



Stephen Murray <votestephenmurray@gmail.com>

Financial Impact information

4 messages

Courtney Worrell <ctw@303associates.com>

Wed, Apr 26, 2023 at 8:57 PM

To: Scott Marshall <smarshall@cityofbeaufort.org>, Stephen Murray <stephen@mayormurray.com>, Reece Bertholf <rbertholf@cityofbeaufort.org>, "lroper@cityofbeaufort.org" <lroper@cityofbeaufort.org>

Cc: jsullivan <jsullivan@beaufortinn.com>

Thank you again for a productive meeting today. Attached you will find the 2 summaries we provided, as well as the earlier full report.

Once you've had a chance to review, please do not hesitate to contact me with any questions you may have.

Thank you,

Courtney

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3

Courtney Worrell

Phone 843-521-9000 **Mobile** 843-252-2135

Web 303Associates.com **Email** ctw@303associates.com

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3 attachments



Downtown Beaufort Redevelopment Summary_February 2023.pdf

3489K



Downtown Beaufort Redevelopment - Updated Impact Analysis Memorandum_Feb 2023.pdf

503K



Beaufort Hotel Redevelopment Market and Revenue Study_3-18-2022.pdf

5087K

Linda Roper <lroper@cityofbeaufort.org>

Thu, Apr 27, 2023 at 6:09 AM

To: Courtney Worrell <ctw@303associates.com>, Scott Marshall <smarshall@cityofbeaufort.org>, Stephen Murray <stephen@mayormurray.com>, Reece Bertholf <rbertholf@cityofbeaufort.org>
Cc: jsullivan <jsullivan@beaufortinn.com>

Thank you.

Linda D. Roper

From: Courtney Worrell <ctw@303associates.com>

Sent: Wednesday, April 26, 2023 8:57 PM

To: Scott Marshall <smarshall@cityofbeaufort.org>; Stephen Murray <stephen@mayormurray.com>; Reece Bertholf <rbertholf@cityofbeaufort.org>; Linda Roper <lroper@cityofbeaufort.org>

Cc: jsullivan <jsullivan@beaufortinn.com>

Subject: Financial Impact information

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Reece Bertholf <rbertholf@cityofbeaufort.org>

Thu, Apr 27, 2023 at 8:01 AM

To: Courtney Worrell <ctw@303associates.com>, Scott Marshall <smarshall@cityofbeaufort.org>, Stephen Murray <stephen@mayormurray.com>, Linda Roper <lroper@cityofbeaufort.org>
Cc: jsullivan <jsullivan@beaufortinn.com>

Hi Courtney,

Thank you.

Reece

From: Courtney Worrell <ctw@303associates.com>

Sent: Wednesday, April 26, 2023 8:57 PM

To: Scott Marshall <smarshall@cityofbeaufort.org>; Stephen Murray <stephen@mayormurray.com>; Reece Bertholf <rbertholf@cityofbeaufort.org>; Linda Roper <lroper@cityofbeaufort.org>

Cc: jsullivan <jsullivan@beaufortinn.com>

Subject: Financial Impact information

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Scott Marshall <smarshall@cityofbeaufort.org>

Thu, Apr 27, 2023 at 8:11 AM

To: Courtney Worrell <ctw@303associates.com>, Stephen Murray <stephen@mayormurray.com>, Reece Bertholf <rbertholf@cityofbeaufort.org>, Linda Roper <lroper@cityofbeaufort.org>

Cc: jsullivan <jsullivan@beaufortinn.com>

Thanks, Courtney. Good to see you all yesterday.

Regards,

Scott

Scott M. Marshall

City Manager

City of Beaufort, South Carolina

843-525-7078

www.cityofbeaufort.org



From: Courtney Worrell <ctw@303associates.com>

Date: Wednesday, April 26, 2023 at 8:57 PM

To: Scott Marshall <smarshall@cityofbeaufort.org>, Stephen Murray <stephen@mayormurray.com>, Reece Bertholf <rbertholf@cityofbeaufort.org>, Linda Roper <lroper@cityofbeaufort.org>

Cc: jsullivan <jsullivan@beaufortinn.com>

Subject: Financial Impact information

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Thank you again for a productive meeting today. Attached you will find the 2 summaries we provided, as well as the earlier full report.

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Impacts of Downtown Beaufort Redevelopment

The proposed redevelopment plan, which includes a 120-room hotel, expansion of Tabby Place, 481-space parking structure, and 19 apartments will have a significant economic and fiscal impact on the City of Beaufort.







FUTURE IMPACTS OF IMPROVEMENTS

- Expand hotel supply
- Repurpose underutilized parcels
- Attract new visitors
- Support Downtown businesses
- Expand parking amenities
- Unlock development potential
- Generate revenue for city

30-Year Property Tax Revenue for City of Beaufort **\$4.6 million**
 \$3.9 million for County Government
 \$9.2 million for School District

30,000+
net new visitors annually to Downtown Beaufort

30-YEAR IMPACTS

-  **Accommodations Tax Revenue \$18.7 million**
-  **Hospitality Tax Revenue \$4.3 million**
-  **Business Tax Revenue \$1.3 million**
-  **More than \$50 million in added spending for local businesses**

Total 30-Year Tax Revenue \$42.0 million
 \$19.3 million (City)
 \$13.5 million (County)
 \$9.2 million (School District)

Impacts of Downtown Beaufort Redevelopment

The parking structure will be critical to the success of this project.

Benefits of Parking Structure

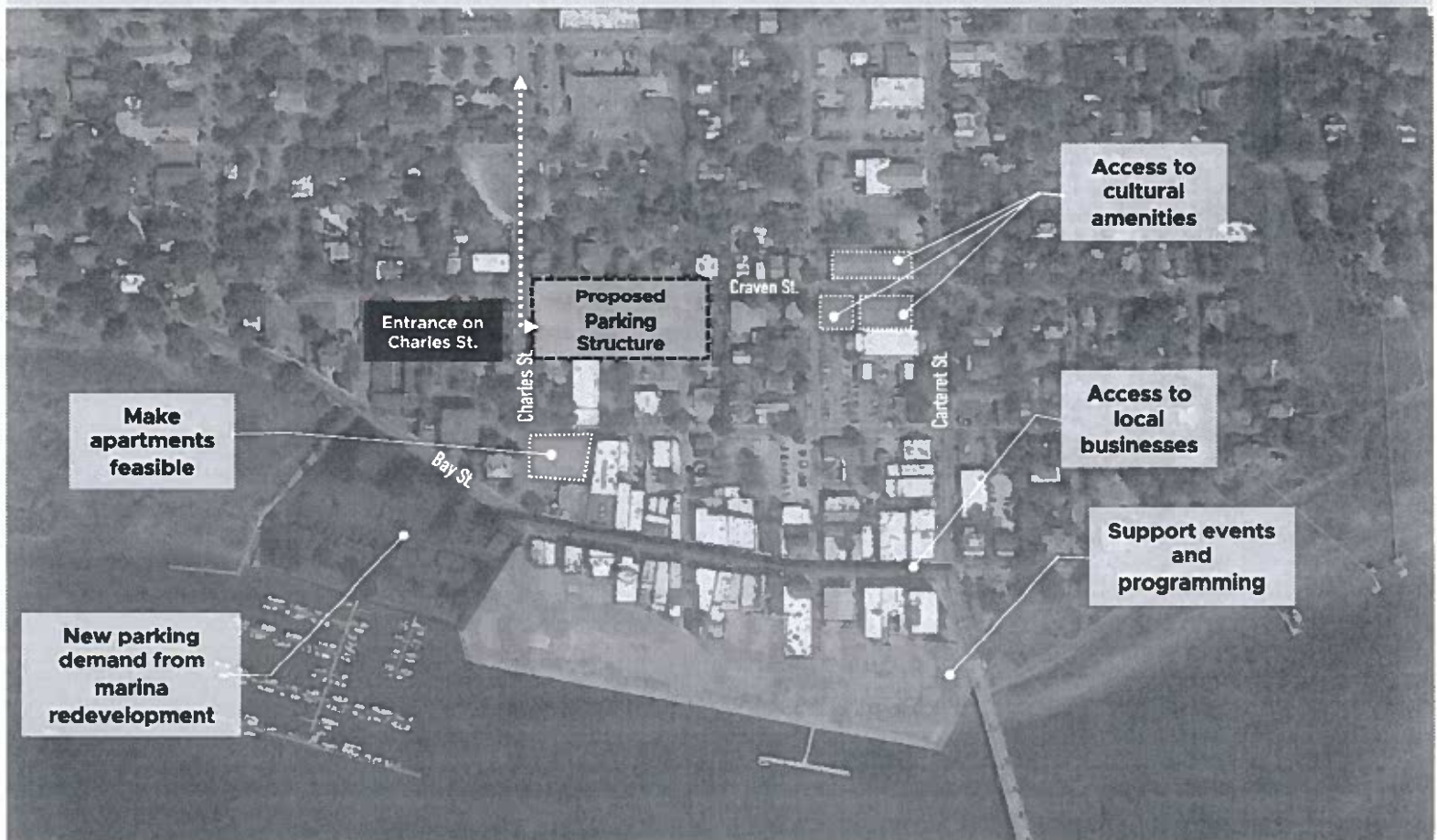
Unlock Development Potential: While relaxing parking restrictions is a policy approach to unlocking redevelopment potential, market demand also drives redevelopment—residents and employers need access to reliable sources of parking to make future real estate investment happen.

Improve Accessibility: While Downtown Beaufort continues to be a successful visitor destination, the limited supply of parking limits growth and accessibility to a regional market. Increasing parking access would also support expanded programming and events Downtown and improve access to its rich cultural and historical amenities.

Relieve Congestion: The location of the parking structure—with its entrance off of Charles Street—would help divert vehicular traffic off of Carteret, Bay, and Craven streets and provide convenient access to destinations around Downtown.

Support Local Businesses: The success of Downtown's merchants is a function of their ability to draw a broad customer base—not just from visitors and tourists—but residents living and employers working within a reasonable driving distance. This is especially critical for merchants during weekdays and during the off season.

Support Marina Investment: The multi-million dollar renovation of the marina will increase capacity, and while there will be on-site parking, added visitation will increase demand for parking Downtown.



MEMORANDUM

To: Courtney Worrell, 303 Associates
Jonathan Sullivan, Beaufort Inn

From: Justin Carney & Brian Licari, Development Strategies

Date: February 28, 2023

Subject: Updated Economic and Fiscal Impact Analysis

In March 2022, Development Strategies produced a report that analyzed the potential impacts of several proposed redevelopment projects in Downtown Beaufort, South Carolina (*Economic and Fiscal Impact Analysis for Downtown Beaufort Redevelopment*, referred herein as “the full report”). The development program included a 70-room nationally-flagged hotel and 14-room guest cottage to be under the umbrella of the Beaufort Inn as well as a 3,500 square foot expansion of Tabby Place, 19-unit mixed-use apartment building, and 481-space parking structure. The report documented the potential net tax revenue generated for the city of Beaufort over a 30-year period, among other positive economic and fiscal impacts.

Given changes to the development program—the exclusion of the 14-room guest cottage and parking structure and the addition of four rooms to the nationally-flagged hotel—the following memorandum provides updated economic and fiscal projections and analyzes the implications for not building the parking structure. The following analysis uses the same market inputs, methodologies, and assumptions documented in the full report with some variation given changes to Beaufort Inn’s revenue and development cost projections.

SUMMARY OF IMPACTS

Based on projected property taxes, on-site sales projections for room nights, restaurant sales, and Tabby Place catering, as well as estimates of off-site visitor spending and business tax revenue, the proposed development will generate just under \$42.0 million in combined city, county, and school district tax revenue over a 30-year period. The full report only included city tax revenue projections, but when using the same assumptions and applying appropriate jurisdictional tax rates would have projected total 30-year city, county, and school district revenue of \$39.7 million, which included property tax revenue generated from the parking structure and guest cottages, while current projections include higher estimates for room rates and on-site bar and restaurant sales.

30-Year Net Tax Revenue for Local Jurisdictions			
Revenue Source	Total	Previous Projection	Notes
Property Tax Revenue	\$ 17,589,000	\$ 20,609,000	No parking structure and 10 fewer rooms; less property tax revenue
City Government	4,571,000	7,027,000	
County Government	3,788,000	5,823,000	
School District	9,230,000	7,759,000	
Accommodations Tax Revenue	\$ 18,764,000	\$ 15,354,000	Higher estimates for room revenue
City Government	9,382,000	7,677,000	
County Government	9,382,000	7,677,000	
Hospitality Tax Revenue	\$ 4,332,000	\$ 2,621,000	Higher estimates for on-site restaurant sales
City Government	4,332,000	2,621,000	
County Government	N/A	N/A	
Business Tax Revenue	\$ 1,338,060	\$ 1,078,000	Higher estimates for on-site restaurant sales
City Government	980,000	786,000	
County Government	353,060	292,000	
Net Impact	\$ 42,018,060	\$ 39,662,000	

VALUE OF PARKING STRUCTURE TO LOCAL ECONOMY

While the proposed development will move forward by using existing surface parking lots, there is a lost opportunity for the community by not supporting the 481-space parking structure. The expanded Beaufort Inn and Tabby Place will use around 150 spaces on a regular basis, although additional parking is often needed for special events placing an even greater strain on Downtown's limited parking supply. The parking structure would not only accommodate this demand but also offer hundreds of additional spaces for Downtown visitors, residents, and employers, which in turn, would support significant net economic and fiscal benefits.

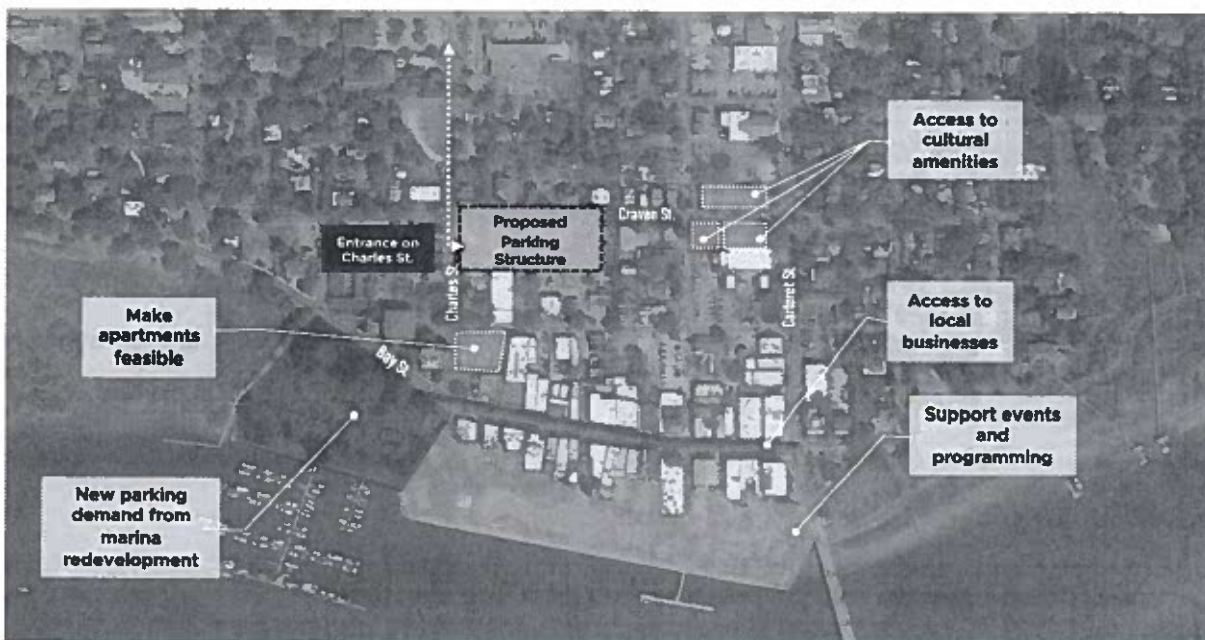
Unlock Development Potential: The potential for redevelopment and/or reinvestment of historic properties is limited by parking constraints. While easing parking requirements is one policy approach to unlocking development potential, market demand also drives redevelopment—residents and employers want and need access to reliable parking to make future investment happen. There is a risk that without a source of parking, many historic properties will not have the market positioning to support reinvestment, thus placing a long-term risk on the historic building supply.

