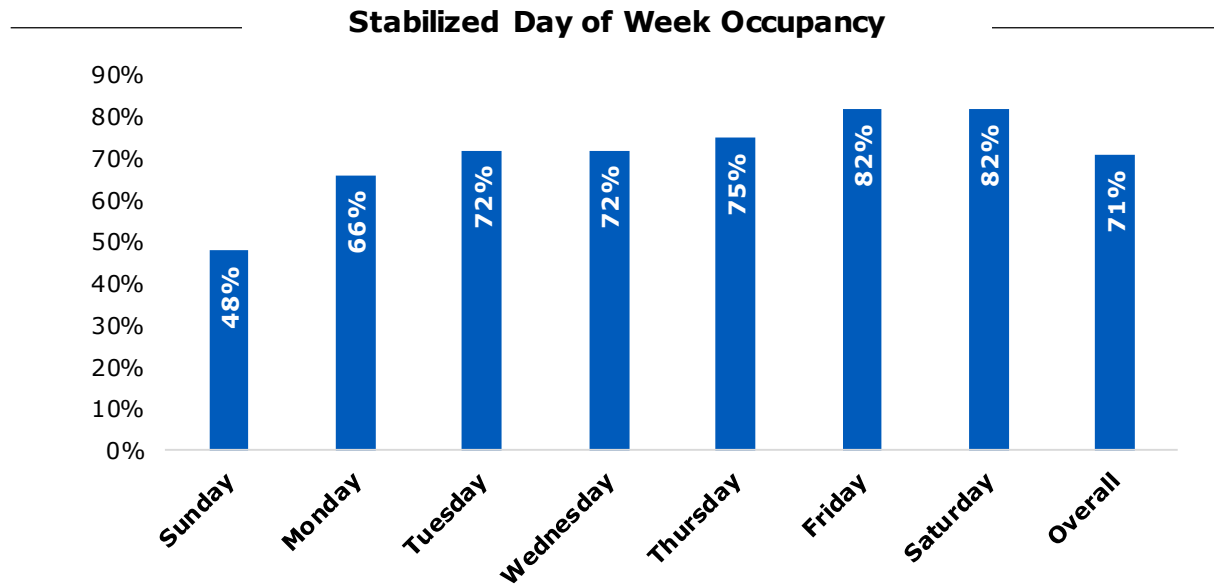
Source: Hotel & Leisure Advisors

In a stabilized year of operation, we project the subject to achieve an occupancy level of 71.0%, which results in an overall penetration rate of 105.9%. The subject should outperform the market due to its many amenities and branding. We project the market segmentation for the subject hotel to be predominantly leisure with lesser amounts of commercial and group. The stabilized occupancy reflects the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in

unusually high or low occupancies. Although the subject property may operate at occupancies above this stabilized level, we believe it equally possible for shifts in the local economy and changes in the market's demand patterns to force the occupancy below this selected point of stability.

Daily Analysis

The following table indicates our projections by day, which shows the property will achieve stronger occupancy levels on weekends.

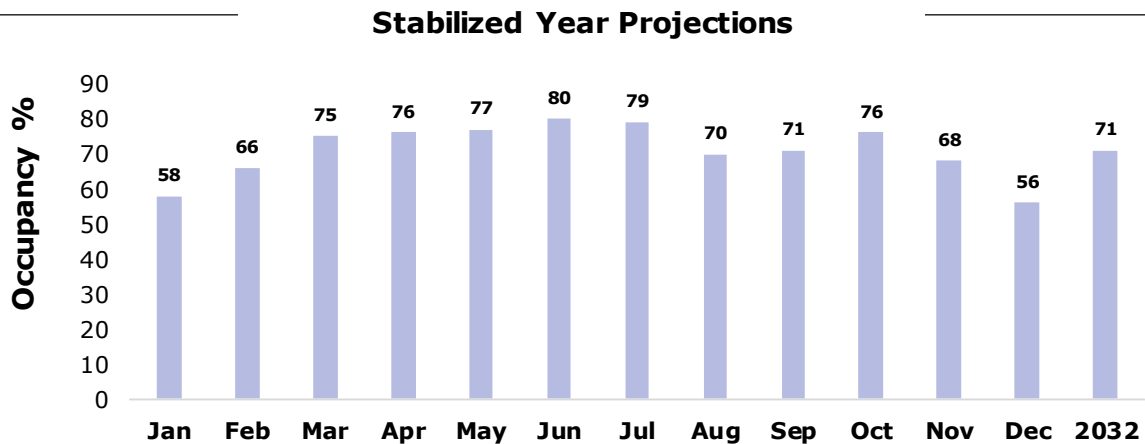


Source: Hotel & Leisure Advisors

Weekends will be busier because of the proposed amenities at the hotel and the proposed developments surrounding the hotel. During weekdays, the subject will attract group, commercial, and summer leisure demand.

Monthly Analysis

The following chart indicates our projections of occupancy by month in a stabilized year of operation. We project higher occupancy levels in the winter and summer.



Source: Hotel & Leisure Advisors

ESTIMATED AVERAGE DAILY RATE

The estimates of future ADR for the subject hotel are based on the following factors:

- Historical ADRs achieved by the competitors
- The discounting practices of these hotels
- The projected demand segmentation of the subject
- The appropriate rate positioning of similarly operated properties relative to other hotels
- The acknowledgment that some comparable resorts charge a resort fee. In the case of the subject, the ADR projection excludes the resort fee of \$25, which we included under Miscellaneous Income.
- Estimated economic inflation rate of 3.0% per year

We analyzed the historical ADR for the competitive set and individual competitors within the market. Between 2023 and 2025, the ADR among the competitive supply increased by a compounded annual rate of 1.8% to \$230.77 in 2025.

The competitive supply has a wide range in ADRs as shown in the following table.

Competitive Hotels Average Daily Rate Analysis

	2025 Estimated Performance
Holiday Inn Express & Suites Bastrop	\$130 - \$140
Renaissance Austin Hotel	\$180 - \$190
Omni Barton Creek Resort & Spa	\$360 - \$370
Marriott Houston Sugar Land	\$160 - \$170
Hampton by Hilton Inn & Suites Bastrop	\$130 - \$140
Hilton Austin Airport	\$170 - \$180
Hyatt Regency Lost Pines Resort and Spa	\$340 - \$350
Houston CityPlace Marriott at Springwoods Village	\$220 - \$230
Embassy Suites by Hilton San Marcos Hotel Conference Center	\$160 - \$170
Horseshoe Bay Resort	\$200 - \$210
Weighted Average	\$230.77

Source: Hotel & Leisure Advisors

Rack Rates: We recommend that the subject promote a range of rack rates. We recommend that the subject offer lower rates for groups. We project rates will peak on weekends when leisure demand is highest and the higher occupancy levels will allow for stronger rate capture.

We projected recommended rack rates considering the projected brand affiliation, newly constructed condition, location, and competitive rate structuring at nearby hotels. We recommend the following room rate structure, in 2029 dollars, for the proposed subject hotel.

Recommended Rack Rates	
Proposed Hotel & Convention Center	
Room Type	Rate
Double Queen	\$199 - \$399
King	\$199 - \$399
Suites	\$299 - \$599

Source: Hotel & Leisure Advisors

Analysis of Subject Average Daily Rate

We projected the ADR at the subject property by comparing historical ADRs of the competitive properties and considering potential future rate increases. The ADR projection excludes any resort fee that the property may charge, which we accounted for under Miscellaneous Income. The following table illustrates occupancy and ADRs by market segment in first-year dollars.

Average Daily Rate Analysis

First Year - 2029

Commercial

Percent of total occupied rooms	23.0%
Average daily rate	\$245.00
Room nights	16,327
Total revenue	\$4,000,174

Group

Percent of total occupied rooms	39.9%
Average daily rate	\$240.00
Room nights	28,291
Total revenue	\$6,789,948

Leisure

Percent of total rooms	37.1%
Average daily rate	\$290.00
Room nights	26,288
Total revenue	\$7,623,512

Annual Combined

Occupancy	64.8%
Total room nights	70,907
Total rooms revenue	\$18,413,634
Average daily rate	\$260
RevPAR	\$168

Note: Totals may not add due to rounding

Source: Hotel & Leisure Advisors

We project the subject will offer discounts in the group and commercial segments to attract travelers during weekdays when leisure travelers are not available to utilize the subject facilities. The leisure segment should achieve the highest rate since it includes the summer, holidays, and weekends year-round.

After discounting and promotions, the rate structure should enable the hotel to achieve an estimated ADR of \$260. We increased the ADR projection at a rate above inflation in the first two years to account for introductory specials. Future projections increase at the rate of inflation throughout the projection period.

The following table demonstrates the projected occupancy and ADR for the market and the subject for calendar year projections.

Proposed Hotel & Convention Center - Bastrop, Texas
Subject Occupancy and Average Daily Rate Analysis

Estimated Average Daily Rate, Occupancy, and RevPAR											
Competitive Set of Hotels						Market and Subject					
Year	Occupancy	ADR	ADR Growth Rate	RevPAR	RevPAR Growth Rate	Occupancy	ADR	ADR Growth Rate	ADR Penetration	RevPAR	RevPAR Growth Rate
2023	64.5%	\$222.60		\$143.65							
2024	65.4%	\$229.89	3.3%	\$150.36	4.7%						
2025	64.8%	\$230.77	0.4%	\$149.64	-0.5%						
2026	65.5%	\$238.00	3.1%	\$155.88	4.2%						
2027	65.6%	\$245.14	3.0%	\$160.73	3.1%						
2028	66.3%	\$252.49	3.0%	\$167.35	4.1%						
2029	65.1%	\$260.07	3.0%	\$169.32	1.2%	64.8%	\$260.00		100.0%	\$168.36	
2030	66.3%	\$267.87	3.0%	\$177.55	4.9%	67.8%	\$273.00	5.0%	101.9%	\$185.01	9.9%
2031	67.0%	\$275.91	3.0%	\$184.96	4.2%	69.8%	\$283.92	4.0%	102.9%	\$198.16	7.1%
2032	67.0%	\$284.18	3.0%	\$190.51	3.0%	71.0%	\$292.44	3.0%	102.9%	\$207.66	4.8%
2033	67.0%	\$292.71	3.0%	\$196.22	3.0%	71.0%	\$301.21	3.0%	102.9%	\$213.89	3.0%

Source: Hotel & Leisure Advisors

Our estimates of revenues, as outlined in this section of the report, are predicated on the following assumptions:

- The subject hotel will be professionally managed and maintained
- The subject will be effectively promoted with a well-targeted marketing program throughout the analysis period
- The subject hotel will be affiliated with a national hotel franchise
- A continued program of periodic replacement of FF&E will continue throughout the analysis period

INTRODUCTION

To estimate the statement of annual operating results of the subject property, we analyzed the project scope and characteristics. We identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimate the potential gross revenues for the subject property based upon an examination of the prior operating history of the subject property (if available), operating history of comparable properties in the subject market area and on a national basis, and an analysis of industry trends.
- Analyze departmental, undistributed, and non-operating expenses, and project appropriate amounts in each category.
- Project the resultant net income/EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) over an appropriate holding period.

All amounts have been rounded to the nearest \$1,000, and account classifications generally conform to the definitions prescribed by the American Hotel and Lodging Association in the Uniform System of Accounts for the Lodging Industry, 11th Edition.

The prospective financial analysis is based on the results of operations of comparable facilities, industry standards, and projections regarding the future environment in which the hotel will operate. This includes the assumption that the property will be competently and professionally operated, advertised, and promoted.

The industry standards utilized for this analysis are from STR's *2025 Hotel Profitability Review*, and *Trends in the Hotel Industry 2025*, published by CBRE. We utilized industry standards for south central region full-service hotels from the *Hotel Profitability Review* and full-service convention center hotels with under 500 rooms from *Trends*. In addition, we utilized and analyzed actual financial results from our database of full-service hotels in the United States. The data presented is an average of the statements in order to protect the confidentiality of this financial information. H&LA has signed agreements that contractually prohibit our release of the identity of the presented statements to third parties.

The following statements present comparable hotel operating results and industry standards of comparable properties.

**Proposed Hotel & Convention Center - Bastrop, Texas
Financial Analysis**

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Comparable Financial Statements and Industry Standards																
	Comparable 1				Comparable 2				STR Review 2025				CBRE Trends 2025			
	14 Upper Upscale Properties				Four Texas Upper Upscale Properties				Full Service - South Central Region				Full Service - Convention Hotels - Under 500 Rooms			
Available Rooms	278				285				250				294			
Occupancy	75.1%				70.9%				66.5%				61.4%			
Average Rate	\$190.61				\$168.61				\$181.52				\$192.86			
Days Open	365				365				365				365			
Occupied Room Nights	76,369				73,858				60,702				65,888			
Available Room Nights	101,626				104,116				91,250				107,310			
	\$	%	\$/Avail Room	\$/Occ Room	\$	%	\$/Avail Room	\$/Occ Room	\$	%	\$/Avail Room	\$/Occ Room	\$	%	\$/Avail Room	\$/Occ Room
Revenues																
Rooms	\$14,556,584	55.3%	\$52,281	\$190.61	\$12,452,998	63.7%	\$43,656	\$168.61	\$11,018,888	64.1%	\$44,076	\$181.52	\$12,706,974	56.6%	\$43,221	\$192.86
Food and Beverage	7,455,790	28.3%	26,778	97.63	6,279,993	32.1%	22,016	85.03	4,690,693	27.3%	18,763	77.27	8,370,768	37.3%	28,472	127.04
Other Operated Departments	3,362,719	12.8%	12,077	44.03	692,198	3.5%	2,427	9.37	835,239	4.9%	3,341	13.76	921,102	4.1%	3,133	13.98
Miscellaneous Income (Net)	966,694	3.7%	3,472	12.66	109,599	0.6%	384	1.48	632,903	3.7%	2,532	10.43	466,284	2.1%	1,586	7.08
Total Operating Revenue	26,341,788	100.0%	94,609	344.93	19,534,788	100.0%	68,483	264.49	17,177,722	100.0%	68,711	282.99	22,465,128	100.0%	76,412	340.96
Departmental Expenses																
Rooms	3,307,663	22.7%	11,880	43.31	2,909,910	23.4%	10,201	39.40	2,592,759	23.5%	10,371	42.71	3,469,788	27.3%	11,802	52.66
Food and Beverage	4,368,123	58.6%	15,688	57.20	3,603,735	57.4%	12,634	48.79	2,897,320	61.8%	11,589	47.73	5,560,422	66.4%	18,913	84.39
Other Operated Departments	2,228,409	66.3%	8,004	29.18	130,660	18.9%	458	1.77	472,931	56.6%	1,892	7.79	380,142	41.3%	1,293	5.77
Total Departmental Expenses	9,904,195	37.6%	35,572	129.69	6,644,306	34.0%	23,293	89.96	5,963,011	34.7%	23,852	98.23	9,410,352	41.9%	32,008	142.82
Total Departmental Profit	16,437,593	62.4%	59,037	215.24	12,890,482	66.0%	45,190	174.53	11,214,711	65.3%	44,859	184.75	13,054,776	58.1%	44,404	198.13
Undistributed Operating Expenses																
Administrative & General	2,040,484	7.7%	7,329	26.72	1,924,245	9.9%	6,746	26.05	1,449,634	8.4%	5,799	23.88	2,144,142	9.5%	7,293	32.54
Information & Telecom Systems	389,249	1.5%	1,398	5.10	133,148	0.7%	467	1.80	269,905	1.6%	1,080	4.45	392,490	1.7%	1,335	5.96
Sales and Marketing	1,571,561	6.0%	5,644	20.58	1,629,959	8.3%	5,714	22.07	1,204,984	7.0%	4,820	19.85	1,893,948	8.4%	6,442	28.74
Franchise Fees	1,261,661	4.8%	4,531	16.52	927,164	4.7%	3,250	12.55	366,807	2.1%	1,467	6.04	-	-	-	-
Prop. Oper. & Maintenance	915,446	3.5%	3,288	11.99	878,472	4.5%	3,080	11.89	781,518	4.5%	3,126	12.87	1,096,914	4.9%	3,731	16.65
Utilities	581,781	2.2%	2,090	7.62	494,920	2.5%	1,735	6.70	542,873	3.2%	2,171	8.94	817,320	3.6%	2,780	12.40
Total Undistributed Oper. Expenses	6,760,181	25.7%	24,280	88.52	5,987,908	30.7%	20,992	81.07	4,615,721	26.9%	18,463	76.04	6,344,814	28.2%	21,581	96.30
Gross Operating Profit	9,677,412	36.7%	34,757	126.72	6,902,575	35.3%	24,198	93.46	6,598,990	38.4%	26,396	108.71	6,709,962	29.9%	22,823	101.84
Management Fees	896,774	3.4%	3,221	11.74	714,145	3.7%	2,504	9.67	568,906	3.3%	2,276	9.37	713,244	3.2%	2,426	10.83
Income Before Non-Oper. Expenses	8,780,638	33.3%	31,536	114.98	6,188,429	31.7%	21,695	83.79	6,030,084	35.1%	24,120	99.34	5,996,718	26.7%	20,397	91.01
Non-Operating Expenses																
Property Tax	819,951	3.1%	2,945	10.74	734,305	3.8%	2,574	9.94	473,902	2.8%	1,896	7.81	460,404	2.0%	1,566	6.99
Insurance	211,209	0.8%	759	2.77	164,389	0.8%	576	2.23	304,713	1.8%	1,219	5.02	264,894	1.2%	901	4.02
Misc.	98,134	0.4%	352	1.28	65,927	0.3%	231	0.89	-	-	-	-	-	-	-	-
Reserve for Replacement	1,030,906	3.9%	3,703	13.50	821,368	4.2%	2,879	11.12	234,843	1.4%	939	3.87	-	-	-	-
Total Non-Operating Expenses	2,160,200	8.2%	7,759	28.29	1,785,989	9.1%	6,261	24.18	1,013,458	5.9%	4,054	16.70	725,298	3.2%	2,467	11.01
Net Income/EBITDA	\$6,620,437	25.1%	\$23,778	\$ 86.69	\$4,402,441	22.5%	\$15,434	\$ 59.61	\$5,016,627	29.2%	\$20,067	\$ 82.64	\$5,271,420	23.5%	\$17,930	\$ 80.01

Source: Hotel & Leisure Advisors, STR Hotel Profitability Review, and CBRE Trends

Fixed and Variable Component Analysis

In forecasting revenues and expenses for a lodging facility, we utilized a fixed and variable component model. The model is based on the premise that hotel revenues and expenses have a component that is fixed and another component that varies directly with occupancy and facility utilization. Therefore, a projection is estimated by taking a known level of revenue or expense and calculating the fixed component as well as the variable portion. The fixed component is then held at a constant level, while the variable portion is adjusted for the percentage change between the projected occupancy and facility utilization, which produces the projected level of revenue or expense.

The following table indicates the expense categories that can be projected utilizing the fixed and variable component model. The first two columns represent the typical range of fixed versus variable while the third column represents the figure selected for this project.

Range of Fixed and Variable Ratios				
	Typical Percent Fixed	Typical Percent Variable	This Project % Fixed	Index of Variability
Departmental Expenses				
Rooms	40 - 60%	40 - 60%	45%	Rooms Revenue
Food and Beverage	40 - 60%	40 - 60%	45%	Occupancy
Other Operated Departments	40 - 60%	40 - 60%	45%	Occupancy
Undistributed Operating Expenses				
Administrative & General	40 - 60%	40 - 60%	50%	Occupancy
Information & Telecom Systems	60 - 80%	20 - 40%	50%	Occupancy
Sales and Marketing	40 - 60%	40 - 60%	50%	Occupancy
Franchise Fees	0%	100%	0%	Total Revenue
Prop. Oper. & Maintenance	40 - 60%	40 - 60%	50%	Occupancy
Utilities	40 - 60%	40 - 60%	50%	Occupancy
Management Fees	0%	100%	0%	Total Revenue
Non-Operating Expenses				
Property Tax	100%	0%	100%	Occupancy
Insurance	100%	0%	100%	Occupancy
Reserve for Replacement	0%	100%	0%	Total Revenue

Source: Hotel & Leisure Advisors

INCOME AND EXPENSE ANALYSIS

The following items outline the revenues and expenses calculations.

Rooms Revenue: We calculated rooms department revenue by estimating annual occupancy and ADR per occupied room. Our estimates of occupancy and ADR, and the rationale supporting these estimates, are presented in the Subject Occupancy and Average Daily Rate Analysis section of this report. The following table indicates the projected occupancy levels and ADR for the subject property.

