

REQUEST FOR PROPOSAL

FOR THE FOLLOWING PROJECT
DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OF FULL-SERVICE HOTEL
FOR THE
BATON ROUGE METROPOLITAN AIRPORT



RFP NO# 20008-19 DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OR FULL-SERVICE
HOTEL

Released: April 22, 2019

PREPARED BY
CITY OF BATON ROUGE
PARISH OF EAST BATON ROUGE
GREATER BATON ROUGE AIRPORT DISTRICT

NOTE TO PROPOSERS:

- 1) Submit the separate set of Proposal Forms with all required information as your Proposal.
- 2) Retain the complete set of Specifications and Contract Documents for your file.



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SECTION A

PUBLIC NOTICE FOR REQUEST FOR PROPOSAL FOR THE DEVELOPMENT AND OPERATION
OF A SELECT-SERVICE OR FULL-SERVICE HOTEL AT THE
BATON ROUGE METROPOLITAN AIRPORT

PUBLIC NOTICE

REQUEST FOR PROPOSAL FOR THE DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OR FULL-SERVICE HOTEL AT THE BATON ROUGE METROPOLITAN AIRPORT

The City of Baton Rouge, Parish of East Baton Rouge on behalf of the Greater Baton Rouge Airport District (“Airport”) is seeking development proposals from highly qualified development teams interested in developing and operating a hotel on an airport-owned parcel located adjacent to the Terminal at the Baton Rouge Metropolitan Airport.

REQUEST FOR PROPOSAL FOR THE DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OR FULL-SERVICE HOTEL AT THE BATON ROUGE METROPOLITAN AIRPORT

DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OR FULL-SERVICE HOTEL

GROUND LEASE: TO BE EXECUTED ACCORDING TO THE TERMS OF THE REQUEST FOR PROPOSAL

This project will be in strict compliance with all applicable Airport rules and regulations.

Interested firms may obtain official Request for Proposal (RFP) package from the Purchasing Division, Room 826, 222 St. Louis St., Baton Rouge, Louisiana 70801 or by telephoning (225) 389-3259, extension 0; by fax request to 225-389-4841, or by email request to purchasinginfo@brla.gov. Only those firms that have obtained the official RFP package for this project will be considered by the Airport. Additionally, the firm selected for this project will be required to execute a ground lease for the development site. Responding firms must be prepared to provide evidence of financial ability to design, construct, finance, operate and maintain the improvements. Any questions or problems related to the obtaining of the RFP package should be directed by email to Patti Wallace at Pwallace@brla.gov.

A non-mandatory pre-proposal conference will be held on April 30, 2019 at 2:00 P.M. (CST), at the Baton Rouge Metropolitan Airport, 1st Floor Conference Room, Terminal Building, 9430 Jackie Cochran Drive, Baton Rouge, Louisiana. A site visit will immediately follow the pre-proposal conference. If you intend to participate in the pre-proposal conference and site visit, send an e-mail to Mr. Gregory Pierson at gpierson@brla.gov identifying the names of the individuals that will participate. The purpose of the pre-proposal conference is to provide interested firms with detailed information concerning the project and address potential concerns. *Representatives from Airport Administration, Louisiana Economic Development (LED), the North Baton Rouge Economic Development District, the Baton Rouge Area Chamber and the SJB Group, LLC will be invited to attend and be available to discuss and provide an overview of the project.* Attendance at the Pre-Proposal Conference is highly encouraged for all those interested

in submitting Proposals as a Prime Consultant and persons seeking opportunities to provide work as a Sub-Consultant.

Any questions or requests for clarification should be in writing and directed to Patti Wallace, Director of Purchasing at the address noted above or emailed to Pwallace@brla.gov. Any questions must be submitted no later than May 7, 2019. All questions will be responded to in writing via addendum.

Policy: The Airport is a federal grant recipient and therefore, this agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

The concessionaire or contractor agrees to include the above statement in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

It is the policy of the BRMA to encourage participation of ACDBE firms in Airport Concession contracts. The BRMA desires to achieve, to the greatest extent possible, quality participation by certified ACDBE firms. Proposers are challenged to present a creative and responsive plan that provides for ACDBE participation that is commercially meaningful and useful. Participation will be encouraged for each of the following opportunities:

1. Ownership:
 - a. Direct ownership
 - b. Joint venture partnership (risk and profits are shared)
 - c. Sublease agreements (i.e. retail, food, and beverage operations)
2. Construction: design, engineering, or structural contractor or subcontractors
3. Operations: goods and service providers

The BRMA is currently administering an ACDBE program requiring good faith efforts to include meaningful ACDBE participation on all Airport Concession opportunities. A minimum ACDBE goal of 8.0% has been established for this agreement. Additionally, the Airport will negotiate with the successful Proposer prior to contract award to ensure compliance with the ACDBE Program.

Upon submission, the Proposer must include an ACDBE Participation Plan in their prepared response to this RFP. The proposed plan should provide a narrative description that details the proposed ACDBE participation and commitment for each of the three opportunities: Ownership, Construction, and Operations. Specifically, the ACDBE Participation Plan shall include:

1. Detailed description of efforts made to structure the ownership opportunity to facilitate ACDBE ownership and the ACDBE ownership or joint venture agreements. Indicate the ACDBE commitment as a percentage of total contract ownership.
2. Outreach strategies to identify ready, willing, and able ACDBE firms to participate in the development/construction opportunity. Identify specific contracting opportunities. Indicate the ACDBE commitment as a percentage of the total cost of construction.
3. Outreach strategies to identify ready, willing, and able ACDBE goods and service providers to participate in the operations opportunity. Identify specific contracting opportunities. Indicate the ACDBE commitment as a percentage of the total estimated annual revenues.
4. Detailed description of any other plans, strategies, or activities you propose to ensure ACDBE utilization in the execution of this contract.
5. Describe previous experience with ACDBE participation in executing services similar to this project.

Proposals will be evaluated, in part, on the proposer's Good Faith Efforts based on the stated commitments to utilize ACDBE participation in commercially meaningful and useful functions. BTR has included DBE participation as an evaluation criterion and will expect a thorough Good Faith Effort to seek participation per this request. A proposal which fails to satisfy this requirement shall be deemed nonresponsive.

Only businesses certified through the Louisiana Unified Certification Program (LAUCP) are eligible for participation in the ACDBE opportunities. A current listing of ACDBE certified firms can be found at <http://www8.dotd.la.gov/UCP/UCPSearch.aspx>. All firms must be certified at the time of submission to be considered. The BRMA affords no preference based on geographical area in which an ACDBE firm is located, provided that the firm is listed in the LAUCP directory.

The employees of the Greater Baton Rouge Airport District and members of the Greater Baton Rouge Airport Commission request that all Submitters, sub-Submitters, contractors, vendors or other involved with this project not contact any employee, Member of the Selection Committee, Metropolitan Council Member, or Airport Commission Member concerning this project during the selection process period (**initial advertisement – final selection**), except to submit written questions as provided above.

The selection committee will meet on at the Baton Rouge Metropolitan Airport, Suite 300, Terminal Building, 9430 Jackie Cochran Drive, Baton Rouge, Louisiana to establish a Submitter "short list" of not more than three (3) firms. It is the intent of the selection committee to evaluate the submissions based on the experience and qualifications detailed in the submissions that demonstrate that the Submitter has a record of successfully developing hotel properties and is financially and organizationally capable of developing and operating a hotel at the Baton Rouge Metropolitan Airport.



