

The Biltmore Hotel Assessment

June 12, 2018

**CORAL
GABLES**[®]
THE CITY BEAUTIFUL



LEASE REQUIREMENT



“...operate the Hotel and Premises as a luxury first-class destination resort hotel and conference center in the manner in which other similar class destination hotels and conference centers in the industry (Comparable Hotels) are operated...”

OBJECTIVE



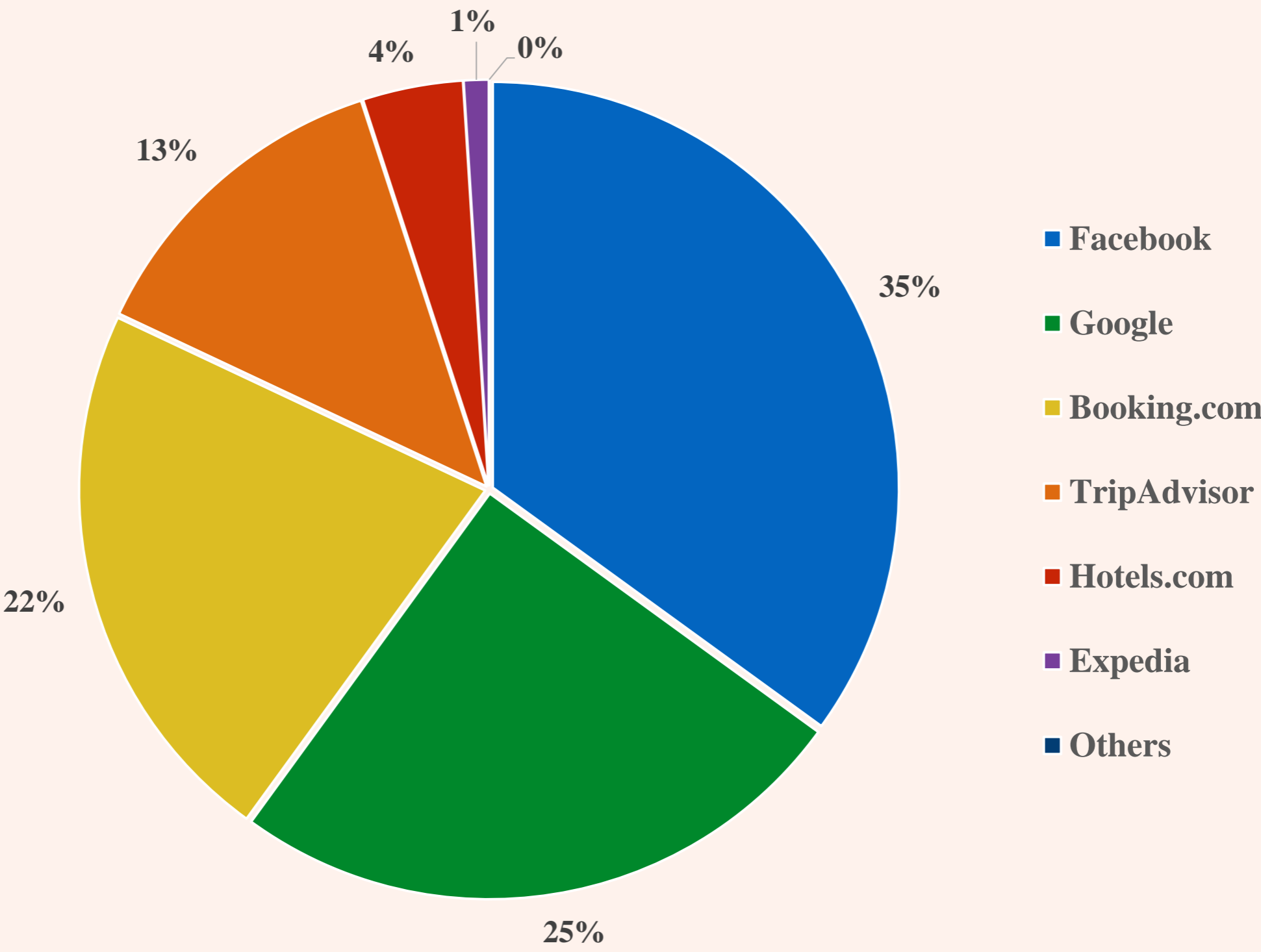
1. Determine if the operations are in compliance with the Lease Agreement
2. Undertake a comparative analysis of the Biltmore's financial operating performance
3. Analyze the Capital Expenditures undertaken and compare to the Comparable Hotels, considering the historic nature