Forecasted Rooms Revenue						
	First Year - 2029	2030	2031	2032	2033	2034
Number of rooms	300	300	300	300	300	300
Occupancy	64.8%	67.8%	69.8%	71.0%	71.0%	71.0%
Average rate	\$260.00	\$273.00	\$283.92	\$292.44	\$301.21	\$310.25
RevPAR	\$168.36	\$185.01	\$198.16	\$207.66	\$213.89	\$220.31
Rooms occupied	70,907	74,206	76,424	77,758	77,758	77,758
Rooms revenue	\$18,435,820	\$20,258,238	\$21,698,302	\$22,739,363	\$23,421,544	\$24,124,190

Source: Hotel & Leisure Advisors

Food and Beverage Revenue: Food and beverage revenue is from the sale of food and beverages from the restaurants, lounges, aquatics snack bar, coffee shop, banquet and meeting rooms, and other food and beverage outlets. Additional revenue is generated from meeting room rentals, setup and service charges, surcharges, audiovisual rentals and other meeting-room related miscellaneous income. The following tables outline our analysis of the subject's food and beverage department revenues.

Food and Beverage Revenue				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$7,455,790	28.3%	\$26,778	\$97.63
Comparable 2 - Four Texas Upper Upscale Properties	\$6,279,993	32.1%	\$22,016	\$85.03
STR Review 2025 - Full Service - South Central Region	\$4,690,693	27.3%	\$18,763	\$77.27
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$8,370,768	37.3%	\$28,472	\$127.04
Average	\$6,699,311	31.3%	\$24,007	\$96.74
H&LA Forecasted First Year	\$9,800,000	31.3%	\$32,667	\$138.21
H&LA Stabilized Year 4	\$11,381,000	30.2%	\$37,937	\$146.36

Source: Hotel & Leisure Advisors

Food and Beverage Revenue Breakdown				
	First Year Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Restaurant	\$2,300,000	23.5%	\$7,667	\$32.44
Banquets	\$6,000,000	61.2%	\$20,000	\$84.62
Lobby bar/Aquatics F&B/Coffee Shop	\$1,500,000	15.3%	\$5,000	\$21.15
Total	\$9,800,000	84.7%	\$27,667	\$117.06

Source: Hotel & Leisure Advisors

Our projection is in the range of the comparables on a per-available-room and percentage of total revenue basis.

Other Operated Departments Revenue: This revenue line item consists of revenues from other operated departments, which include valet parking, arcade, aquatic day passes, and other departments. The following tables outline our analysis of the subject's other operated department revenues.

Other Operated Departments Revenue				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$3,362,719	12.8%	\$12,077	\$44.03
Comparable 2 - Four Texas Upper Upscale Properties	\$692,198	3.5%	\$2,427	\$9.37
STR Review 2025 - Full Service - South Central Region	\$835,239	4.9%	\$3,341	\$13.76
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$921,102	4.1%	\$3,133	\$13.98
Average	\$1,452,814	6.3%	\$5,245	\$20.29
H&LA Forecasted First Year	\$1,086,000	3.5%	\$3,620	\$15.32
H&LA Stabilized Year 4	\$1,261,000	3.3%	\$4,203	\$16.22

Source: Hotel & Leisure Advisors

Other Operated Department Revenue Breakdown

Arcade	\$ 547,500
Valet parking	\$ 438,000
Aquatics Recreation passes	\$ 100,000
Total	\$ 1,085,500

Source: Hotel & Leisure Advisors

The industry standards include a number of departments under this category, while we segmented out the larger other operated departments as separate categories.

Miscellaneous Income (net): This line item includes all income (net) associated with third-party-operated commissions, attrition fees, cancellation fees, resort fees, cash discounts earned from suppliers, gains/losses from foreign currency exchange for guests, interest income, rental of space to a third-party operator such as a spa or gift shop, and any other miscellaneous income generated by the hotel. The following table outlines our analysis of the subject's miscellaneous income.

Miscellaneous Income (Net)				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$966,694	3.7%	\$3,472	\$12.66
Comparable 2 - Four Texas Upper Upscale Properties	\$109,599	0.6%	\$384	\$1.48
STR Review 2025 - Full Service - South Central Region	\$632,903	3.7%	\$2,532	\$10.43
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$466,284	2.1%	\$1,586	\$7.08
Average	\$543,870	2.5%	\$1,993	\$7.91
H&LA Forecasted First Year	\$1,011,000	3.2%	\$3,370	\$14.26
H&LA Stabilized Year 4	\$1,174,000	3.1%	\$3,913	\$15.10

Source: Hotel & Leisure Advisors

We included a \$25 resort fee for all leisure room nights and 50% of group room nights sold. We assume that the subject will waive the resort fee for other room nights.

Spa: This line item includes all income associated with the operations of the proposed 5,000-square-foot spa. The subject will earn revenue from offering spa-related services, including massages, pedicures, manicures, and haircuts. The following table outlines our analysis of the subject's spa income.

Spa Revenue				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	-	-	-	-
Comparable 2 - Four Texas Upper Upscale Properties	-	-	-	-
STR Review 2025 - Full Service - South Central Region	-	-	-	-
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	-	-	-	-
Average	-	-	-	-
H&LA Forecasted First Year	\$1,000,000	3.2%	\$3,333	\$14.10
H&LA Stabilized Year 4	\$1,161,000	3.1%	\$3,870	\$14.93

Source: Hotel & Leisure Advisors

We projected spa revenue based upon our review of data from the ISPA US Spa Industry Report.

Total Operating Revenue: The following table shows our total revenue projections compared to the selected comparables.

Total Operating Revenue				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$26,341,788	100.0%	\$94,609	\$344.93
Comparable 2 - Four Texas Upper Upscale Properties	\$19,534,788	100.0%	\$68,483	\$264.49
STR Review 2025 - Full Service - South Central Region	\$17,177,722	100.0%	\$68,711	\$282.99
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$22,465,128	100.0%	\$76,412	\$340.96
Average	\$21,379,856	100.0%	\$77,054	\$308.34
H&LA Forecasted First Year	\$31,333,000	100.0%	\$104,443	\$441.89
H&LA Stabilized Year 4	\$37,716,000	100.0%	\$125,720	\$485.04

Source: Hotel & Leisure Advisors

Departmental Expenses

Departmental expenses are costs borne by the individual departments of a hotel and can be segmented separately.

Rooms Expenses: These expenses include items such as salaries and wages, employee benefits, other payroll-related expenses, contracted and outsourced labor, travel agent commissions, guest transportation, laundry and dry cleaning, linens, guest supplies, reservation booking fees, and uniforms. Additionally, expenses related to the rooms department that include licenses and permits, entertainment, equipment rental, operating supplies, training, and postage are allocated to this departmental expense.

Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy (because management can schedule housekeepers, bell staff, and other hourly staff to work when demand requires), a higher percentage of the department's expenses are considered fixed because a hotel still has to maintain staffing in all areas at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy. For the purposes of our model, we considered that 45% of the expenses are fixed. Commissions represent remuneration to various booking agents including travel agents for booking rooms.

Because these fees are based on a percentage of the rooms revenue, they are highly dependent on occupancy and ADR. The following table outlines our analysis of the subject's room department expenses.

Rooms Expense				
	Amount	% of Room Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$3,307,663	22.7%	\$11,880	\$43.31
Comparable 2 - Four Texas Upper Upscale Properties	\$2,909,910	23.4%	\$10,201	\$39.40
STR Review 2025 - Full Service - South Central Region	\$2,592,759	23.5%	\$10,371	\$42.71
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$3,469,788	27.3%	\$11,802	\$52.66
Average	\$3,070,030	24.2%	\$11,064	\$44.52
H&LA Forecasted First Year	\$4,148,000	22.5%	\$13,827	\$58.50
H&LA Stabilized Year 4	\$4,774,000	21.0%	\$15,913	\$61.40

Source: Hotel & Leisure Advisors

We estimate the rooms expense ratio within the range of comparables as a percentage of departmental revenue.

Food and Beverage Expenses: These expenses reflect the items necessary for the operation of the restaurants, lounges, and meeting facilities within the lodging facility. Major items of expense in the food and beverage department include the cost of food and beverage, payroll, china, glassware, menus, uniforms, AV rentals, and other expenses. The following table outlines our analysis of the subject's food and beverage department expenses.

Food and Beverage Expense				
	Amount	% of Dept Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$4,368,123	58.6%	\$15,688	\$57.20
Comparable 2 - Four Texas Upper Upscale Properties	\$3,603,735	57.4%	\$12,634	\$48.79
STR Review 2025 - Full Service - South Central Region	\$2,897,320	61.8%	\$11,589	\$47.73
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$5,560,422	66.4%	\$18,913	\$84.39
Average	\$4,107,400	61.0%	\$14,706	\$59.53
H&LA Forecasted First Year	\$6,272,000	64.0%	\$20,907	\$88.45
H&LA Stabilized Year 4	\$7,218,000	63.4%	\$24,060	\$92.83

Source: Hotel & Leisure Advisors

We estimate the food and beverage expense ratio within the range of comparables as a percentage of departmental revenue

Other Operated Departments Expenses: These expenses reflect the cost of providing valet parking, arcade, aquatic recreation, and other departmental expenses, including salaries and wages for any departmental employees. The following table outlines our analysis of the subject's other operated department expenses.

Other Operated Departments Expense				
	Amount	% of Dept Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$2,228,409	66.3%	\$8,004	\$29.18
Comparable 2 - Four Texas Upper Upscale Properties	\$130,660	18.9%	\$458	\$1.77
STR Review 2025 - Full Service - South Central Region	\$472,931	56.6%	\$1,892	\$7.79
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$380,142	41.3%	\$1,293	\$5.77
Average	\$803,036	45.8%	\$2,912	\$11.13
H&LA Forecasted First Year	\$597,000	55.0%	\$1,990	\$8.42
H&LA Stabilized Year 4	\$687,000	54.5%	\$2,290	\$8.84

Source: Hotel & Leisure Advisors

We project other operated departments expenses to equal 55.0% of departmental revenue in the first year of the projection, which is within the range of the comparable results.

Spa Expenses: These expenses reflect the cost of providing spa treatments, services, and retail items including salaries and wages, cost of goods sold, and any other expenses. This would include commissions for the service providers. The following table outlines our analysis of the subject's spa department expenses.

Spa Expense				
	Amount	% of Dept Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	-	-	-	-
Comparable 2 - Four Texas Upper Upscale Properties	-	-	-	-
STR Review 2025 - Full Service - South Central Region	-	-	-	-
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	-	-	-	-
Average	-	-	-	-
H&LA Forecasted First Year	\$700,000	70.0%	\$2,333	\$9.87
H&LA Stabilized Year 4	\$806,000	69.4%	\$2,687	\$10.37

Source: Hotel & Leisure Advisors

Undistributed Operating Expenses

Undistributed operating expenses are costs borne by the entire operation and are not attributable to any one specific department or profit center.

Administrative and General Expenses: This department represents expenses related to the management and administration of the property. It includes salaries and wages, employee benefits, cost of accounting and legal fees, credit card commissions, bank charges, donations, travel and entertainment, security, human resources, and administrative-related operating supplies. Most administrative and general expenses are relatively fixed, although there are variable components such as bonuses provided to management. The following table outlines our analysis of the subject's administrative and general department expenses.

Administrative & General Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$2,040,484	7.7%	\$7,329	\$26.72
Comparable 2 - Four Texas Upper Upscale Properties	\$1,924,245	9.9%	\$6,746	\$26.05
STR Review 2025 - Full Service - South Central Region	\$1,449,634	8.4%	\$5,799	\$23.88
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$2,144,142	9.5%	\$7,293	\$32.54
Average	\$1,889,626	8.9%	\$6,791	\$27.30
H&LA Forecasted First Year	\$2,507,000	8.0%	\$8,357	\$35.36
H&LA Stabilized Year 4	\$2,871,000	7.6%	\$9,570	\$36.92

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue basis.

Information and Telecommunications System Expenses: These expenses include phone, Internet, and other telecommunication and technology systems.

Information & Telecom Systems Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$389,249	1.5%	\$1,398	\$5.10
Comparable 2 - Four Texas Upper Upscale Properties	\$133,148	0.7%	\$467	\$1.80
STR Review 2025 - Full Service - South Central Region	\$269,905	1.6%	\$1,080	\$4.45
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$392,490	1.7%	\$1,335	\$5.96
Average	\$296,198	1.4%	\$1,070	\$4.33
H&LA Forecasted First Year	\$376,000	1.2%	\$1,253	\$5.30
H&LA Stabilized Year 4	\$431,000	1.1%	\$1,437	\$5.54

Source: Hotel & Leisure Advisors

Sales and Marketing Expenses: These expenses include items related to advertising and promotion required to obtain and retain customers. Expenses include salaries and wages, employee benefits, subscriptions, operating supplies, postage, telephone, trade shows, and travel and entertainment. The department includes the costs of advertising, and miscellaneous sales and marketing expenses, including those related to the franchise affiliation. Royalty fees are shown separately under franchise fees. The following table outlines our analysis of the subject's marketing expenses.

Sales and Marketing Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$1,571,561	6.0%	\$5,644	\$20.58
Comparable 2 - Four Texas Upper Upscale Properties	\$1,629,959	8.3%	\$5,714	\$22.07
STR Review 2025 - Full Service - South Central Region	\$1,204,984	7.0%	\$4,820	\$19.85
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$1,893,948	8.4%	\$6,442	\$28.74
Average	\$1,575,113	7.4%	\$5,655	\$22.81
H&LA Forecasted First Year	\$2,193,000	7.0%	\$7,310	\$30.93
H&LA Stabilized Year 4	\$2,512,000	6.7%	\$8,373	\$32.31

Source: Hotel & Leisure Advisors

Note that the *CBRE Trends* reports include franchise fees in this category and are not directly comparable with our estimate. We estimated this expense to be within the range of comparables as a percentage of total revenue basis. We project a relatively high amount of marketing expense, which will be required to generate the level of revenues shown in this report.

Our first-year marketing expense does not include pre-opening marketing, which we assume would be included within the development budget.

Franchise Fee: Franchise fees are paid to franchise companies for the ability to utilize their name, systems, and various programs. Typical franchise expenses range from 4% to 6% of rooms revenue. The following table outlines our analysis of the franchise fee.

Franchise Fees Expense				
	Amount	% of Rms Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$1,261,661	4.8%	\$4,531	\$16.52
Comparable 2 - Four Texas Upper Upscale Properties	\$927,164	4.7%	\$3,250	\$12.55
STR Review 2025 - Full Service - South Central Region	\$366,807	2.1%	\$1,467	\$6.04
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	-	-	-	-
Average	\$851,877	3.9%	\$3,083	\$11.71
H&LA Forecasted First Year	\$1,014,000	5.5%	\$3,380	\$14.30
H&LA Stabilized Year 4	\$1,251,000	5.5%	\$4,170	\$16.09

Source: Hotel & Leisure Advisors

The hotel brands we recommend for the subject charge a franchise fee of:

- 6% of gross room revenue plus 3% of food and beverage revenue with Marriott
- 5% of gross room revenue plus 2% of spa revenue with the Curio Collection
- 6% of gross room revenue plus 1% of food and beverage revenue with Kimpton

We have utilized the midpoint of the rooms royalty expense.

Property Operation and Maintenance Expenses: These expenses include salaries and wages, employee benefits, supplies, outside contractors, painting and decorating, carpentry, garbage removal, engineering supplies, uniforms, and other costs associated with maintaining the physical structure. A majority of these expenses are fixed since they are required to maintain the building. The following table outlines our analysis of the subject's maintenance expenses.

Prop. Oper. & Maintenance Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$915,446	3.5%	\$3,288	\$11.99
Comparable 2 - Four Texas Upper Upscale Properties	\$878,472	4.5%	\$3,080	\$11.89
STR Review 2025 - Full Service - South Central Region	\$781,518	4.5%	\$3,126	\$12.87
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$1,096,914	4.9%	\$3,731	\$16.65
Average	\$918,087	4.4%	\$3,306	\$13.35
H&LA Forecasted First Year	\$1,127,700	3.6%	\$3,759	\$15.90
H&LA Stabilized Year 4	\$1,436,000	3.8%	\$4,787	\$18.47

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables on a percentage of total revenue and on a per-available-room basis.

Utilities Expenses: These represent expenditures for electricity, heating, fuel, water, waste removal, and related operating supplies. A large portion of a lodging facility's energy consumption is relatively fixed. All public areas must be continually lit and climate-controlled regardless of occupancy. The following table outlines our analysis of the subject's energy expenses.

Utilities Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$581,781	2.2%	\$2,090	\$7.62
Comparable 2 - Four Texas Upper Upscale Properties	\$494,920	2.5%	\$1,735	\$6.70
STR Review 2025 - Full Service - South Central Region	\$542,873	3.2%	\$2,171	\$8.94
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$817,320	3.6%	\$2,780	\$12.40
Average	\$609,223	2.9%	\$2,194	\$8.92
H&LA Forecasted First Year	\$940,000	3.0%	\$3,133	\$13.26
H&LA Stabilized Year 4	\$1,077,000	2.9%	\$3,590	\$13.85

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis. Our estimate does not incorporate potential energy savings that a LEED certification may provide.

Management Fee: Our projection of the subject hotel's income and expenses assumes competent management by a professional company with fees structured at market rates. Although some companies provide their own management for hotels, they typically will charge the property for management services. Management fees typically range between 2% to 4% of total revenue for full-service hotels and 3% to 5% for limited-service hotels. The following table outlines our analysis of the subject's management fee expenses.

Management Fees				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$896,774	3.4%	\$3,221	\$11.74
Comparable 2 - Four Texas Upper Upscale Properties	\$714,145	3.7%	\$2,504	\$9.67
STR Review 2025 - Full Service - South Central Region	\$568,906	3.3%	\$2,276	\$9.37
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$713,244	3.2%	\$2,426	\$10.83
Average	\$723,267	3.4%	\$2,607	\$10.40
H&LA Forecasted First Year	\$940,000	3.0%	\$3,133	\$13.26
H&LA Stabilized Year 4	\$1,131,000	3.0%	\$3,770	\$14.55

Source: Hotel & Leisure Advisors

We estimate this expense to be 3.0% of total revenue throughout the analysis period based upon current industry standards.

Income Before Non-Operating Expenses: The following table shows income before non-operating expenses of the subject and comparable properties.

Income Before Non-Operating Expenses				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$8,780,638	33.3%	\$31,536	\$114.98
Comparable 2 - Four Texas Upper Upscale Properties	\$6,188,429	31.7%	\$21,695	\$83.79
STR Review 2025 - Full Service - South Central Region	\$6,030,084	35.1%	\$24,120	\$99.34
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$5,996,718	26.7%	\$20,397	\$91.01
Average	\$6,748,967	31.7%	\$24,437	\$97.28
H&LA Forecasted First Year	\$10,518,300	33.6%	\$35,061	\$148.34
H&LA Stabilized Year 4	\$13,522,000	35.9%	\$45,073	\$173.90

Source: Hotel & Leisure Advisors

Non-Operating Expenses

Non-operating expenses include any expenses that relate to the ownership of the hotel, including property taxes, buildings and contents insurance, reserve for replacement, and any applicable land, building, or equipment rental.

Real Estate and Personal Property Taxes: These taxes are comprised of real estate and personal property taxes. Our study assumes that the subject property will pay real estate taxes to the City of Bastrop and Bastrop County. We estimated real estate taxes of 4.5% of total revenue since details concerning the project have not been identified to establish a property assessment. We acknowledge that this calculation will change depending on how the governmental authorities assess the project. The following table indicates our real estate tax projections.

Property Tax Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$819,951	3.1%	\$2,945	\$10.74
Comparable 2 - Four Texas Upper Upscale Properties	\$734,305	3.8%	\$2,574	\$9.94
STR Review 2025 - Full Service - South Central Region	\$473,902	2.8%	\$1,896	\$7.81
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$460,404	2.0%	\$1,566	\$6.99
Average	\$622,140	2.9%	\$2,245	\$8.87
H&LA Forecasted First Year	\$1,410,000	4.5%	\$4,700	\$19.89
H&LA Stabilized Year 4	\$1,541,000	4.1%	\$5,137	\$19.82

Source: Hotel & Leisure Advisors

Building and Property Insurance: The insurance expense category includes the cost of insuring the building and its contents against damage or destruction. The insurance expense includes property and liability insurance. Over the past several years, insurance costs for hotels have fluctuated dramatically depending upon claims and natural disasters. The following table outlines our analysis of the subject's insurance expenses.