Oral Presentations will be received from the “short listed”. Submitters and presented to the full body of the Greater Baton Rouge Airport Commission followed by the final ranking of submittals. The “Oral Presentations” and final ranking shall be before the full Airport Commission and take place in the Commission/Boardroom located at the Baton Rouge Metropolitan Airport, Suite 300, Terminal Building, 9430 Jackie Cochran Drive, Baton Rouge, Louisiana. Both the selection committee meeting and the Airport Commission meeting are open to the Public, and representatives from all interested firms are invited to be present. However, no team members of any of the “short listed” firms/teams shall be allowed to attend the presentations of the other competing firms/teams.

If the first ranked submitted fails to execute a ground lease with the Airport, the Airport reserves the right to enter into a lease agreement with lesser ranked submitters to achieve a hotel ground lease deemed to be most advantageous to the Airport Commission. The ground lease will be administered by the Greater Baton Rouge Airport District.

The Baton Rouge Metropolitan Airport reserves the right to reject all of the submittals in response to this Request for Proposals.

**CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

**SHARON WESTON BROOME
MAYOR-PRESIDENT**

**MIKE EDWARDS
DIRECTOR OF AVIATION**

SECTION B:
PROJECT SUMMARY AND SCOPE OF SERVICES

B. REQUEST FOR PROPOSAL (RFP)

The City of Baton Rouge and Parish of East Baton Rouge, and the Greater Baton Rouge Airport District, invite written proposals to design, finance, construct, outfit, operate and maintain a hotel development proximate to the main terminal building of the Baton Rouge Metropolitan Airport. Proposals are solicited in accordance with the terms, conditions, and instructions as set forth in this Request for Proposals (“RFP”).

B.1 INTRODUCTION

Baton Rouge

Situated on a bluff along the Mississippi River in Southeastern Louisiana, Baton Rouge is the second largest city in Louisiana. As the state capital, Baton Rouge has a thriving industrial, petrochemical, educational, medical research, and growing technology center. The state government employs approximately 25,000 people in the metro area. In addition, a diverse mix of trade associations, businesses, attorneys and lobbyists are also employed in the business of influencing legislators or navigating the court system. The city is the home of Southern University (2.7 miles away) and Louisiana State University (10 miles away); both institutions have large inter-collegiate sports programs and numerous active research projects.

Baton Rouge Metropolitan Airport

The Baton Rouge Metropolitan Airport (“BTR” or the “Airport”) is an airport serving the nine-parish Baton Rouge region, which is owned and operated by the City of Baton Rouge/Parish of East Baton Rouge through the Greater Baton Rouge Airport District. BTR is a small hub facility providing commercial air travel connecting more than 1.6 million residents across south Louisiana. BTR, located six miles north of downtown Baton Rouge, is the second largest airport in Louisiana and hosts approximately forty-five (45) daily jet flights on (three) airlines to/from four (4) major hubs – Atlanta, Charlotte, Dallas, and Houston. The Airport also offers less than daily service on Via Airlines with direct jet flights to Orlando and Austin. For the 12 months ending December 2018, the Airport served 804,622 passengers on scheduled airline flights. Additionally, air taxi and general aviation flights represent a substantial portion of flight operations annually. BTR is a primary commercial service airport with three (3) runways of 7,500 feet, 7,004 feet, and 3,779 feet in length. The Airport currently occupies approximately 1,750 acres at an elevation of seventy (70) feet.

North of the airfield, the Airport has gradually acquired residential property for noise mitigation purposes. Although much of this land is currently undeveloped, the Airport is actively marketing leasehold interests in these properties for future aviation or non-aviation related development. Approximately 700 acres, collectively known as the Aviation Business Park, are available for development. The Airport has 69 current

tenants, which include the Coca-Cola Bottling Company of Baton Rouge, DOW Chemical Company, All-Star Chevrolet North, an auto auctioneer (America's Auto Auction) and an armored transport company (Loomis).

The Airport recently completed the first development in the Aviation Business Park. The Multiplex, a permanent on-airport facility dedicated to disaster relief, provides similar staging facilities and even additional services without impinging on normal airport operations. The services provided this facility intend to assist in a smoother recover effort in future disaster scenarios.

In September of 2018, Via Airlines began less than daily service out of BTR connecting our passengers to two new destinations. Via Airlines, a regional carrier now provides direct flights to Orlando (Sanford) and Austin.

The Development

The Airport Commission is seeking to enter into an agreement with an experienced hotel developer to design, finance, construct, outfit, operate and maintain an on-airport terminal hotel facility ("the Development") on a 3.36 acre site (**Site A**) adjacent to the commercial passenger terminal area or on a 3.36 acre site (**Site B**) in front of the commercial passenger parking area. This facility will improve the traveling experience for BTR's tenants, passengers, and guests. BTR's Master Plan Update identified this project as part of its recommended development plan as it relates to capital improvement projects.

Site A provides the ability for the hotel to connect to the terminal by either a covered surface breezeway, or a short climate-controlled overpass to the southwest corner of the terminal. Site A also can connect to the covered parking garage using a climate-controlled overpass. Site B provides the ability for the hotel to connect to the covered parking garage as well. Site B also offers Louisiana Economic Development (LED) incentives since it is located in the Louisiana Opportunity Zone (<https://www.opportunitylouisiana.com/business-incentives/opportunity-zones>). A recent update to our hotel market demand study, conducted by Pinnacle Advisory Group, is available for informational purposes. It incorporates updated statistical information regarding the performance of the hotels selected as the competitive set. Overall, the updated market study revealed that lodging supply increased by 13.8 percent since 2012, while demand increased by 14.1 percent. This indicates that demand has in large measure kept pace with supply within the market. The full Pinnacle Advisory Group report with the incorporated statistics from the STR (Smith Travel Research) Trend Report is attached to this RFP for reference in **Section I**.

B.2 PROJECT DESCRIPTION

This RFP requires the respondent to submit Qualifications for the development, financing, conceptual design, construction, and operation of the hotel, which will adjoin the Passenger Terminal.

Minimum requirements for the hotel are as follows:

1. A 110- to 125-room upscale or upper-upscale (as defined by Smith Travel Research 2015 chain scales) select-service (with leased restaurant), or full-service chain-affiliated hotel.
2. Affiliation with a major lodging brand.
3. Approximately 3,000 to 4,000 square feet of meeting and event space.
4. A ground floor three-meal restaurant and Bistro.
5. Additional facilities including business center, exercise room, and Mini-market.
6. Parking – The land available for the sites, allows for surface parking. However, the Airport is willing to close off the streets between the proposed sites and the parking garage/parking lot respectively to facilitate a driveway and usage of the existing terminal parking garage/parking lot by hotel customers, subject to negotiated parking garage fees. The closure of the streets could also facilitate an enclosed/covered walkway between the hotel and garage to provide protected transport from the hotel lobby to the Terminal.
7. **Shuttle service to transport passengers and hotel guests from the Terminal building to the hotel (*only required and applicable to Site B*).**

The Airport is offering a prime site location with a long-term “ground lease.” The hotel location will allow for connection to the existing Baton Rouge Metropolitan Airport Terminal. The Site is conveniently located to necessary utilities (water, sewer and power).

B.3 PROJECT DETAILS

SITE A: Baton Rouge Metropolitan Airport; a 3.36-acre site bounded by Amelia Earhart Avenue, Jackie Cochran Drive, Eddie Duffard Drive and Captain Ryan Drive. Part of the site is currently used as a surface parking area; the remainder of the site is presently undeveloped. The site is indicated on the aerial photograph below. Additional photographs are attached hereto in Section F.