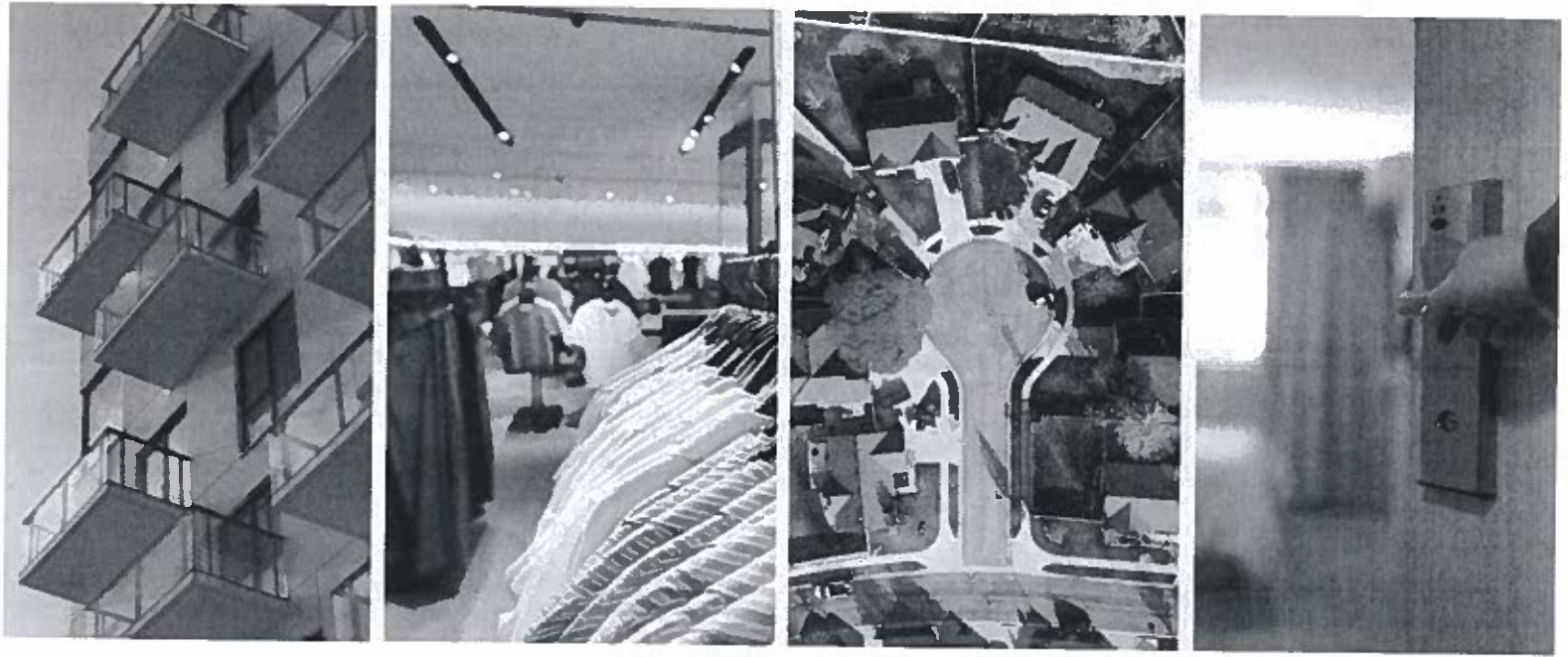
Improve Accessibility: While Downtown Beaufort continues to be a successful visitor destination, the limited supply of parking hinders economic growth. For Downtown to reach its true potential, it will need to accommodate growing demand from regional population growth and evolve its hospitality market. Increasing parking access would also support expanded programming and events Downtown and improve access to its rich cultural and historical amenities.

Relieve Congestion: The location of the parking structure—with its entrance off of Charles Street—would help divert vehicular traffic off of Carteret, Bay, and Craven streets and provide convenient access to destinations around Downtown.

Support Local Businesses: The success of Downtown's merchants is a function of their ability to draw a broad customer base—not just from visitors and tourists—but residents living and employees working within a reasonable driving distance. This is especially critical for merchants during weekdays and during the off season.

Support Marina Investment: The multi-million dollar renovation of the marina will increase capacity, and while there will be on-site parking, added visitation will increase demand for parking Downtown.





**ECONOMIC AND FISCAL IMPACT ANALYSIS
DOWNTOWN BEAUFORT REDEVELOPMENT**
Beaufort, South Carolina

March 18, 2022

PREPARED FOR
303 Associates

March 18, 2022

Mr. Dick Stewart
303 Associates
2015 Boundary Street, Suite 300
Beaufort, South Carolina 29902

Re: Economic and Fiscal Impact Analysis for Downtown Redevelopment

Dear Mr. Stewart:

Development Strategies is pleased to submit this economic and fiscal impact analysis for several proposed developments in Downtown Beaufort (“the Developments”) that will include a 70-room nationally-flagged hotel and 14-room guest cottage to be under the umbrella of the Beaufort Inn as well as a 3,500 square foot expansion of Tabby Place, 19-unit mixed-use apartment building, and 400-space parking structure.

The purpose of this study is to assess the marketability of the proposed uses and provide projections of incremental tax revenues that will be generated for the City of Beaufort in terms of property tax, business licenses fees, accommodations tax, and hospitality tax. This study quantifies economic benefits to Downtown Beaufort in terms of new retail square footage that will be supported from guests of the new hotel rooms and attendees at events at Tabby Place. This study also quantifies the overall economic impacts to Beaufort County in terms of economic output, earnings, and jobs supported from the construction of the Developments, future operations, and off-site visitor spending.

Based on our analysis, the Development is well-positioned for success and will serve as a significant activity generator for Downtown Beaufort bringing more than 48,000 net new visitors and \$2.8 million in added spending for the local business community, not including on-site sale at the Beaufort Inn. In total, the Developments will generate more than \$25.9 million in tax revenue for the city of Beaufort over a 30-year time period.

Development Strategies appreciates the opportunity to assist you with this market and revenue study. Should you or your associates have any questions about this document, please call. We will be glad to hear from you.

Yours very truly,



Justin Carney
Principal



Brian Licari
Senior Associate

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SUMMARY OF FINDINGS

- The Developments will generate \$25.9 million in net new tax revenues for the City of Beaufort and local school district over a 30-year period that will include \$14.8 million in property taxes, \$7.7 million in accommodations tax, \$2.6 million in hospitality tax, and \$786,000 in business license fees. This includes on-site and off-site visitor spending activity.
- The 84 new hotel rooms and expanded Tabby Place will draw an estimated 48,000 new visitors annually to Downtown, not including added visitation from the hotel bar and restaurant.
- New visitors to Downtown will spend an estimated \$2.8 million annually off-site at Downtown businesses, not including their spending on-site at Beaufort Inn.
- The \$2.8 million in net new spending provides market support for 10,000 square feet of retail space, which will increase revenue potential for existing businesses and increase the feasibility for new retail construction and/or redevelopment.
- During the two-year construction phase, \$28.0 million in total direct and indirect economic output will be generated in Beaufort County supporting 160 full-time jobs annually.
- Once completed, operational spending from the Developments as well as off-site visitor spending will generate \$13.1 million in total direct and indirect output will generate in Beaufort County supporting 81 full-time jobs annually.

\$25.9 million projected city tax revenues

Over a 30-year period that includes property taxes and taxes from on-site and off-site sales

48,000 net new visitors to Downtown

Based on events at Tabby Place and room nights at Beaufort Inn

\$2.8 million in added Downtown spending

Estimated net new off-site spending annually by Tabby Place and Beaufort Inn guests

10,000+ Square Feet

Total estimated net new retail support for Downtown

\$28.0 million in economic output during construction

Annual impact on Beaufort County, including 160 full-time equivalent jobs

\$13.1 million in economic output post construction

Annual impact on Beaufort County, including 81 full-time equivalent jobs from operational spending and incremental visitor spending

INTRODUCTION AND SCOPE

Scope of Work

The subject of this report is the proposed redevelopment of five vacant and/or underutilized parcels in Downtown Beaufort, South Carolina. Proposed developments (“the Developments”) include 1) an expansion of the existing Beaufort Inn that will include a 70-room hotel that will carry a national hotel flag, 2) a 14-room guest cottage that will include a bridal suite for weddings and events (“Chambers Cottage”), 3) a 3,500 square foot expansion of the existing Tabby Place event space, 4) a 19-unit three-story apartment building, and 5) a three-story parking structure. The purpose of this report is to quantify the potential fiscal and economic benefits of the Development, including tax revenues generated for the city and county, added retail market potential for Downtown businesses from increased hotel guests and event attendees, and jobs and wages generated for the county economy. This report also includes an evaluation of the marketability and competitive positioning of the Developments and how they align with broader community planning and revitalization efforts.

Development Overview

The Developments will span five parcels across four city blocks generally bound by Craven Street to the north, Charles Street to the west, Bay Street to the south, and Scott Street to the east. The proposed 70-room hotel site, southwest of Port Republic and Scott streets, consists of an unpaved parking lot serving the Beaufort Inn. The 14-room guest cottage and bridal suite site is located northeast of Port Republic and West streets and is an unpaved parking lot for the Beaufort Inn. The former Pat Conroy Literary Center building immediately east of Tabby Place will be demolished and redeveloped with a 3,500 square foot expansion (the existing building is a non-contributing structure and the Pat Conroy Literary Center has recently moved to a new location). The apartment site, located southeast of Port Republic and Charles streets, is currently improved with a single-story non-contributing commercial building. The parking structure site is southeast of Craven and Charles streets and is currently used as a paid parking lot.

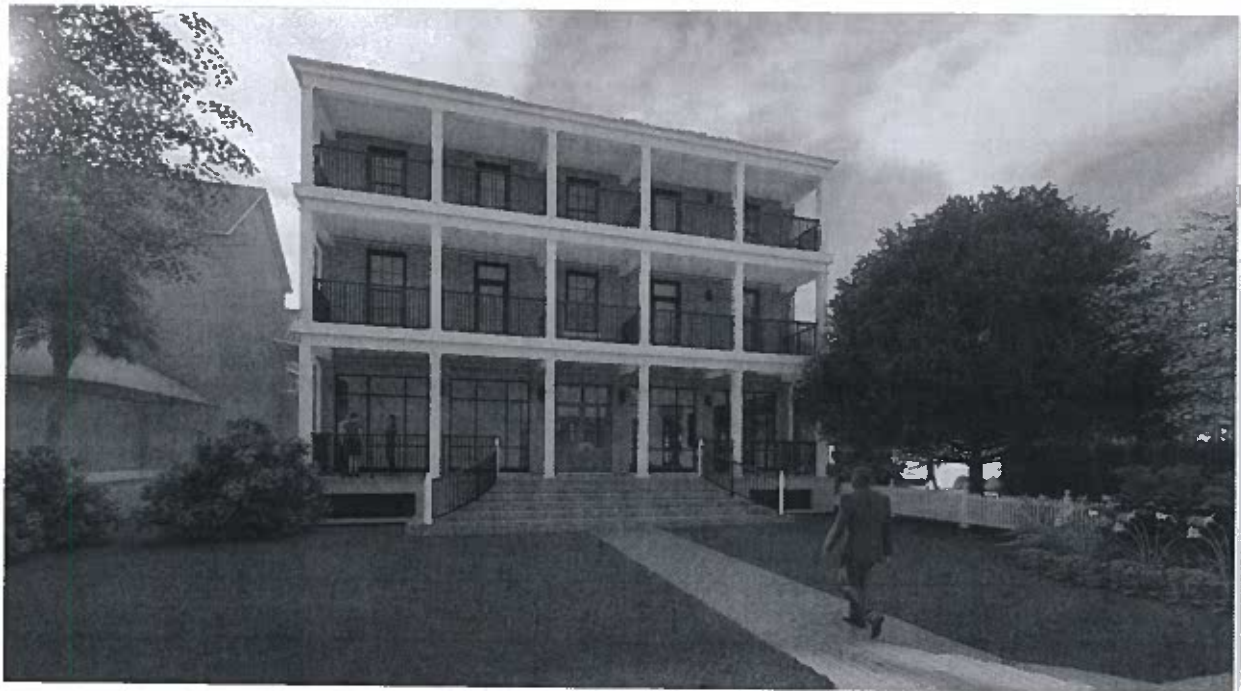


PROPOSED DEVELOPMENT RENDERINGS

70-Room Hotel



14-Room Chambers Cottage



Tabby Place Expansion



Parking Structure

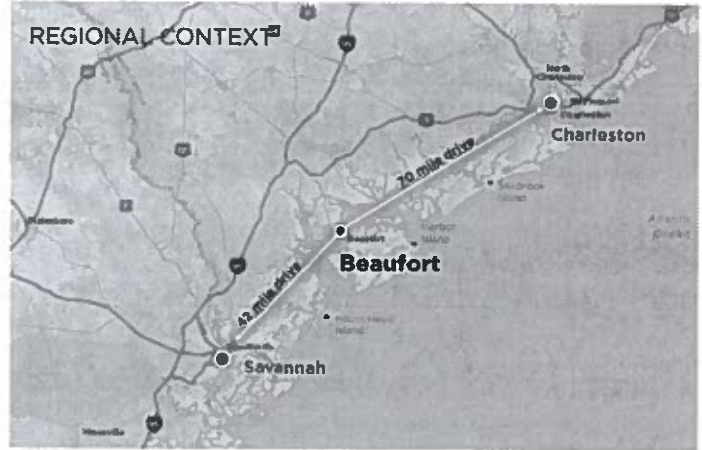


SITE AND MARKETABILITY

Location

The development sites are located in the City of Beaufort, South Carolina, which is a coastal community about 70 miles southwest of Charleston and 40 miles northeast of Savannah. The sites are located in the city's historic Downtown, which is characterized by its walkable pedestrian-friendly commercial district, waterfront park, marina, and views of the saltmarsh. The surrounding neighborhoods have a rich stock of antebellum homes with dense vegetation and mature trees throughout. Outside of the urban core, development patterns are more suburban in nature with retail strip centers and outlot parcels along the Boundary Street and Robert Smalls Parkway corridors.

The local economy is primarily supported by the Marine Corps Air Station Beaufort and Parris Island Marine Corps Recruit Depot that trains approximately 20,000 recruits annually. Graduations attract thousands annually generating room nights and supporting local businesses. While Hilton Head Island has been the primary tourist destination in Beaufort County for decades, the city of Beaufort continues to evolve as a tourist destination by offering a smaller-scale, slower-paced alternative to Charleston or Savannah.



Additionally, Downtown business offerings continue to diversify with a growing number of restaurants, galleries, and boutiques, which has triggered new housing development momentum.

The Development sites are well-located and very marketable in the heart of Downton Beaufort and are positioned to continue growing the local hospitality market and expand the rental housing stock that is relatively limited in the historic core.



SITE AND MARKETABILITY

SWOT ANALYSIS

Strengths and Assets

Regional growth: Beaufort County's population has increased by nearly 34,000 residents since 2010 for an overall rate of growth of nearly 21 percent, which is consistent with the rate of growth in Charleston County. From 2010 to 2020, employment growth in Beaufort County (15.9 percent) has exceeded the national average (10.3 percent) and has been just below growth in Charleston County (19.6 percent), one of the fastest growing counties in the Southeast.

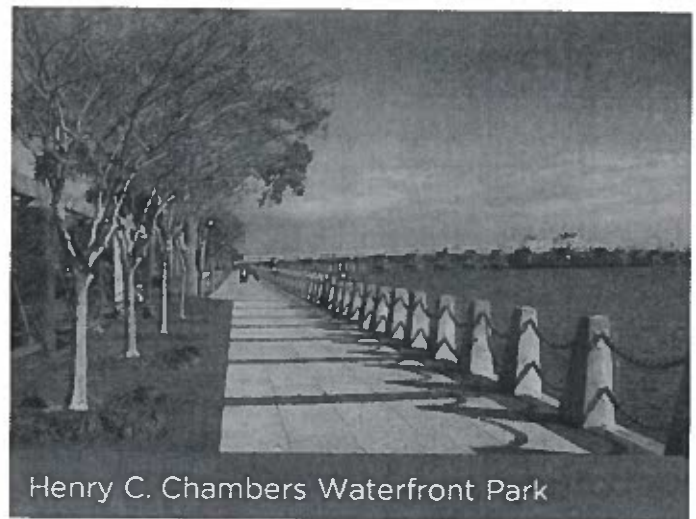
Growing Tourism and Visitation Market: In 2021, the City of Beaufort generated the most accommodations and hospitality tax over the last 10 years with \$3.7 million. This represented a more than five percent increase over pre-pandemic collections in 2019. With increasing tourism and visitation activity in the Charleston and Savannah markets, Beaufort is positioned to continue capturing this growing economic activity.

Recovery of the Hotel Market: For hotels in the Upper Midscale and Upscale classes, average annual occupancy for 2021 was 68 percent, above pre-pandemic levels after a dip in 2020. Average daily rates have also increase by 17 percent since 2019.

Strong Multi-Family Market: The areas in and around the city of Beaufort added 890 new apartment units over the last decade, increasing the supply by 38 percent. While all of this new development has been in lower-density areas outside of the urban core, there is a demonstrated market for higher-quality rental products.

Density, Character, and Walkability: Downtown Beaufort's commercial district contains roughly 0.03 square mile with approximately 22 retail-oriented businesses, including bars, restaurants, boutiques, and galleries for a density of more than 700 retail-oriented business per square mile, which is comparable to the core commercial districts in Charleston and Savannah. Craven Street has been nationally-recognized as one of the most beautiful streets in the Southeast.

Henry Chambers Waterfront Park and Marina: After its \$8 million renovation in 2005, Henry Chambers Waterfront Park is Downtown Beaufort's signature community space with iconic views of the saltmarsh and direct access to outdoor dining opportunities for restaurants along Bay Street.



Weaknesses

Limited new construction in Downtown core: While the regional economy has been relatively strong over the last ten years, recent commercial development has been lower-density and suburban in nature with very limited new development in the core parts of Downtown.

Parking Challenges: While the lack of parking is often a perceived barrier to accessing Downtown Beaufort, these sentiments still adversely impact the competitiveness and marketability of local businesses. Though the city does not require on-site parking, the lack of parking accessibility limits the marketability of residential and commercial properties.