Insurance Expense				
	Amount	% of Total Revenue	\$/Avail Room	\$/Occ Room Night
Comparables				
Comparable 1 - 14 Upper Upscale Properties	\$211,209	0.8%	\$759	\$2.77
Comparable 2 - Four Texas Upper Upscale Properties	\$164,389	0.8%	\$576	\$2.23
STR Review 2025 - Full Service - South Central Region	\$304,713	1.8%	\$1,219	\$5.02
CBRE Trends 2025 - Full Service - Convention Hotels - Under 500 Rooms	\$264,894	1.2%	\$901	\$4.02
Average	\$236,301	1.1%	\$864	\$3.51
H&LA Forecasted First Year	\$345,000	1.1%	\$1,150	\$4.87
H&LA Stabilized Year 4	\$377,000	1.0%	\$1,257	\$4.85

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis.

Reserve for Replacement: Furniture, fixtures, and equipment (FF&E) are essential to the operation of a lodging facility, and their quality often influences the class of a property. Included in this category are all non-real estate items that are normally capitalized, not expensed. Most hotels account for replacement of FF&E by establishing a fund commonly referred to as a reserve for replacement, which is generally funded from a hotel's cash flow. In theory, a sufficient amount of money is available to replace FF&E at the end of its useful life. A recent study by the International Society of Hospitality Consultants indicated that the traditional 3% reserve is lower than what most hotels they surveyed actually spent over historical periods. The survey indicated that the expense should be between 4% and 5% of total revenues. We estimated this reserve to equal 2.0% of total sales in the first year of operation, increasing to 3.0% in the second year, and 4.0% in year three and beyond. The 4.0% replacement reserve is in keeping with industry guidelines for a hotel of the subject's size and volume of operation.

State Tax Rebate: The subject is projected to be eligible for the state of Texas qualified hotel rebate program for 10 years.

- **Sales Tax** – In Texas, sales taxes are levied on the sales and rental of tangible property and selected services. Certain items are exempted, but it is generally a broad-based sales and use tax. The total amount of sales tax paid in the subject area is 6.25% for the state of Texas. We assume the developer will keep 100% of the rebated state portion of the sales tax for all 10 years of eligibility. We calculated this by utilizing the National Restaurant Association’s median ratio to total sales between food and beverage (non-alcohol) and alcohol of 75% and 25% respectively.
- **Hotel Occupancy Tax** – There is a state hotel occupancy tax collected of 6.00%. We assume the developer would receive 100% of the state’s portion of the hotel occupancy tax for the first 10 years.
- **Beverage Tax** – The State of Texas collects a mixed beverage gross receipts tax of 6.70% (paid by the license holder) and a mixed beverage sales tax of 8.25% (paid by the guest) on alcohol sales. Our review of the qualified hotel legislation indicates the mixed beverage sales tax is included in the eligible state tax rebates, while the mixed beverage gross receipts tax is only applicable to certain developments. We assume the developer will receive a rebate on the 8.25% of the sales tax.

Inflation: The assumed 3.0% per annum rate of inflation for the analysis is derived by a review of historical increase to the Consumer Price Index (CPI) and various inflation forecasts by the Federal Reserve Bank, Livingston Survey, and U.S. Congressional Budget Office. The following table presents a historical analysis of the Consumer Price Index.

U.S. Consumer Price Index		
Year	CPI	% Change
2000	172.200	
2001	177.100	2.85%
2002	179.900	1.58%
2003	184.000	2.28%
2004	188.900	2.66%
2005	195.300	3.39%
2006	201.600	3.23%
2007	207.300	2.83%
2008	215.303	3.86%
2009	214.537	-0.36%
2010	218.056	1.64%
2011	224.939	3.16%
2012	229.594	2.07%
2013	232.957	1.46%
2014	236.736	1.62%
2015	237.017	0.12%
2016	240.007	1.26%
2017	245.120	2.13%
2018	251.107	2.44%
2019	255.657	1.81%
2020	258.811	1.23%
2021	270.970	4.70%
2022	292.655	8.00%
2023	304.702	4.12%
2024	313.689	2.95%
Average		2.54%

Source: US Bureau of Labor Statistics

The table shows the average growth rate since 2000. However, based upon our review of various economic forecasts, we project a 3.0% per annum rate of inflation is realistic. To the extent that actual rates differ from this percentage, the estimates would have to be adjusted. All revenue and expense items were first calculated in 2029 dollars. A 3.0% growth rate was applied to all revenue and expenses with the exception of ADR which has been increased by a higher rate in the first two years of the analysis.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject’s anticipated performance for calendar years beginning 2029. We project that the subject’s operations will stabilize in the third year, and all income and expense items will increase thereafter at the underlying inflation rate. We note that departmental expense ratios are expressed as a percentage of departmental revenues. Franchise fees are expressed as a percentage of rooms revenue. All other expense ratios are expressed as a percentage of total revenues. We presented rounded figures to the nearest thousand.

**Proposed Hotel & Convention Center - Bastrop, Texas
Financial Analysis**

Forecasted Financial Performance																
Proposed Hotel & Convention Center																
	2029 - First Year				2030 - First +1				2031 - First +2				2032 - First +3			
	300				300				300				300			
Available Rooms	300				300				300				300			
Occupancy	64.8%				67.8%				69.8%				71.0%			
Average Rate	\$260.00				\$273.00				\$283.92				\$292.44			
Days Open	365				365				365				365			
Occupied Room Nights	70,907				74,206				76,424				77,758			
Available Room Nights	109,500				109,500				109,500				109,500			
	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night
Revenues																
Rooms	\$18,436	58.8%	\$61,453	\$260.00	\$20,258	59.7%	\$67,527	\$273.00	\$21,698	60.2%	\$72,327	\$283.92	\$22,739	60.3%	\$75,797	\$292.43
Food and Beverage	9,800	31.3%	32,667	138.21	10,399	30.6%	34,663	140.14	10,923	30.3%	36,410	142.93	11,381	30.2%	37,937	146.36
Other Operated Departments	1,086	3.5%	3,620	15.32	1,152	3.4%	3,840	15.52	1,210	3.4%	4,033	15.83	1,261	3.3%	4,203	16.22
Miscellaneous Income (Net)	1,011	3.2%	3,370	14.26	1,073	3.2%	3,577	14.46	1,127	3.1%	3,757	14.75	1,174	3.1%	3,913	15.10
Spa	1,000	3.2%	3,333	14.10	1,061	3.1%	3,537	14.30	1,115	3.1%	3,717	14.59	1,161	3.1%	3,870	14.93
Total Operating Revenue	31,333	100.0%	104,443	441.89	33,943	100.0%	113,143	457.41	36,073	100.0%	120,243	472.01	37,716	100.0%	125,720	485.04
Departmental Expenses																
Rooms	4,148	22.5%	13,827	58.50	4,382	21.6%	14,607	59.05	4,589	21.1%	15,297	60.05	4,774	21.0%	15,913	61.40
Food and Beverage	6,272	64.0%	20,907	88.45	6,626	63.7%	22,087	89.29	6,939	63.5%	23,130	90.80	7,218	63.4%	24,060	92.83
Other Operated Departments	597	55.0%	1,990	8.42	631	54.8%	2,103	8.50	660	54.5%	2,200	8.64	687	54.5%	2,290	8.84
Spa	700	70.0%	2,333	9.87	739	69.7%	2,463	9.96	774	69.4%	2,580	10.13	806	69.4%	2,687	10.37
Total Departmental Expenses	11,717	37.4%	39,057	165.25	12,378	36.5%	41,260	166.81	12,962	35.9%	43,207	169.61	13,485	35.8%	44,950	173.42
Total Departmental Profit	19,616	62.6%	65,387	276.65	21,565	63.5%	71,883	290.61	23,111	64.1%	77,037	302.40	24,231	64.2%	80,770	311.62
Undistributed Operating Expenses																
Administrative & General	2,507	8.0%	8,357	35.36	2,642	7.8%	8,807	35.60	2,763	7.7%	9,210	36.15	2,871	7.6%	9,570	36.92
Information & Telecom Systems	376	1.2%	1,253	5.30	396	1.2%	1,320	5.34	414	1.1%	1,380	5.42	431	1.1%	1,437	5.54
Sales and Marketing	2,193	7.0%	7,310	30.93	2,312	6.8%	7,707	31.16	2,417	6.7%	8,057	31.63	2,512	6.7%	8,373	32.31
Franchise Fees	1,014	5.5%	3,380	14.30	1,114	5.5%	3,713	15.01	1,193	5.5%	3,977	15.61	1,251	5.5%	4,170	16.09
Prop. Oper. & Maintenance	1,128	3.6%	3,759	15.90	1,255	3.7%	4,183	16.91	1,381	3.8%	4,603	18.07	1,436	3.8%	4,787	18.47
Utilities	940	3.0%	3,133	13.26	991	2.9%	3,303	13.35	1,036	2.9%	3,453	13.56	1,077	2.9%	3,590	13.85
Total Undistributed Oper. Expenses	8,158	26.0%	27,192	115.05	8,710	25.7%	29,033	117.37	9,204	25.5%	30,680	120.43	9,578	25.4%	31,927	123.18
Gross Operating Profit	11,458	36.6%	38,194	161.60	12,855	37.9%	42,850	173.23	13,907	38.6%	46,357	181.97	14,653	38.9%	48,843	188.44
Management Fees	940	3.0%	3,133	13.26	1,018	3.0%	3,393	13.72	1,082	3.0%	3,607	14.16	1,131	3.0%	3,770	14.55
Income Before Non-Oper. Expenses	10,518	33.6%	35,061	148.34	11,837	34.9%	39,457	159.52	12,825	35.6%	42,750	167.81	13,522	35.9%	45,073	173.90
Non-Operating Expenses																
Property Tax	1,410	4.5%	4,700	19.89	1,452	4.3%	4,840	19.57	1,496	4.1%	4,987	19.57	1,541	4.1%	5,137	19.82
Insurance	345	1.1%	1,150	4.87	355	1.0%	1,183	4.78	366	1.0%	1,220	4.79	377	1.0%	1,257	4.85
Reserve for Replacement	627	2.0%	2,090	8.84	1,018	3.0%	3,393	13.72	1,443	4.0%	4,810	18.88	1,509	4.0%	5,030	19.41
Total Non-Operating Expenses	2,382	7.6%	7,940	33.59	2,825	8.3%	9,417	38.07	3,305	9.2%	11,017	43.25	3,427	9.1%	11,423	44.07
Net Income/EBITDA Less Reserve	\$8,136	26.0%	\$27,121	\$ 114.75	\$9,012	26.6%	\$30,040	\$ 121.45	\$9,520	26.4%	\$31,733	\$ 124.57	\$10,095	26.8%	\$33,650	\$129.83
State Tax Rebate																
Hotel Occupancy Tax (6%)	1,106	3.5%	3,687	15.60	1,215	3.6%	4,052	16.38	1,302	3.6%	4,340	17.03	1,364	3.6%	4,548	17.55
Sales Tax (6.25%)	653	2.1%	2,176	9.21	693	2.0%	2,309	9.34	728	2.0%	2,426	9.52	758	2.0%	2,527	9.75
Alcohol Sales Tax (8.25%)	202	0.6%	674	2.85	214	0.6%	715	2.89	225	0.6%	751	2.95	235	0.6%	782	3.02
Total Tax Rebate	1,961	6.3%	6,537	27.66	2,123	6.3%	7,076	28.61	2,255	6.3%	7,516	29.51	2,357	6.3%	7,858	30.32
Revised EBITDA Less Reserve	\$10,098	32.2%	\$33,660	\$ 142.41	\$11,135	32.8%	\$37,117	\$ 150.05	\$11,775	32.6%	\$39,250	\$ 154.07	\$12,452	33.0%	\$41,507	\$160.14

Source: Hotel & Leisure Advisors

Forecasted Financial Performance

Proposed Hotel & Convention Center

	2033 - First +4				2034 - First +5				2035 - First +6				2036 - First +7			
	300				300				300				300			
Available Rooms	300				300				300				300			
Occupancy	71.0%				71.0%				71.0%				71.0%			
Average Rate	\$301.21				\$310.25				\$319.55				\$329.14			
Days Open	365				365				365				365			
Occupied Room Nights	77,758				77,758				77,758				77,758			
Available Room Nights	109,500				109,500				109,500				109,500			
	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night
Revenues																
Rooms	\$23,422	60.3%	\$78,073	\$301.22	\$24,124	60.3%	\$80,413	\$310.25	\$24,848	60.3%	\$82,827	\$319.56	\$25,593	60.3%	\$85,310	\$329.14
Food and Beverage	11,723	30.2%	39,077	150.76	12,074	30.2%	40,247	155.28	12,437	30.2%	41,457	159.95	12,810	30.2%	42,700	164.74
Other Operated Departments	1,298	3.3%	4,327	16.69	1,337	3.3%	4,457	17.19	1,378	3.3%	4,593	17.72	1,419	3.3%	4,730	18.25
Miscellaneous Income (Net)	1,209	3.1%	4,030	15.55	1,245	3.1%	4,150	16.01	1,283	3.1%	4,277	16.50	1,321	3.1%	4,403	16.99
Spa	1,196	3.1%	3,987	15.38	1,232	3.1%	4,107	15.84	1,269	3.1%	4,230	16.32	1,307	3.1%	4,357	16.81
Total Operating Revenue	38,848	100.0%	129,493	499.60	40,012	100.0%	133,373	514.57	41,215	100.0%	137,383	530.04	42,450	100.0%	141,500	545.93
Departmental Expenses																
Rooms	4,917	21.0%	16,390	63.23	5,064	21.0%	16,880	65.13	5,216	21.0%	17,387	67.08	5,373	21.0%	17,910	69.10
Food and Beverage	7,434	63.4%	24,780	95.60	7,657	63.4%	25,523	98.47	7,887	63.4%	26,290	101.43	8,124	63.4%	27,080	104.48
Other Operated Departments	708	54.5%	2,360	9.11	729	54.5%	2,430	9.38	751	54.5%	2,503	9.66	773	54.5%	2,577	9.94
Spa	830	69.4%	2,767	10.67	855	69.4%	2,850	11.00	880	69.3%	2,933	11.32	907	69.4%	3,023	11.66
Total Departmental Expenses	13,889	35.8%	46,297	178.62	14,305	35.8%	47,683	183.97	14,734	35.7%	49,113	189.49	15,177	35.8%	50,590	195.18
Total Departmental Profit	24,959	64.2%	83,197	320.98	25,707	64.2%	85,690	330.60	26,481	64.3%	88,270	340.56	27,273	64.2%	90,910	350.74
Undistributed Operating Expenses																
Administrative & General	2,957	7.6%	9,857	38.03	3,046	7.6%	10,153	39.17	3,138	7.6%	10,460	40.36	3,232	7.6%	10,773	41.56
Information & Telecom Systems	444	1.1%	1,480	5.71	457	1.1%	1,523	5.88	471	1.1%	1,570	6.06	485	1.1%	1,617	6.24
Sales and Marketing	2,588	6.7%	8,627	33.28	2,665	6.7%	8,883	34.27	2,745	6.7%	9,150	35.30	2,828	6.7%	9,427	36.37
Franchise Fees	1,288	5.5%	4,293	16.56	1,327	5.5%	4,423	17.07	1,367	5.5%	4,557	17.58	1,408	5.5%	4,693	18.11
Prop. Oper. & Maintenance	1,479	3.8%	4,930	19.02	1,523	3.8%	5,077	19.59	1,569	3.8%	5,230	20.18	1,616	3.8%	5,387	20.78
Utilities	1,109	2.9%	3,697	14.26	1,142	2.9%	3,807	14.69	1,177	2.9%	3,923	15.14	1,212	2.9%	4,040	15.59
Total Undistributed Oper. Expenses	9,865	25.4%	32,883	126.87	10,160	25.4%	33,867	130.66	10,467	25.4%	34,890	134.61	10,781	25.4%	35,937	138.65
Gross Operating Profit	15,094	38.9%	50,313	194.12	15,547	38.9%	51,823	199.94	16,014	38.9%	53,380	205.95	16,492	38.9%	54,973	212.09
Management Fees	1,165	3.0%	3,883	14.98	1,200	3.0%	4,000	15.43	1,236	3.0%	4,120	15.90	1,274	3.0%	4,247	16.38
Income Before Non-Oper. Expenses	13,929	35.9%	46,430	179.13	14,347	35.9%	47,823	184.51	14,778	35.9%	49,260	190.05	15,218	35.8%	50,727	195.71
Non-Operating Expenses																
Property Tax	1,587	4.1%	5,290	20.41	1,635	4.1%	5,450	21.03	1,684	4.1%	5,613	21.66	1,734	4.1%	5,780	22.30
Insurance	388	1.0%	1,293	4.99	400	1.0%	1,333	5.14	412	1.0%	1,373	5.30	424	1.0%	1,413	5.45
Reserve for Replacement	1,554	4.0%	5,180	19.99	1,600	4.0%	5,333	20.58	1,649	4.0%	5,497	21.21	1,698	4.0%	5,660	21.84
Total Non-Operating Expenses	3,529	9.1%	11,763	45.38	3,635	9.1%	12,117	46.75	3,745	9.1%	12,483	48.16	3,856	9.1%	12,853	49.59
Net Income/EBITDA Less Reserve	\$10,400	26.8%	\$34,667	\$ 133.75	\$10,712	26.8%	\$35,707	\$ 137.76	\$11,033	26.8%	\$36,777	\$ 141.89	\$11,362	26.8%	\$37,873	\$146.12
State Tax Rebate																
Hotel Occupancy Tax (6%)	1,405	3.6%	4,684	18.07	1,447	3.6%	4,825	18.61	1,491	3.6%	4,970	19.17	1,536	3.6%	5,119	19.75
Sales Tax (6.25%)	781	2.0%	2,603	10.04	804	2.0%	2,681	10.34	829	2.0%	2,762	10.66	853	2.0%	2,845	10.98
Alcohol Sales Tax (8.25%)	242	0.6%	806	3.11	249	0.6%	830	3.20	257	0.6%	855	3.30	264	0.6%	881	3.40
Total Tax Rebate	2,428	6.3%	8,094	31.23	2,501	6.3%	8,336	32.16	2,576	6.3%	8,587	33.13	2,653	6.3%	8,844	34.12
Revised EBITDA Less Reserve	\$12,828	33.0%	\$42,760	\$ 164.97	\$13,213	33.0%	\$44,043	\$ 169.93	\$13,609	33.0%	\$45,363	\$ 175.02	\$14,015	33.0%	\$46,717	\$180.24