Base Ground Rent: \$0.21 per square foot for the 3.36 acre site (approx. \$30,736 per year) (with escalation every 5 years, not to exceed 10% each period), plus payment of a percentage rent of six (6%) percent of gross revenues, which will be subject to a minimum annual guarantee, which will be periodically adjusted for inflation. The Airport is seeking proposals for the percentage rent and minimum annual guarantee, but expects that the minimum annual guaranty will be no less than \$250,000 per annum by the third year of operation.

SITE B: Baton Rouge Metropolitan Airport; a 3.36-acre site bounded by Louis Wiles Avenue, Fritz Maizer Avenue, General Chennault Drive and Veterans Memorial Boulevard. Currently, the entire site is undeveloped green space. This site is also located in the Louisiana Opportunity Zone (<https://www.opportunitylouisiana.com/business-incentives/opportunity-zones>). The site is indicated on the aerial photograph below. Additional photographs are attached hereto in Section F.



Base Ground Rent: \$0.21 per square foot for the 3.36 acre site (approx. \$30,736 per year) (with escalation every 5 years, not to exceed 10% each period), plus payment of a percentage rent of six (6%) percent of gross revenues, which will be subject to a minimum annual guarantee, which will be periodically adjusted for inflation. The Airport is seeking proposals for the percentage rent and minimum annual guarantee, but expects that the minimum annual guaranty will be no less than \$250,000 per annum by the third year of operation.

Percentage rent will be based upon gross revenues as defined below.

“Gross Revenues” shall mean all revenues and receipts of every kind derived from operating the Hotel and all departments and parts thereof, including, but not limited to: income (from both cash and credit transactions) from the rental of Guest Rooms, telephone charges, stores, offices, exhibit or sales space of every kind; license, lease and concession fees and rentals (not including gross receipts of licensees, lessees and concessionaires); income from vending machines; income from telecommunications equipment; income from Internet/Wi-Fi charges; income from parking (net of negotiated parking fees paid to Airport); health club membership fees, food and beverage sales; wholesale and retail sales of merchandise; service charges; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include the following: gratuities to employees of the Hotel; federal, state or municipal excise, sales or use taxes or any other taxes collected directly from patrons or guests or included as part of the sales price of any goods or services; proceeds from the sale of FF&E; interest received or accrued with respect to the funds in the FF&E Reserve or the other operating accounts of the Hotel; any refunds, rebates, discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds (other than for a temporary taking) or any proceeds from any Sale of the Hotel or from the refinancing of any debt encumbering the Hotel.

Design: The property must be developed as a 110- to 125-unit hotel with ancillary facilities included a three-meal restaurant (which may be leased), meeting space, and additional facilities required by patrons of an upscale to upper-upscale airport hotel property.

1. The property is expected to conform to the design standards of the designated upper-upscale or upscale brand identified in the proposal.
2. All design documents must be reviewed and approved by the Airport Commission or its designated representatives prior to construction.
3. Developer will be responsible for all site work for the building pad site and any sidewalks and landscaping around the building.
4. It will be the responsibility of the proposer to obtain and comply with all permits, licenses and authorizations required by the relevant governing authorities.

5. The structure, including any external elements such as antennas, must comply with all Federal Aviation Administration (“FAA”) height restrictions. The proposer will also be required to comply with all applicable FAA security regulations, including during the construction period.

Parking: The land available allows for surface parking. However, the Airport is willing to close off the street between the proposed site and the parking garage to facilitate a driveway and usage of the existing terminal parking garage by hotel customers. The closure of the street could also facilitate an enclosed /covered walkway between the hotel and garage to provide protected transport from the hotel lobby to the Terminal. Should the ground tenant opt to utilize the Airport’s parking facility to accommodate its guests, the tenant should expect to pay fees for use of the facility.

Licenses and permits:

1. The Airport may assist in coordinating public agency involvement and facilitating permits and licenses under its purview to the extent practicable.
2. The Airport will also facilitate required approvals of the Baton Rouge Metropolitan Airport Authority and the Metropolitan Council with respect to the approved design.
3. Development design will be carried out in compliance with the appropriate Federal Aviation Administration (FAA) regulations and design criteria, City-Parish Department of Public Works standards, and other Federal, State and local regulations.
4. The contract will be administered by the Greater Baton Rouge Airport District.

Other Requirements:

Quality of Development: The Airport Commission is seeking a development that will enhance the facilities and reputation of the Baton Rouge Metropolitan Airport, and as such will require that the hotel be operated and maintained to a high quality standard.

“Use It or Lose It” Provision: The City of Baton Rouge, Parish of East Baton Rouge on behalf of the Greater Baton Rouge Airport District may at its sole discretion, re-possess any portion of land not meeting the required milestones as delineated in the Lease Agreement contemplated hereunder. It is expected that design will be completed and that construction will commence within 180 days of the agreement.

B.4. REQUEST FOR PROPOSAL SCHEDULE

Event	Due Date
Issue Request for Proposal	April 22, 2019
Pre-proposal Conference	April 30, 2019 2:00 PM CST
Questions Due	May 7, 2019
Responses to Questions/Addendum	May 10, 2019
Proposals Due	May 23, 2019 2:00 PM CST
Selection Committee Meets	TBD
Oral Presentations from Short-listed Submitters/Final Ranking	TBD



SECTION C:
CONTENTS OF PROPOSALS/REQUIRED SUBMITTALS

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C. CONTENTS OF PROPOSALS/REQUIRED SUBMITTALS

A Submitter must submit a complete Proposal in response to this RFP in the format specified in the RFP; no other format will be considered. A Proposal will consist of two (2) separate sections: Section I will consist of information drafted and provided by the Submitter; and Section II will consist of information provided by the Submitter on forms provided by the Airport in this RFP.

1. FORMAT

1.1. Proposals must be printable on 8 ½" x 11" paper, bound on the long side.

1.2. Proposals must include a table of contents.

1.3. Proposals must include tabbed sections.

2. SECTION I (Narrative and Information drafted and provided by a Submitter):

2.1. **Executive Summary:** The executive summary must include a letter with the Submitter's name, address, telephone number and fax number, signed by a person authorized to act on behalf of the Submitter. It should also designate one (1) contact person to whom all future correspondence and/or communications will be directed by the Airport concerning this proposal, if that person is different from the person executing the letter. At a minimum, the Executive Summary must contain the following information:

2.1.1. Complete legal name of the Submitter and the name of the legal entities that comprise the Submitter. The Submitter must provide the domicile where each entity comprising it is organized, including entity name, brief history of the entity, contact name, address, phone number, e-mail address, and facsimile number, as well as the legal structure of the entity and a listing of major satellite offices.

2.1.2. If Submitter is a corporation, limited liability company, or other registered entity formed outside the State of Louisiana, Submitter must include a copy of its Certificate of Incorporation, its Certificate of Organization, or other evidence of its registration with the Louisiana Secretary of State.

2.1.3. If Submitter is a corporation, limited liability company, or other registered entity formed outside the State of Louisiana, Submitter must include evidence of its registration with the Louisiana Secretary of State.

2.1.4. A description or representation of the Submitter's plan for conforming to the policy of the Department of Transportation (DOT) that Disadvantaged Business Enterprises (DBE's) as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts with airports that receive federal funds.

2.1.5. A declarative statement as to whether the Submitter or any member of the Submitter team has an open dispute with the City or Parish or is involved in any litigation associated with work in progress or completed in both the private and public section during the past five (5) years.