Economic Diversification: Since 2010, the county has experienced a significant increase in professional sector and healthcare jobs, but the regional economy is still primarily anchored by military and other government jobs. While these jobs are good-paying and relatively stable, the overreliance on government employment could present a risk in the future and signals a need for economic diversification.

Competition from Boundary Street: Boundary Street from Carteret Street to Robert Smalls Parkway has roughly 700,000 square feet of retail space, while Downtown Beaufort has around 220,000 square feet. While Downtown offers an experiential and pedestrian-friendly retail environment, businesses along Boundary Street are highly visible given high volumes of passing vehicular traffic and have access to an abundance of surface parking.

Neighborhood Conditions: The core blocks of Downtown Beaufort are very much intact, but market conditions in the areas immediately to the north and northwest are less robust with a number of vacant lots, underutilized parcels, and homes with deferred maintenance.

Opportunities

Build momentum: There has been relatively limited new real estate investment in Downtown Beaufort and surrounding neighborhoods, but the subject will enhance and expand the commercial district and potentially expand investment efforts to the north and northwest.

Improve marketability of Downtown businesses: The addition of 84 hotel rooms and expansion of Tabby Place to allow for more weekday and off-season events will draw more than 48,000 more visitors to Downtown Beaufort annually. This added buying power will encourage diversification and expansion of retail offerings, especially food and beverage.

Enhance development potential of nearby vacant or underutilized properties: The proposed parking structure will add a needed parking amenity to Downtown, which will improve accessibility for area businesses, but also help unlock the development potential for properties that lack onsite parking. The parking structure could be especially catalytic for above-floor office or restaurant space on Bay Street.

Increase public revenue streams for the City of Beaufort: The Developments will directly and indirectly increase revenue for the City of Beaufort through property, accommodations, and hospitality taxes and business license fees. As presented in this report, net new tax revenues are estimated at \$25.9 million over a 30-year period.

Generate economic impacts: Increased visitor spending will support new retail development as well as employment opportunities and wages, including \$2.8 million in added Downtown visitor spending that can support an estimated 10,000 square feet in retail space. The Developments will support more than 80 full-time jobs in Beaufort County from their operation as well as added visitor spending.

Marina Renovation: Safe Harbor, the current lessee of the marina has plans for an \$8.0 million investment in the marina to expand the number of boat slips and renovate and expand facilities. Once completed, this will serve as a complementary activity generator for the Developers and Downtown Beaufort that will increase market support and visibility that, in turn, could catalyze future real estate investment.

Threats

The development plan and business strategy are sound, and thus, any risks are primarily external.

Lack of Economic Diversification: The tourism market continues to grow as well as professional sectors and healthcare, but nearly 20 percent of employment in Beaufort County is Government (local, state, federal, and military), which provides near-term economic stability, but limits the adaptability and resiliency of the regional economy in the event of budget cuts or other government setbacks.

Competition: While the current hotel market in Beaufort is limited to smaller bed and breakfasts or conventional suburban-style hotels, as with any business enterprise, there is always risk of competition entering the market. While there are limited near-term opportunities for hotel development of the same size, scale, and quality of the subject, the event space market is more adaptive.

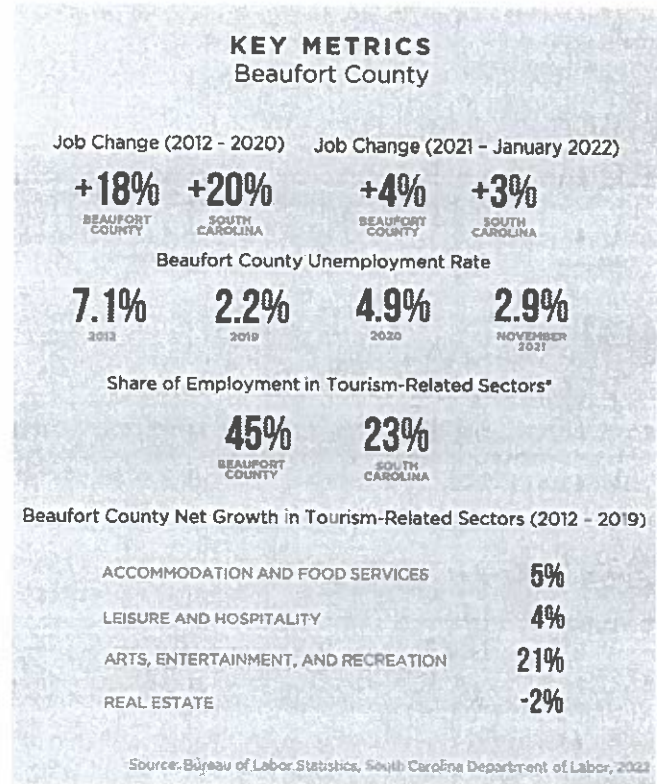
Decline in Regional Tourism/Visitation: The COVID-19 pandemic caused an unpredictable and unprecedented disruption to the national economy, especially the hospitality industry in which millions of workers were temporarily, and many permanently, laid off. While many tourism markets have recovered quickly due to pent up demand, the economic shut downs of 2020 highlighted a vulnerability to this industry given the need for in-person commerce as opposed to industries more conducive to remote working. With the anticipated increase in international travel due to pent up demand, there may be some leakage from domestic markets like the South Carolina coast.

Lack of accessibility: Around two-thirds of the retail in the core areas of Beaufort from the saltmarsh to Ribault Road are supported by visitors, including those who live in nearby areas, elsewhere in the region, and tourists. Without improvements to accessibility and connectivity, from transportation improvements to parking solutions, businesses will struggle to survive.

ECONOMIC OVERVIEW

Prior to the pandemic, Beaufort County had experienced robust growth with an 18 percent increase in total employment from 2012 to 2019. After losing more than 4,000 jobs during the pandemic, mostly due to significant losses in tourism-related jobs, Beaufort County has shown a speedy recovery with 1,600 jobs added in the last 9 months, a four percent increase. Between 2012 and 2019, unemployment in the county was well below the state and nation and fell swiftly during that period to a decade-low 2.2 percent. The regional economy is anchored by military and government jobs given the presence of the Marine Corps Air Station Beaufort and MCRD Parris Island; however, given its attractive coastal location and history, the county economy is also supported by tourism, recreation, and hospitality with a concentration on Hilton Head Island.

Like the rest of the nation, employment growth stalled and retracted in 2020 due to the pandemic-induced shutdowns in March and April, although the economy was relatively resilient given military employment. The county lost more than 4,000 jobs, nearly all of the previous two year's growth. As of December 2021, while the state was still recovering from the recession, the county has nearly reached pre-pandemic levels with unemployment in the state (3.3 percent) and county (2.6 percent), merely half a percentage point above pre-pandemic levels. Total employment in the county has not yet rebounded to pre-pandemic levels, but as of the latest BLS data (December 2021), total employment jumped four percent in 2021, mirroring trends experienced statewide. With these positive signs, the county is on the road to speedy recovery and shall either match or see some gains beyond the pre-pandemic level.



Nearly two million visitors visit Beaufort and Sea Islands annually, with spring and fall being peak seasons. The primary attractions include golf and beach vacations, water sports, and local arts and crafts. The key sectors that contribute to the tourism market (Retail Trade, Real Estate, Arts, Entertainment and Recreation, and Accommodation and Food Services) comprise 45 percent of overall employment in Beaufort County compared to just 23 percent for the state. Given the Downtown's mix of uses of retail, residential, and hospitality, it is positioned to leverage the sustained growth in these sectors.



DEMOGRAPHIC OVERVIEW

Primary Market Area

The primary market area (PMA) is typically defined as the smallest geographic area expected to generate between 60 to 80 percent of the support for a project. It is used in this report for demographic analysis to identify and express patterns and commonalities between existing residents, some of whom represent potential future residents of the proposed apartments.

Market boundaries are sometimes defined by *hard boundaries*, such as rivers, highways and other major thoroughfares, railroads, etc. Often, market areas are defined by *soft boundaries*—that is, marked changes in socio-economic condition, such as income, density, ethnicity, and educational attainment.

Market support for the hotel and event space will come from outside of the PMA, but establishing a PMA in this case is needed to understand development trends both within the City of Beaufort and just beyond its city limits. Since market and economic conditions in the southern portions of the county, including Bluffton and Hilton Head Island, are distinct from the city of Beaufort, the PMA represents more of a “local market.”

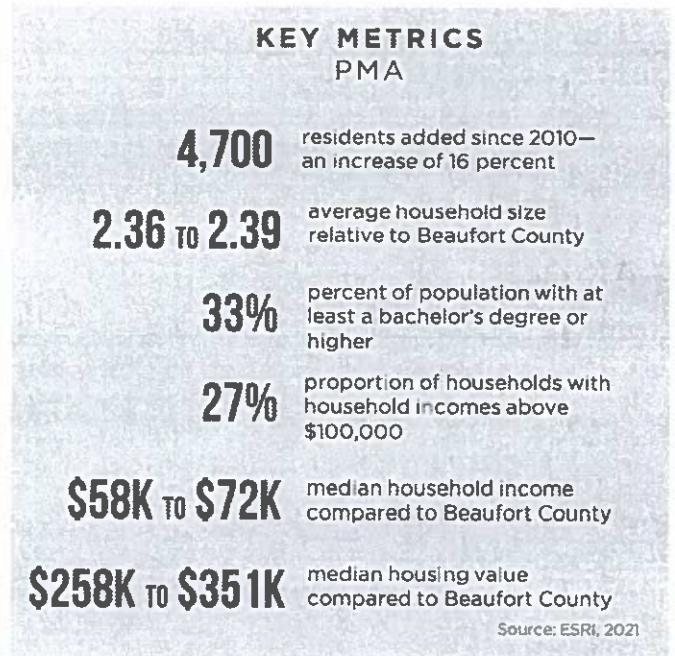
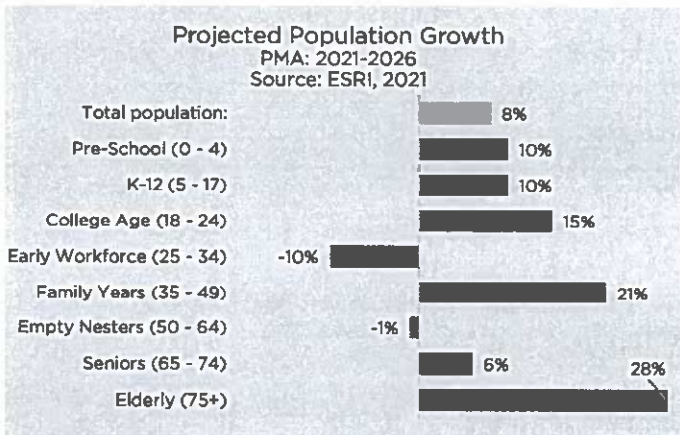


Population

The population in the PMA has grown considerably over the past decade, increasing by nearly 16 percent since 2010. The population in the PMA, City of Beaufort, and Beaufort County are all projected to see continued gains in the next five years, which is consistent with statewide trends. According to ESRI projections, the PMA and county populations are expected to continue to increase by 8.4 percent and 9.1 percent, respectively, over the next five years.

The PMA has a larger proportion of younger households compared to the county and state. The PMA has a large proportion of families with children and a smaller share of seniors and elderly households. In the PMA, children account for 25 percent of the population, considerably higher than the county (20 percent) and state (22 percent) averages. As a result, the PMA has a younger median age (35.8 years) compared to the other study areas (37.0 years in the city and 43.3 years in the county). While the *Early Workforce* cohort (ages 25 to 34) is projected to decrease and *Elderly* cohort (ages 75 and older) is projected to increase over the next five years, the population of children and working age households are projected to increase indicating sustainable growth in the market.

These trends suggest continued demand for residential development in the area. They also reflect a growing need for a greater variety of housing choices and amenities catering to younger household types, but also to older age cohorts looking to downsize.



Income

The median household income in the PMA (\$63,800) is lower than the county (around \$78,900) and slightly higher than the state (\$61,100). The higher county median income can be attributed to the concentration of more affluent households and retirees on Hilton Head Island, but the proportion of households earning above \$100,000 in the PMA (27 percent) indicates a market opportunity for new and higher-quality housing, especially apartments.

Over the next five years, median household incomes in all four study areas are projected to increase, although incomes in the city are projected to experience relatively modest growth relative to the PMA, county, and state. Median household income is projected to increase 9.2 percent in the PMA, 7.0 percent in the city, 9.9 percent in the county, and 9.6 percent statewide. These increases in household income will partly be driven by the influx of affluent empty nesters and seniors who are looking to downsize and retire in the area as well as increasing regional economic diversification. These changes are helping fuel additional demand for newer, more upscale housing products and retail services.

Households and Housing

Similar to population, all study areas have experienced increases in the total number of households in recent years. Since 2010, the number of households in the PMA has increased by 9.0 percent, which is higher than the city (7.1 percent) and slightly lower than the county (9.6 percent) but substantially higher than the state (6.7 percent). These trends are projected to continue between 2021 and 2026 in the PMA, city, and county at even faster annual rates than the previous decade. The PMA has average household sizes consistent with the county medium, although the city has a slightly lower average household sizes indicating a larger share of smaller or single-person households, although this is typical of urban vs. suburban development patterns. The PMA has a larger share of rent-occupied housing (36 percent) compared to the county (22 percent) and state average (30 percent) further indicating a market opportunity to expand the rental housing supply.

The county has a vacancy rate of 28 percent, which can be attributed to the seasonal home market on Hilton Head

Island, while the PMA has a vacancy rate 12 percent indicating that the area has a larger share of year-round residents.

Around 61 percent of housing units in the PMA are within single-family attached and detached structures, which is lower than the county average of 69 percent. This can be attributed to the relatively large share of mobile homes (16 percent), although this is consistent with the state average. The share of multi-family housing stock in structures with 10 or more units is lower than the county average (14 percent), but higher than the state average. The higher share countywide can be attributed to higher density development on Hilton Head Island. The median housing value in the PMA is \$258,200 is higher than the state (\$203,600), but considerably lower than the county (\$350,800), again due to the very strong Hilton Head housing market.

Population and Household Trends				
Description	PMA	City of Beaufort	Beaufort County	South Carolina
Population				
2026 Projection	37,767	13,298	213,443	5,665,411
2021 Estimate	34,849	12,559	195,696	5,321,206
2010 Census	30,106	11,277	162,233	4,625,364
Annual Growth 2021-2026	1.6%	1.2%	1.8%	1.3%
Annual Growth 2010-2021	1.3%	1.0%	1.7%	1.3%
Households				
2026 Projection	15,799	5,436	86,971	2,225,592
2021 Estimate	14,495	5,077	79,331	2,085,972
2010 Census	12,230	4,442	64,945	1,801,181
Annual Growth 2021-2026	1.7%	1.4%	1.9%	1.3%
Annual Growth 2010-2021	1.5%	1.2%	1.8%	1.3%
Average Household Size				
2026 Projection	2.35	2.22	2.39	2.49
2021 Estimate	2.36	2.23	2.39	2.49
2010 Census	2.41	2.28	2.42	2.49
Tenure of Occupied Housing Units (2021)				
Percent Owner Occupied Units	64%	66%	78%	70%
Percent Renter Occupied Units	36%	34%	22%	30%
Median Housing Value (2021)	\$258,194	\$272,747	\$350,817	\$203,602
Median Household Income	\$58,433	\$56,147	\$71,835	\$55,711