Source: Hotel & Leisure Advisors

Forecasted Financial Performance

Proposed Hotel & Convention Center

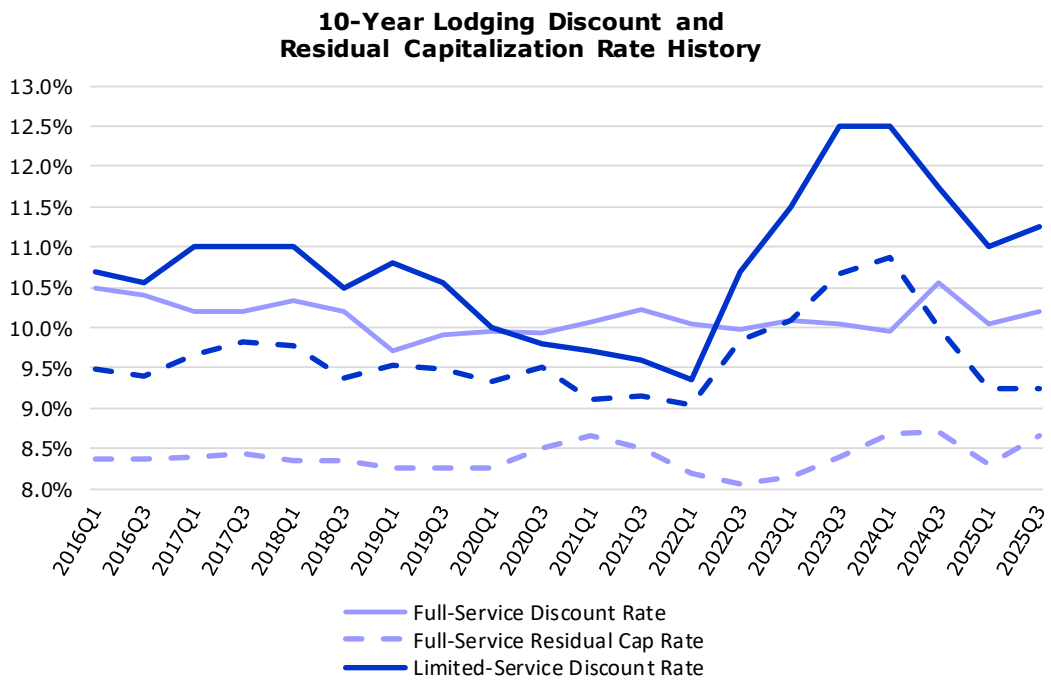
	2037 - First +8				2038 - First +9				2039 - First +10			
	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night	\$ (000)	%	\$/Avail Room	\$/Occ Room Night
Available Rooms	300				300				300			
Occupancy	71.0%				71.0%				71.0%			
Average Rate	\$339.02				\$349.19				\$359.66			
Days Open	365				365				365			
Occupied Room Nights	77,758				77,758				77,758			
Available Room Nights	109,500				109,500				109,500			
Revenues												
Rooms	\$26,361	60.3%	\$87,870	\$339.01	\$27,152	60.3%	\$90,507	\$349.19	\$27,967	60.3%	\$93,223	\$359.67
Food and Beverage	13,194	30.2%	43,980	169.68	13,590	30.2%	45,300	174.77	13,998	30.2%	46,660	180.02
Other Operated Departments	1,461	3.3%	4,870	18.79	1,505	3.3%	5,017	19.35	1,550	3.3%	5,167	19.93
Miscellaneous Income (Net)	1,361	3.1%	4,537	17.50	1,402	3.1%	4,673	18.03	1,444	3.1%	4,813	18.57
Spa	1,346	3.1%	4,487	17.31	1,387	3.1%	4,623	17.84	1,428	3.1%	4,760	18.36
Total Operating Revenue	43,723	100.0%	145,743	562.30	45,036	100.0%	150,120	579.18	46,387	100.0%	154,623	596.56
Departmental Expenses												
Rooms	5,534	21.0%	18,447	71.17	5,700	21.0%	19,000	73.30	5,871	21.0%	19,570	75.50
Food and Beverage	8,367	63.4%	27,890	107.60	8,618	63.4%	28,727	110.83	8,877	63.4%	29,590	114.16
Other Operated Departments	796	54.5%	2,653	10.24	820	54.5%	2,733	10.55	845	54.5%	2,817	10.87
Spa	934	69.4%	3,113	12.01	962	69.4%	3,207	12.37	991	69.4%	3,303	12.74
Total Departmental Expenses	15,631	35.8%	52,103	201.02	16,100	35.7%	53,667	207.05	16,584	35.8%	55,280	213.28
Total Departmental Profit	28,092	64.2%	93,640	361.28	28,936	64.3%	96,453	372.13	29,803	64.2%	99,343	383.28
Undistributed Operating Expenses												
Administrative & General	3,329	7.6%	11,097	42.81	3,429	7.6%	11,430	44.10	3,531	7.6%	11,770	45.41
Information & Telecom Systems	499	1.1%	1,663	6.42	514	1.1%	1,713	6.61	530	1.1%	1,767	6.82
Sales and Marketing	2,913	6.7%	9,710	37.46	3,000	6.7%	10,000	38.58	3,090	6.7%	10,300	39.74
Franchise Fees	1,450	5.5%	4,833	18.65	1,493	5.5%	4,977	19.20	1,538	5.5%	5,127	19.78
Prop. Oper. & Maintenance	1,664	3.8%	5,547	21.40	1,714	3.8%	5,713	22.04	1,766	3.8%	5,887	22.71
Utilities	1,248	2.9%	4,160	16.05	1,286	2.9%	4,287	16.54	1,324	2.9%	4,413	17.03
Total Undistributed Oper. Expenses	11,103	25.4%	37,010	142.79	11,436	25.4%	38,120	147.07	11,779	25.4%	39,263	151.48
Gross Operating Profit	16,989	38.9%	56,630	218.49	17,500	38.9%	58,333	225.06	18,024	38.9%	60,080	231.80
Management Fees	1,312	3.0%	4,373	16.87	1,351	3.0%	4,503	17.37	1,392	3.0%	4,640	17.90
Income Before Non-Oper. Expenses	15,677	35.9%	52,257	201.61	16,149	35.9%	53,830	207.68	16,632	35.9%	55,440	213.90
Non-Operating Expenses												
Property Tax	1,786	4.1%	5,953	22.97	1,840	4.1%	6,133	23.66	1,895	4.1%	6,317	24.37
Insurance	437	1.0%	1,457	5.62	450	1.0%	1,500	5.79	463	1.0%	1,543	5.95
Reserve for Replacement	1,749	4.0%	5,830	22.49	1,801	4.0%	6,003	23.16	1,855	4.0%	6,183	23.86
Total Non-Operating Expenses	3,972	9.1%	13,240	51.08	4,091	9.1%	13,637	52.61	4,213	9.1%	14,043	54.18
Net Income/EBITDA Less Reserve	\$11,705	26.8%	\$39,017	\$ 150.53	\$12,058	26.8%	\$40,193	\$ 155.07	\$12,419	26.8%	\$41,397	\$159.71
State Tax Rebate												
Hotel Occupancy Tax (6%)	1,582	3.6%	5,272	20.34	1,629	3.6%	5,430	20.95	0		0	
Sales Tax (6.25%)	879	2.0%	2,930	11.30	905	2.0%	3,018	11.64	0		0	
Alcohol Sales Tax (8.25%)	272	0.6%	907	3.50	280	0.6%	934	3.60	0		0	
Total Tax Rebate	2,733	6.3%	9,109	35.14	2,815	6.3%	9,383	36.20	0		0	
Revised EBITDA Less Reserve	\$14,438	33.0%	\$48,127	\$ 185.68	\$14,873	33.0%	\$49,577	\$ 191.27	\$12,419	26.8%	\$41,397	\$159.71

Source: Hotel & Leisure Advisors

FEASIBILITY ANALYSIS

The economic value of a proposed hospitality property is calculated through a discounted cash flow analysis. This analysis utilizes the property’s projected net income before debt service (EBITDA) and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. Present value, also called discounted value, is the current worth of the future sum of money or stream of cash flow given a specified rate of return. The discount rate is the average annual rate of return necessary to attract capital based upon the overall investment characteristics. The terminal capitalization rate is applied to a future year’s net income to calculate a potential sale price for the property in the future.

We analyzed historical trends in full-service and limited-service hotel residual capitalization and discount rates. The following chart indicates the results over a 10-year period as taken from the PwC Real Estate Investor Surveys.



Source: PwC Investor Surveys

We analyzed the potential value as completed for the hotel or resort utilizing a 10.0% discount rate and a 8.0% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Discounted Cash Flow Analysis - As Completed

Proposed Hotel & Convention Center

Cash flow at discount rate of 10.0%

	Net Income		P.V. Factor		Present Value
2029	\$10,098,000	x	0.9091	=	\$9,180,000
2030	\$11,135,000	x	0.8264	=	\$9,202,479
2031	\$11,775,000	x	0.7513	=	\$8,846,732
2032	\$12,452,000	x	0.6830	=	\$8,504,884
2033	\$12,828,000	x	0.6209	=	\$7,965,179
2034	\$13,213,000	x	0.5645	=	\$7,458,394
2035	\$13,609,000	x	0.5132	=	\$6,983,569
2036	\$14,015,000	x	0.4665	=	\$6,538,101
2037	\$14,438,000	x	0.4241	=	\$6,123,121
2038	\$14,873,000	x	0.3855	=	\$5,734,185
Present value of cash flow					\$76,536,644

Reversionary benefit

Net income for 2039	\$12,419,000
Divided by reversion overall rate	8.0%
Gross reversion	\$155,237,500
Less cost of sale at 2.0%	\$3,104,750
Net reversion	\$152,132,750
Value per room	\$507,109

Present value of reversion **\$58,653,761**

Market Value

PV from cash flow	\$76,536,644
PV from reversion	\$58,653,761
Market value as of 1/1/2029	\$135,190,405

Rounded market value **\$135,200,000**

Valuation factors

Price per room	\$450,667
% of value from cash flow	56.6%
% of value from reversion	43.4%

Source: Hotel & Leisure Advisors

The model indicates a value of \$135,200,000 as completed or \$450,667 per available hotel room (300 rooms).

We also analyzed the potential value for the hotel "as stabilized" utilizing a 9.5% discount rate and a 7.5% terminal capitalization rate. We utilized a lower rate for the "as stabilized" value to reflect the maturity and stabilization of the subject in the fourth year of operations suggesting less risk than a newly opened property. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject "as stabilized."

Discounted Cash Flow Analysis - As Stabilized

Proposed Hotel & Convention Center

Cash flow at discount rate of 9.5%

	Net Income		P.V. Factor		Present Value
2032	\$12,452,000	x	0.9132	=	\$11,371,689
2033	\$12,828,000	x	0.8340	=	\$10,698,693
2034	\$13,213,000	x	0.7617	=	\$10,063,732
2035	\$13,609,000	x	0.6956	=	\$9,466,071
2036	\$14,015,000	x	0.6352	=	\$8,902,716
2037	\$14,438,000	x	0.5801	=	\$8,375,723
2038	\$14,873,000	x	0.5298	=	\$7,879,520
2039	\$12,419,000	x	0.4838	=	\$6,008,605
2040	\$12,792,000	x	0.4418	=	\$5,652,120
2041	\$13,176,000	x	0.4035	=	\$5,316,703
Present value of cash flow					\$83,735,572

Reversionary benefit

Net income for 2042	\$13,571,000
Divided by reversion overall rate	7.5%
Gross reversion	\$180,946,667
Less cost of sale at 2.0%	\$3,618,933
Net reversion	\$177,327,733
Value per room	\$591,092

Present value of reversion **\$71,554,256**

Market Value

PV from cash flow	\$83,735,572
PV from reversion	\$71,554,256
Market value as of 1/1/2032	\$155,289,828

Rounded market value **\$155,300,000**

Valuation factors

Price per room	\$517,667
% of value from cash flow	53.9%
% of value from reversion	46.1%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$155,300,000 as stabilized or \$517,667 per available hotel room.

Comparison of Value Created to Projected Costs

A key component of a feasibility study is to determine whether the projected value created as shown from the discounted cash flow analysis equals or exceeds the development cost for the proposed project. Our feasibility study presents the projected value created after performing a detailed analysis of the market, projected usage, and financial analysis. In some cases, the feasibility study will not have detailed costs available, and this conclusion will be determined after the client has cost estimates performed by building contractors and architects. In other cases, the client has already performed estimates of construction costs, and the feasibility study will present these

estimates and compare the value created to the development costs to determine if the project is feasible. Determining the sources and uses of funds is outside the scope of this study.

In the case of the subject property, a development plan and franchise have not yet been selected. Our analysis indicates that the development costs for the proposed property are projected to range from \$400,000 to \$500,000 per room or approximately \$120,000,000 to \$150,000,000 and will be within, or below the range of the value created by the property indicating the project is feasible depending on construction costs.

Bastrop is an eligible community for the qualified hotel project program designated by the State of Texas. Our financial projections reflect the proposed hotel receiving the full rebate of the state sales tax (6.25%) and hotel occupancy tax (6%). Additionally, we assume Bastrop will approve the rebate of the alcohol sales tax of 8.25% for the project. This includes the hotel receiving a 100% rebate on the state portion of the state sales tax collected from the hotel and ancillary facilities within 1,000 feet of the hotel. Our study accounted for the rebated sales tax generated by the hotel but not any ancillary retail that may be developed along with the proposed hotel and convention center. Additionally, as part of the legislation, the City of Bastrop is required to own the convention center, which would exempt this component from property tax. The project would benefit from additional incentives such as a property tax abatement for the hotel.

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project. Rather, it is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal. In addition, sufficient development cost details were not available concerning the construction costs, site improvement costs, or municipal subsidies for the proposed project.

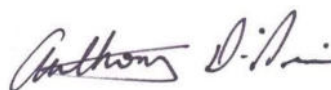
We offer additional analysis on the subject as the scope of the development is finalized.

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Anthony DiPonio, CHIA made a personal inspection of the subject property on January 6, 2026. David J. Sangree, MAI, ISHC has previously visited the subject area.
- Kyle Mossman provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, David J. Sangree, MAI, ISHC has completed the continuing education program of Designated Members of the Appraisal Institute.



David J. Sangree, MAI, ISHC
President

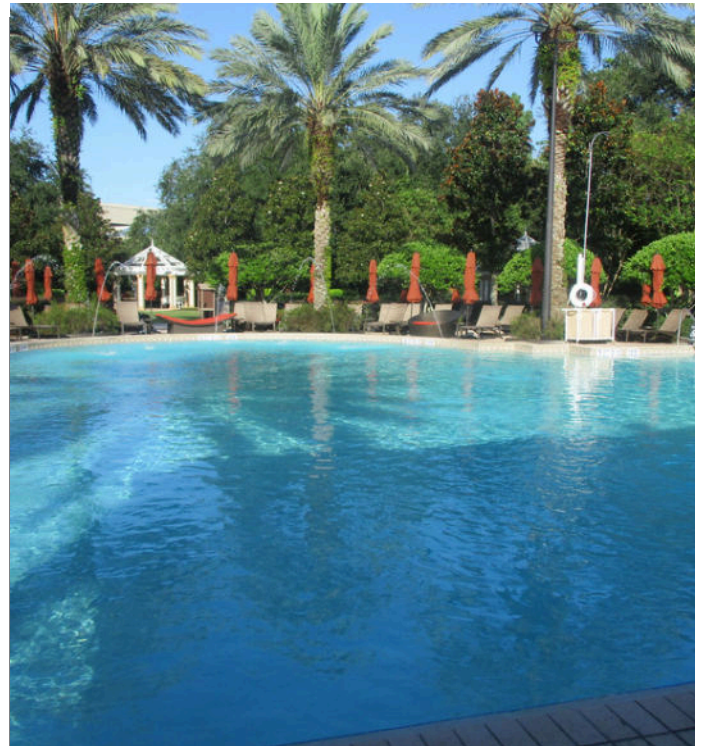


Anthony DiPonio, CHIA
Senior Associate

ADDENDUM I



HOTEL & LEISURE ADVISORS



hladvisors.com

Cleveland, Ohio

216-228-7000

14805 Detroit Avenue, Suite 420, Cleveland, Ohio 44107





WHY HOTEL & LEISURE ADVISORS?

Our extensive background in hotel and leisure property operations and consulting gives H&LA the experience and financial acumen necessary to analyze all types of hotel, leisure, and attraction properties, including resorts, waterparks, sports complexes, surf parks, golf courses, ski resorts, conference and convention centers, amusement parks, spas, and casinos.

We have consulted on every major type of hospitality and leisure property and understand the unique challenges these properties face. We evaluate complex factors and approach each project with a unique perspective about what needs to be accomplished to ensure success.



OUR EXPERTISE

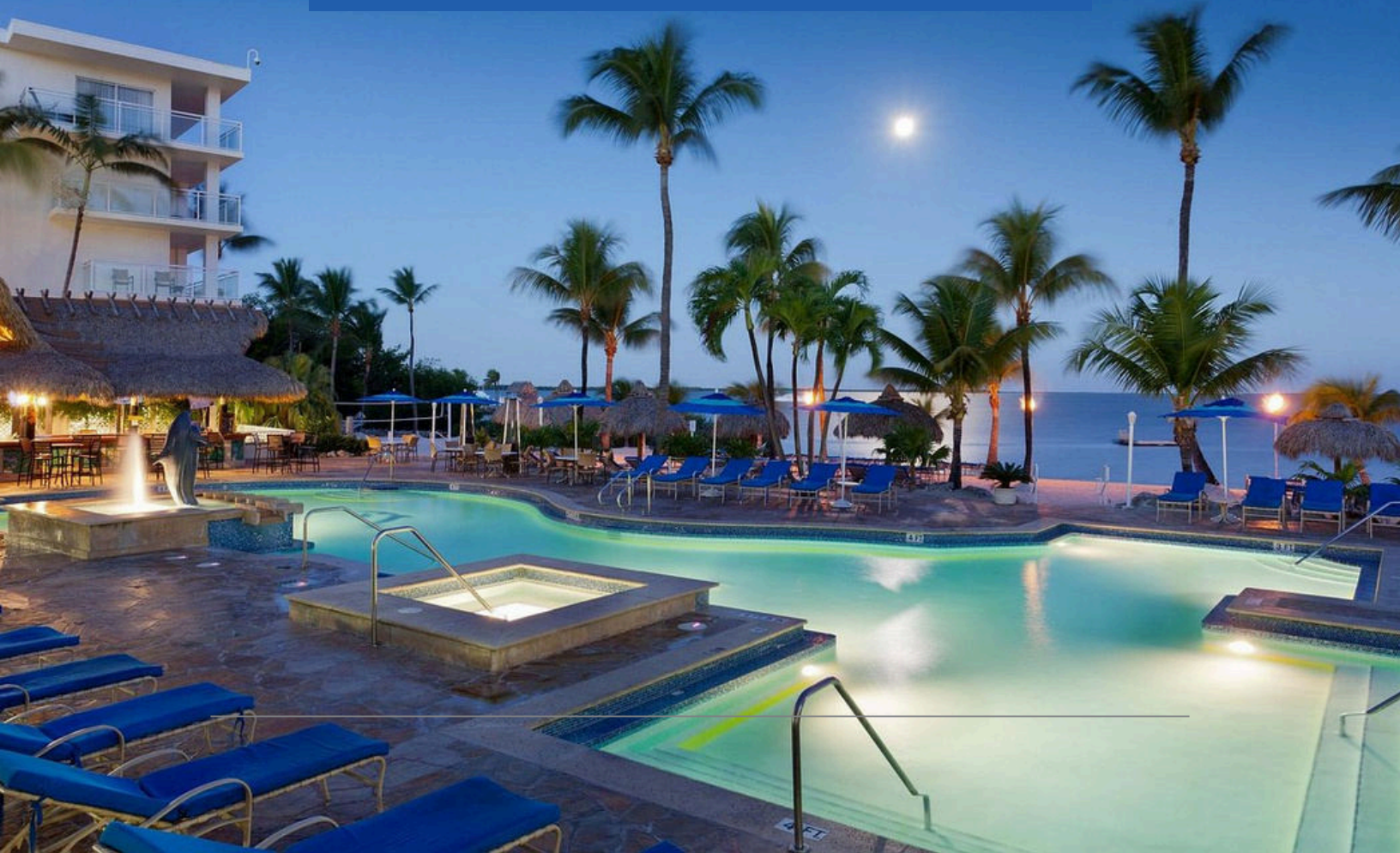
- Since 2005, H&LA has studied every major hotel brand in the United States.
- H&LA has completed more than 4,000 studies for hotels, resorts, and leisure properties across North America and internationally. We have completed work in all 50 states.
- We have contacts with industry leaders and keep up on the latest trends, performance, challenges, and opportunities.
- Our consultants are experts in the lodging and hospitality industry, with over 150 combined years of consulting, operations, and research experience.
- Our dedicated research and support staff assist our consultants in bringing the best quality reports to our clients.
- Our consultants network with industry leaders by attending and/or presenting at leading industry conferences such as the Hunter Hotel Conference, ISHC Conference, ALIS Conference, World Waterpark Association Symposium and Tradeshow, IAAPA Attractions Expo, the NYU International Hospitality Industry Investment Conference, and the Surf Park Central Summit.

OUR RESOURCES

We curate and maintain robust and updated hospitality and leisure industry data for use in our reports. We have a financial statements database of over 2,000 properties and a sales database of over 10,000 sales from across the United States and Canada.