2.2. **Organizational Structure:** The Submitter's Organizational Structure section of the Proposal should include:

2.2.1. The Submitter's Organizational Chart both graphically and in narrative format. The Organizational Chart and narrative should provide a description of the Submitter's views on how it will organizationally complete the Development, as well as depict the relationships and reporting structure of its key personnel. The Organizational Chart should include all key members of the Development Team, including the proposed Developer, Design Firm, and Hotel Operator.

2.2.2. The names of proposed candidates for each major function on the chart, including, at a minimum anticipated proposed Developer, Design Firm, and Hotel Operator.

2.2.3. Details of the qualifications of proposed candidates for each major function on the chart, including, at a minimum anticipated proposed Developer, Design Firm, and Hotel Operator, References for Development Team members.

2.2.4. Noting that following completion of negotiations with the Airport, the Submitter may not change any of the key members, without the written consent of the Airport.

2.3. **Development Team Qualifications:**

2.3.1. Submitters are to have in-house experience and expertise in hotel financing, development, design, construction and management and operation. Qualified

Submitters must include a proposed Developer, Design Firm with hotel experience, and hotel operator. The Submittal shall identify the brand or brands that the team proposes to develop, as well a list of the other brands the team is approved to develop.

2.3.2. The developer and/or team must demonstrate experience on projects of similar scope and should profile at least three similar projects of 120 rooms or more developed in the past ten years. Highlight any projects developed at Airport locations.

2.3.3. The Submitter or Development Team must demonstrate ability to operate or cause the hotel property to be operated in a professional manner consistent with the brand standards of the selected affiliation. A list of properties operated by the proposed hotel operator within the past five years should be provided. The list should include the following information relative to each property: The name of the property, location, number of keys, opening date, owner, date management was assumed by the management company, date management was terminated (if applicable), reason for management termination (if applicable).

2.3.4. Submitters are required to demonstrate the financial capability and stability to develop and operate the hotel project and will be required to submit financial statements and complete the financial disclosure summary provided in Section II.

2.4. **Conceptual Submittal:** Submitter is required to provide a detailed narrative and visual renderings describing the Submitter's proposed Development. The narrative and renderings must include the "brand" of the hotel, physical attributes, amenities, level of proposed services, information technology services, and any additional information to fully describe the proposed facility.

2.4.1. Hotel Program Requirements (attached to the Lease Agreement) including, at a minimum, the following:

2.4.1.1. Provide a detailed proposal of Submitter's preliminary concept for the Hotel within the Hotel Development Tract. The proposal should include a description of the following:

2.4.1.1.1. Number, size and type of rooms.

2.4.1.1.2. Anticipated guest room amenity packages.

2.4.1.1.3. Meeting rooms and areas.

2.4.1.1.4. Restaurant concept; and whether it is expected to be operated or leased.

2.4.1.1.4.1. If leased, describe integration between restaurant and hotel.

- 2.4.1.1.5. Concession area(s), if applicable.
- 2.4.1.2. Submit a maximum of ten (10) different sketches depicting the proposed facility. Sketches may be 11" X 17" but must be folded to 8 1/2" x 11" when submitted and should include:
- 2.4.1.2.1. The overall design of the Hotel, and whether the Submitter plans to utilize a prototypical or customized plan for the hotel.
 - 2.4.1.2.2. The typical guest room sizes with listing of standard features.
 - 2.4.1.2.3. The lobby area, meeting rooms and key common area amenities.
 - 2.4.1.2.4. Typical floor plans of major areas.
 - 2.4.1.2.5. Description and logistical information about shuttle service offered **(only applicable if Site B is selected)**
 - 2.4.1.2.6. Floors with total number of guest rooms per floor.
 - 2.4.1.2.7. Exterior elevation.
 - 2.4.1.2.8. A preliminary site plan including:
 - 2.4.1.2.8.1. Parking facilities
 - 2.4.1.2.8.2. Linkages between the hotel, the terminal, and the parking garage and/or facilities.
 - 2.4.1.2.8.3. Pedestrian and vehicle flow to/from the facility
 - 2.4.1.2.9. Provide the expected timing and value for Hotel refurbishments.
- 2.5. **Maximum Term:** The maximum length of the lease term, including all renewals, may be no longer than 50 years.
- 2.6. **Financing Plan:** Each Submitter shall include the following related to the Development:
- 2.6.1. A financing plan estimating total costs of the Development including construction costs, professional fees, insurance, and other soft-costs necessary to complete the Development. The financing plan should also include plans for construction and permanent financing, potential sources of equity/capital financing, and any other information or financial data which would assist in evaluating the financial viability of the Development as proposed by Submitter.
 - 2.6.2. Describe the amounts, sources, and timing of private equity to be secured for the Development. Provide the minimum required rate of return for equity investors.

- 2.6.3. Describe the amounts, sources, and timing of any private construction and/or permanent loans to be secured for the Development. Provide the required rate of return for the short-term and long-term lenders.
- 2.6.4. Provide a ten-year pro-forma (from the estimated opening date) for the hotel identifying operating revenue, operating expenses, proposed ground lease payments and debt service requirements.
- 2.6.5. Each Submitter shall include a detailed description of sources of funds for the Development. The proposed approach to financing shall include the capital cost for construction, operation and maintenance, remodeling, mid-lifecycle refurbishment, and furniture, fixtures, and equipment costs, and any and all other costs associated with the Development which shall be fully borne by the Submitter.
- 2.7. Recommended Changes to the Ground Lease Terms: Submitter's Proposal may include any recommendations or alternate proposal regarding the lease terms and conditions as stated in the draft Lease Agreement at Section E herein. Respondent's recommendations/alternate proposal will not be included in the evaluation but will be considered in the final negotiation of Lease Agreement terms and conditions.
- 2.8. Additional facilities and services that complement the development may be proposed. The proposed development must comply with all applicable Airport policies and should also include green space and landscaping.
3. Section II Required Forms and Materials
- 3.1. Bonding and Insurance Requirements

Bonding

At, or prior to, Proposer's execution of the Lease Agreement, Proposer must, at its own expense, deliver to the Airport a Performance and a Payment Bond each in an amount equal to one hundred percent (100%) of the construction cost naming the City of Baton Rouge and Parish of East Baton Rouge on behalf of the Greater Baton Rouge Airport District as co-obligee and issued by a surety company or companies in such form as approved by the Airport's Attorney. The bonds must be kept in full force and effect during the term of construction. In lieu of a Performance Bond, Service Provider may submit to the City an Irrevocable Letter of Credit in a form acceptable to Airport, in its sole discretion.

Insurance

It is specifically understood and agreed that if selected the Submitter at its sole cost and expense, shall carry and maintain at all times during the performance of this Agreement, the following types of insurance:

- A. Workers' Compensation and Employer's Liability insurance covering all employees engaged in services hereunder in compliance with the laws of the State of Louisiana.
- B. Commercial General Liability insurance coverage shall be provided with limits of no less than \$1 for any one Occurrence and a General Aggregate limit of no less than twice the Occurrence limit if these coverages apply exclusively to this Agreement. If coverages are for multi-location policy, then said policy will not be restricted by an Aggregate. Coverages are to include Premises-Operations, Personal Injury, Products/Completed Operations and Contractual Liability
- C. Automobile Liability coverage shall be provided with limits of not less than \$1 for any one occurrence. Coverages are to include all owned, hired, and non-owned automobiles.
- D. Commercial Property insurance coverage in an amount equal to 100% of the value of the improvements (facility) to meet the coinsurance provisions of the policy.

Each Submitter shall acknowledge its intent to comply with this requirement by executing Form 1 - "Acknowledgment of Bonding Insurance Requirements" contained in Section H.