© ESRI, 2021

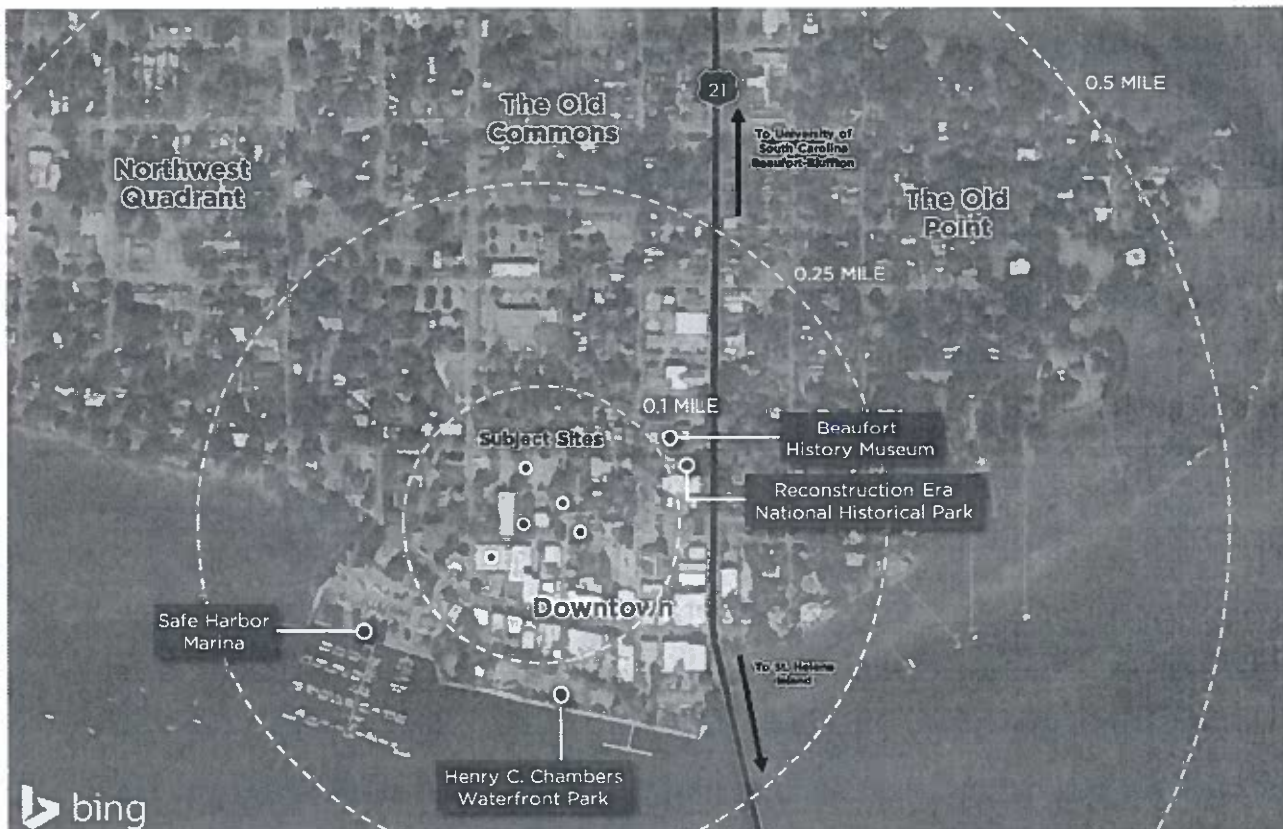
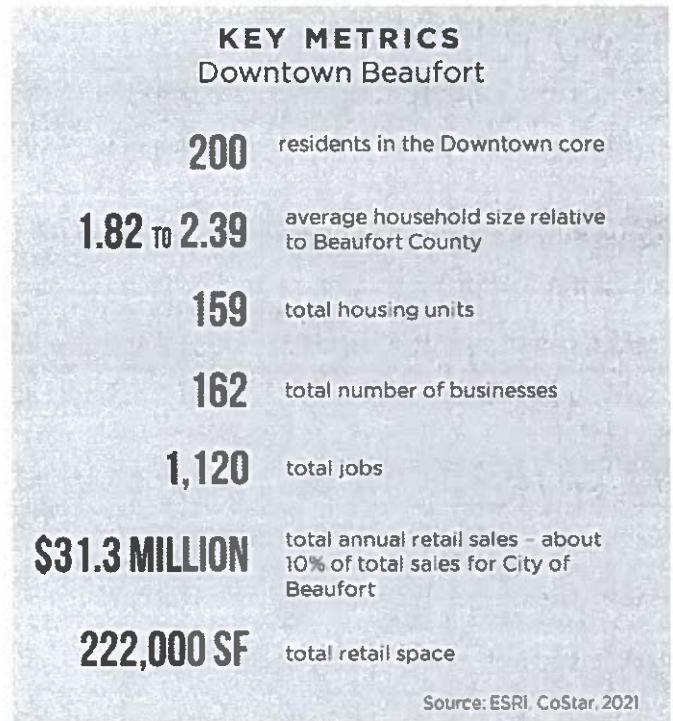
REAL ESTATE MARKET OVERVIEW

DOWNTOWN BEAUFORT

According to Esri, there are only 159 housing units in the core parts of Downtown Beaufort bound by Church Street to the west, King Street to the north and saltmarsh to the south and east. The proposed apartments will grow the Downtown housing stock and potentially catalyze future residential development and population growth. As expected household sizes are smaller in Downtown, which is more consistent with urban living and target market of professionals, empty nesters, and retirees.

There are a total of 162 businesses, including local shops, restaurants and cafes, art studios and galleries, and hotels as well as offices and service provider space. There are around 1,120 total jobs Downtown.

According to CoStar, there is 222,000 square feet of retail in downtown with no vacancy at market rent of \$17 per square foot (no vacancy means there are no actively listed spaces on costar database as of February 2022 as opposed to obsolete space). Around \$31.3 million in total retail sales are generated Downtown annually, which represents just under 10 percent of retail sales in the city.

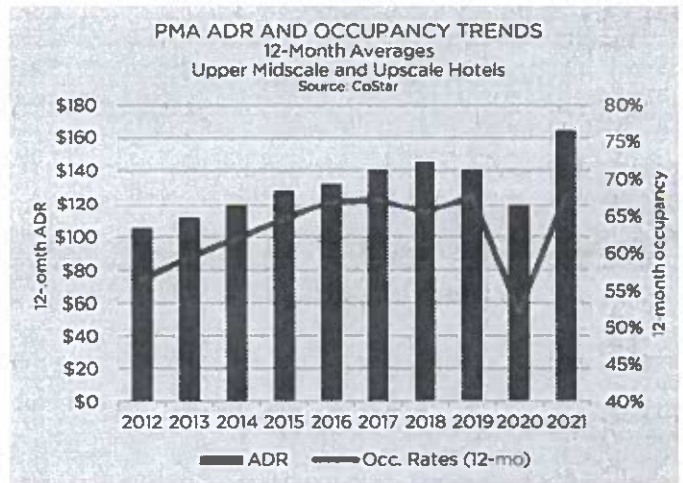


HOTEL

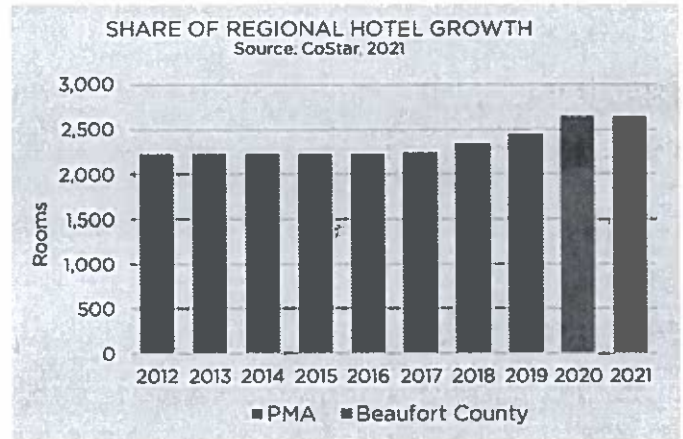
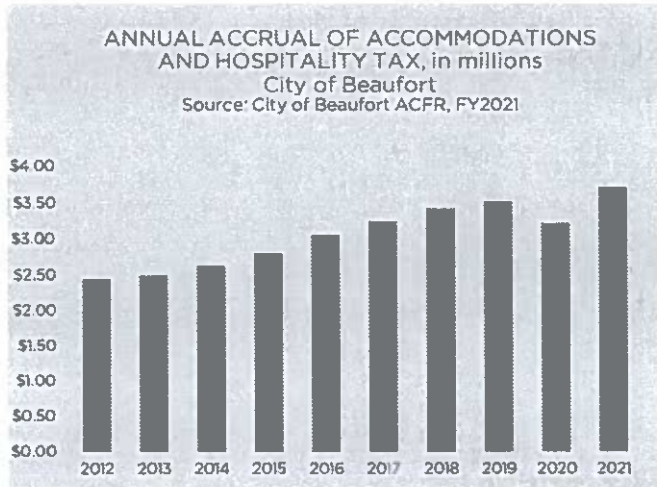
Market Overview

As a region with a historically strong tourism market, and given continued growth in tourism-based employment, there are opportunities for new hospitality investment in Beaufort. The City of Beaufort captures a two percent tax on all hotel room sales, and thus, maintaining a robust and competitive supply of hotel rooms is of particular importance for local government.

From 2017 to 2019, prior to the pandemic, annual accommodations and hospitality tax revenue for the City of Beaufort increased by nine percent, indicating growing demand and a strong hotel market. After declining by nearly nine percent from 2019 to 2020, total hospitality and accommodations tax was nearly \$3.7 million in 2021 the highest over the last decade for an increase of more than five percent from 2019.



Over the last 10 years, the pace of hotel development in the Upper Midscale and Upscale hotel classes has been relatively consistent between the PMA and Beaufort County with the MSA adding just under 100 new rooms for an increase of 21 percent and the remaining parts of the county adding 318 rooms for an increase of 18 percent as presented in the following table.



Most hospitality markets across the nation experienced a decline in average daily rates (ADR) and occupancy between 2019 and 2020 as a result of the pandemic and recession and these trends were consistent in the PMA. However, in 2021, ADR has increased to \$164.40 for Upper Midscale and Upscale Hotels in the PMA surpassing pre-pandemic levels of \$140.05 in 2019 for a 17 percent increase. Average 12-month occupancy has been relatively consistent since 2016, from around 67 to 68 percent, with the exception of the dip in 2020 due the pandemic.

ADR and occupancy rate trends for the PMA are summarized in the following chart.

Given increasing occupancy and ADR as well as the increasing marketability and visibility of Beaufort as a visitor destination, there is opportunity to expand hotel offerings in the PMA, especially within walking distance to Downtown Beaufort and waterfront. For comparison, the urban core of Charleston and its coastal areas experienced a net increase in inventory of nearly 2,500 rooms over the last 10 years for an increase of 64 percent within these hotel classes.

Competitive Supply

Room rates and occupancy fluctuate by season, although rates tend to be relative based on quality and condition. The PMA has 19 hotels totaling 1,374 rooms, although half of this supply are in the Midscale or Economy classes, which would not be competitive with the subject. Of the nine hotels in the Upper Midscale and Upscale classes, Springhill Suites by Marriott represents the newest flagged hotel in the market opening in February 2022 with 111 rooms. Homes2 Suites by Hilton was built in 2019 with 99 rooms, and prior to the opening of Springhill Suites, was the newest hotel in the market in these hotel classes (the 92-room Tru by Hilton was built in 2021, but is in the Midscale class). Other quality options are more than 14 years old with the Hilton Garden Inn (115 rooms built in 2008), Comfort Suites (70 rooms built in 2007), Country Inn & Suites (77 rooms built in 2003), and Hampton Inn (76 rooms built in 1997).

All of the flagged hotels in the PMA have conventional suburban designs located along the Boundary Street and Robert Smalls Parkway corridors characterized by automobile-centric strip centers and outlot retail pads. While this type of development is highly accessible serving a regional market, it is less marketable from a broader tourism and visitation perspective.

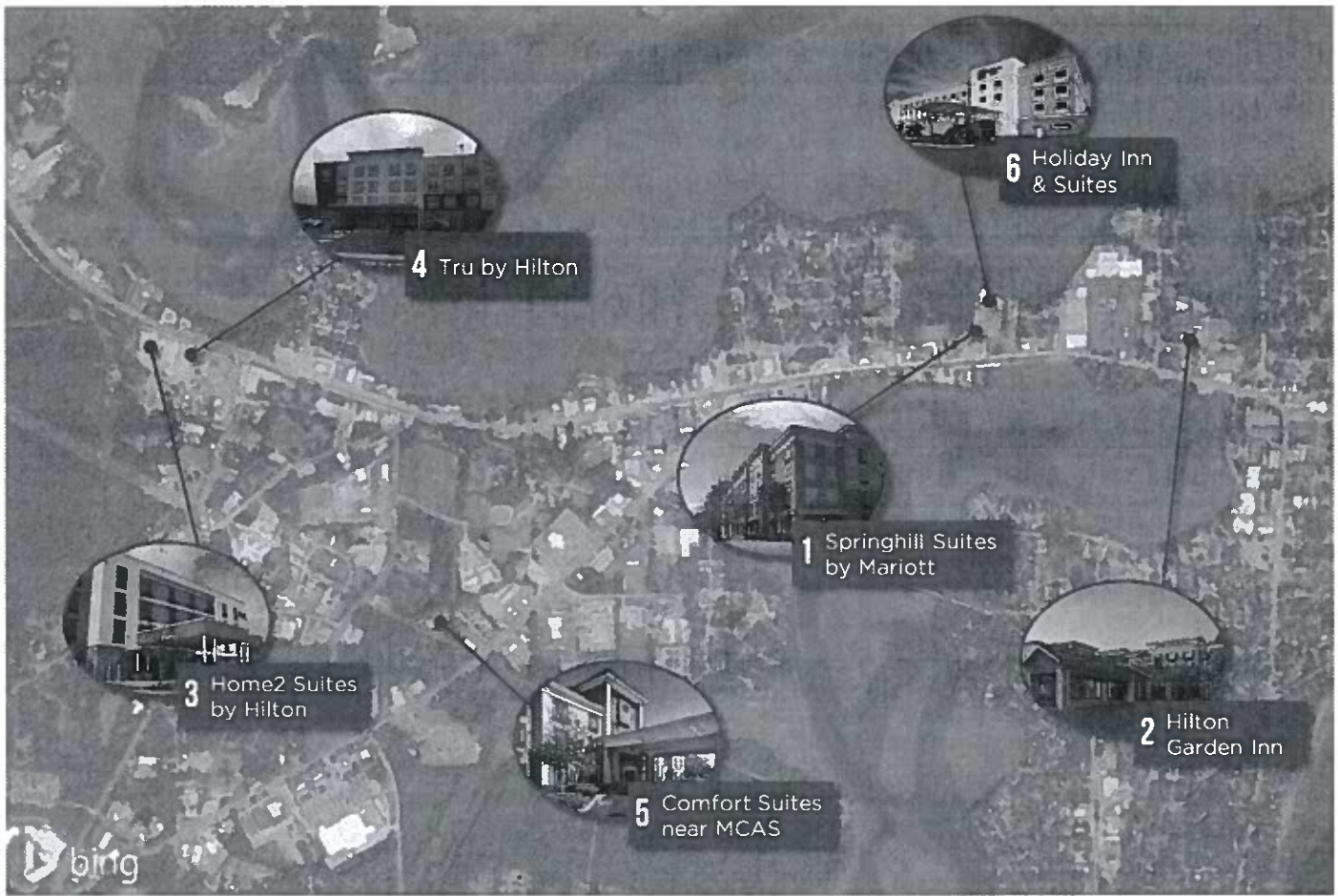
The only competitive supply within walking distance to Bay Street in Downtown Beaufort include historic inns and bed and breakfasts, including the existing Beaufort Inn, Cuthbert House Inn (10 rooms), Rhett House (17 rooms), 607 Bay (10 rooms), and Anchorage House (15 rooms). The only convectional hotels/motels include the 43-room Best Western that has been well-maintained, but is older (built in 1960) and offers very few amenities and City Loft Hotel, which is a 21-room motel that was recently renovated and in good condition.

Competitive Market Position

The expanded Beaufort Inn will be the newest and highest quality hotel in the market area and represent the only nationally-flagged hotel Downtown. Its positioning will also be enhanced by the expanded Tabby Place that is projected to attract tens of thousands of guests annually. The Chambers Cottage will also offer a smaller-scale accommodation product to further diversify the hospitality supply. While the subject will put some pressure on other accommodation owners to reinvest in their properties to remain competitive, the expanded Tabby Place will generate net new room nights in Downton Beaufort and will not necessary complete with other smaller-scale bed and

breakfast properties. The subject will also offer a much-needed alternative to the hotel supply along the Boundary Street corridor that offers a standard suburban product.





Hotel	Year Built	Distance from Subject	Star Rating	Number of Rooms	Rate/night
1 Springhill Suites by Marriott	2022	2.5 miles	4	111	\$164-\$199 (Winter) \$143 - \$215 (Summer)
2 Hilton Garden Inn	2008	1.7 miles	4	115	\$162-\$183 (Winter) \$176-\$191 (Summer)
3 Home2 Suites by Hilton	2019	3.7 mile	3	99	\$155-183 (Winter) \$248 (Summer)
4 Tru by Hilton	2021	3.8 mile	3	92	\$125-136 (Winter) \$149-\$203 (Summer)
5 Comfort Suites near MCAS	2007	3.4 miles	3	70	\$97-\$112 (Winter) \$115-\$149 (Summer)
6 Holiday Inn & Suites	1990	2.5 miles	3	97	\$151-160 (Winter) \$186-\$189 (Summer)

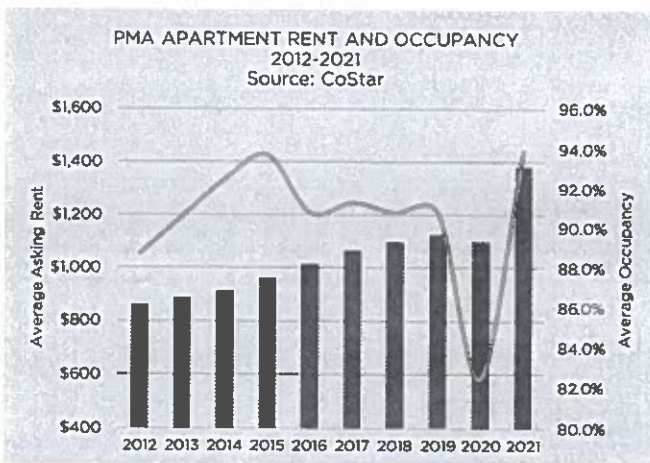
Source: Hotels.com & CoStar

Room Rates as of 2/21/2022

MULTIFAMILY

Market Overview

The apartment market has been relatively strong in the PMA over the last decade with 890 units delivered across five properties representing 38 percent increase in supply. This development activity outpaced the other parts of Beaufort County that delivered 1,449 units over this same time period for an increase of 13 percent. Despite this new supply, average asking rents continue to increase after a slight decline between 2019 and 2020; however, average rents of \$1,385 now exceed pre-pandemic levels and have increased by nearly 23 percent since 2019. Average occupancy has also increased in the PMA as is now at 94 percent after a significant decrease in 2020 as presented in the following chart.