We regularly consult leading industry experts and reports from:

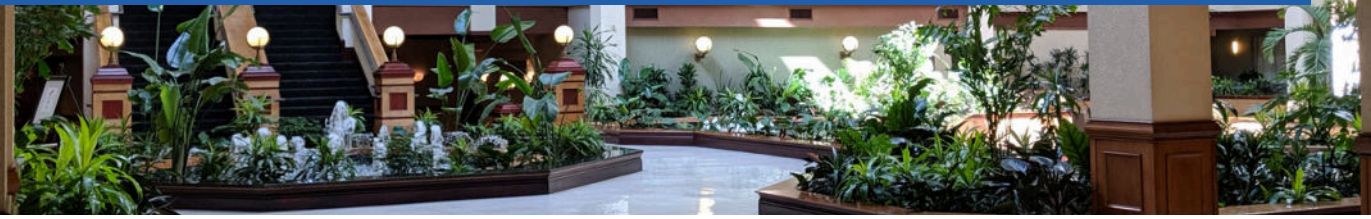
- CBRE Hotels
- STR
- Lodging Econometrics
- PwC
- International Spa Association
- CoStar
- National Golf Foundation
- International Society of Hospitality Consultants
- International Association of Amusement Parks and Attractions
- Outdoor Hospitality Industry
- World Waterpark Association
- National Ski Area Association
- Sports and Fitness Industry Association
- Surf Park Central



OUR PROJECTS

We give our clients individualized attention and provide the very best and most thorough analysis that only a company with our expertise and knowledge can deliver. Our expertise includes the following property types:

- Hotels
- Resorts
- Outdoor Waterparks
- Indoor Waterpark Resorts
- Amusement Parks
- Golf Courses
- Ski Resorts
- Conference & Convention Centers
- Casinos
- Family Entertainment Centers
- RV Parks and Campgrounds
- Sports Complexes
- Timeshare/Fractional Resorts
- Spas
- Aquariums
- Retail/Mixed-Use
- Residential
- Surf Parks



WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure feasibility models that provide detailed market analysis and assists our consultants in making credible financial projections
- Expertise from years of experience and education in the hospitality and consulting industries from our dedicated consultants and support staff
- Expert data generated from STR, ISHC, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM A FEASIBILITY ANALYSIS

- Market Analysis
- Site Review
- Brand Franchise
- Analysis
- Usage Levels
- Development Costs
- Financial Analysis
- Valuation Analysis
- Cost-to-Value Ratio

We analyze market conditions, economic and demographic factors, site conditions, and their effects on a proposed project. H&LA completes a detailed analysis of comparable properties' performance and conditions. The study estimates the operating performance of the project and may suggest variations in size or scope that would improve performance.

We analyze supply and demand when researching performance of hotels and leisure real estate within local and regional markets. We utilize sophisticated hospitality and leisure valuation models that enable us to provide detailed market analyses by evaluating competitive factors, comparable financial information, and comparisons with similar properties and industry standards. We forecast reasonable financial projections and discern a credible valuation to determine if the project is feasible considering the development costs.

The results of our analysis are high-quality, thorough market and financial feasibility studies that are insightful and well-researched. Our clients can utilize our reports in the process of obtaining financing or investors and as a tool to help determine whether to move forward with development.

WHAT H&LA PROVIDES

- Sophisticated hospitality and leisure valuation models that provide detailed market analysis and aid our consultants in arriving at a credible and defensible opinion of value
- The expertise of MAI-designated and state-certified hospitality appraisers with years of experience
- Expert data generated from STR, CBRE, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM AN APPRAISAL REPORT

- Area Review
- Local Market Analysis
- Demand and Pricing Analysis
- Attendance and Usage Analysis
- Highest and Best Use Analysis
- Income Capitalization Approach
- Sales Comparison Approach
- Cost Approach
- Reconciled Opinion of Value

H&LA has multiple state-licensed appraisers. Multiple appraisers boast the MAI designation from the Appraisal Institute. An appraiser with the MAI designation exceeds the state certification and licensing required of all appraisers. When you hire an MAI, you receive the services of a professional with specialized training and experience in the appraisal industry who adheres to specific standards and ethics and must fulfill continuing education requirements.

H&LA appraisals value the going-concern of a hotel or leisure property and then allocate that value among the real estate, personal property, and any business value component that may exist. Our reports are available in either a comprehensive or a summary format.

H&LA also offers retrospective tax appeal appraisals, a specialized form of an appraisal that is completed for a tax assessment appeal by either the government or the property owner to determine the real estate market value. Among the appraisal services we offer, we also provide appraisal reviews.



WHAT H&LA PROVIDES

- A sophisticated economic impact and financial model that provides detailed analysis of future economic benefits from a proposed development
- Expertise of consultants with a variety of qualifications including MAI, CPA, ISHC, CHIA and MBA
- Expert data from RIMS II and other sources



WHAT TO EXPECT FROM AN ECONOMIC IMPACT STUDY

- Indirect and direct output from the proposed development
- The number of jobs that the proposed development will create
- Estimated tax revenue for city, county, and state/province

An economic impact study analyzes the financial impact a project will have throughout the many levels of the economy. This impact will include both temporary and permanent effects. Temporary impacts include jobs and revenues created during the construction of the facility and related costs. Permanent economic impacts are generated by jobs created, and ongoing revenues realized by service providers.

Our studies identify significant economic events resulting from the construction and operation of a proposed facility; consider event patron surveys to estimate spending patterns; analyze relevant municipal revenues; and project the impact on the market. We estimate three types of economic impact, including Direct-Effect Impact, Indirect or Induced Impact, and Final Impact on local economies. We utilize the RIMS II multipliers for output earnings and employment by industry for the county.

We calculate the projected jobs and output for the proposed development for a 10-year period. We calculate projected tax revenue and profile municipal incentives similar projects have received. The economic impact study is an essential tool for cities looking to publicly fund a project or for developers vying for municipal incentives.

OPERATIONAL REVIEWS

We prepare an operational analysis and review of an existing hotel or leisure property to determine areas that are performing well and those in need of improvements. This study will find opportunity at the property to enhance performance, streamline operations, and reevaluate revenue centers. Our report considers:

- Objective and subjective performance characteristics observed during our property inspection and interviews with property management and clients, management of comparable properties, and city and county officials
 - Financial review analyzing all major departments and comparing the performance of the subject property with industry standards and our database of over 2,000 hotel and leisure property financial statements
 - Analysis and recommendations of operational changes and renovations or capital improvements that should be completed at the property
-

BRAND IMPACT STUDIES

An impact analysis measures the financial impact of a brand-affiliated property entering a market in which the brand already exists. We have prepared impact studies for nearly all major hotel brands. Our impact analyses include:

- Interviewing representatives of the applicant and objecting properties and conducting an area market review
- Determining current demand at the objecting property and considering specific demand sources that may switch to a new property if it were constructed or rebranded
- Analyzing potential additional demand that would come to the objecting property from having another brand affiliation in a general market
- Estimating the occupancy, average daily rate, and room revenue impact that may occur from the addition of new supply or conversion of an existing hotel



RFQ PREPARATION & SOLICITATION

Finding a qualified management or development company can make or break a hotel or leisure property project. Through our RFQ preparation and solicitation process, we assist our clients in identifying appropriate management companies and developers for all types of hospitality projects. Our goal is to have our clients receive proposals from competent and competitive companies that will share similar goals and vision for the project.

LITIGATION SUPPORT & EXPERT WITNESS TESTIMONY

H&LA provides expert witness testimony for attorneys in litigation cases involving hospitality industry valuations and consulting assignments. Our consultants have testified in various states concerning hotel- and leisure-related projects. Our understanding of the industry gives us the credibility necessary to be considered experts in our field.

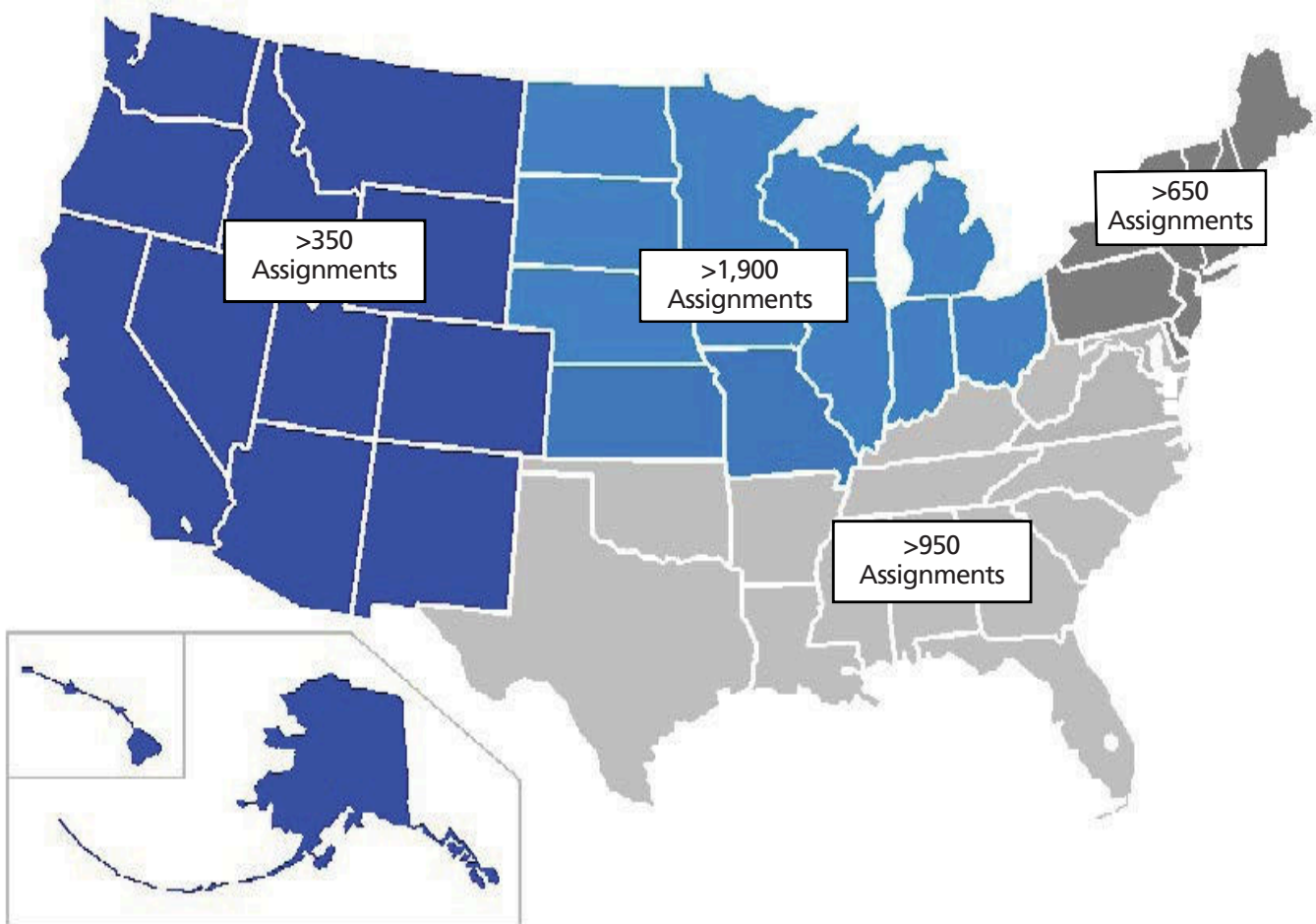
OTHER H&LA SERVICES

- Renovation Feasibility and ROI Analysis
- Site Selection Services
- Hotel Brand Facilitator/Selection Assistance
- Hotel Brand Compliance Services
- Site Verification

These services help developers, corporate brand franchisors, and/or owners with their various development needs.

H&LA PROJECTS

Our studies have taken us all across the United States, Canada, and Internationally. We have analyzed an extensive range of hospitality property types. We have completed studies of various properties in almost every major market in the United States.



H&LA works in all sectors of the hotel and leisure industry. We have experience with all hotel brands and chain scales. In addition, we are the leading national experts in waterparks. These properties represent a sampling of the many property types we have studied.

Hotels

- Westin Hotel - Cleveland, OH
- Hilton Garden Inn - Ann Arbor, MI
- The Shoreham Hotel - New York, NY
- Embassy Suites - Chicago, IL
- Courtyard by Marriott - Houston, TX

Resort Hotels

- Pointe Hilton Squaw Peak Resort - Phoenix, AZ
- The Shores Resort & Spa - Daytona Beach, FL
- Sundara Spa Resort - Wisconsin Dells, WI
- Hilton Hawaiian Village - Honolulu, HI

Indoor Waterpark Resorts

- Great Wolf Lodge Resorts
- Kalahari Resorts
- Splash Lagoon Resort - Erie, PA
- Camelback Indoor Waterpark - Tannersville, PA
- Chula Vista Resort - Wisconsin Dells, WI

Outdoor Waterparks

- Typhoon Texas - Katy, TX
- Myrtle Waves Waterpark - Myrtle Beach, SC
- Lost Island Waterpark - Waterloo, IA
- Cowabunga Bay - Henderson, NV
- Raging Waves Outdoor Waterpark - Yorkville, IL

Amusement Parks/FECs

- Elitch Gardens Amusement Park - Denver, CO
- Proposed Family Entertainment Center - Portland, OR
- Crystal Falls Amusement Park - Hot Springs, AR
- Cypress Gardens Amusement Park - Winter Haven, FL

Golf Courses and Ski Resorts

- Heritage Hills Golf Course - York, PA
- Silverado Golf Course - Durant, OK
- Peek n Peak Ski Resort - Vernon, NJ
- Hidden Valley Ski Resort - Hidden Valley, PA

Sports Complexes

- Proposed Sports Complex - Springfield, IL
- Proposed Youth Sports Venue - Sunland Park, NM
- Civic Center Hockey & Ice Arena - Decatur, IL

Campgrounds/RV Resorts

- Jellystone Park Camp Resort - Larkspur, CO
- Frontiertown Campground Resort - Berlin, MD
- Maddox Family Campground - Chincoteague, VA

Casinos

- Foxwoods Casino Resort - Mashantucket, CT
- JACK Casinos - Cleveland & Cincinnati, OH
- Silver Reef Casino Resort - Ferndale, WA
- Wheeling Island Casino and Hotel - Wheeling, WV

Conference and Convention Centers

- Marriott Chicago Convention Center - Chicago, IL
- International Exposition Center - Cleveland, OH
- Gaylord Opryland Convention Center - Nashville, TN

Retail/Mixed-Use

- Proposed Mixed-Use Retail - Portland, OR
- Proposed Mixed-Use Retail - Dallas, TX
- Proposed Retail Center - Kapolei, HI

H&LA works with a wide range of developers, investors, hotel companies, lenders, management companies, attorneys, and others. These clients represent a sampling of the various client types we serve.

Developers and Investors

- Scott Enterprises
- Delaware North Companies
- Kalahari Resorts
- Sun Communities
- Stark Enterprises
- CNL Lifestyle Companies
- Triple Five
- Crystal Lagoons

Hotel Companies

- Best Western International
- Choice Hotels International
- Marriott International
- Host Hotels
- InterContinental Hotels Group

Operators/Management Companies

- Herschend Family Entertainment
- Cedar Fair
- Great Wolf Resorts
- American Hospitality Group
- Brittain Resorts

Lenders

- Wells Fargo
- US Bank
- Deutsche Bank
- M&T Bank
- PNC Financial Services
- C-III Asset Management

Attorneys

- Kadish Hinkel & Weibel
- Sleggs Danzinger & Gill
- Smith Peters & Kalail
- Baker & Hostetler
- Thompson Hine
- McDonald Hopkins

Government/Municipal

- Ohio Department of Transportation
- Cincinnati USA
- Columbus Regional Airport Authority
- States Attorney of Cook County
- Frisco Economic Development Corporation
- Destination Cleveland
- Assessor of Hancock County, WV

Native American Tribes

- Tulalip Tribe
- Choctaw Nation of Oklahoma
- Nottawaseppi Band of Potawatomi
- The Confederated Tribe of the Grand Ronde
- HoChunk Gaming

Other

- JACK Entertainment
- EPR Properties
- The Trust for Public Land
- Six Flags
- Michigan State University
- Inland Capital Management

DAVID J. SANGREE, MAI, CPA, ISHC

PRESIDENT

Contact

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Education

Bachelor of Science, Hotel Administration, Cornell University, 1984
Various International Society of Hospitality Consultants, Appraisal Institute, & Certified Public Accountant (CPA) continuing education courses

State Certification

Certified as a General Real Estate Appraiser in Ohio, Illinois, Kentucky, Texas, Virginia, and Wisconsin.
Certified as a Public Accountant in the state of Ohio

Professional Affiliations

- Appraisal Institute, MAI (Former President, Northern Ohio Chapter)
- Cornell Hotel Society (Past Treasurer - Chicago, IL chapter)
- Cornell University Real Estate Council
- International Association of Amusement Parks and Attractions
- International Society of Hospitality Consultants
- National Golf Foundation
- Ohio Travel Association
- Outdoor Hospitality Industry
- Surf Park Central
- The School of Hospitality Business at MSU Real Estate & Development Advisory Council
- The Appraisal Journal Review Panel
- World Waterpark Association (Hall of Fame Award Winner)

Experience

- President, Hotel & Leisure Advisors, Cleveland, Ohio, since 2005
- Director of Hospitality Consulting & Principal, US Realty Consultants, Cleveland, Ohio, 2001-2005
- Director of Hospitality Consulting, US Realty Consultants, Columbus, Ohio, 1992-2001
- Financial & Training Consultant, Malawi National Credit Union League (US Peace Corps), Malawi, Africa, 1989-1991
- Senior Consultant in the Hospitality Group, Pannell Kerr Forster, Chicago, Illinois, 1987-1989
- Management positions with four Westin Hotels and Resorts in Cincinnati, Chicago, New York, and Fort Lauderdale, 1983-1987

David's expertise is in the feasibility analysis, appraisal, and valuation of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, family entertainment centers, casinos, restaurants, land, and golf courses. He has completed studies on more than 4,000 existing and proposed properties in all 50 states and internationally. He has prepared hotel studies on all chain scales, including economy, limited service, full-service, extended-stay, upper upscale, luxury, and resorts, and indoor waterpark resorts.

David is a nationally recognized expert in the waterpark industry, having completed over 1,000 studies of various waterpark resorts since 1999 and visited most of the open waterpark properties in the United States and Canada. Recognizing David as an industry leader, Aquatics International named him to their "Power People" list of the most influential people in the aquatics industry in 2019 and the World Waterpark Association honored him with induction into their Hall of Fame in 2022 and with their Executive Board Award in 2016. These awards signified David's commitment to the waterpark industry and identified him as helping to shape some of the latest trends. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. In addition, he is a regular contributor to many industry publications, offering his expertise on various hospitality industry segments.

Most Recent Published Articles and Media Relations

"Waterpark Industry Poised to Grow in 2025," World Waterpark Association, April 2025
"Measuring Economic Impact is a Win-Win for Developers and Municipalities," Hotel Online, July 2024
"Waterparks Maintain Momentum in 2024," World Waterpark Association, May 2024
"Waterparks Poised for More Growth Amid Robust Recovery," World Waterpark Association, April 2023
"Waterpark Resort Development: Successes and Pitfalls," InPark Magazine, August 2022
"Waterparks: Riding a Recovery Wave," World Waterpark Association, April 2022
"What's Next for Waterparks?," World Waterpark Association, April, 2021
"COVID-19 Impact on U.S. Waterparks," Hotel Online, August 2020
"Hotel Feasibility Study Methodology," July 2020
"Waterpark Financing Fundamentals," World Waterpark Association, June 2020
"U.S. and Canada Waterpark Resort Trends in 2020," World Waterpark Magazine, Hotel Online, April 2020
"Diving into Waterpark Growth Trends in 2019," World Waterpark Magazine, Hotel Online, April 2019
"Waterparks: What's on Deck on 2018?," World Waterpark Magazine, Hotel Online, April 2018
"2017 Waterpark Forecast: Continued Growth," World Waterpark Magazine, Hotel Online, April 2017
"2016's Waterpark Forecast: Bigger is Better," Hotel News Now, World Waterpark Magazine, March 2016
"2015 Indoor and Outdoor Waterpark Supply Continues Growth as Surf Simulators Take Center Wave," Hotel News Now, April 2015
"2014 Waterpark Resorts Supply and Demand Update" Hotel News Now, March 2014
"Room Service more than Revenue Generator" Hotel News Now, August 2013
"Waterpark Resorts Supply and Demand 2013 Update" Hotel Online, January 2013
"Weight Loss Resorts are Boon for Developers" Hotel News Now, August 2012
"Perform Market Analysis with a Feasibility Study for Indoor Waterpark Resorts and Outdoor Waterparks" Appraisal Journal Spring 2012 and WWA Development Guide
"Top 10 Largest Hotel Brands Average Sale Prices" Hotel News Now, September 2011
"Waterpark Resorts Supply and Demand 2011 Update" Hotel News Now, August 2011
"The Lodging Market is Improving in Ohio's Big Cities" Hotel Online, September 2010
"Financing your Indoor Waterpark Resort in 2010" Hotel News Now, June 2010
"2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes?" Hotel Online, Nov. 2009
"Outdoor Waterparks: Private vs. Municipal" Aquatics International, September, 2009
"Indoor Waterpark Resort Supply Grows and Faces Challenges in 2009" Hotel News Now February, 2009
"Dealing With the Economic Downturn: 10 Ideas for Hotels and Resorts" Hotel Online, December, 2008
"Indoor Waterparks Surfing a Wave in North America in '08," Hotel Online, July 2008 and Water Leisure and Lodging, July, 2008
"Economic Impact Studies Help Land Financing" Hotel Motel Management, May 2008
"Unique Ways for Resorts to Radically Increase Revenue" Developments Magazine an ARDA Publication, April, 2008
"Indoor Waterparks Supply and Demand Growth in '07," Lodging Hospitality, September 2007
"Appraisal & Market Analysis of Indoor Waterpark Resorts," Waterpark Development & Expansion Guide '07

Quoted extensively in CNN.com, Columbus Business First, Columbus Monthly, Hotel Business, Columbus Dispatch, Cleveland Crain's, Cleveland Plain Dealer, Cincinnati Business Courier, Hotel News Now, Cornell Hotel and Restaurant Quarterly, Meeting News, Aquatics International, Midwest Real Estate News, New York Times, CNBC, Albany Times Union, RCI Ventures, Time Magazine, USA Today, and other publications. He has appeared on CNBC, ABC, and Fox8 News on segments concerning resorts and waterparks.