3.2 Financial Disclosures

The Submitter, and its owners, if applicable, should demonstrate its financial capability and stability by selecting and providing documentation in accordance with Form 2 contained in Section H.

3.3 Airport Concessions Disadvantaged Business Enterprises

It is the policy of the Department of Transportation (DOT) that Airport Concession Disadvantaged Business Enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of concession agreements with Airports that receive Federal funds. The Baton Rouge Metropolitan Airport has established a Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with regulations of the U.S. Department of Transportation, 49 CFR Part 23. It is the policy of the Baton Rouge Metropolitan Airport to ensure that ACDBEs, as defined in 49 CFR Part 23 have an equal opportunity to receive and participate in contracts with the Airport.

The Baton Rouge Metropolitan Airport has set a minimum ACDBE participation goal for this solicitation of 8.0%. The Airport encourages the use of ACDBE firms certified by the Louisiana Department of Transportation and Development as vendors and subcontractors in the operation of the Hotel.

All Proposers shall make good faith efforts, as defined in Appendix A of 49 CFR Part 26, to achieve a minimum DBE goal of 8.0% of the participation in the agreement. Good faith efforts include meeting this DBE goal or providing documentation demonstrating that the Respondent or Proposer made sufficient good faith efforts in attempting to meet this goal. Only DBE firms certified under the Louisiana Unified Certification Program at the time of Qualification Statement or Proposal submittal will count toward this DBE goal.

To be considered responsive, every Proposal must be accompanied by DBE Schedules A, B, C and Letters of DBE Certification as appropriate.

ACDBE INSTRUCTIONS AND SCHEDULES A B and C NECESSARY TO MEET THIS REQUIREMENT ARE ATTACHED HERETO AS FORM 3 IN SECTION H

3.4 Submitter must submit a Corporate Resolution or Certificate of Authority evidencing that the individual executing any Forms contained in the RFP is authorized to submit proposals and execute agreements on behalf of the Submitter.

3.5 References

Submitter must provide a list of at least three (3) references using the below referenced format. The Airport is interested in reviewing references that are able to attest to a Submitter's performance ability and credibility in a particular industry or trade.

Reference: Name:
 Address:
 City, State, Zip:
 Phone:
 Fax:

 Project Title:
 Contact Person:
 Direct Telephone:
 Email Address:



Date(s) of Project:

Description of Services:

Submitter's Role and Responsibilities:

Current Completion Status:



SECTION D:
EVALUATION CRITERIA AND SELECTION PROCESS

SECTION D. EVALUATION CRITERIA AND SELECTION PROCESS

I. EVALUATION CRITERIA

The evaluation criteria to be used in selecting and ranking Submitters include but are not limited to, the following:

- Compliance with desired Hotel Requirements and quality of development.
- Qualifications and experience of Development team.
- Recent development experience with similar hotel projects.
- Background and qualifications of the Hotel Operator.
- Financial Capability to complete development.
- Reputation for personal and professional integrity and competence.
- Demonstrated ability to meet schedules and deadlines.
- Quality of projects previously undertaken.
- Conceptual plan for hotel project.
- Degree of interest shown in undertaking the project.
- Demonstration of an understanding of the project's program requirements and special concerns.
- Financing plan.
- ACDBE plan.
- Policy: It is the policy of the Department of Transportation (DOT) that Airport Concession Disadvantaged Business Enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of concession agreements with Airports that receive Federal funds. The Baton Rouge Metropolitan Airport has established an Airport Concession Disadvantaged Business Enterprise (ACDBE) program in accordance with regulations of the U.S. Department of Transportation, 49

CFR 23. It is the policy of the Baton Rouge Metropolitan Airport to ensure that ACDBEs, as defined in 49 CFR Part 23 have an equal opportunity to receive and participate in contracts with the Airport.

The Baton Rouge Metropolitan Airport has set an ACDBE participation goal for this solicitation of 8.0%. The Airport encourages the use of ACDBE firms certified by the Louisiana Department of Transportation and Development as vendors and subcontractors in the operation of the Hotel.

All Proposers shall make good faith efforts, as defined in Appendix A of 49 CFR Part 26, to achieve a **minimum DBE goal of 8.0% of the participation in the agreement.** Good faith efforts include meeting this DBE goal or providing documentation demonstrating that the Respondent or Proposer made sufficient good faith efforts in attempting to meet this goal. Only DBE firms certified under the Louisiana Unified Certification Program at the time of Qualification Statement or Proposal submittal will count toward this DBE goal. **To be considered responsive, every Proposal must be accompanied by DBE Schedules A, B, C, and Letters of DBE Certification, as appropriate.**

II. SELECTION PROCESS

The contract for this project will be awarded through a qualifications based selection process. The process shall consist of evaluation of the Proposals and oral presentations and/or interviews of three selected semi-finalists. All statements of qualifications will be reviewed by a "Selection Committee" made up of the Director of Aviation, Assistant Director of Aviation, one individual from the Convention and Visitors Bureau, one individual from the Baton Rouge Area Chamber, and one individual from the North Baton Rouge Economic Development District from which not more than three (3) firms will be selected – "short listed." Oral presentations from each of semi-finalist firms and oral interviews with each firm before the full Airport Commission shall follow and the top-rated firm will be selected. The selected developer will then work with the Airport Administration in negotiating a ground lease. If negotiations are unsuccessful, the Airport Administration may attempt to negotiate a ground lease with the next rated firm. After successful contract negotiations, the selected developer will then be presented to the City-Parish Metropolitan Council for authorization to enter into a ground lease for the hotel development.

The selection process shall be as follows:

1. Each member of the Selection Committee shall independently evaluate each proposal submitted in accordance with the aforementioned general criteria.

2. Based upon each member's evaluation of the RFP submittals, each member shall rate each Proposal utilizing the Selection Committee Score Card. Each member shall complete the Selection Committee Score Card for each Proposal prior to the meeting of the Selection Committee in order to establish up to five (5) of their top Proposals from the list of firms under consideration.
3. On the first ballot and based on their respective scoring, each member shall then vote for his top five (5) firms in accordance with the following weighted voting schedule:
 - a. Five (5) points for the first rated firm
 - b. Four (4) points for the second rated firm
 - c. Three (3) points for the third rated firm
 - d. Two (2) points for the fourth rated firm
 - e. One (1) point for the fifth rated firm

Each member shall sign and turn in both their score card and ballot sheet to the selection board recorder.

4. The score of all firms shall then be totaled and up to the top three (3) highest-ranking Proposals shall then be considered for a short list for presentations. In the case of a tie, the tied Proposals shall be on the short list as well.
5. On the date specified in this RFP, the short-listed Submitters shall be scheduled to make an oral presentation to the full membership of the Greater Baton Rouge Airport Commission prior to the final selection. Each presentation shall be no longer than 20 minutes followed by a 10-minute question and answer period for the board members. After the Oral Presentation, each Commission member shall then vote for only one (1) firm from the list of the top three (3) highest-ranking firms. For a firm to be selected it must receive a simple majority of the votes being cast by the Airport Commission members voting.
6. If a firm does not receive a simple majority after the oral presentation ballot, an additional ballot shall be taken with the top two (2) highest-ranking firms, as described in Number 7 below.
7. Once the top two (2) highest-ranking firms have been obtained a third ballot (or fourth ballot shall be taken) until one (1) firm receives a simple majority of the votes being cast. If no firm receives a simple majority of the votes being cast after two (2) rounds of balloting, the following tie breaking procedure shall be followed:

1st Tie Breaker: The first tie breaker shall be the total number of points a firm received on the first round ballot. If both firms received the same number of total points the second tie breaker shall be applied.