With projected average annual population growth of around 1.6 percent in the PMA over the next five years, this further emphasizes the opportunity to increase the multi-family housing supply.

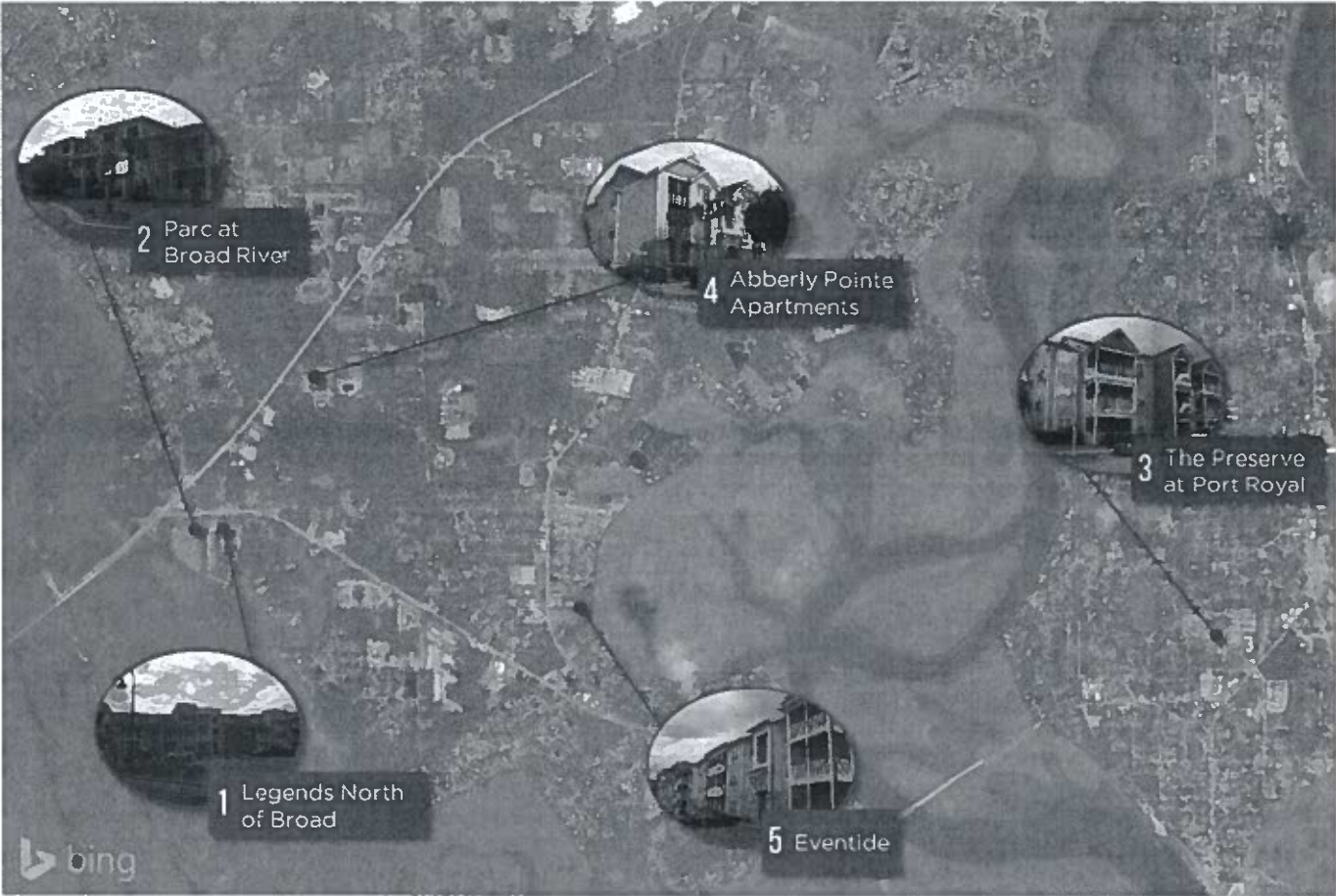
Competitive Supply

The majority of the new multifamily supply has consisted of suburban-style garden apartments off of Routes 170 and 128. These properties are in lower-density locations with little to no walkability, but are competitive given their new condition and extensive community amenities with swimming pools, fitness centers, and clubhouses and an abundance of surface parking. While the subject will offer a differentiated product with a higher density design in a vibrant pedestrian-friendly district, these properties demonstrate market support for higher-quality rental housing. We have surveyed five of the newest and highest quality apartment properties in the PMA to understand the rent potential for the subject and future assessments (presented later in this report).

Legends of North Broad and Eventide are two of the newest properties in the market built in 2020 with a combined 516 units. Both properties are well-occupied and carry occupancies of 95 percent or higher. Eventide is positioned at the very high-end of the market with average rents of around \$1.90 per square foot given its higher level of finish, screened-in porches with ceiling fans, and views of the salt marsh, whereas Legends of North Broad has average rents closer to around \$1.40 per square foot. The 246-unit Parc at Broad River, adjacent to Legends of North Broad, was built in 2016 and is more competitive with Eventide given its level of finish achieving average rents over more than \$1.60 per square foot. Abberly Pointe and The Preserve at Port Royal were built in 2008 and 2006, respectively, with a combined 640 units. These properties are in very good condition and have been well-maintained, but are achieving slightly lower rents since they are now more than 14 years old.

Competitive Position Analysis

Although minimal details regarding the proposed apartments have been provided beyond the unit mix, we assume they will be competitive with new supply, with only modest variations in terms of quality and condition, but with fewer on-site amenities. At the same time, the subject will offer a unique living experience and rental product otherwise unavailable in the market located in the heart of Downtown Beaufort allowing it to likely achieve higher rents on a rent per square foot basis—typically higher-density urban rental products have smaller than average unit sizes but with rents positioned at or slightly above competitive garden-style product. The apartments will also be in a highly visible location just off of Bay Street and within a block of the marina and waterfront. Given physical site constraints, there will be no on-site parking, although tenants will have access to parking within the proposed parking structure one block north. Though this is not ideal, this should not detract from the marketability of the development since future tenants will likely be willing to trade on-site parking for an urban living experience.



	Apartment or Multifamily	Year Built	Distance from Subject	Units	Average SF	Average Rents	\$/sf
1	Legends North of Broad	2020	7.7 miles	304	1,239	\$1,701	\$1.37
2	Parc at Broad River	2016	7.6 miles	246	1,065	\$1,767	\$1.66
3	The Preserve at Port Royal	2006	4.6 mile	400	974	\$1,388	\$1.43
4	Abberly Pointe Apartments	2008	6.9 mile	240	934	\$1,642	\$1.76
5	Eventide	2020	7.1 miles	212	970	\$1,735	\$1.79

Source: CoStar

ECONOMIC IMPACTS

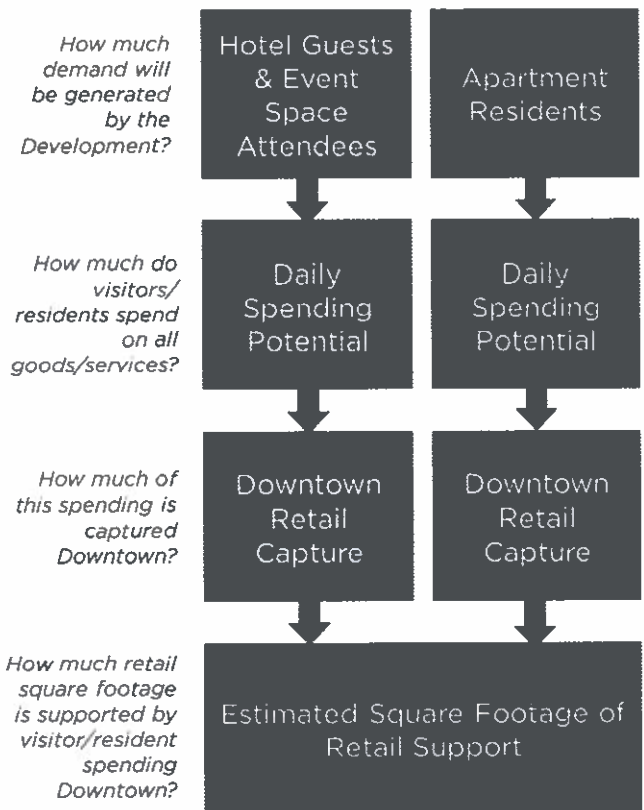
IMPACTS OF LOCAL SPENDING

Introduction

There are different ways to define and quantify economic impacts based on context and scale. At a broader, macro-level, the analysis measures the operational spending of a company (or other economic entity) and its workforce, and quantifies the impact in terms of economic output, household income, and jobs. The following economic impact analysis takes a more local, district-level focus that considers resident and visitor spending and how this spending impacts real estate, local business, jobs, and taxes generated, specifically from the Development's projected visitors and guests on local businesses in Downtown Beaufort.

Based on reasonable assumptions of daily spending patterns and an overview of the retail market, spending activity can be translated to an estimated amount of retail square footage supported. In other words, as patrons within a particular commercial district spend money, this spending directly supports existing retail businesses/tenants. Of course, retail businesses must endure fluctuations in market conditions, especially the seasonality of visitor spending, as well as major economic events, such as the impacts from the COVID-19 pandemic; but in a pedestrian retail district like Downtown Beaufort, many businesses must rely upon steady foot-traffic to maintain an adequate level of sales to stay in business.

Downtowns, commercial districts, and Main Streets need to leverage multiple tiers of market support to be successful. Unlike auto-centric, suburban-style retail centers that primarily rely upon residential market demand derived over a relatively large area, thriving mixed-use districts, especially historic districts like Downtown Beaufort, must derive market support primarily from residents, visitors, and tourists.



Retail Support Assumptions

Fundamentally, retailers need to achieve certain levels of revenue per square foot to pay rent, utilities, payroll, inventory, and other expenses in order to stay in business. There are many variables that contribute to the viability of retail businesses,¹ most notably type of business (restaurant, boutique, drycleaner, etc.), rent per square foot and size of space. Based on research from CoStar, the national average sales per square foot for retail space is \$325.² For restaurants, the target sales are generally between \$200 and \$300 per square foot with sales under \$200 generally leading to a loss.³

Downtown Beaufort has a strong retail market given the tourism economy, but it is less comparable to other market areas regionally or nationally that tend to have larger concentrations of highly-profitable chain stores and restaurants.

¹ In this context, "retail business" or "retailer" includes all establishments that occupy retail space such as restaurants, cafes, boutiques, and salons.

² <https://www.prnewswire.com/news-releases/retails-most-profitable-square-footage-636947493>

³ Restaurant Benchmark, Bloom Intelligence, May 2019.

Therefore, we would expect sales per square foot to be lower than the national average and it is assumed that in Downtown Beaufort, average retail business support is \$275 per square foot.

Visitor Spending Assumptions

While specific survey data on Downtown Beaufort visitor spending is not available, this analysis relied upon numerous studies from the South Carolina Department of Parks, Recreation and Tourism as well as tourism studies on other coastal markets such as Charleston and Myrtle Beach and various travel websites to build assumptions on how much future guests at the Beaufort Inn and Tabby Place attendees will spend during their visit. For example, a College of Charleston tourism report from 2018 indicated an average per capita daily spending of \$228 for visitors in Charleston, while a Myrtle Beach CVB report indicated an average per capita daily spend of \$154. Other online sources suggested a budget of \$167 per person per day for a trip to the South Carolina Coast. Therefore, we have included an average per capita daily spend of \$175. We have applied this assumption to the distribution of spending from a 2020 South Carolina Department of Parks, Recreation and Tourism report. In the case of guest stays at the Beaufort Inn, the average daily spending on lodging would be much higher, but this distribution reflects combined daytrip and overnight visitors. Since the following analysis focuses on impacts to Downtown Beaufort businesses, we have isolated Food and Beverage, Recreation, and Retail spending (“retail-oriented businesses”), which averages \$100.60 per visitor.

Estimated Beaufort Visitor Spending

Spending Category	Share ¹	Estimated Per Capita Daily Spending
Lodging	22.6%	\$39.54
Food and Beverage	35.6%	\$62.23
Recreation	12.6%	\$21.99
Retail	9.4%	\$16.38
Transportation	20.1%	\$35.09
Total²		\$175.00

¹ SC Department of Parks, Recreation and Tourism

² DS assumption

For overnight guests and event attendees, the vast majority of their daily spending will occur in and around Downtown Beaufort. While further study is needed to understand these spending patterns, we assume that of the \$100.60 in daily spending in support of retail-oriented businesses, 75

percent is captured Downtown, 15 percent is captured in other parts of the city and 10 percent in other parts of the county.

Tabby Place currently has 72 events annually with an average attendance of 115 and its expansion will effectively double its capacity (increase from 8,280 annual attendees to 16,560 annual attendees). We would expect that most food and beverage consumptions would be on-site, although many attendees will also spend money at local businesses before or after the event. We assume that attendees will spend 40 percent of the average daily spending, or \$40.24 “off-site”. In total, annual spending will increase from an estimated \$333,187 to \$669,996 annually.

Currently, the Beaufort Inn averages around 11,800 room nights annually, and using the industry standard of two persons per room, this equates to 23,600 guests annually. The expanded Beaufort Inn with 70-room hotel and 14-room Chambers Cottage is projected to increase room nights to around 36,000 annually, or 72,000 guests annually. Since some of the guests will spend money on-site at the hotel bar and restaurant, we assume that 80 percent of average daily spending will occur “off-site”. In total, estimated spending by Beaufort Inn guests is projected to increase from \$1.9 million to \$5.8 million annually.

Estimated Spending Patterns for Beaufort Inn Guests and Tabby Place Attendees

	Room Nights	Head Count	Retail-Oriented Spending Off-Site	Estimated Daily Spending	Total Annual Spending
Tabby Place					
Annual Attendees (Current)	N/A	8,280	40%	\$40.24	\$333,187
Annual Attendees (Projected)	N/A	16,650	40%	\$40.24	\$669,996
Beaufort Inn Guests					
Room Nights (Current)	11,800	23,600	80%	\$80.48	\$1,899,328
Room Nights (Projected)	36,000	72,000	80%	\$80.48	\$5,794,560

To avoid double counting, we have further refined the head counts assuming that 50 percent of Tabby Place attendees stay at the Beaufort Inn, while the remaining guests stay elsewhere or are local.

Estimated Spending Patterns for Beaufort Inn Guests and Tabby Place Attendees (Unique Guest Count)

Tabby Place Attendees Not Staying at Beaufort Inn					
Room Nights (Current)	N/A	4,140	40%	\$40.24	\$166,594
Room Nights (Projected)	N/A	8,325	40%	\$40.24	\$334,998
Non-Event Beaufort Inn Hotel Guests					
Room Nights (Current)	N/A	19,460	80%	\$80.48	\$1,566,141
Room Nights (Projected)	N/A	63,675	80%	\$80.48	\$5,124,564
Total Head Count					
Current	N/A	23,600	73%	\$73.42	\$1,732,734
Projected	N/A	72,000	75%	\$75.83	\$5,459,562

Based on the average retail businesses support assumption of \$275 per square foot, Tabby Place attendees and

Beaufort Inn guests currently support around 6,300 square feet off-site [\$1.7 million ÷ \$275 per square foot], while post-development, these visitors will support nearly 20,000 square feet of retail space [\$5.6 million ÷ \$275 per square foot]. Of course not all of this market support would be for Downtown businesses, so using the spending location assumptions, the following table shows estimated market support by area.

Estimated Spending Location for Tabby Place Attendees and Beaufort

	Total Estimated Off-Site Spending	Estimated Retail Market Support by SF	Downtown Beaufort	Other Parts of Beaufort (City)	Other Parts of Beaufort (County)
Current	\$1,732,734	6,301	4,726	945	630
Projected	\$5,459,562	19,853	14,890	2,978	1,985
Incremental	\$3,726,828	13,552	10,164	2,033	1,355

Resident Spending Assumptions

Based on spending data from the Consumer Expenditure Survey (CES) from the Bureau of Labor Statistics (BLS), it is estimated that new households at the proposed apartments (one household per unit) will spend around \$25,600 annually on retail-oriented purchases. Without data to inform the location of residential retail spending, it is assumed that households will spend approximately 27 percent of their annual retail-oriented spending in the City of Beaufort and around 10 percent in Downtown Beaufort⁴. Therefore, of the total average annual residential spending of \$487,686 [\$25,668 annually x 19 net new households], approximately \$205,675 would be captured in the City of Beaufort and around \$24,000 in Downtown Beaufort. Compared to Beaufort Inn and Tabby Place, this added retail support will be minimal (87 square feet of retail support), but could help catalyze retail offerings that serve the local community as opposed to primarily visitors and tourists.

MULTIPLIER ANALYSIS

Introduction

In a more macro-level context, economic impacts manifest themselves in a number of ways. They are triggered through the spending of a business or a consumer or other economic entities on purchases of goods and services. This spending also supports other businesses that use that money a “second time” to pay for their operations which, in turn, continues a multiplier effect as that money continues to be re-spent (or “ripples”) through the economy. Moreover, employees are paid wages and salaries, and their subsequent household spending in their home communities triggers “multiplier effects.”