Speaking Engagements

- "Understanding the Data: A Breakdown of Attractions Industry Trends," International Association of Amusement Parks and Attractions Expo, 2025
- "Waterpark Resorts Market/Feasibility Analysis and Appraisal" presentations at the World Waterpark Association annual conventions in 2003 to 2025
- "Impact of Whitewater Waterpark Equipment on Resorts," International Society of Hospitality Consultants Conference, 2021, and the International Association of Amusement Parks and Attractions Expo, 2022
- "Water Parks: Impact from COVID-19 Pandemic in 2020 and Recovery in 2021", IAAPA Expo, 2021
- "U.S. Waterpark and Waterpark Resort Trends," 2020 World Waterpark Association Symposium, Virtual
- "Global Valuation," International Society of Hospitality Consultants webinar, 2020 and 2021
- "Virtual Reality Entertainment in Hotels," InfoComm 2019, Orlando, FL
- "Hotel Valuation Techniques," Institute for Professionals in Taxation Annual Symposium, 2018, Orlando, FL
- "Ohio Lodging Overview," Ohio Hotel & Lodging Association Annual Meeting, 2017, Columbus, OH
- "Hotels & Waterpark Industry – Insights, Trends, and Valuation Keys" May 2016 at the Appraisal Day Seminar by the International Right-of-Way Association, Columbus, OH
- "Revenue Management-to Do List" Nov. 2014 at NATHIC Hotel Investment Seminar, Chicago, IL
- "The Food Revolution" Nov. 2013 for NATHIC Hotel Investment Seminar, Chicago, IL
- "Waterparks and Resorts Outlook" April 2013 for Aquatics International webinar
- "Hotel Valuation Seminar" October 2012 at the Integra Realty Resources appraiser training, Las Vegas, NV
- "Suburban Hotels Panel" July 2012 at the Midwest Lodging Investors Summit in Chicago, IL
- "Overview of Cleveland Lodging Market" April 2012 at the OHLA Cleveland Lodging Council Meeting
- "Cleaning up Hotel Distress" July 2011 at the Midwest Lodging Investors Summit, Chicago, IL
- "Valuation Issues Affecting Hotel Properties in the Current Real Estate Economy" August 2010 at the Institute for Professionals in Taxation in Cleveland, OH
- "Indoor Waterpark Resorts: Where Are the Opportunities?" July 2010 at the Midwest Lodging Investors Summit, Chicago, IL
- "Opportunities for Innovation" April 2010 at the Cornell University School of Hotel Administration's Hotel Ezra Cornell (HEC) conference, Ithaca, NY
- "Case Study Presentation on Performing a Market Feasibility Study" October 2009 at the International Society of Hospitality Consultants annual conference, Québec City
- "Insights into 2010 Market Performance" October 2009 - a video segment on Hotel News Network interviewing Mr. Sangree along with other leading ISHC consultants
- "Hotel Financing Track - Taking Advantage of Distress: Where are the Opportunities?", July 2009 at the Midwest Lodging Investors Summit, Chicago, IL
- "Seminar on Hospitality Industry" February 2008 at the Northern Ohio Chapter of the Appraisal Institute quarterly meeting, Cleveland, OH
- "Challenges of Obtaining Financing for Indoor Waterpark Resorts," November 2007 at the World Resort Leadership and Development Conference, Orlando, FL
- "Water Park Wars" An in-depth news segment on Good Morning America on June 23, 2007
- Guest Speaker at Cornell University's School of Hotel Administration and Michigan State University's School of Hospitality Business

Litigation Assignments Involving Expert Testimony

United States District Court Tampa Division (2024)
Re: Crystal Lagoons US Corp. and Crystal Lagoons Technologies vs Oasis Amenities

York County Board of Equalization (2024)
Re: Water Country USA, Williamsburg, Virginia

Superior Court of California - El Dorado County (2023)
Re: Quarry Park Adventures, Rocklin California

American Arbitration Association (2023)
Re: Murraysville Golf Course, Murraysville, Pennsylvania

Licking County Ohio Common Pleas Court (2023)
Re: Moundbuilders Country Club, Newark, Ohio

Ohio Board of Tax Appeals (2023)
Re: Marriott Hotel at Key Tower, Cleveland, Ohio

Franklin County, Ohio Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio

Montgomery County, Ohio Common Pleas Court (2023)
Re: Hampton Inn, Sidney; Best Western Plus Dayton Northwest, Englewood; Best Western Plus Dayton South, Dayton; Quality Inn and Suites South, Obetz; and Super 8 Zanesville, Ohio

Ohio Board of Tax Appeals and Cuyahoga County Board of Revision (2023)

Re: Doubletree Hotel, Independence, Ohio, Doubletree Hotel, Westlake, Ohio, Best Western Plus, Strongsville, Ohio

Board of Revision, Franklin County, Ohio (2022)
Re: Fairfield Inn, Columbus, Ohio

Board of Revision, Belmont County, Ohio (2022)
Re: Days Inn, Belmont, Ohio

Ohio Board of Tax Appeals (2022)
Sheraton Suites, Cuyahoga Falls, Ohio

Circuit Court of Fond du Lac County, Wisconsin (2022)
Re: Hampton Inn, Fond du Lac, Wisconsin

Board of Revision, Cuyahoga County, Ohio (2021)
Re: Crowne Plaza Hotel, Cleveland, Ohio

Board of Revision, Summit County, Ohio (2021)
Re: Sheraton Suites, Cuyahoga Falls; Doubletree, and Hilton Hotel, Fairlawn, Ohio

Board of Revision of Hamilton County, Ohio (2020)
Re: Cincinnati Hotel

Board of Revision of Cuyahoga County, Ohio (2020/2022/2023)
Re: Hampton Inn Brooklyn, Ohio

Board of Revision of Cuyahoga County, Ohio (2019)
Re: Doubletree Cleveland, Ohio

Board of Revision of Medina County, Ohio (2019)
Re: Fairfield Inn & Suites, Medina, Ohio

State of Wisconsin Circuit Court (2019)
Re: American Transmission Company LLC vs Helugus, LLC, Sauk County, Wisconsin

District Court of Moore County, Texas (2018)
Re: Holiday Inn Express, Dumas, Texas

Ohio Board of Tax Appeals & BOR (2018, 2015 & 2013)
Re: Thistledown Racetrack, Warrensville Heights, Ohio

Boone County, Kentucky Board of Revision (2015)
Turfway Park, Florence, Kentucky

Lancaster County, Pennsylvania Common Pleas Court (2014)
Re: Sight & Sound Theater, Strasburg, Pennsylvania

Sauk County, Wisconsin Circuit Court (2014)
Re: Great Wolf Lodge Wisconsin Dells, Wisconsin

Somerset County, Pennsylvania Common Pleas Court (2013)
Re: Hidden Valley Resort, Somerset, Pennsylvania

Ohio Board of Tax Appeals (2013)
Re: Maui Sands Hotel, Sandusky, Ohio

Hamilton County, Ohio Board of Revision (2012)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County, Ohio Board of Revision (2012)
Re: 3 McDonald's Restaurants

U.S. Bankruptcy Court (2012)
Re: Holiday Inn Express Houston, Texas

Franklin County, Ohio Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus, Ohio

State of Tennessee Administrative Court (2012)
Re: Embassy Suites Murfreesboro, Tennessee

Clark County, Nevada District Court (2012)
Re: Stallion Mountain Country Club, Las Vegas, Nevada

Litigation Assignments Involving Expert Testimony

State of Michigan Tribunal (2011)
Re: Radisson Hotel, Kalamazoo, Michigan

Franklin County, Ohio Board of Revision (2011)
Re: Sheraton Suites, Columbus, Ohio

Nebraska Tax Equalization & Review Commission (2011)
Re: LaVista Conference Center, LaVista, Nebraska

State of Virginia Circuit Court (2011)
Re: Keswick Club, Charlottesville, Virginia

Licking County, Ohio Board of Revision (2010)
Re: Cherry Valley Lodge and CoCo Key Indoor Waterpark,
Newark, Ohio

Ohio Board of Tax Appeals (2010)
Re: Doubletree Hotel, Independence, Ohio

Ohio Board of Tax Appeals (2010)
Re: Courtyard Hotel, Willoughby, Ohio

San Diego, California Superior Court (2010)
Re: La Costa Resort and Spa, Carlsbad, California

Hamilton County, Ohio Board of Revision (2010)
Re: Crowne Plaza and Fairfield Inn, Sharonville, Ohio

United States Bankruptcy Court (2010)
Re: Peek 'n Peak Resort, Findley Lake, New York

Board of Review, Lake Delton, Wisconsin (2009)
Re: Great Wolf Lodge Wisconsin Dells

Cuyahoga County, Ohio Board of Revision (2008)
Re: Residence Inn, Cleveland, Ohio

Marion County, Indiana Superior Court (2008)
Re: Indiana Stadium and Convention Building Authority vs.
Michael A. Maio

New York Supreme Court, Niagara County (2008)
Re: Splash Outdoor Waterpark

State of Virginia Circuit Court (2005 and 2008)
Re: Keswick Club, Charlottesville, Virginia

Hamilton County, Ohio Board of Revision (2006)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County, Ohio Board of Revision (2005)
Re: Various Residence Inns, Hilton Garden Inn, Embassy
Suites, Cuyahoga County, Ohio

United States Bankruptcy Court (2004)
Re: Days Inn, Monroeville, Pennsylvania

State of Florida Circuit Court (2004)
Re: Howard Johnson Plaza, Orlando, Florida

Hamilton County, Ohio Board of Revision (2003)
Re: Preston Hotel, Sharonville, Ohio

Cuyahoga County, Ohio Board of Revision (2003)
Re: Radisson Gateway Hotel, Cleveland, Ohio

Nationwide Insurance versus Motor Inn, Inc. (2003)
Re: Drawbridge Inn, Fort Mitchell, Kentucky

ANTHONY DIPONIO, CHIA

ASSOCIATE

Contact

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Education

Bachelor of Arts in Hospitality Business, Michigan State University

Professional Certifications

Registered Real Estate Appraiser Assistant in Ohio
Certification in Hotel Real Estate Investment and Asset Management, Cornell University
Certification in Hotel Industry Analytics

Professional Affiliations

- Ohio Travel Association
- National Golf Foundation
- International Association of Amusement Parks and Attractions
- World Waterpark Association
- Michigan State University Alumni Association
- Outdoor Hospitality Industry

Experience

- Associate - Hotel & Leisure Advisors, Cleveland, Ohio - Present
- Director of Hotel Operations - Element Hotel Detroit at The Metropolitan Building, Detroit, Michigan
- Site Manager - Trilogy Corporate Services - BAE Systems, Sterling Heights, Michigan
- Executive Housekeeper - Spire Hospitality - Embassy Suites Detroit/Livonia, Livonia, Michigan
- Executive Housekeeper - Winegardner & Hammons Hotel Group - The Phelps, Cincinnati, Ohio
- Executive Housekeeper/Operations Manager - various Drury Hotels properties: Springfield, Illinois; Findlay, Ohio; Columbus, Ohio; and Dayton, Ohio

Anthony prepares appraisals, market feasibility studies, economic impact studies, and impact studies throughout the United States. Anthony's expertise is in the evaluation of hospitality and leisure properties, including hotels, resorts, waterparks, golf courses and other leisure real estate. He has expertise in financial statement analysis, competitive benchmarking, market analysis, and operations. Prior to his tenure at Hotel & Leisure Advisors, he worked in management roles at eight hotels throughout the Midwest United States. As Director of Hotel Operations for the Element Hotel in Detroit, his property was in the top 10 within the brand for Intent to Recommend, Cleanliness, and Staff Service. Anthony earned a Bachelor of Arts from Michigan State University's School of Hospitality Business, and a certificate in Hotel Real Estate Investment and Asset Management from Cornell University's Nolan School of Hotel Administration.

Published Articles

"As Camping Popularity Surges, RV Resorts Look to Capitalize With Hotel-Like Comforts," July 2023, Hotel Online

Presentations

"Methodology for Feasibility Studies for Waterparks and Hotels" presentation at the World Waterpark Association Annual Convention 2024

ADDENDUM II



Demographic and Income Profile

Bastrop County, TX
 Bastrop County, TX (48021)
 Geography: County

Prepared by Esri

Summary	Census 2010	Census 2020	2025	2030
Population	74,173	97,216	113,298	130,340
Households	25,841	33,267	39,765	46,411
Families	18,721	24,062	28,014	32,507
Average Household Size	2.78	2.86	2.80	2.77
Owner Occupied Housing Units	19,917	25,267	31,041	37,160
Renter Occupied Housing Units	5,924	8,000	8,724	9,251
Median Age	38.3	38.5	39.4	40.4

Trends: 2025-2030 Annual Rate	Area	State	National
Population	2.84%	1.10%	0.42%
Households	3.14%	1.41%	0.64%
Families	3.02%	1.31%	0.54%
Owner HHs	3.66%	1.80%	0.91%
Median Household Income	1.75%	2.27%	2.53%

Households by Income	2025		2030	
	Number	Percent	Number	Percent
<\$15,000	1,748	4.4%	1,787	3.9%
\$15,000 - \$24,999	2,149	5.4%	2,006	4.3%
\$25,000 - \$34,999	2,513	6.3%	2,491	5.4%
\$35,000 - \$49,999	3,945	9.9%	4,100	8.8%
\$50,000 - \$74,999	8,250	20.7%	9,370	20.2%
\$75,000 - \$99,999	5,427	13.6%	6,336	13.7%
\$100,000 - \$149,999	8,978	22.6%	11,093	23.9%
\$150,000 - \$199,999	4,622	11.6%	6,181	13.3%
\$200,000+	2,131	5.4%	3,045	6.6%
Median Household Income	\$79,670		\$86,871	
Average Household Income	\$98,922		\$106,068	
Per Capita Income	\$34,788		\$37,828	

Population by Age	Census 2010		Census 2020		2025		2030	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0 - 4	5,015	6.8%	5,983	6.2%	6,772	6.0%	7,672	5.9%
5 - 9	5,415	7.3%	6,543	6.7%	7,263	6.4%	7,803	6.0%
10 - 14	5,751	7.8%	7,296	7.5%	7,515	6.6%	8,330	6.4%
15 - 19	5,156	7.0%	6,988	7.2%	7,509	6.6%	7,751	5.9%
20 - 24	3,858	5.2%	5,575	5.7%	6,937	6.1%	7,424	5.7%
25 - 34	8,597	11.6%	11,742	12.1%	14,122	12.5%	16,956	13.0%
35 - 44	10,184	13.7%	12,559	12.9%	14,863	13.1%	17,097	13.1%
45 - 54	11,887	16.0%	12,117	12.5%	13,809	12.2%	16,305	12.5%
55 - 64	9,809	13.2%	13,200	13.6%	13,982	12.3%	14,860	11.4%
65 - 74	5,046	6.8%	9,910	10.2%	12,539	11.1%	14,837	11.4%
75 - 84	2,517	3.4%	4,038	4.2%	6,399	5.6%	8,968	6.9%
85+	938	1.3%	1,265	1.3%	1,588	1.4%	2,337	1.8%

Race and Ethnicity	Census 2010		Census 2020		2025		2030	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White Alone	54,751	73.8%	55,730	57.3%	61,657	54.4%	67,862	52.1%
Black Alone	5,772	7.8%	5,759	5.9%	6,501	5.7%	7,391	5.7%
American Indian Alone	739	1.0%	1,268	1.3%	1,448	1.3%	1,666	1.3%
Asian Alone	489	0.7%	765	0.8%	1,124	1.0%	1,385	1.1%
Pacific Islander Alone	66	0.1%	74	0.1%	92	0.1%	112	0.1%
Some Other Race Alone	10,207	13.8%	16,953	17.4%	21,459	18.9%	26,260	20.1%
Two or More Races	2,149	2.9%	16,667	17.1%	21,017	18.6%	25,664	19.7%
Hispanic Origin (Any Race)	24,191	32.6%	41,484	42.7%	52,542	46.4%	64,381	49.4%

Data Note: Income is expressed in current dollars.

Source: Esri forecasts for 2025 and 2030. U.S. Census Bureau 2020 decennial Census in 2020 geographies.

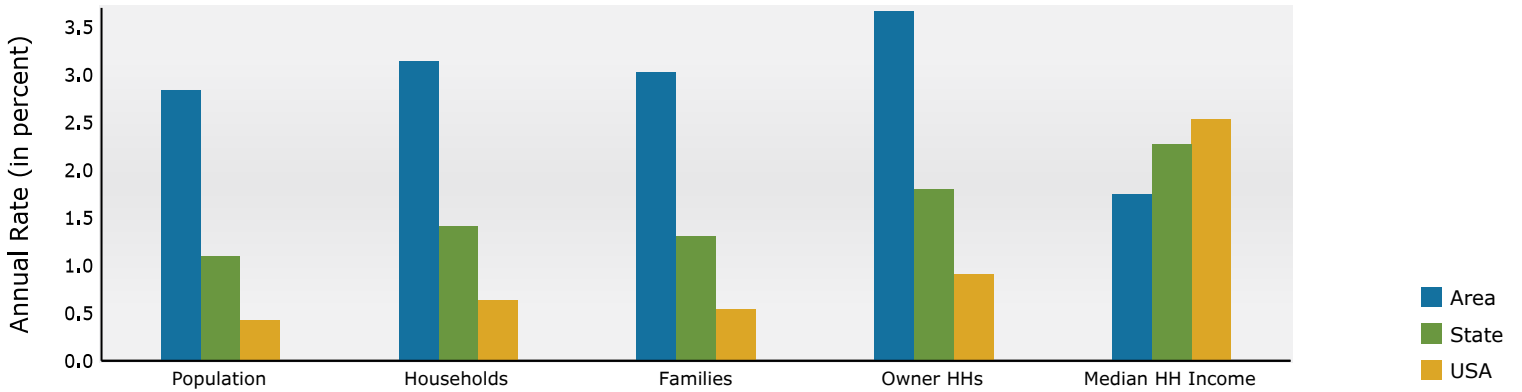


Demographic and Income Profile

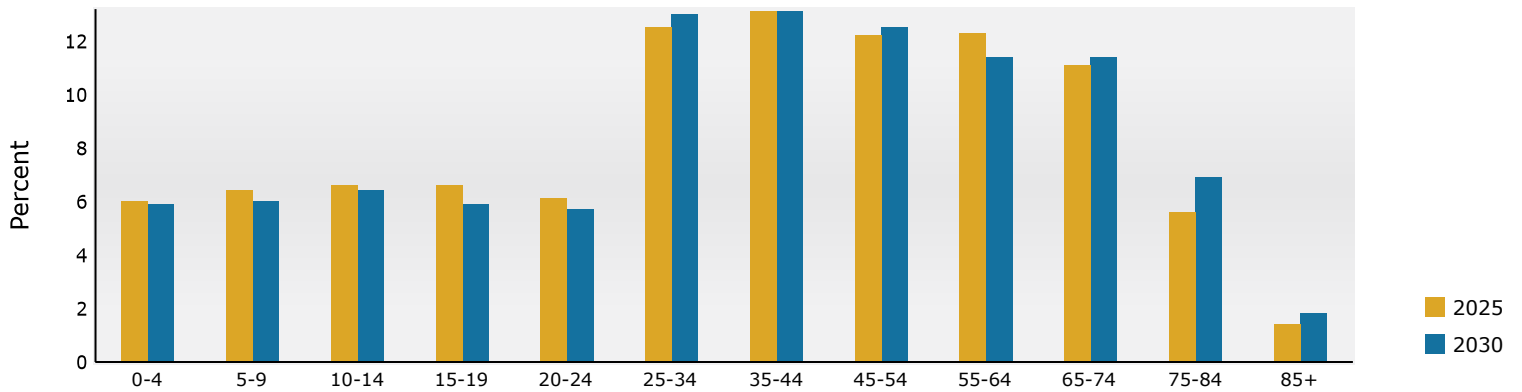
Bastrop County, TX
 Bastrop County, TX (48021)
 Geography: County

Prepared by Esri

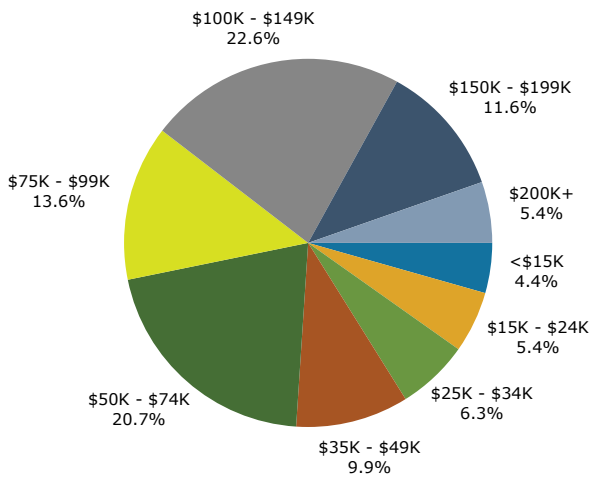
Trends 2025-2030



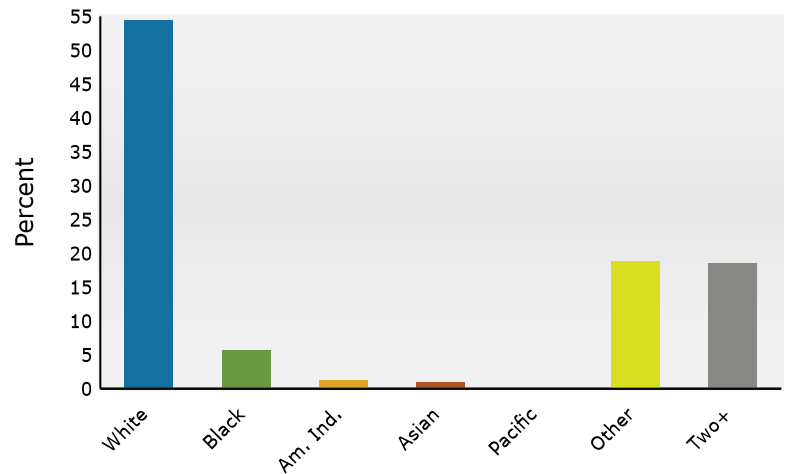
Population by Age



2025 Household Income



2025 Population by Race



2025 Percent Hispanic Origin: 46.4%

Source: Esri forecasts for 2025 and 2030. U.S. Census Bureau 2020 decennial Census in 2020 geographies.