2nd Tie Breaker: The second tie breaker shall be the total number of first place votes each firm received on the first round ballot. If both firms received the same number of first place votes, the third tie breaker shall be applied.

3rd Tie Breaker: The Director of Aviation shall select one of the two firms.

8. The Selection Committee and Airport Commission reserves the right to discuss the firms being considered prior to any voting or balloting.

9. No later than two (2) weeks after notification of selection, the top-rated Submitter will meet with the Airport Administration to engage in negotiations for a ground lease for the hotel development. At the conclusion of the negotiation, a lease will be recommended for award to the City-Parish Metropolitan Council if such negotiations are successful. If satisfactory negotiations do not result, the top-rated firms shall be notified in writing that a lease cannot be reached and the Director of Aviation then will proceed to negotiate with the second-rated firm. If an acceptable lease cannot be reached with the second firm, they too, will be notified of such in writing and the Director of Aviation will proceed to negotiate with the third firm. If an acceptable lease cannot be reached with any of the top firms, the project will be re-evaluated and re-advertised. In all cases, once lease negotiations have been terminated with a firm and begun with another, they will not be reopened with the former Submitter or Submitters. The negotiated ground lease agreement is subject to Metropolitan Council final review and authorization of the Mayor-President to execute the ground lease.

Selection Committee Score Card

SCORECARD FACTORS	Weight/ Max pts	Score
Compliance with desired Hotel Requirements and Development Quality <ul style="list-style-type: none"> • Hotel requirements in terms of upscale to upper upscale brand affiliation, size, and facilities • Aesthetic considerations • Conceptual Submittal • Degree of interest in undertaking the development 	1 – 25	25
Qualifications and Experience of Development Team <ul style="list-style-type: none"> • Demonstrated experience with projects of similar size and scope • Profile of three similar projects • Quality level or prior projects undertaken • Reputation for integrity and competence 	1 – 20	45
Qualifications and Experience of Proposed Hotel Operator <ul style="list-style-type: none"> • Demonstrated experience managing upscale to upper upscale hotel properties • Quality level and brands managed • Reputation for integrity and competence 	1 – 20	65
Financial Capability and Stability <ul style="list-style-type: none"> • Strength of Balance Sheet • Financing Plan 	1 – 10	75
Implementation Plan <ul style="list-style-type: none"> • Development Plan: Timing and Phasing • Estimated completion date • Airport support requirements (Permitting, traffic, construction staging, infrastructure and security) 	1 – 10	85
Financing Plan <ul style="list-style-type: none"> • Overall Development Cost • Equity Sources • Performance Bond 	1 – 10	95
ACDBE Plan & Participation <ul style="list-style-type: none"> • Overall ACDBE Plan • Good Faith Efforts • Diversity amongst participation: construction, ownership, and operation 	1 – 5	100
Administrative Compliance <ul style="list-style-type: none"> • Did the submittal comply with submittal requirements • Was all requested information supplied 	Yes or No	

**Selection Committee
Minimum Requirements Checklist**

REQUIREMENT	REQUIREMENT MET	
	YES	NO
Development Team Qualifications		
In house experience expertise: <ul style="list-style-type: none"> • Hotel Financing • Development • Design • Construction/Construction Management • Hotel Operation 		
Minimum of three projects of 105 rooms or more		
Demonstrated ability to operate the hotel <ul style="list-style-type: none"> • List of properties operated by proposed operator within past five years • Number of properties currently operated • Termination for adverse reasons 		
Demonstrated Financial Capability		
Conceptual Submittal	YES	NO
Upscale or Upper-Upscale brand		
Minimum of 110 Rooms		
Three meal restaurant (either operated or leased)		
Meeting space		
Preliminary site plan		
ACDBE Goal Met or Good Faith Efforts Shown		



SECTION E:
PROPOSAL AND SUBMISSION REQUIREMENTS

SECTION E: PROPOSAL AND SUBMISSION REQUIREMENTS

Each Proposer shall submit in a sealed envelope bearing the name and address of the Consultant, one (1) signed original response. Ten (10) additional copies of the proposal should be provided, as well as one (1) redacted copy, if applicable and an electronic copy on a CD or flash drive with the name of the Applicant written on the front. The original and ten (10) copies should be clearly marked "Proposal for the Development and Operation of a Hotel at the Baton Rouge Metropolitan Airport."

Proposals will be accepted until **2:00 P.M. (CST), Local Time, May 23, 2019** at:

Patti J. Wallace, Director of Purchasing
City of baton Rouge and the Parish of East Baton Rouge Purchasing Division
Room 826 of the City Hall Governmental Building
222 St. Louis Street
Baton Rouge, Louisiana 70801

Proposals that have not been time stamped received by the above aforementioned deadline date and time will be rejected. Any firm submitting a statement of qualification must use the form entitled "Proposal for the Development and Operation of a Hotel at the Baton Rouge Metropolitan Airport," which is attached hereto and included in this Request for Proposals packet.

The Baton Rouge Metropolitan Airport reserves the right to reject any/all of the submittals in response to this Request for Proposals. Additionally, failure to submit all of the information on "Proposal for the Development and Operation of a Hotel at the Baton Rouge Metropolitan Airport" shall be considered non-responsive and may result in the Qualification Statement to be rejected.

Any questions concerning the scope of work or submittal process should be in writing and directed to Patti Wallace, Director of Purchasing at the address noted above or emailed to Pwallace@brla.gov. Any questions must be submitted no later than May 7, 2019. All questions will be responded to in writing or via addendum no later than May 10, 2019.

The employees of the Greater Baton Rouge Airport District and members of the Greater Baton Rouge Airport Commission request that all Submitters, Development Team members, Hotel Operators, vendors or others involved with this project not contact any employee, Member of the Selection Committee, Metropolitan Council Member, or Airport Commission Member concerning this project during the selection process period (**initial advertisement – final selection**), except to submit written questions as provided above.