In the case of the Developments, economic impacts will be triggered during the construction phase as well as from future operations of the real estate (hotel, event space, and apartments) and from visitor spending.

Methodology

To calculate indirect or multiplier impacts, multiplier coefficients are applied to the direct impact dollars. These multipliers take into account an amount of “leakage” from the selected geographic area because some wages and expenditures will be spent outside of that area. Eventually, all of the initial direct spending leaks out of the area after several spending cycles, but each subsequent round of spending creates added multiplier effects, though in diminishing degrees.

Multiplier coefficients are obtained from the U.S. Department of Commerce’s Regional Input-Output Multiplier System (RIMS-II). RIMS-II creates multiplier coefficients from the vast array of economic information routinely provided to state and federal governments by businesses, individuals, and government agencies.

Multipliers are determined for any selected geographic area that is comprised of one or more counties because counties comprise the primary geographic reporting geography of the federal and state governments due to their essentially fixed boundaries. Multiplier coefficients for smaller geographies are not available; therefore, the following analysis quantifies net new impacts to Beaufort County, although the economic impacts will primarily affect the City of Beaufort

⁴ Downtown Beaufort does not have a grocery store, which limits the

capture of this spending category

Economic Impact Modeling

Economic impacts are demonstrated in three primary ways:

Output is a measure of the impact on Beaufort County’s economy generated from the spending and re-spending triggered by businesses and household spending. The output dollars summarize *total new or added economic activity at all points of the production process* rather than just the effects on, say, gross state product (which is a measure of value to the ultimate purchaser). Output is a more robust and larger indicator of economic activity than Gross State Product (GSP) or Gross Domestic Product (GDP).

Housing Earnings is a measure of how much of the total output is attributable to new income generated for households living in Beaufort County.

Jobs that are supported in Beaufort County as a result of the multiplier effects.

Multipliers

The following table shows the most relevant multipliers for each spending category. Since Hotel and Event Space Operations and Visitor Spending activity incorporates multiple sectors, a blended multiplier was derived for each based on the estimated breakdown of spending by category.

Category	NAICS	Output	Earnings	Employment
Construction				
Nonresidential Structures	2362	1.462	0.547	11.604
Residential Structures	2334	1.539	0.533	11.367
Households	N/A	0.730	0.214	6.926
Hotel and Event Space Operations				
Accommodations	721	1.453	0.396	10.212
Facilities Support Services	5612	1.443	0.353	10.481
Full Service Restaurants	722110	1.518	0.486	20.300
Apartment Operations				
Real Estate	531	1.369	0.252	11.333
Visitor Spending				
Food Services and Drinking Places	485	1.518	0.462	20.440
Retail Trade	45	1.560	0.527	19.996
Amusements, Gambling, and Recreation	713	1.575	0.486	22.771

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2019

Economic Impacts of Construction

According to Development Strategies estimates, the total estimated development cost is \$23.4 million with a construction timeframe of about two years for an average annual expenditure of \$11.7 million. Based on data from the Economic Census, it’s estimated that 17.3 percent will be non-labor costs, or \$9.7 million annually, and \$2.0 million will be labor costs. Assuming an average annual wage of \$54,000, this will support 38 full-time equivalent (FTE) jobs annually as presented in the following table.

Total Capital Cost	\$23,427,000
Years of Planning/Construction	2
Annual Average Construction Expenditures	\$11,714,000
% allocated to wages ¹	17.3%
Estimated Labor Expenditures	\$2,026,000
Estimated Non-Labor Expenditures	\$9,688,000
Residential	\$1,591,129
Non-Residential	\$8,096,871
Estimated Labor Cost per Worker, in 2020 dollars	\$ 54,000
Total Direct Workers	38

¹ Based on proportion of payroll to value of construction work in South Carolina (2017 Economic Census)

The \$11.7 million in average annual spending will generate \$28.0 million annually in direct and indirect output, of which \$7.6 million will be earnings supporting 160 FTE jobs in the county as presented in the following table.

Average Annual Economic Impacts of Development Construction on Beaufort County, in 2020 dollars				
	Non-Labor Expenditures (Residential)	Expenditures (Non-Residential)	Employee Compensation	Total
Direct Spending	\$ 1,591,129	\$ 8,096,871	\$ 2,026,000	\$ 11,714,000
Direct Jobs Supported in Beaufort County				38
<i>Multipliers (see explanatory notes below)</i>				
Output	1.46	1.54	0.73	1.389
Earnings	0.55	0.53	0.21	0.480
Employment	11.60	11.37	6.93	10.489
<i>Added Economic Impact on the County</i>				
Output	\$ 2,327,000	\$ 12,462,000	\$ 1,479,000	\$ 16,268,000
Earnings	\$ 870,000	\$ 4,316,000	\$ 434,000	\$ 5,620,000
Indirect Jobs Held by County Residents	18	91	14	123
<i>Total Economic Impact on the County</i>				
Output				\$ 27,982,000
Earnings				\$ 7,646,000
Total Direct and Indirect Jobs				160
Output - Total dollar change in the county's economy from construction expenditures				
Earnings - Total dollar change in earnings in the county due to construction expenditures				
Employment - Total change in the number of jobs held by county residents per \$1 million of direct spending (adjusted to 2020 dollars)				

Economic Impacts of Real Estate Operations and Visitor Spending

Based on operational projections from the developer as well as Development Strategies' assumptions and estimates of visitor spending as presented previously, the following table shows total estimated spending of \$5.7 million annually when the Developments have been completed and stabilized. Note that on-site guest spending is not considered an economic impact since this spending supports the operational spending impacts.

Based on these inputs and the multipliers presented previously, the \$5.7 million in total direct spending will trigger a total direct and indirect impacts of \$13.1 million, of which, \$2.2 million will be household earnings supporting 81 direct and indirect jobs as presented in the following table.

Direct Impacts of Future Real Estate Operations and Visitor Spending

Category	Average Annual Expenditures
Hotel and Event Space	\$ 1,708,000
Apartments	\$ 200,000
Parking Structure	\$ 105,000
Net New Off-Site Visitor Spending	\$ 3,726,828
Total	\$ 5,739,828

Average Annual Economic Impacts of Development Operations and Off-Site Visitor Spending on Beaufort County, in 2020 dollars				
	Hotel and Event Space Operations	Apartment Operations	Off-Site Visitor Spending	Total
Direct Spending	\$ 1,813,000	\$ 200,000	\$ 3,726,828	\$ 5,739,828
<i>Multipliers (see explanatory notes below)</i>				
Output	1.46	1.37	1.19	1.283
Earnings	0.40	0.25	0.37	0.376
Employment	11.25	11.33	15.90	14.080
<i>Added Economic Impact on the County</i>				
Output	\$ 2,644,000	\$ 274,000	\$ 4,446,000	\$ 7,364,000
Earnings	\$ 726,000	\$ 50,000	\$ 1,385,000	\$ 2,161,000
Indirect Jobs Held by County Residents	20	2	58	81
<i>Total Economic Impact on the County</i>				
Output				\$ 13,103,828
Earnings				\$ 2,161,000
Total Direct and Indirect Jobs				81
Output - Total dollar change in the county's economy from operational and visitor spending				
Earnings - Total dollar change in earnings in the county due to operational and visitor expenditures				
Employment - Total change in the number of jobs held by county residents per \$1 million of direct spending (adjusted to 2020 dollars)				

FISCAL IMPACTS

REVENUE SOURCES

Overview

The project will create substantial net new revenue sources for the City of Beaufort from added hotel rooms, including a hotel bar and restaurant, expanded event space, and the ability to attract additional visitors to patronize businesses in Beaufort. Sources of revenue include property taxes, business license taxes, accommodation taxes, and hospitality taxes. The purpose of the following revenue projection analysis is to document historic revenue trends for these revenue sources and quantify net new incremental revenue potential for over the next 30 years. According to a City of Beaufort representative, the city or county does not impose a collection fee or other timely payment discounts.

Business License Tax

The City of Beaufort levies a business license tax on the gross revenues of all businesses operating within city limits. The rate varies based on the determined operating class of the business. In addition, a higher rate is levied against businesses owned by non-residents. The following table shows the 2021 business license fees by rate class.

Class	Gross Revenue \$0 to \$2000			Over \$2000, Rate per Thousand		
	Resident	Non-Resident	Average	Resident	Non-Resident	Average
1	\$25.00	\$50.00	\$37.50	\$1.00	\$2.00	\$1.50
2	\$35.00	\$70.00	\$52.50	\$1.30	\$2.60	\$1.95
3	\$45.00	\$90.00	\$67.50	\$1.60	\$3.20	\$2.40
4	\$55.00	\$110.00	\$82.50	\$1.90	\$3.80	\$2.85
5	\$65.00	\$130.00	\$97.50	\$2.20	\$4.40	\$3.30
6	\$75.00	\$150.00	\$112.50	\$2.50	\$5.00	\$3.75
7	\$85.00	\$170.00	\$127.50	\$2.80	\$5.60	\$4.20
8	\$60.00	\$120.00	\$90.00	\$1.75	\$3.50	\$2.63

This analysis assumes that the businesses are owned by an equal mix of resident and non-resident entities; therefore, we have utilized a blended tax rate for each rate class.

Accommodations Tax

The proposed project will add approximately 70 hotel rooms and 14 cottage rooms to Downtown. The City of Beaufort levies an accommodations tax of 3.0 percent on total accommodations sales, along with a 3.0 percent and 2.0 percent accommodations sales tax levied by the County and State, respectively.

Hospitality Tax

The Development will include a full-service bar and restaurant within the hotel along with a 3,500 square foot event space expansion (Tabby Place) that will provide catering. The City of Beaufort levies a hospitality tax of 2.0 percent on total hospitality sales (including prepared food and beverage).

Real Property Tax

There is a \$300.9 percent tax per \$1,000 of assessed value on all commercial property, of which, \$236.1 is collected for the City of Beaufort and local school district. This study assumes that the current real property assessment value will continue until the new development begins to be completed in 2025.

The table below includes the 2021 real property tax levies for the proposed development.

2021 Tax Rate for each \$1,000 of Assessed Valuation	
County Operations	53.9
County Debt	5.6
County Purchase Prop	5.3
School Operations	121.6
School Debt	36.3
City of Beaufort Ops	57.7
City of Beaufort Debt	18
City of Beaufort Deficiency	2
City of Beaufort Emergency	0.5
TOTAL	300.9

ASSESSMENT ANALYSIS

Overview

Property assessments are based upon the assessor’s estimate of fair market value (FMV), which is the price a willing buyer would pay a willing seller. Non-owner occupied residential property (including apartments) is assessed at 6.0 percent of FMV, and commercial property is also assessed at 6.0 percent of FMV. Real property is appraised every five years, which last occurred in 2018. Prospective Year One (2024), or baseline, makes an estimate of the 2023 reassessed value of the existing development in the proposed project area.

Based on conversations with representatives of the Beaufort County Assessor’s Office, the initial real property assessment for the proposed development will be based on the reported construction cost of the project(s). Unless the owner of the property contests this valuation, this property assessment will remain in place until the next reassessment year. Based on the current property assessment schedule, reassessments will occur in 2023 and 2028.

Assessed Values: Existing Improvements

The Beaufort County Assessor’s office valued the real property in the proposed project area at \$364,950 in 2018. The next reassessment of real property will occur in 2023. Assuming an average annual growth rate of 3.0 percent, this yields a 2023 baseline real property assessed value of approximately \$423,000. The table below shows the current 2018 assessed value for each parcel and estimated 2023 assessments.

2018 Base Assessed Values & Estimated 2023 Assessed Values

Property Address	Owner	Description	Acres	2018 Appraised Value	2018 Assessed Value	Estimated 2023 Assessed Value
812 Port Republic Street	Beaufort Inn, LLC	Future hotel lot	0.65	\$565,000	\$33,900	\$39,299
806 Craven Street	Beaufort Inn, LLC	Existing Beaufort Inn	1.66	\$3,300,000	\$198,000	\$229,536
905 Port Republic Street	Beaufort Inn, LLC	Future event space expansion site	0.43	\$455,000	\$27,300	\$31,648
913 Port Republic Street	Beaufort Inn, LLC	Existing Event Space Building	0.44	N/A	\$0	\$0
209 Charles Street	303 Associates, LLC	Future apartment redevelopment	0.24	\$906,100	\$54,366	\$63,025
918 Craven Street	Beaufort Inn, LLC	Future parking structure	1.03	\$856,400	\$51,384	\$59,568
Total				\$6,082,500	\$364,950	\$423,077

Assessed Values: Proposed Improvements

To project the assessment of the additional hotel rooms, apartment units, event space expansion, and parking structure, we reviewed the 2018 assessed values per unit or per square foot for various similar, newer properties in Beaufort County. Beaufort has a wide range of both traditional hotels and smaller inns, but the proposed hotel addition with cottages will be more similar to a traditional hotel. The Hilton Garden Inn, Holiday Inn & Suites, and Home2 Suites are newer hotel properties in the area with assessed values per room of roughly \$4,000 to \$5,800. However, these new properties do not carry the high-end flag that the proposed project will (Marriott Autograph). Nearby Hilton Head has higher-end hotels—including the most similar to the proposed expansion and average between roughly \$12,900 and \$14,225 in assessed value per room. For our analysis, we have assumed an average room assessed value of \$9,000 due to the development's superior location when compared to other Beaufort-area hotels. Below are tables detailing the current assessed value of selected inns and hotels in the Beaufort area.

There have been a number of new apartment developments in the PMA over the past decade. The Park at Broad River, Legends North of Broad, and The Preserve at Port Royal are comparable to the proposed development, although with less competitive locations in lower-density suburban areas. Therefore, we have assumed an assessed value per unit of \$12,000.

The structured parking garage will be somewhat unique to the Beaufort area as there are few local parking garages, and even fewer that are intended to serve both private businesses and the general public. To estimate the assessed value of the garage, an average construction cost of \$30,000 per space was utilized.

The Tabby Place expansion will contain approximately 3,500 square feet. Existing stand-alone comparable properties in the area are limited to lower-end private event space not located in town with market values of \$65 to roughly \$155 per square foot. It is expected that the new event space at the subject property will be significantly more competitive given its quality, conditions, and location within a block of the Beaufort Inn; therefore, we assume a market value of roughly \$350 per square foot.

Bed and Breakfasts/Inns

	Land	Building	Total Market	Assessed Value	Number of Rooms	AV/Room
Cuthbert House Inn	\$ 559,500	\$ 1,580,500	\$ 2,140,000	\$ 128,400	10	\$ 12,840
Rhett House Inn	\$ 848,900	\$ 1,521,700	\$ 2,370,600	\$ 142,236	10	\$ 14,224
North Street Inn	\$ 306,200	\$ 422,400	\$ 728,600	\$ 43,716	4	\$ 10,929
Beaufort Inn	\$ 1,325,000	\$ 1,975,000	\$ 3,300,000	\$ 198,000	47	\$ 4,213

Hotels

	Land	Building	Total Market	Assessed Value	Number of Rooms	AV/Room
Hilton Garden Inn	\$ 557,700	\$ 6,942,300	\$ 7,500,000	\$ 450,000	115	\$ 3,913
Holiday Inn & Suites	\$ 1,305,600	\$ 8,085,700	\$ 9,391,300	\$ 563,478	97	\$ 5,809
Home2 Suites	\$ 504,000	\$ 8,617,500	\$ 9,121,500	\$ 547,290	99	\$ 5,528
Marriott Hilton Head	\$ 8,724,200	\$ 72,618,800	\$ 81,343,000	\$ 4,880,580	513	\$ 9,514
Westin Hilton Head	\$ 12,971,200	\$ 59,344,800	\$ 72,316,000	\$ 4,338,960	416	\$ 10,430
Inn and Club at Harbour Town	\$ 4,041,800	\$ 7,853,700	\$ 11,895,500	\$ 713,730	61	\$ 11,700
Sonesta	\$ 10,169,600	\$ 26,621,700	\$ 36,791,300	\$ 2,207,478	340	\$ 6,493

Apartments

	Land	Building	Total Market	Assessed Value	Number of Rooms	AV/Room
Legends North of Broad	\$ 2,600,000	\$ 18,000,000	\$ 20,600,000	\$ 1,236,000	304	\$ 4,066
Parc at Broad River	\$ 8,306,600	\$ 33,193,400	\$ 41,500,000	\$ 2,490,000	246	\$ 10,122
The Preserve at Port Royal	\$ 2,955,200	\$ 51,144,800	\$ 54,100,000	\$ 3,246,000	400	\$ 8,115
Abberly Pointe	\$ 1,410,200	\$ 16,003,600	\$ 17,413,800	\$ 1,044,828	240	\$ 4,353

SALES ANALYSIS

Stabilized sales assumptions were determined using historic district performance, developer information, market conditions, and industry standards. This approach was used to establish the future estimated sales over the next 30 years. It is assumed that the event space will hold roughly 144 events annually after it opens in the second quarter of 2024 (72 net new events with average attendance of 115 per event). On-site restaurant and bar sales are assumed to average roughly \$400 per square foot annually, using industry standards. An overall occupancy rate of 95 percent is assumed for the remaining retail space on the ground floor of the apartment development. Despite the current high rate of inflation, we assume an average annual sales growth rate of roughly 2.5 percent, which is consistent with historic inflation rates.