ADDENDUM III

Use Name	Multiplier Description	GFA by Building	Hotel Rooms	Restaurant SF	Required Parking
Entertainment (theater, bowling, skating, arcade, etc)	1 space per 250 SQ. FT. GFA	2,000			8
Hotel	1 space per rentable room		300		300
Restaurant	1 space per 100 SQ. FT. GFA			4,000	40
Assembly, theater, auditorium (Ballroom / Conference)	1 space per 40 SQ. FT. Assembly area or 1 space per 4 fixed seats	40,000			1,000
Retail, Personal Service, General Commercial (Spa)	1 space per 250 SQ. FT. GFA	5,000			20
Total Parking Spaces					1,368



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

OPTION 1 - CONCEPTUAL SITE PLAN

SC: 1" = 200' - 0"

03/20/2026

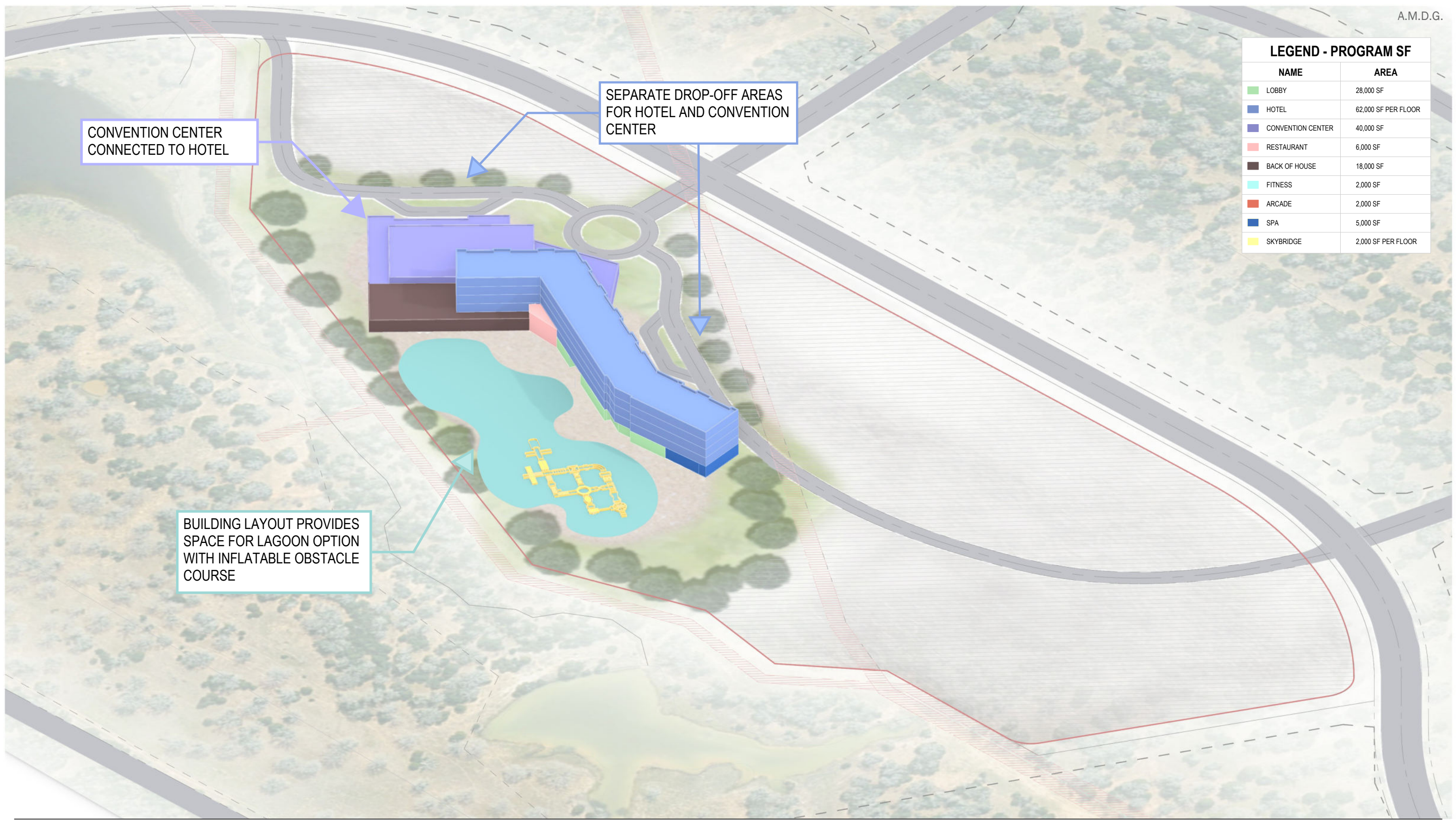


LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR

CONVENTION CENTER CONNECTED TO HOTEL

SEPARATE DROP-OFF AREAS FOR HOTEL AND CONVENTION CENTER

BUILDING LAYOUT PROVIDES SPACE FOR LAGOON OPTION WITH INFLATABLE OBSTACLE COURSE



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

OPTION 1 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

03/20/2026



LEGEND - PROGRAM SF

NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR

ANGLED HOTEL PROVIDES ROOM VIEWS THAT ENCOMPASS THE LAGOON

TWO-ACRE LAGOON WITH INFLATABLE OBSTACLE COURSE

TRAFFIC CIRCLE OPTIMIZES VEHICULAR FLOW FOR HOTEL AND CONVENTION CENTER

CENTRAL LOBBY AND PREFUNCTION SPACE

THREE SEPARATE LOTS FOR SHARED PARKING

ACCESS ROAD TO FM 20

CITY OF BASTROP - HOTEL AND CONVENTION CENTER

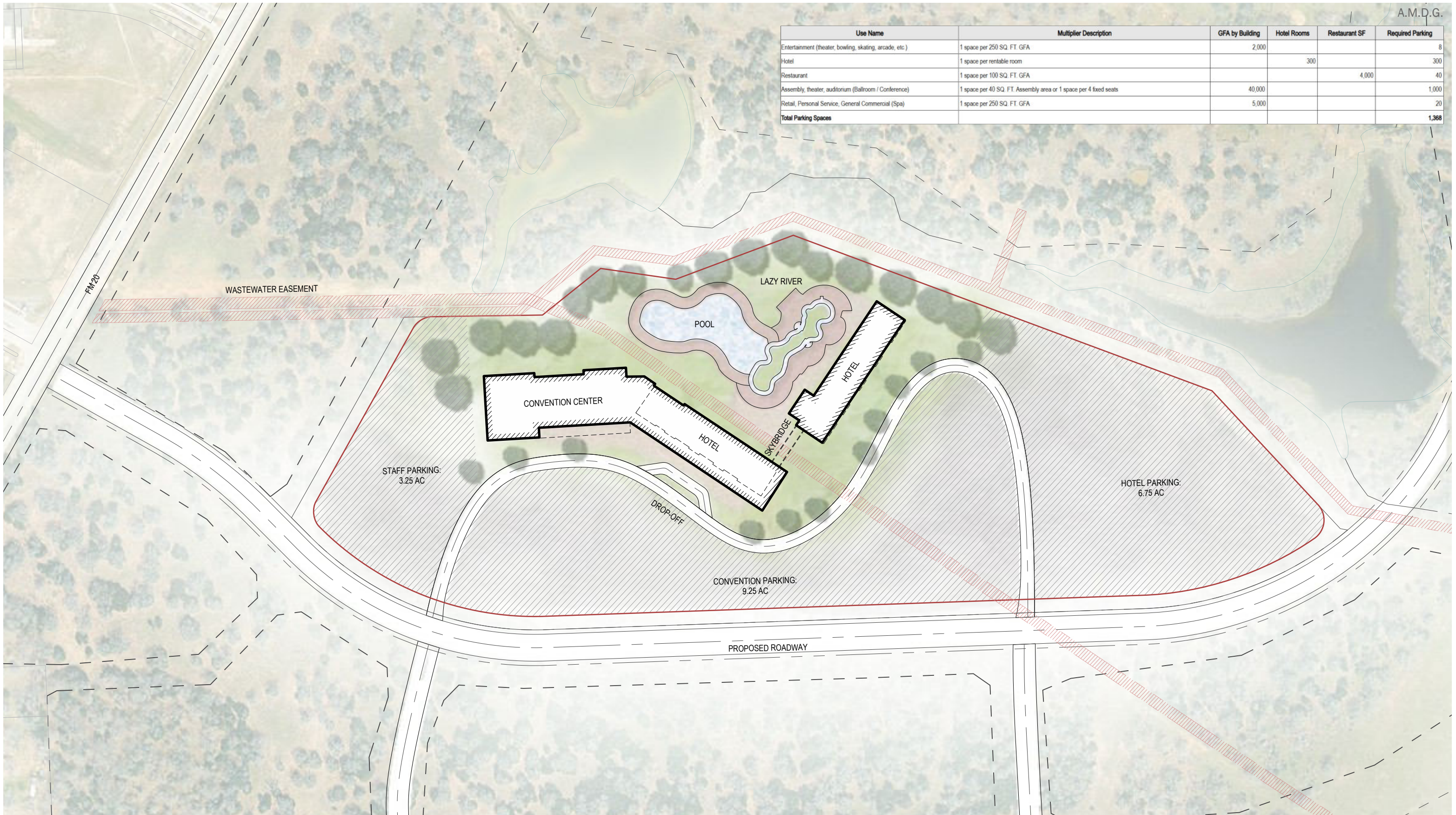
OPTION 1 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

03/20/2026



Use Name	Multiplier Description	GFA by Building	Hotel Rooms	Restaurant SF	Required Parking
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Total Parking Spaces					1,368



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

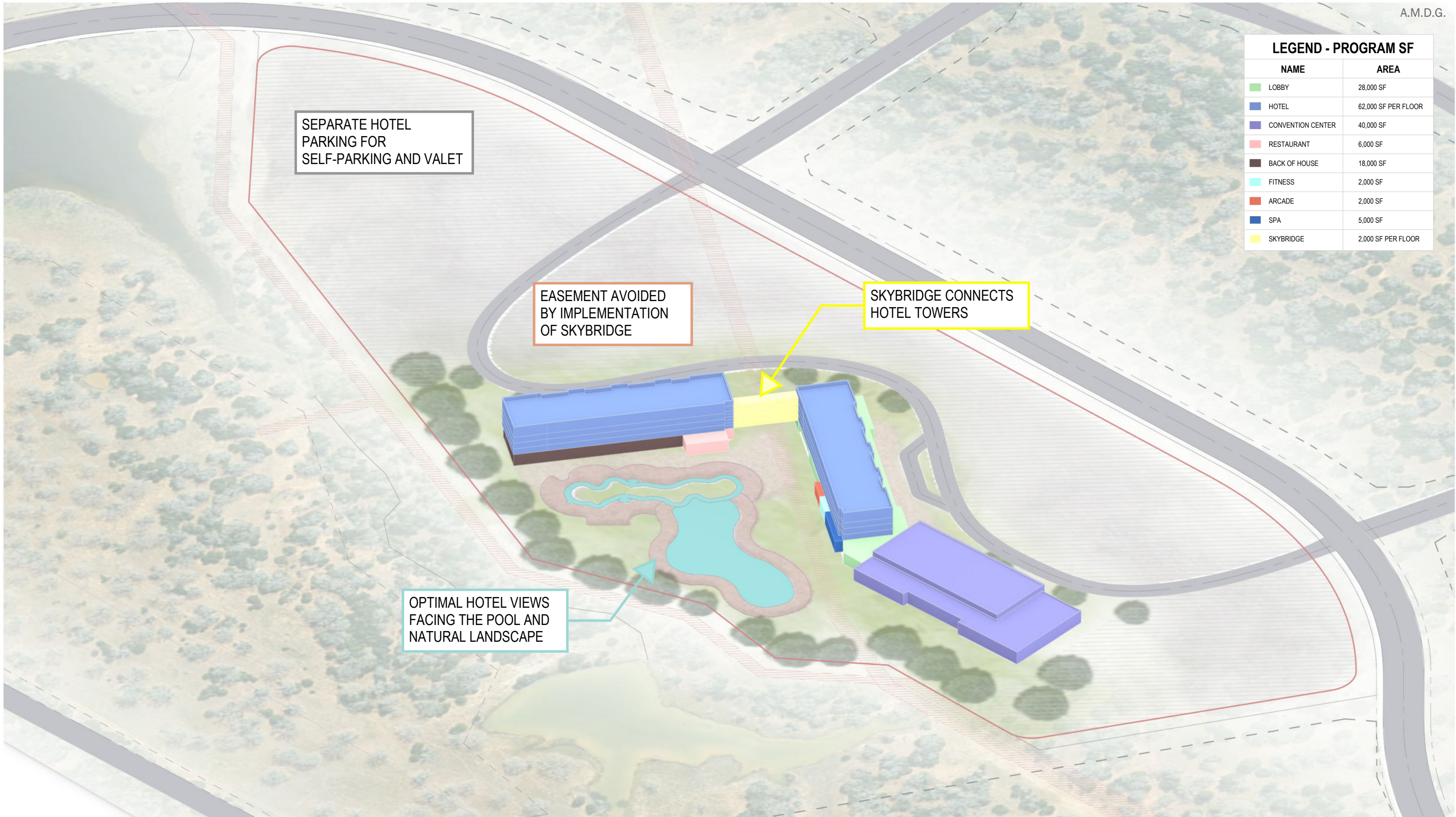
OPTION 2 - CONCEPTUAL SITE PLAN

SC: 1" = 200' - 0"

03/20/2026



LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

OPTION 2 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

03/20/2026



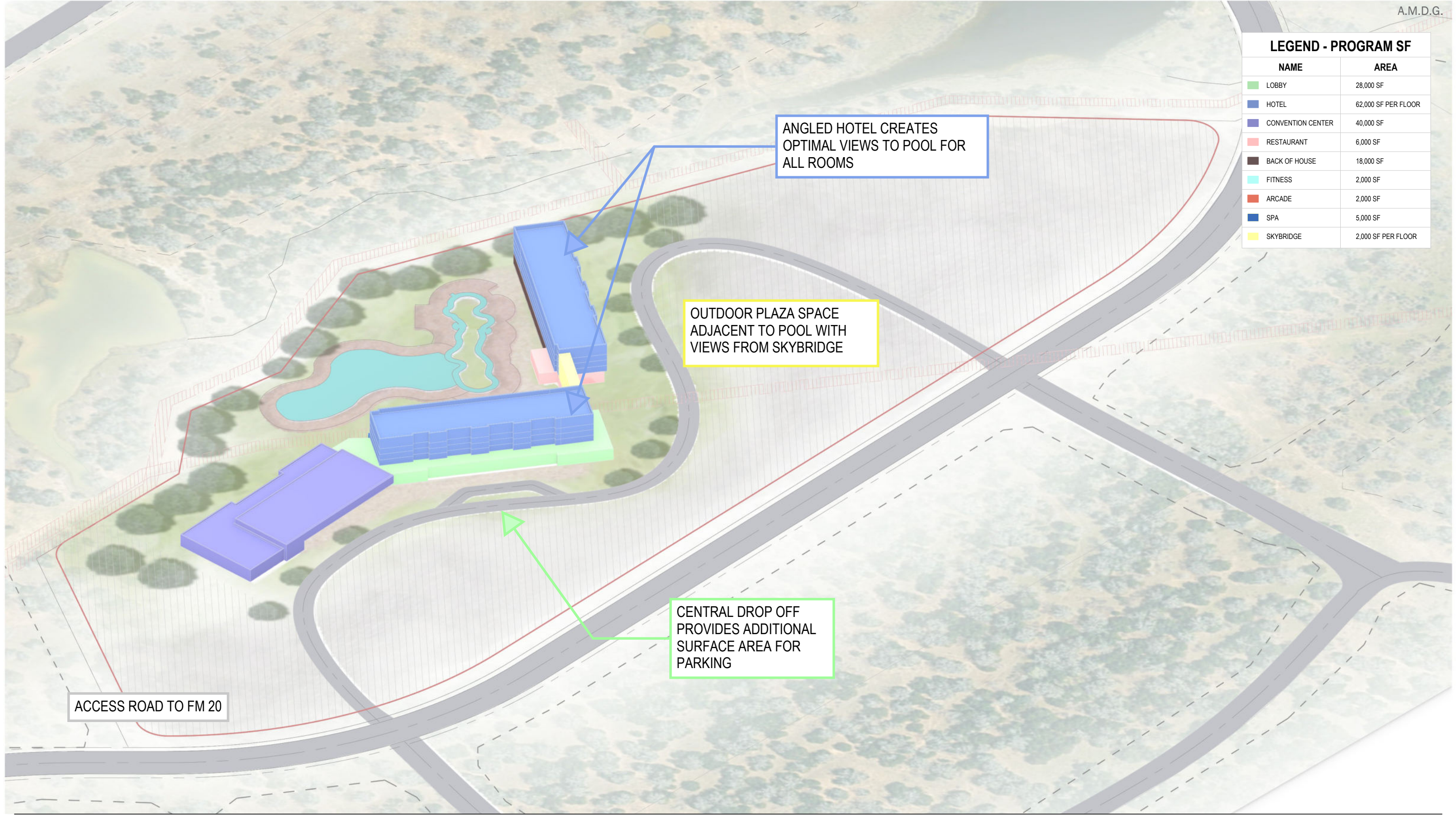
LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR

ANGLED HOTEL CREATES OPTIMAL VIEWS TO POOL FOR ALL ROOMS

OUTDOOR PLAZA SPACE ADJACENT TO POOL WITH VIEWS FROM SKYBRIDGE

CENTRAL DROP OFF PROVIDES ADDITIONAL SURFACE AREA FOR PARKING

ACCESS ROAD TO FM 20



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

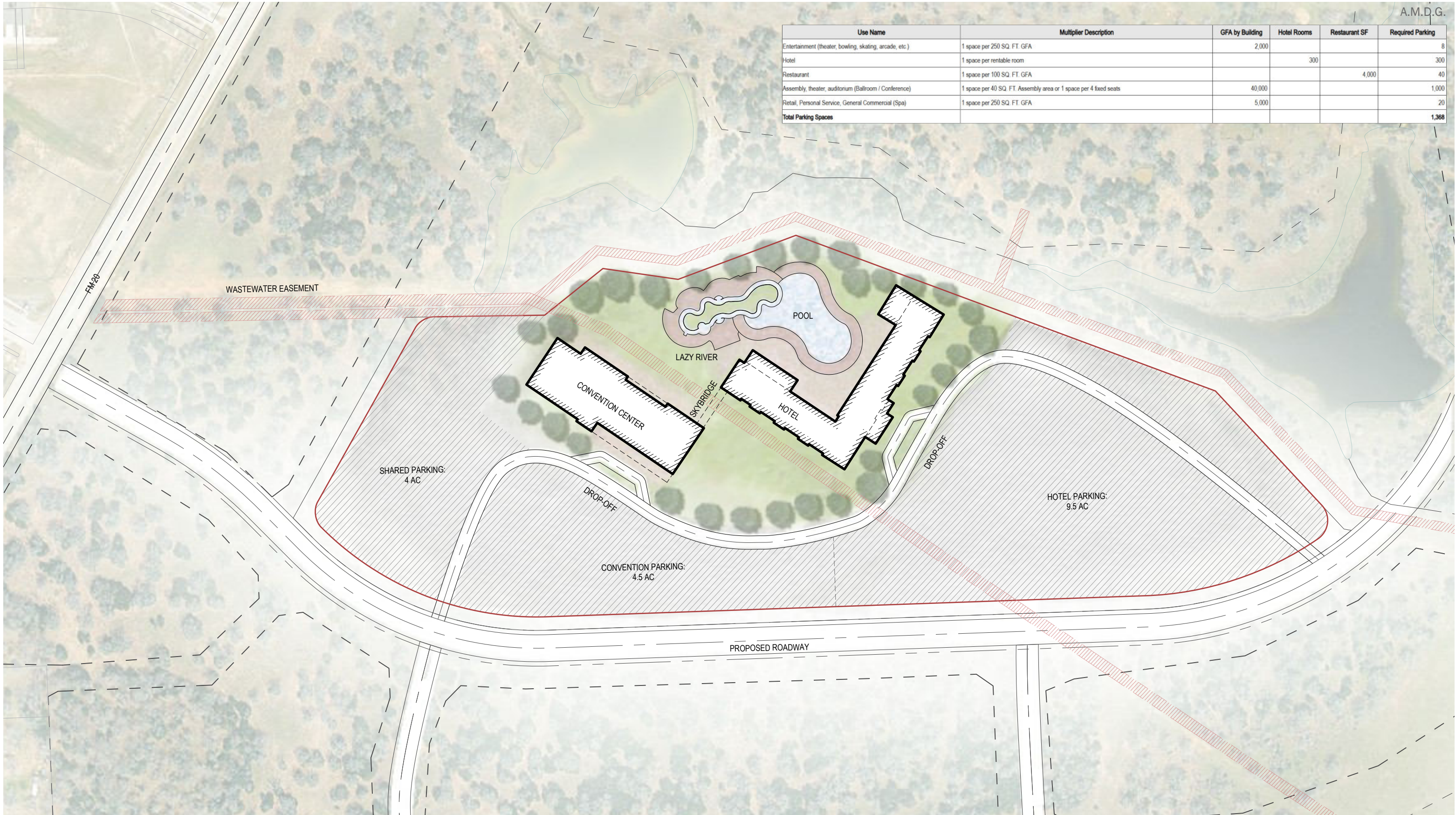
OPTION 2 - PRELIMINARY CONCEPT MASSING

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03/20/2026



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Retail, Personal Service, General Commercial (Spa)	1 space per 250 SQ. FT. GFA	5,000			20
Total Parking Spaces					1,368



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

OPTION 3 - CONCEPTUAL SITE PLAN

SC: 1" = 200' - 0"

03/20/2026



LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

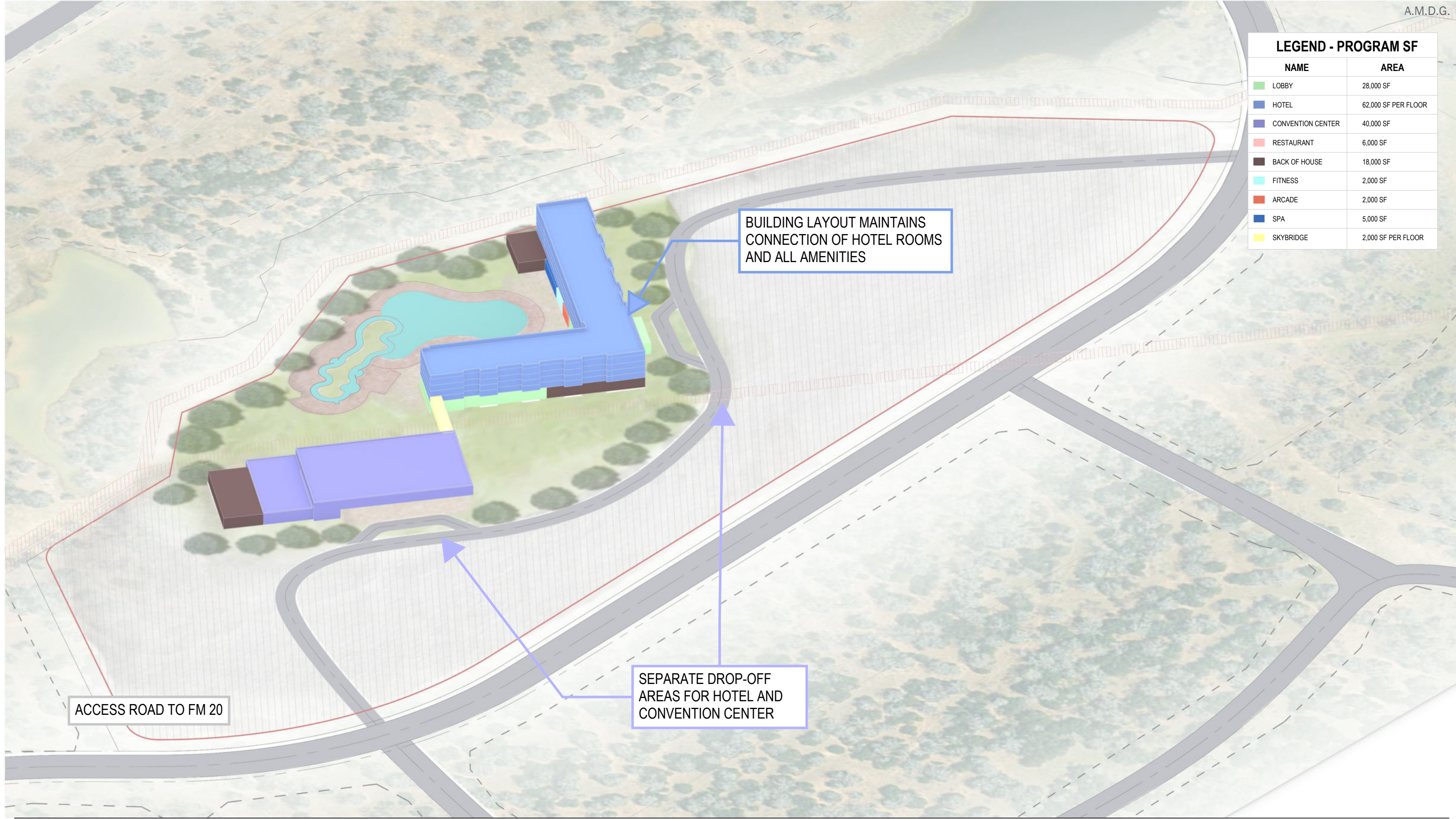
OPTION 3 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

03/20/2026



LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	62,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
SKYBRIDGE	2,000 SF PER FLOOR



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

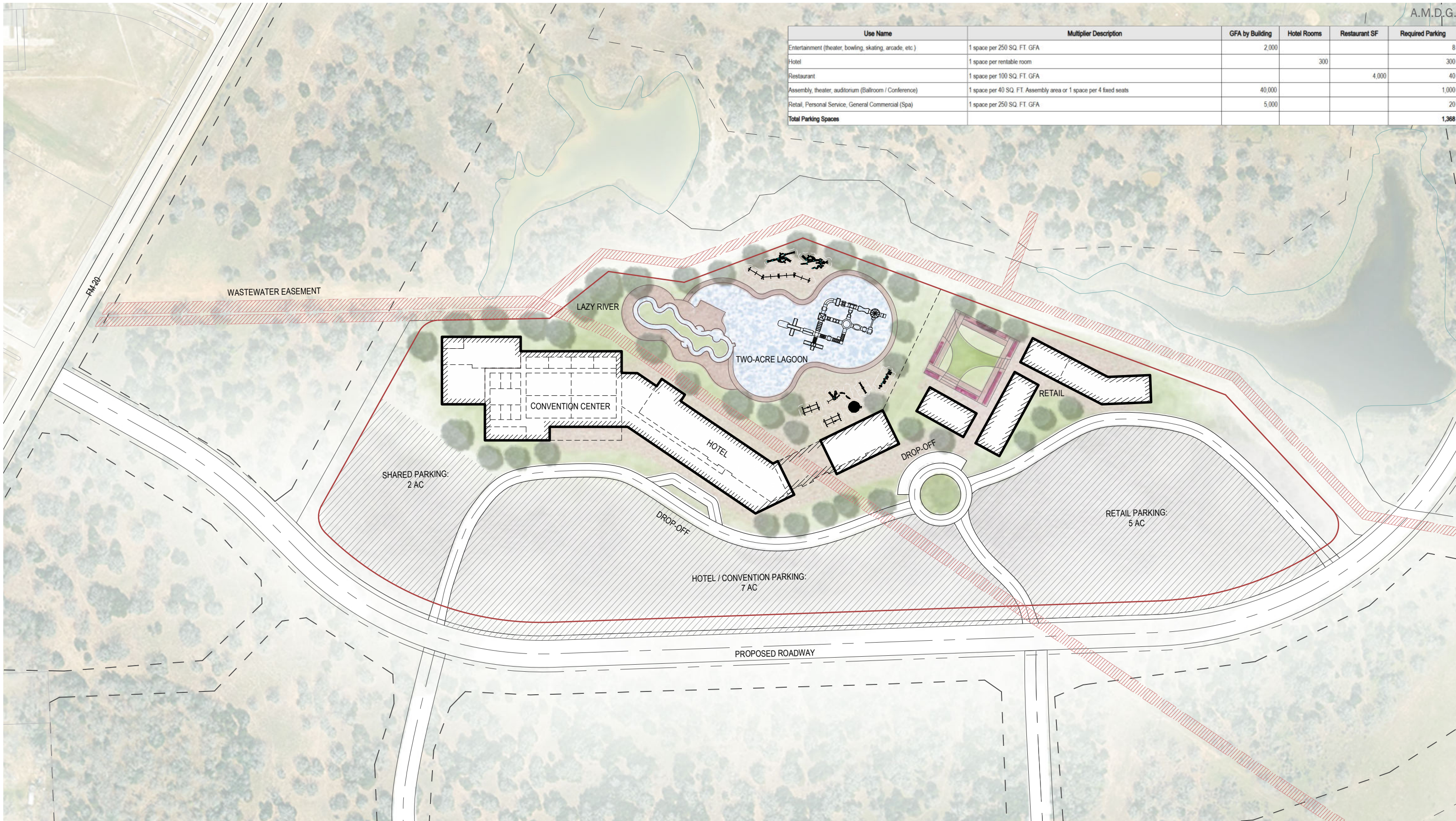
OPTION 3 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

03/20/2026



Use Name	Multiplier Description	GFA by Building	Hotel Rooms	Restaurant SF	Required Parking
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Hotel	1 space per rentable room		300		300
Restaurant	1 space per 100 SQ. FT. GFA			4,000	40
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Total Parking Spaces					1,368



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

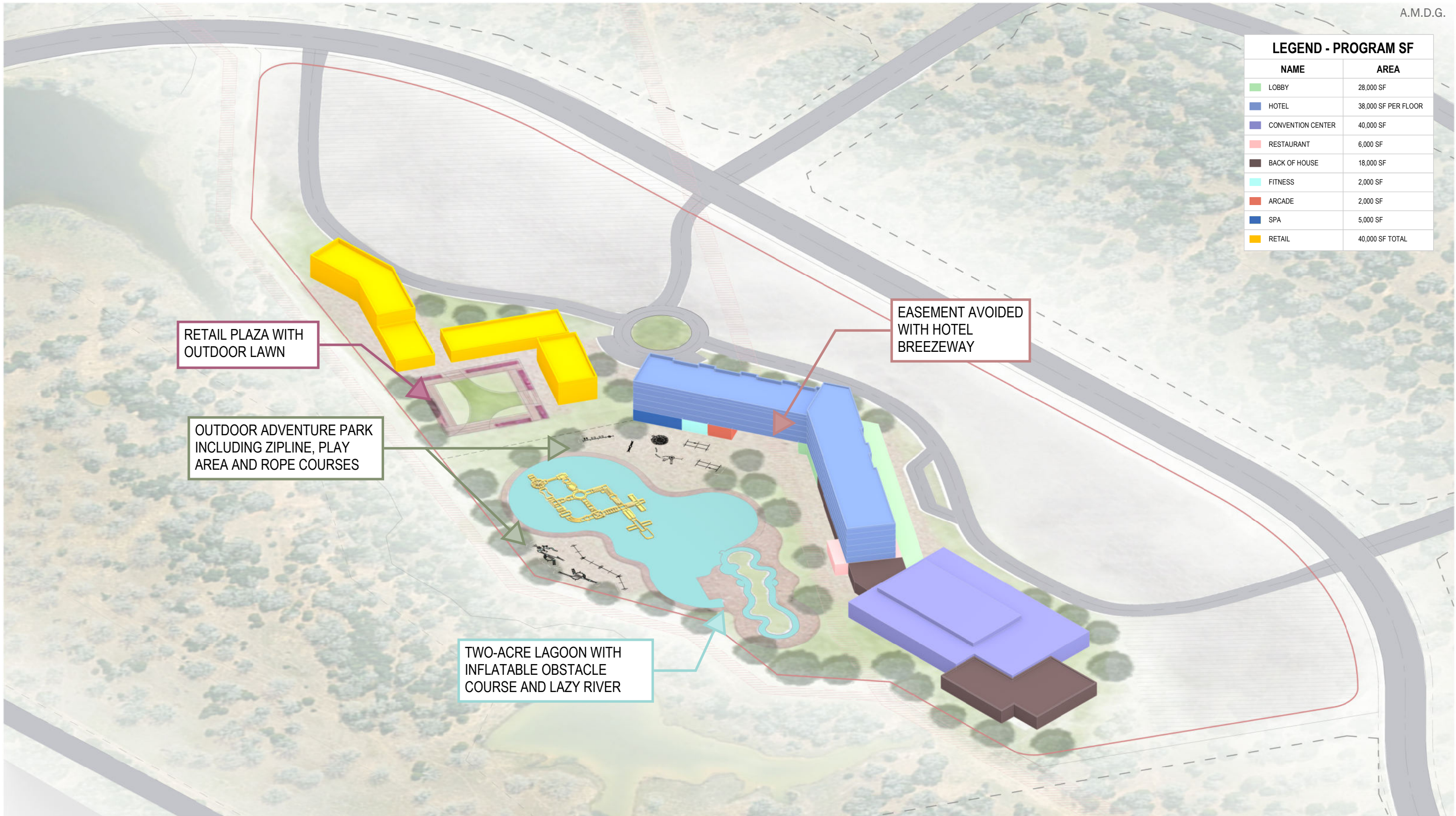
OPTION 4 - CONCEPTUAL SITE PLAN

SC: 1" = 200' - 0"

04/14/2026



LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	38,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	18,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
RETAIL	40,000 SF TOTAL



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

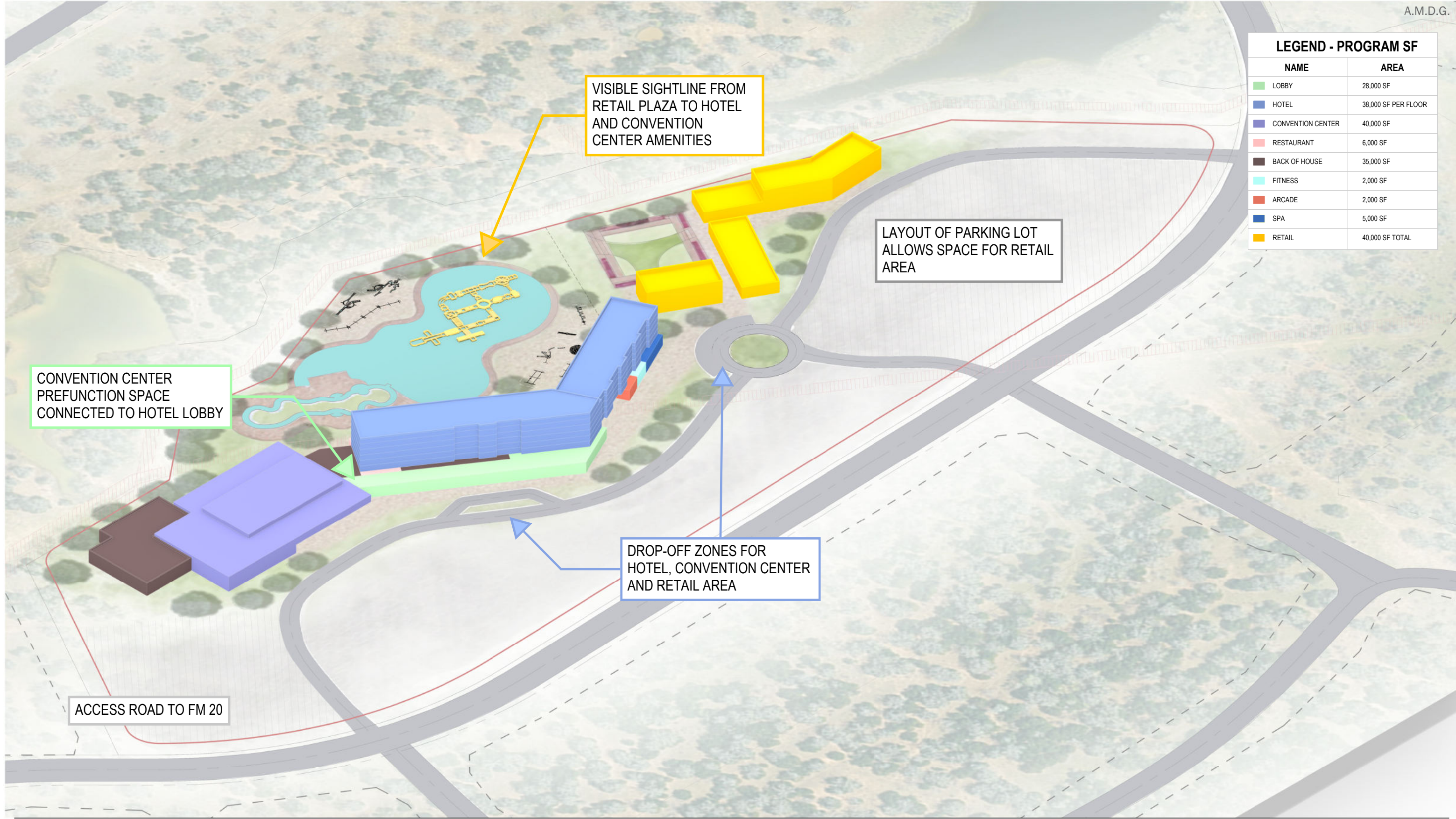
OPTION 4 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

04/14/2026



LEGEND - PROGRAM SF	
NAME	AREA
LOBBY	28,000 SF
HOTEL	38,000 SF PER FLOOR
CONVENTION CENTER	40,000 SF
RESTAURANT	6,000 SF
BACK OF HOUSE	35,000 SF
FITNESS	2,000 SF
ARCADE	2,000 SF
SPA	5,000 SF
RETAIL	40,000 SF TOTAL



CITY OF BASTROP - HOTEL AND CONVENTION CENTER

OPTION 4 - PRELIMINARY CONCEPT MASSING

SC: 1" = 200' - 0"

04/14/2026