COMPARABLE HOTELS



PROPERTY NAME	CITY, STATE	ROOMS
Waldorf Astoria Boca Raton Resort	Boca Raton, FL	1047
Marriott Grand Hotel Resort Club & Spa	Point Clear, AL	405
Marriott Sawgrass Golf Resort & Spa	Ponte Vedra Beach, FL	514
Renaissance St. Augustine Resort World Golf Village	St. Augustine, FL	301
Marriott Fort Lauderdale Coral Springs Hotel Golf Club & Convention Center	Coral Springs, FL	224
Ritz-Carlton Golf Resort Naples	Naples, FL	295
Hyatt Regency Coconut Point Resort & Spa	Bonita Springs, FL	454

GUEST REVIEWS ON WEBSITE



GUEST REVIEWS vs. COMPARABLE HOTELS



Review Rating Detail				
	Jan '18	Since Last Month	Dec '17	Comp Rank
Overall	4.44	2%	4.36	#3
Cleanliness	4.71	1%	4.67	#2
Location	3.00	-31%	4.33	#7
Rooms	4.4	-1%	4.43	#4
Service	4.14	10%	3.75	#4
Value	5.00	47%	3.40	#1

RATINGS



Forbes Travel Guide

Inspectors evaluate hotels based on up to 900 objective standards.

4-Star Rating



RATINGS



Leading Hotels of the World (LHW)

An exclusive group of luxury hotels worldwide.

Requires “...a hotel must be in the luxury category and meet exact standards.”

Rated the Biltmore 82.2%



EST-1928

THE LEADING HOTELS
OF THE WORLD®



RATINGS



The Consultant used LHW criteria to inspect the property on:

February 13	March 10
February 20	March 11
March 4	March 25
March 9	

Consultant scored the Biltmore 91.6%

PROJECTED CAPITAL COST



PROJECT	DESCRIPTION	CLASSIFICATION	TOTAL COST
Windows/Doors	See detailed worksheet	Capital	\$5,500,000
HVAC	Hotel Chiller and Air Handling Unit	Capital	\$1,420,000
Elevators-Guest	3 elevators including service	Capital	\$1,600,000
Elevators-Service	8 elevators including service	Capital	\$1,200,000
CCA Chiller & Cooling Tower	Cooling base rusted, needs a rebuild, need fresh air make up control room	Capital	\$385,000
Hotel HVAC	Air make up on floor, coils in rooms, air handlers	Capital	\$265,000
Boilers & Jocket Pumps	Boilers & storage tanks are underground, way past useful life span - in progress	Capital	\$260,000
Upper Driveway & Parking Garage	Can not support weight of modern vehicles, walkway requires nonslip surface, garage has cracks and spalding	Capital	\$200,000
Biltmore 10 Yrs Recertification	Exterior certification plus courtyard second floors cracks, guest room decks, emergency stair cases & slabs below Cascade Bar	Capital	\$185,000
CCA 40 Yrs Recertification	Required by City and County code - in progress to include storage rooms lower level southfacing	Capital	\$120,000
Roof Repairs	Roof Repairs	Capital	\$100,000
Life Safety	New alarm panels in CCA and Main Hotel Building	Capital	\$200,000
Rooms FF&E	See Design Scope (not attached)	Capital	\$7,000,000
Room Hallways	See Design Scope (not attached)	Capital	\$550,000
Room Bathroom Refresh	Replace all hardware, refinish tubs, new lighting	Capital	\$450,000
Banquet Space	FF&E Replacement Carpet, Paint, Trim and Drapes	R&R	\$950,000
Lobby Décor - Upper	Includes all FF&E, Lighting Rugs Drapes and Window Treatment	R&R	\$550,000
Lobby Décor Lower	Includes all FF&E, Lighting Rugs Drapes and Window Treatment	R&R	\$600,000
		Grand Total	\$21,535,000