Assumptions

In addition to the assessment and sales assumptions presented previously, the following assumptions were used to support the revenue projections.

- According to the City Manager, no collection fees are levied on the Accommodations or Hospitality taxes
- All property tax collections are applied to the following calendar year;
- Retail, restaurant, and hotel room sales will grow at 2.5 percent per year;
- The assessed value of the parking garage will be based on the construction value of approximately \$30,000 per space;
- The retail space included in the apartment building will be occupied by a standard retail tenant with no prepared food or beverage sales.
- Property assessment growth will be 3.0 percent annually.
- All sales and property tax rates will be consistent throughout the analysis;

Revenue Summary

Based on the assumptions and revenue projections presented in the following tables, the Development will trigger \$25.9 million in city and local tax revenue derived from property taxes as well as accommodations tax, hospitality tax, and businesses taxes from projected on-site and off-site sales.

Revenue Source	Total
Property Tax Revenue	\$ 14,784,199
Accommodations Tax Revenue	7,677,314
Hospitality Tax Revenue	2,620,508
Business Tax Revenue	785,570
Net Difference	\$ 25,867,591

¹ Includes local school district

REVENUE PROJECTIONS

Sales Projections

Projected Sales

Year	Net New Hotel Room Sales	Restaurant Sales	Net New Catering Sales	Other On-Site Sales	Total Net New Event Space Revenues	Apartment Revenues	Parking Revenues	Off-Site Visitor Spending in City (food/bev)	Off-Site Visitor Spending In City (other)
2024	\$3,323,599	\$332,200	\$202,860	\$15,245	\$1,276,290	\$0	\$668,038	\$1,959,618	\$1,208,186
2025	\$5,474,650	\$681,010	\$415,863	\$31,253	\$1,701,720	\$57,760	\$770,424	\$2,008,608	\$1,238,390
2026	\$5,712,835	\$698,035	\$426,260	\$32,034	\$1,744,263	\$59,204	\$789,685	\$2,058,824	\$1,269,350
2027	\$5,959,508	\$715,486	\$436,916	\$32,835	\$1,787,870	\$60,684	\$809,427	\$2,110,294	\$1,301,084
2028	\$6,149,437	\$733,373	\$447,839	\$33,656	\$1,832,566	\$62,201	\$829,663	\$2,163,052	\$1,333,611
2029	\$6,395,496	\$751,708	\$459,035	\$34,497	\$1,878,380	\$63,756	\$850,404	\$2,217,128	\$1,366,951
2030	\$6,650,015	\$770,500	\$470,511	\$35,360	\$1,925,340	\$65,350	\$871,665	\$2,272,556	\$1,401,125
2031	\$6,877,991	\$789,763	\$482,274	\$36,244	\$1,973,473	\$66,984	\$893,456	\$2,329,370	\$1,436,153
2032	\$7,140,325	\$809,507	\$494,330	\$37,150	\$2,022,810	\$68,658	\$915,793	\$2,387,604	\$1,472,057
2033	\$7,430,005	\$829,745	\$506,689	\$38,079	\$2,073,381	\$70,375	\$938,687	\$2,447,294	\$1,508,858
2034	\$7,622,689	\$850,488	\$519,356	\$39,031	\$2,125,215	\$72,134	\$962,155	\$2,508,477	\$1,546,580
2035	\$7,819,404	\$871,750	\$532,340	\$40,007	\$2,178,345	\$73,938	\$986,208	\$2,571,189	\$1,585,244
2036	\$8,016,118	\$893,544	\$545,648	\$41,007	\$2,232,804	\$75,786	\$1,010,864	\$2,635,468	\$1,624,875
2037	\$8,212,833	\$915,883	\$559,290	\$42,032	\$2,288,624	\$77,681	\$1,036,135	\$2,701,355	\$1,665,497
2038	\$8,409,547	\$938,780	\$573,272	\$43,083	\$2,345,840	\$79,623	\$1,062,039	\$2,768,889	\$1,707,134
2039	\$8,630,851	\$962,249	\$587,604	\$44,160	\$2,404,486	\$81,613	\$1,088,590	\$2,838,111	\$1,749,813
2040	\$8,852,155	\$986,306	\$602,294	\$45,264	\$2,464,598	\$83,654	\$1,115,804	\$2,909,064	\$1,793,558
2041	\$9,073,459	\$1,010,963	\$617,351	\$46,395	\$2,526,213	\$85,745	\$1,143,699	\$2,981,790	\$1,838,397
2042	\$9,294,763	\$1,036,237	\$632,785	\$47,555	\$2,589,368	\$87,889	\$1,172,292	\$3,056,335	\$1,884,357
2043	\$9,516,067	\$1,062,143	\$648,604	\$48,744	\$2,654,102	\$90,086	\$1,201,599	\$3,132,744	\$1,931,466
2044	\$9,761,960	\$1,088,697	\$664,819	\$49,963	\$2,720,455	\$92,338	\$1,231,639	\$3,211,062	\$1,979,753
2045	\$10,007,853	\$1,115,914	\$681,440	\$51,212	\$2,788,466	\$94,646	\$1,262,430	\$3,291,339	\$2,029,246
2046	\$10,253,746	\$1,143,812	\$698,476	\$52,492	\$2,858,178	\$97,013	\$1,293,991	\$3,373,622	\$2,079,978
2047	\$10,499,640	\$1,172,407	\$715,938	\$53,804	\$2,929,632	\$99,438	\$1,326,341	\$3,457,963	\$2,131,977
2048	\$10,770,122	\$1,201,718	\$733,836	\$55,149	\$3,002,873	\$101,924	\$1,359,499	\$3,544,412	\$2,185,276
2049	\$11,040,605	\$1,231,760	\$752,182	\$56,528	\$3,077,945	\$104,472	\$1,393,487	\$3,633,022	\$2,239,908
2050	\$11,311,087	\$1,262,554	\$770,987	\$57,941	\$3,154,894	\$107,084	\$1,428,324	\$3,723,848	\$2,295,906
2051	\$11,606,159	\$1,294,118	\$790,261	\$59,390	\$3,233,766	\$109,761	\$1,464,032	\$3,816,944	\$2,353,304
2052	\$11,901,231	\$1,326,471	\$810,018	\$60,875	\$3,314,610	\$112,505	\$1,500,633	\$3,912,367	\$2,412,136
2053	\$12,196,303	\$1,359,633	\$830,268	\$62,397	\$3,397,476	\$115,318	\$1,538,149	\$4,010,177	\$2,472,440
Total	\$255,910,455	\$28,836,756	\$17,609,345	\$1,323,381	\$72,503,986	\$2,417,620	\$32,915,153	\$86,032,525	\$53,042,610

Property Tax

Incremental Property Tax Revenue
Proposed Redevelopment

Calendar Year	Project Year	Hotel		Apartment		Event Space		Parking Structure		Incremental Value	Total Millage (City of Beaufort and School District)	Total Revenue
		Projected Assessed Value	Base Assessed Value	Projected Assessed Value	Base Assessed Value	Projected Assessed Value	Base Assessed Value	Projected Assessed Value	Base Assessed Value			
2024	1	\$ 756,000	\$ 268,836	\$ 228,000	\$ 63,025	\$ 73,500	\$ 31,648	\$ 720,000	\$ 59,568	\$ 1,354,423	236.1	\$ 319,779
2025	2	\$ 756,000	\$ 268,836	\$ 228,000	\$ 63,025	\$ 73,500	\$ 31,648	\$ 720,000	\$ 59,568	\$ 1,354,423	236.1	\$ 319,779
2026	3	\$ 756,000	\$ 268,836	\$ 228,000	\$ 63,025	\$ 73,500	\$ 31,648	\$ 720,000	\$ 59,568	\$ 1,354,423	236.1	\$ 319,779
2027	4	\$ 756,000	\$ 268,836	\$ 228,000	\$ 63,025	\$ 73,500	\$ 31,648	\$ 720,000	\$ 59,568	\$ 1,354,423	236.1	\$ 319,779
2028	5	\$ 876,411	\$ 311,654	\$ 264,314	\$ 73,063	\$ 85,207	\$ 36,689	\$ 834,677	\$ 69,056	\$ 1,570,147	236.1	\$ 370,712
2029	6	\$ 876,411	\$ 311,654	\$ 264,314	\$ 73,063	\$ 85,207	\$ 36,689	\$ 834,677	\$ 69,056	\$ 1,570,147	236.1	\$ 370,712
2030	7	\$ 876,411	\$ 311,654	\$ 264,314	\$ 73,063	\$ 85,207	\$ 36,689	\$ 834,677	\$ 69,056	\$ 1,570,147	236.1	\$ 370,712
2031	8	\$ 876,411	\$ 311,654	\$ 264,314	\$ 73,063	\$ 85,207	\$ 36,689	\$ 834,677	\$ 69,056	\$ 1,570,147	236.1	\$ 370,712
2032	9	\$ 876,411	\$ 311,654	\$ 264,314	\$ 73,063	\$ 85,207	\$ 36,689	\$ 834,677	\$ 69,056	\$ 1,570,147	236.1	\$ 370,712
2033	10	\$ 1,016,001	\$ 361,293	\$ 306,413	\$ 84,700	\$ 98,778	\$ 42,533	\$ 967,620	\$ 80,055	\$ 1,820,231	236.1	\$ 429,757
2034	11	\$ 1,016,001	\$ 361,293	\$ 306,413	\$ 84,700	\$ 98,778	\$ 42,533	\$ 967,620	\$ 80,055	\$ 1,820,231	236.1	\$ 429,757
2035	12	\$ 1,016,001	\$ 361,293	\$ 306,413	\$ 84,700	\$ 98,778	\$ 42,533	\$ 967,620	\$ 80,055	\$ 1,820,231	236.1	\$ 429,757
2036	13	\$ 1,016,001	\$ 361,293	\$ 306,413	\$ 84,700	\$ 98,778	\$ 42,533	\$ 967,620	\$ 80,055	\$ 1,820,231	236.1	\$ 429,757
2037	14	\$ 1,016,001	\$ 361,293	\$ 306,413	\$ 84,700	\$ 98,778	\$ 42,533	\$ 967,620	\$ 80,055	\$ 1,820,231	236.1	\$ 429,757
2038	15	\$ 1,177,823	\$ 418,837	\$ 355,217	\$ 98,191	\$ 114,511	\$ 49,307	\$ 1,121,737	\$ 92,805	\$ 2,110,147	236.1	\$ 498,206
2039	16	\$ 1,177,823	\$ 418,837	\$ 355,217	\$ 98,191	\$ 114,511	\$ 49,307	\$ 1,121,737	\$ 92,805	\$ 2,110,147	236.1	\$ 498,206
2040	17	\$ 1,177,823	\$ 418,837	\$ 355,217	\$ 98,191	\$ 114,511	\$ 49,307	\$ 1,121,737	\$ 92,805	\$ 2,110,147	236.1	\$ 498,206
2041	18	\$ 1,177,823	\$ 418,837	\$ 355,217	\$ 98,191	\$ 114,511	\$ 49,307	\$ 1,121,737	\$ 92,805	\$ 2,110,147	236.1	\$ 498,206
2042	19	\$ 1,177,823	\$ 418,837	\$ 355,217	\$ 98,191	\$ 114,511	\$ 49,307	\$ 1,121,737	\$ 92,805	\$ 2,110,147	236.1	\$ 498,206
2043	20	\$ 1,365,420	\$ 485,547	\$ 411,793	\$ 113,830	\$ 132,749	\$ 57,160	\$ 1,300,400	\$ 107,587	\$ 2,446,238	236.1	\$ 577,557
2044	21	\$ 1,365,420	\$ 485,547	\$ 411,793	\$ 113,830	\$ 132,749	\$ 57,160	\$ 1,300,400	\$ 107,587	\$ 2,446,238	236.1	\$ 577,557
2045	22	\$ 1,365,420	\$ 485,547	\$ 411,793	\$ 113,830	\$ 132,749	\$ 57,160	\$ 1,300,400	\$ 107,587	\$ 2,446,238	236.1	\$ 577,557
2046	23	\$ 1,365,420	\$ 485,547	\$ 411,793	\$ 113,830	\$ 132,749	\$ 57,160	\$ 1,300,400	\$ 107,587	\$ 2,446,238	236.1	\$ 577,557
2047	24	\$ 1,365,420	\$ 485,547	\$ 411,793	\$ 113,830	\$ 132,749	\$ 57,160	\$ 1,300,400	\$ 107,587	\$ 2,446,238	236.1	\$ 577,557
2048	25	\$ 1,582,896	\$ 562,882	\$ 477,381	\$ 131,961	\$ 153,893	\$ 66,264	\$ 1,507,520	\$ 124,722	\$ 2,835,861	236.1	\$ 669,547
2049	26	\$ 1,582,896	\$ 562,882	\$ 477,381	\$ 131,961	\$ 153,893	\$ 66,264	\$ 1,507,520	\$ 124,722	\$ 2,835,861	236.1	\$ 669,547
2050	27	\$ 1,582,896	\$ 562,882	\$ 477,381	\$ 131,961	\$ 153,893	\$ 66,264	\$ 1,507,520	\$ 124,722	\$ 2,835,861	236.1	\$ 669,547
2051	28	\$ 1,582,896	\$ 562,882	\$ 477,381	\$ 131,961	\$ 153,893	\$ 66,264	\$ 1,507,520	\$ 124,722	\$ 2,835,861	236.1	\$ 669,547
2052	29	\$ 1,582,896	\$ 562,882	\$ 477,381	\$ 131,961	\$ 153,893	\$ 66,264	\$ 1,507,520	\$ 124,722	\$ 2,835,861	236.1	\$ 669,547
2053	30	\$ 1,835,010	\$ 652,535	\$ 553,416	\$ 152,978	\$ 178,404	\$ 76,818	\$ 1,747,629	\$ 144,588	\$ 3,287,540	236.1	\$ 776,188
Total 30-Year Tax Revenue												\$ 14,784,199