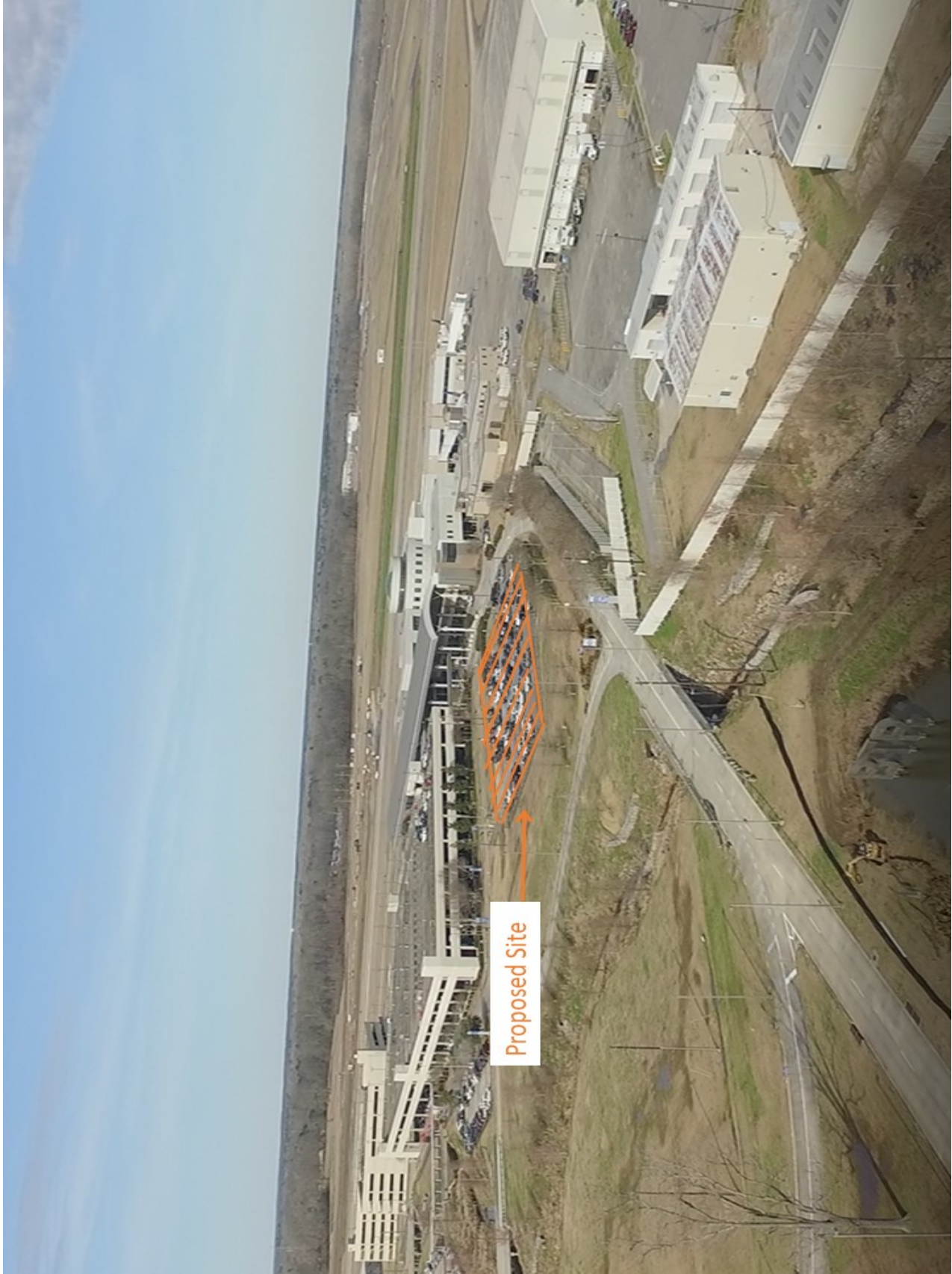


SECTION F:

SITE INFORMATION GRAPHICS



SITE A



SITE A CONTINUED



SECTION G:
SAMPLE LEASE AND CONCESSION AGREEMENT



STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

LEASE AND CONCESSION AGREEMENT

THIS AGREEMENT made and entered into on this ____ day of _____, 2015, by THE CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE ON BEHALF OF THE GREATER BATON ROUGE AIRPORT DISTRICT represented herein by the MAYOR-PRESIDENT (hereinafter referred to as "LESSOR"); and _____, _____, represented herein by _____, (hereinafter referred to as "LESSEE").

WITNESSETH:

WHEREAS, LESSOR is desirous of leasing to said LESSEE certain premises hereinafter more fully described, and located on property owned by LESSOR, together with the right to use and enjoy, individually and in common with others, the facilities referred to;

WHEREAS, LESSEE desires to lease property from LESSOR in order to operate a Full Service Hotel & Restaurant; and

NOW THEREFORE, for and in consideration of the rents, covenants, and agreements herein contained, LESSOR does hereby lease, demise, grant and let to LESSEE, and LESSEE does hereby hire, take and lease from LESSOR, the following premises and rights.

ARTICLE I

LEASE PREMISES

1.01 The "Leased Premises" is and shall be described as approximately 3.36 acres of land located on property owned by LESSOR, as shown and more fully described on the attached Exhibit "A."

LESSOR does hereby demise and let unto LESSEE, and LESSEE does hereby hire, take and lease from LESSOR, the Leased Premises, together with rights of ingress to and egress from said premises and

rights on and in connection with the property and improvements of LESSOR commonly known as the Baton Rouge Metropolitan Airport (“Airport”).

1.02 LESSEE’s right to conduct and operate Full Service Hotel & Restaurant, and such services and training related thereto at the Airport shall be at all times a non-exclusive right.

1.03 LESSEE shall commence construction within one hundred and eighty (180) days from execution of the lease agreement. If construction has not commenced this lease shall be terminated, unless an extension is granted in writing by the Director of Aviation.

1.04 The Full Service Hotel & Restaurant shall be constructed in accordance with the plans and specifications previously submitted by LESSEE to LESSOR and shall be approved by the Director of Aviation whose consent shall not be unreasonably withheld.

1.05 It is agreed and understood that at the expiration, termination or cancelation of the Lease, by term or otherwise, all improvements to the leased premises will become the property of the LESSOR without any obligation of LESSOR to pay LESSEE for same whatsoever.

1.06 LESSEE agrees to consult with LESSOR or its designated representative(s) from time to time so as to inform LESSOR as to the progress of LESSEE’s construction in order to insure coordination with current and future constructions projects performed at the Baton Rouge Metropolitan Airport.

1.07 LESSOR and/or its designated representative(s) shall have the right and ability at all times to visit and inspect the Leased Premises for purposes of ascertaining the timeliness and quality of all construction activities thereon, including the conformity thereof with the Plans and Specifications submitted by LESSEE. However, no such inspections shall relieve LESSEE of its obligations under this Lease, not shall it impose or subject LESSOR or its designated representative(s) to any liability for the manner in which the buildings, infrastructure, and improvements are constructed.

1.08 LESSEE agrees that all contractors performing services consisting of or related to the construction of the buildings, infrastructure, and improvements on the Leased Premises shall be required to have a 100% labor and material payment bond and a 100% full performance bond guaranteeing construction of the buildings, infrastructure, and

improvements issued by a surety company rated “A” or better in the latest edition of Best’s Insurance Reports.

1.09 1.03(e) LESSEE agrees that all contractors shall provide to LESSOR certificates of insurance showing \$1,000,000.00 in general liability and property damage insurance, workers compensation insurance in an amount not less than that required by the State of Louisiana, and automobile liability insurance in an amount of not less than \$1,000,000.00.

ARTICLE II

TERM OF LEASE

2.01 The primary term of this Lease shall be for _____ years and commence on the day _____ of 2015 and end on the ___ day of _____.

2.02 LESSEE will have _____ options to renew this lease. This Lease shall automatically renew for each renewal term unless LESSEE gives to LESSOR written notice of LESSEE’s intent not to renew, such written notice not to renew to be given by LESSEE no less than 180 days prior to the expiration of the primary term or the then current option term.

ARTICLE III

RATES AND CHARGES

3.01 LAND RENT: Land Rent on the leased premises shall \$30,736 per year payable monthly in twelve (12) equal payments of \$2,561.33 and payable in advance on the 1st day of each month.

3.02 The land rental rate is subject to change as of January 1, 2020 and every five (5) years thereafter in accordance with the following formula:

- a) One Hundred Ten (110%) per cent of the annual land rental rate in effect for the period immediately preceding the year in which the adjustment is to be made; or
- b) The rate as established by a Fair Market Appraisal (of the land excluding any buildings and improvements) conducted by LESSOR at LESSOR’S

expense. LESSOR will conduct the appraisal by engaging a professional appraiser(s) recognized in his field. These appraisals shall be conducted in the year preceding the year in which adjustment in rent may be due and shall be available for LESSEE to inspect in the office of LESSOR.