CAPITAL FUNDING BASED ON 4% RESERVE



	Total Cost	2018	2019	2020	2021	2022
Sub Total	\$20,782,068	\$10,789,174	\$8,992,894	\$550,000	\$450,000	\$0
Total Capital	\$22,629,856	\$12,636,962	\$8,992,894	\$550,000	\$450,000	\$0
Biltmore Projection of Total Revenue	\$47,240,380	\$49,467,795	\$50,951,829	\$52,480,384	\$54,054,795	\$55,676,439
Reserve Additions @4%	-\$12,462,049	\$1,889,615	\$1,978,715	\$2,038,073	\$2,099,215	\$2,162,192
Annual Shortfall	-\$12,462,049	-\$10,747,347	-\$7,014,182	\$1,488,073	\$1,649,215	\$2,162,192

CAPITAL FUNDING BASED ON 4% RESERVE AND CITY'S CONTRIBUTION

	Total Cost	2018	2019	2020	2021	2022
Sub Total 2 Years	\$20,782,068	\$10,789,174	\$8,992,894	\$550,000	\$450,000	\$0
Total Capital Plan extended to 4 Years	\$22,629,856	\$6,318,481	\$6,318,481	\$4,496,447	\$4,496,447	\$1,000,000
Biltmore Projection of Total Revenue	\$47,240,380	\$49,467,795	\$50,951,829	\$52,480,384	\$54,054,795	\$55,676,439
Reserve Additions @6%		\$2,834,423	\$2,968,068	\$3,057,110	\$3,148,823	\$3,243,288
Owner/City Contribution 1.75%		\$826,707	\$865,686	\$891,657	\$918,407	\$945,959
Total Contribution		\$3,661,129	\$3,833,754	\$3,948,767	\$4,067,230	\$4,189,247
Annual Shortfall	-\$2,929,729	-\$2,657,352	-\$2,484,727	-\$547,680	-\$429,217	\$3,189,247

Before



After

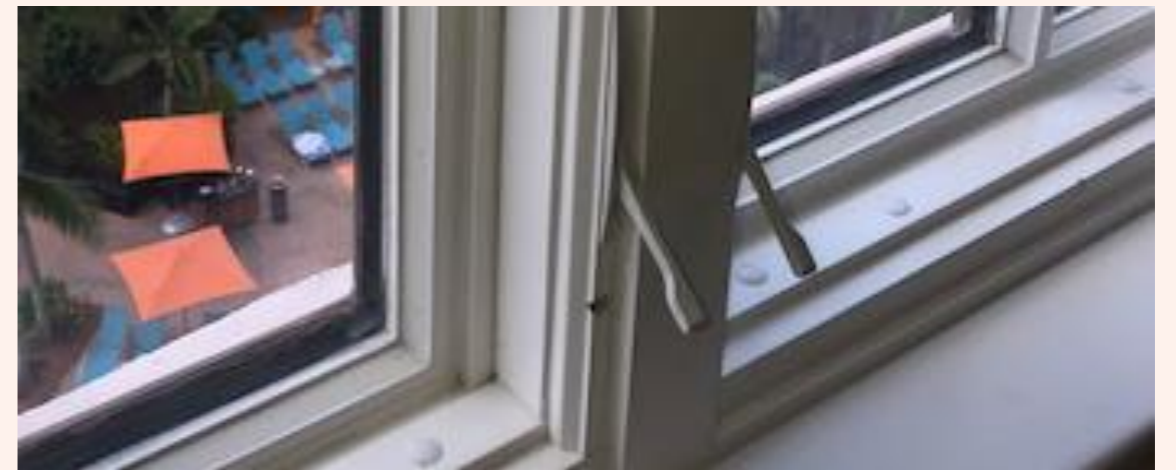


Before



After





Before

After



Before



After

Thank You



**CORAL
GABLES**[®]
THE CITY BEAUTIFUL