Business License Revenue

Business License Tax Revenue		Estimated Business License Tax Revenues														
Proposed Hotel Redevelopment		Hotel							Hotel							Total
Calendar Year	Project Year	Accommodation Revenues	Hotel Retail Revenues	Hotel Restaurant Revenues	Event Space Revenues	Apartment Revenues	Parking Revenues	Hotel Accommodation	Hotel Retail	Hotel Restaurant	Event Space	Apartments	Parking	Total		
2024	1	\$ 3,323,599	\$ 15,245	\$ 332,200	\$ 1,276,290	\$ -	\$ 668,038	\$ 6,530	\$ 78	\$ 696	\$ 2,537	\$ -	\$ 1,351	\$ 11,193		
2025	2	\$ 5,474,650	\$ 31,253	\$ 681,010	\$ 1,701,720	\$ 57,760	\$ 770,424	\$ 10,724	\$ 1,377	\$ 1,377	\$ 3,367	\$ 362	\$ 1,551	\$ 18,757		
2026	3	\$ 5,712,835	\$ 32,034	\$ 698,035	\$ 1,744,263	\$ 59,204	\$ 789,685	\$ 11,189	\$ 111	\$ 1,410	\$ 3,450	\$ 368	\$ 1,588	\$ 18,116		
2027	4	\$ 5,959,508	\$ 32,835	\$ 715,486	\$ 1,787,870	\$ 60,684	\$ 809,427	\$ 11,670	\$ 113	\$ 1,444	\$ 3,535	\$ 374	\$ 1,627	\$ 18,762		
2028	5	\$ 6,149,437	\$ 33,656	\$ 733,373	\$ 1,832,566	\$ 62,201	\$ 829,663	\$ 12,040	\$ 114	\$ 1,479	\$ 3,622	\$ 380	\$ 1,666	\$ 19,302		
2029	6	\$ 6,395,496	\$ 34,497	\$ 751,708	\$ 1,878,380	\$ 63,756	\$ 850,404	\$ 12,520	\$ 116	\$ 1,514	\$ 3,711	\$ 387	\$ 1,707	\$ 19,955		
2030	7	\$ 6,650,015	\$ 35,360	\$ 770,500	\$ 1,925,340	\$ 65,350	\$ 871,665	\$ 13,016	\$ 118	\$ 1,551	\$ 3,803	\$ 394	\$ 1,748	\$ 20,630		
2031	8	\$ 6,877,991	\$ 36,244	\$ 789,763	\$ 1,973,473	\$ 66,984	\$ 893,456	\$ 13,461	\$ 119	\$ 1,589	\$ 3,897	\$ 400	\$ 1,791	\$ 21,257		
2032	9	\$ 7,140,325	\$ 37,150	\$ 809,507	\$ 2,022,810	\$ 68,658	\$ 915,793	\$ 13,972	\$ 121	\$ 1,627	\$ 3,993	\$ 407	\$ 1,834	\$ 21,955		
2033	10	\$ 7,430,005	\$ 38,079	\$ 829,745	\$ 2,073,381	\$ 70,375	\$ 938,687	\$ 14,537	\$ 123	\$ 1,667	\$ 4,092	\$ 415	\$ 1,879	\$ 22,712		
2034	11	\$ 7,622,689	\$ 39,031	\$ 850,488	\$ 2,125,215	\$ 72,134	\$ 962,155	\$ 14,913	\$ 125	\$ 1,707	\$ 4,193	\$ 422	\$ 1,925	\$ 23,284		
2035	12	\$ 7,819,404	\$ 40,007	\$ 871,750	\$ 2,178,345	\$ 73,938	\$ 986,208	\$ 15,296	\$ 127	\$ 1,749	\$ 4,296	\$ 430	\$ 1,972	\$ 23,869		
2036	13	\$ 8,016,118	\$ 41,007	\$ 893,544	\$ 2,232,804	\$ 75,786	\$ 1,010,864	\$ 15,680	\$ 129	\$ 1,791	\$ 4,403	\$ 437	\$ 2,020	\$ 24,459		
2037	14	\$ 8,212,833	\$ 42,032	\$ 915,883	\$ 2,288,624	\$ 77,681	\$ 1,036,135	\$ 16,064	\$ 131	\$ 1,835	\$ 4,511	\$ 445	\$ 2,069	\$ 25,055		
2038	15	\$ 8,409,547	\$ 43,083	\$ 938,780	\$ 2,345,840	\$ 79,623	\$ 1,062,039	\$ 16,447	\$ 133	\$ 1,879	\$ 4,623	\$ 454	\$ 2,120	\$ 25,655		
2039	16	\$ 8,630,851	\$ 44,160	\$ 962,249	\$ 2,404,486	\$ 81,613	\$ 1,088,590	\$ 16,879	\$ 135	\$ 1,925	\$ 4,737	\$ 462	\$ 2,171	\$ 26,309		
2040	17	\$ 8,852,155	\$ 45,264	\$ 986,306	\$ 2,464,598	\$ 83,654	\$ 1,115,804	\$ 17,310	\$ 137	\$ 1,972	\$ 4,855	\$ 470	\$ 2,224	\$ 26,968		
2041	18	\$ 9,073,459	\$ 46,395	\$ 1,010,963	\$ 2,526,213	\$ 85,745	\$ 1,143,699	\$ 17,742	\$ 139	\$ 2,020	\$ 4,975	\$ 479	\$ 2,279	\$ 27,634		
2042	19	\$ 9,294,763	\$ 47,555	\$ 1,036,237	\$ 2,589,368	\$ 87,889	\$ 1,172,292	\$ 18,173	\$ 141	\$ 2,069	\$ 5,098	\$ 488	\$ 2,335	\$ 28,305		
2043	20	\$ 9,516,067	\$ 48,744	\$ 1,062,143	\$ 2,654,102	\$ 90,086	\$ 1,201,599	\$ 18,605	\$ 144	\$ 2,120	\$ 5,224	\$ 497	\$ 2,392	\$ 28,982		
2044	21	\$ 9,761,960	\$ 49,963	\$ 1,088,697	\$ 2,720,455	\$ 92,338	\$ 1,231,639	\$ 19,084	\$ 146	\$ 2,172	\$ 5,353	\$ 507	\$ 2,450	\$ 29,713		
2045	22	\$ 10,007,853	\$ 51,212	\$ 1,115,914	\$ 2,788,466	\$ 94,646	\$ 1,262,430	\$ 19,564	\$ 148	\$ 2,225	\$ 5,486	\$ 517	\$ 2,510	\$ 30,450		
2046	23	\$ 10,253,746	\$ 52,492	\$ 1,143,812	\$ 2,858,178	\$ 97,013	\$ 1,293,991	\$ 20,043	\$ 151	\$ 2,279	\$ 5,622	\$ 527	\$ 2,572	\$ 31,194		
2047	24	\$ 10,499,640	\$ 53,804	\$ 1,172,407	\$ 2,929,632	\$ 99,438	\$ 1,326,341	\$ 20,523	\$ 154	\$ 2,335	\$ 5,761	\$ 537	\$ 2,635	\$ 31,944		
2048	25	\$ 10,770,122	\$ 55,149	\$ 1,201,718	\$ 3,002,873	\$ 101,924	\$ 1,359,499	\$ 21,050	\$ 156	\$ 2,392	\$ 5,904	\$ 547	\$ 2,700	\$ 32,749		
2049	26	\$ 11,040,605	\$ 56,528	\$ 1,231,760	\$ 3,077,945	\$ 104,472	\$ 1,393,487	\$ 21,578	\$ 159	\$ 2,451	\$ 6,051	\$ 558	\$ 2,766	\$ 33,562		
2050	27	\$ 11,311,087	\$ 57,941	\$ 1,262,554	\$ 3,154,894	\$ 107,084	\$ 1,428,324	\$ 22,105	\$ 162	\$ 2,511	\$ 6,201	\$ 569	\$ 2,834	\$ 34,381		
2051	28	\$ 11,606,159	\$ 59,390	\$ 1,294,118	\$ 3,233,766	\$ 109,761	\$ 1,464,032	\$ 22,681	\$ 164	\$ 2,572	\$ 6,354	\$ 580	\$ 2,903	\$ 35,255		
2052	29	\$ 11,901,231	\$ 60,875	\$ 1,326,471	\$ 3,314,610	\$ 112,505	\$ 1,500,633	\$ 23,256	\$ 167	\$ 2,635	\$ 6,512	\$ 592	\$ 2,975	\$ 36,137		
2053	30	\$ 12,196,303	\$ 62,397	\$ 1,359,633	\$ 3,397,476	\$ 115,318	\$ 1,538,149	\$ 23,831	\$ 170	\$ 2,700	\$ 6,674	\$ 603	\$ 3,048	\$ 37,027		
Total														\$ 785,570		

Accommodations Tax Revenue

Accommodations Tax Revenue
Proposed Hotel Redevelopment

Calendar Year	Project Year	Average Daily Rate	Net New Rooms Available	Total Annual Sales Potential	% Hotel Occupancy	Taxable Sales	County			City Revenue	County Revenue	State Revenue	Total
							City A-Tax Rate	A-Tax Rate	State A-Tax Rate				
2024	1	\$ 225	57	\$ 4,681,125	71.0%	\$ 3,323,599	3.0%	3.0%	2.0%	\$ 99,708	\$ 99,708	\$ 66,472	\$ 265,888
2025	2	\$ 248	84	\$ 7,603,680	72.0%	\$ 5,474,650	3.0%	3.0%	2.0%	\$ 164,239	\$ 164,239	\$ 109,493	\$ 437,972
2026	3	\$ 254	84	\$ 7,793,772	73.3%	\$ 5,712,835	3.0%	3.0%	2.0%	\$ 171,385	\$ 171,385	\$ 114,257	\$ 457,027
2027	4	\$ 261	84	\$ 7,988,616	74.6%	\$ 5,959,508	3.0%	3.0%	2.0%	\$ 178,785	\$ 178,785	\$ 119,190	\$ 476,761
2028	5	\$ 267	84	\$ 8,188,332	75.1%	\$ 6,149,437	3.0%	3.0%	2.0%	\$ 184,483	\$ 184,483	\$ 122,989	\$ 491,955
2029	6	\$ 274	84	\$ 8,393,040	76.2%	\$ 6,395,496	3.0%	3.0%	2.0%	\$ 191,865	\$ 191,865	\$ 127,910	\$ 511,640
2030	7	\$ 281	84	\$ 8,602,866	77.3%	\$ 6,650,015	3.0%	3.0%	2.0%	\$ 199,500	\$ 199,500	\$ 133,000	\$ 532,001
2031	8	\$ 288	84	\$ 8,817,938	78.0%	\$ 6,877,991	3.0%	3.0%	2.0%	\$ 206,340	\$ 206,340	\$ 137,560	\$ 550,239
2032	9	\$ 295	84	\$ 9,038,386	79.0%	\$ 7,140,325	3.0%	3.0%	2.0%	\$ 214,210	\$ 214,210	\$ 142,807	\$ 571,226
2033	10	\$ 302	84	\$ 9,264,346	80.2%	\$ 7,430,005	3.0%	3.0%	2.0%	\$ 222,900	\$ 222,900	\$ 148,600	\$ 594,400
2034	11	\$ 310	84	\$ 9,504,600	80.2%	\$ 7,622,689	3.0%	3.0%	2.0%	\$ 228,681	\$ 228,681	\$ 152,454	\$ 609,815
2035	12	\$ 318	84	\$ 9,749,880	80.2%	\$ 7,819,404	3.0%	3.0%	2.0%	\$ 234,582	\$ 234,582	\$ 156,388	\$ 625,552
2036	13	\$ 326	84	\$ 9,995,160	80.2%	\$ 8,016,118	3.0%	3.0%	2.0%	\$ 240,484	\$ 240,484	\$ 160,322	\$ 641,289
2037	14	\$ 334	84	\$ 10,240,440	80.2%	\$ 8,212,833	3.0%	3.0%	2.0%	\$ 246,385	\$ 246,385	\$ 164,257	\$ 657,027
2038	15	\$ 342	84	\$ 10,485,720	80.2%	\$ 8,409,547	3.0%	3.0%	2.0%	\$ 252,286	\$ 252,286	\$ 168,191	\$ 672,764
2039	16	\$ 351	84	\$ 10,761,660	80.2%	\$ 8,630,851	3.0%	3.0%	2.0%	\$ 258,926	\$ 258,926	\$ 172,617	\$ 690,468
2040	17	\$ 360	84	\$ 11,037,600	80.2%	\$ 8,852,155	3.0%	3.0%	2.0%	\$ 265,565	\$ 265,565	\$ 177,043	\$ 708,172
2041	18	\$ 369	84	\$ 11,313,540	80.2%	\$ 9,073,459	3.0%	3.0%	2.0%	\$ 272,204	\$ 272,204	\$ 181,469	\$ 725,877
2042	19	\$ 378	84	\$ 11,589,480	80.2%	\$ 9,294,763	3.0%	3.0%	2.0%	\$ 278,843	\$ 278,843	\$ 185,895	\$ 743,581
2043	20	\$ 387	84	\$ 11,865,420	80.2%	\$ 9,516,067	3.0%	3.0%	2.0%	\$ 285,482	\$ 285,482	\$ 190,321	\$ 761,285
2044	21	\$ 397	84	\$ 12,172,020	80.2%	\$ 9,761,960	3.0%	3.0%	2.0%	\$ 292,859	\$ 292,859	\$ 195,239	\$ 780,957
2045	22	\$ 407	84	\$ 12,478,620	80.2%	\$ 10,007,853	3.0%	3.0%	2.0%	\$ 300,236	\$ 300,236	\$ 200,157	\$ 800,628
2046	23	\$ 417	84	\$ 12,785,220	80.2%	\$ 10,253,746	3.0%	3.0%	2.0%	\$ 307,612	\$ 307,612	\$ 205,075	\$ 820,300
2047	24	\$ 427	84	\$ 13,091,820	80.2%	\$ 10,499,640	3.0%	3.0%	2.0%	\$ 314,989	\$ 314,989	\$ 209,993	\$ 839,971
2048	25	\$ 438	84	\$ 13,429,080	80.2%	\$ 10,770,122	3.0%	3.0%	2.0%	\$ 323,104	\$ 323,104	\$ 215,402	\$ 861,610
2049	26	\$ 449	84	\$ 13,766,340	80.2%	\$ 11,040,605	3.0%	3.0%	2.0%	\$ 331,218	\$ 331,218	\$ 220,812	\$ 883,248
2050	27	\$ 460	84	\$ 14,103,600	80.2%	\$ 11,311,087	3.0%	3.0%	2.0%	\$ 339,333	\$ 339,333	\$ 226,222	\$ 904,887
2051	28	\$ 472	84	\$ 14,471,520	80.2%	\$ 11,606,159	3.0%	3.0%	2.0%	\$ 348,185	\$ 348,185	\$ 232,123	\$ 928,493
2052	29	\$ 484	84	\$ 14,839,440	80.2%	\$ 11,901,231	3.0%	3.0%	2.0%	\$ 357,037	\$ 357,037	\$ 238,025	\$ 952,098
2053	30	\$ 496	84	\$ 15,207,360	80.2%	\$ 12,196,303	3.0%	3.0%	2.0%	\$ 365,889	\$ 365,889	\$ 243,926	\$ 975,704
Total 30-Year Tax Revenue										\$ 7,677,314	\$ 7,677,314	\$ 5,118,209	\$ 20,472,836

Hospitality Tax Revenue

Hospitality Tax Revenue								
Calendar Year	Project Year	Net New Taxable Sales Potential (Tabby Place and Beaufort Inn)	Taxable Sales Potential			Total Taxable Sales	City Hospitality Tax	
			(Off-Site Visitor Spending)	% Occupancy			Rate (H-Tax) ¹	Total Revenue
2024	1	\$ 1,070,120	\$ 1,959,618	60%	\$ 1,817,843	2.0%	\$ 36,357	
2025	2	\$ 1,096,873	\$ 2,008,608	75%	\$ 2,329,111	2.0%	\$ 46,582	
2026	3	\$ 1,124,295	\$ 2,058,824	100%	\$ 3,183,118	2.0%	\$ 63,662	
2027	4	\$ 1,152,402	\$ 2,110,294	100%	\$ 3,262,696	2.0%	\$ 65,254	
2028	5	\$ 1,181,212	\$ 2,163,052	100%	\$ 3,344,264	2.0%	\$ 66,885	
2029	6	\$ 1,210,743	\$ 2,217,128	100%	\$ 3,427,870	2.0%	\$ 68,557	
2030	7	\$ 1,241,011	\$ 2,272,556	100%	\$ 3,513,567	2.0%	\$ 70,271	
2031	8	\$ 1,272,036	\$ 2,329,370	100%	\$ 3,601,406	2.0%	\$ 72,028	
2032	9	\$ 1,303,837	\$ 2,387,604	100%	\$ 3,691,442	2.0%	\$ 73,829	
2033	10	\$ 1,336,433	\$ 2,447,294	100%	\$ 3,783,728	2.0%	\$ 75,675	
2034	11	\$ 1,369,844	\$ 2,508,477	100%	\$ 3,878,321	2.0%	\$ 77,566	
2035	12	\$ 1,404,090	\$ 2,571,189	100%	\$ 3,975,279	2.0%	\$ 79,506	
2036	13	\$ 1,439,192	\$ 2,635,468	100%	\$ 4,074,661	2.0%	\$ 81,493	
2037	14	\$ 1,475,172	\$ 2,701,355	100%	\$ 4,176,527	2.0%	\$ 83,531	
2038	15	\$ 1,512,052	\$ 2,768,889	100%	\$ 4,280,940	2.0%	\$ 85,619	
2039	16	\$ 1,549,853	\$ 2,838,111	100%	\$ 4,387,964	2.0%	\$ 87,759	
2040	17	\$ 1,588,599	\$ 2,909,064	100%	\$ 4,497,663	2.0%	\$ 89,953	
2041	18	\$ 1,628,314	\$ 2,981,790	100%	\$ 4,610,105	2.0%	\$ 92,202	
2042	19	\$ 1,669,022	\$ 3,056,335	100%	\$ 4,725,357	2.0%	\$ 94,507	
2043	20	\$ 1,710,748	\$ 3,132,744	100%	\$ 4,843,491	2.0%	\$ 96,870	
2044	21	\$ 1,753,516	\$ 3,211,062	100%	\$ 4,964,578	2.0%	\$ 99,292	
2045	22	\$ 1,797,354	\$ 3,291,339	100%	\$ 5,088,693	2.0%	\$ 101,774	
2046	23	\$ 1,842,288	\$ 3,373,622	100%	\$ 5,215,910	2.0%	\$ 104,318	
2047	24	\$ 1,888,345	\$ 3,457,963	100%	\$ 5,346,308	2.0%	\$ 106,926	
2048	25	\$ 1,935,554	\$ 3,544,412	100%	\$ 5,479,966	2.0%	\$ 109,599	
2049	26	\$ 1,983,943	\$ 3,633,022	100%	\$ 5,616,965	2.0%	\$ 112,339	
2050	27	\$ 2,033,541	\$ 3,723,848	100%	\$ 5,757,389	2.0%	\$ 115,148	
2051	28	\$ 2,084,380	\$ 3,816,944	100%	\$ 5,901,324	2.0%	\$ 118,026	
2052	29	\$ 2,136,489	\$ 3,912,367	100%	\$ 6,048,857	2.0%	\$ 120,977	
2053	30	\$ 2,189,901	\$ 4,010,177	100%	\$ 6,200,078	2.0%	\$ 124,002	
30-Year Total								\$ 2,620,508

APPENDIX

ASSUMPTIONS AND LIMITING CONDITIONS

CREDENTIALS

ASSUMPTIONS AND LIMITING CONDITIONS

This market and revenue study is subject to the following assumptions and limiting conditions:

1. Information provided by various secondary sources is assumed accurate and cannot be guaranteed or construed to represent judgments by the consultant. Such information and the results of its application by the consultant are subject to change without notice.
2. The future course of the local economy is based on our current understanding of the market and representations made to us. The future course of commercial development and consumer spending patterns is difficult to predict and our forecast is subject to change, although we deem our projections as reasonable given current information available.
3. We have analyzed the current economic conditions in Beaufort County and have considered them in making our projections. However, should the local, regional, or national economies suffer a major recession or depression, this will have a material effect on our projections.
4. Our analyses, opinions, and conclusions were prepared in conformance with the requirements of the Standards of Professional Practice of the Appraisal Institute, of which Brad Beggs, Principal with Development Strategies, is a designated member.