- c) LESSOR shall submit the fair market appraisal to LESSEE on or before ninety (90) days from the applicable date. LESSEE shall have thirty (30) days from receipt of said appraisal to either accept same or submit to LESSOR its own fair market appraisal. In the event LESSEE fails to submit its own fair market appraisal to LESSOR, LESSOR's fair market appraisal shall serve as the basis for the new rental rate. If LESSEE exercises its right to have its own fair market appraisal, and after said appraisal there is less than a five (5%) percent difference between the two appraisals, LESSOR's appraisal shall govern the rental rate for the applicable five (5) year period. In the event that there is a greater than five (5%) percent difference in the appraisals, LESSOR's appraiser and LESSEE's appraiser shall select a third appraisal and said third appraiser shall submit an appraisal to both parties within thirty (30) days of selection, and said appraisal shall be binding upon both parties and shall govern the rental rate for the applicable five (5) year period retroactive to the first day of the applicable five (5) year period involving the fixing of such rent. The costs of respective party's appraiser shall be borne by the party requesting the same and the cost of the third appraiser shall be shared equally between LESSOR and LESSEE.
- d) In no event shall the rent be less than the rental rate established in Section 3.01.

3.03 CONCESSION FEE

- a. For the privilege of operating its hotel development at the Airport, LESSEE agrees to pay to LESSOR each year of the term, either (1) six percent (6%) of

all Gross Revenues, as hereinafter defined, received by LESSEE during such year, or (2) the minimum annual guarantee applicable to such year as set forth in subparagraph (b) of Section 3.03, whichever is greater, on an annual basis.

- b. The minimum annual guarantee for each year of the term shall be as follows:
 - i. For the first and second year of the agreement, the minimum annual guarantee shall be 6% of gross revenue as defined herein.
 - ii. For the third year and each consecutive year until expiration of the lease agreement, the Minimum Annual Guarantee shall be Two Hundred and Fifty Thousand and 00/100 (\$250,000.00) Dollars.
- c. The Concession fees payable under subparagraph (a) of Section 3.03 shall be payable in monthly installments calculated on a calendar month basis for each year of the term of this Agreement. On or before the fifteenth (15th) day following the end of each calendar month throughout the term of this Agreement. LESSEE shall pay LESSOR as the concession fee for such calendar month one-twelfth of the Minimum Annual Guarantee for such year as provided in subparagraph b above, or six percent (6%) of Company's monthly Gross Revenues, whichever sum is the greater. An officer of LESSEE shall certify a report on all Gross Revenues for the proceeding month, accompanying check, as correct.
- d. Within sixty (60) days after the close of the each year hereunder, LESSEE shall furnished LESSOR a statement certified as correct by an officer of LESSEE showing all Gross Revenues derived from its operations of the hotel concession at the Airport for said year. If the aggregate payments made for any year hereunder shall exceed the greater of the (1) Minimum Annual Guarantee applicable to such year or (2) six percent (6%) of said Gross Revenues during such year, the excess balance shall be credited to Lessee's account and applied against one or more of the next succeeding monthly

payments during the next ensuing year, or for the final year of the Agreement and amounts due will be settled prior to expiration of the Agreement.

- e. All sums due hereunder and the reports of statements of Gross Revenue shall be paid by delivery to the Director of Aviation, Greater Baton Rouge Airport District.
- f. “Gross Revenues” shall mean all revenues and receipts of every kind derived from operating the Hotel and all departments and parts thereof, including, but not limited to: income (from both cash and credit transactions) from the rental of Guest Rooms, telephone charges, stores, offices, exhibit or sales space of every kind; license, lease and concession fees and rentals, (not including gross receipts of licensees, lessees and concessionaires); income from vending machines; income from telecommunications equipment; income from internet/Wi-Fi charges; income from parking (net of negotiated parking fees paid to Airport); health club membership fees; food and beverage sales; wholesale and retail sales of merchandise; service charges; and proceeds, if any, from business interruption or other loss of income insurance; provided, however, that Gross Revenues shall not include the following: gratuities to employees of the Hotel; federal, state or municipal excise, sales or use taxes or any other taxes collected directly from patrons or guests or included as part of the sales price of any goods or services; proceeds from the sale of FF&E; interest received or accrued with respect to the funds in the FF&E Reserve or the other operating accounts of the Hotel; any refunds, rebates, discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof; insurance proceeds (other than proceeds from business interruption or other loss of income insurance); condemnation proceeds (other than for a temporary taking); or any proceeds from any Sale of the Hotel or from the refinancing of any debt encumbering the Hotel.

3.04 All utilities shall also be paid by LESSEE.

3.05 Rent delinquent after 10 days shall bear a late charge from the due date of 1.5% per month until paid. Late charges shall not exceed 18% per annum. Further, any rent payment returned due to insufficient/non-sufficient funds (NSF) shall bear an additional fee of Twenty-Five and 00/100 (\$25.00) Dollars to be paid in addition to the rent due.

3.06 Prior to or at the time of execution the Lease Agreement, LESSEE shall furnish an irrevocable Letter of Credit from a domestic bank or a Performance Bond, the form of which shall be subject to the final approval of the Director of Aviation, equal to the Land Rental and the Minimum Annual Guarantee for the third year of this Agreement, to guarantee performance of its obligations under the Agreement. A Letter of Credit or a Performance Bond shall be furnished, and shall be kept in full force during the term of this Agreement and approved by LESSOR. LESSEE shall submit, no later than thirty (30) days before the end of each Agreement year, a new irrevocable Letter of Credit or Performance Bond in an amount equal to the Minimum Annual Guarantee for that year.

ARTICLE IV

INSURANCE

4.01 The LESSEE shall acquire insurance coverage as stipulated in this Lease for each each particular type of operation. Such insurance coverage shall be provided under policies issued by a company or companies of sound and adequate financial responsibility with no less than an A-rating, and which are authorized, qualified, and licensed under the laws of the State of Louisiana.

4.02 LESSEE shall indemnify, save and keep LESSOR and the City of Baton Rouge and Parish of East Baton Rouge, its officers and employees, free and harmless from and against any and all actions, suits, proceedings, claims and demands for injury, damage, loss, liability, cost and expense, of any kind or nature whatsoever, which may be brought, made or filed against LESSOR and the City of Baton Rouge and Parish of East Baton Rouge, its officers, and employees, by reason of or arising out of, or in any manner attributable to any and all operations of LESSEE in the use of the leased premises and by reason of its use of the Airport and not arising out of or resulting from the negligence or intentional misconduct of the LESSOR and the City of Baton

Rouge and Parish of East Baton Rouge, its officers and employees. In the event LESSOR and the City of Baton Rouge and Parish of East Baton Rouge is sued for any matter as to which LESSEE has agreed to indemnify and hold it harmless hereunder, it shall give immediate notice thereof to LESSEE delivering to the LESSEE all pleadings and papers which may have been served upon the LESSOR and the City of Baton Rouge and Parish of East Baton Rouge in such suit. LESSEE shall control the handling of any such suit including the settlement thereof and LESSOR and the City of Baton Rouge and Parish of East Baton Rouge agrees to cooperate with LESSEE in the defense and handling of any such suit.

4.03 LESSEE shall acquire and keep in full force and effect of the term of this Lease liability insurance coverage with limits of liability as hereinafter stated, but the acquisition of such insurance coverage shall not relieve LESSEE of any of its obligations under this Lease. LESSEE shall, without expense to LESSOR and the City of Baton Rouge and Parish of East Baton Rouge and upon commencement of the term thereof, obtain and cause to be kept in full force and effect liability insurance coverage, insofar as such coverage is available under policies and endorsements thereto approved by LESSOR and the City of Baton Rouge and Parish of East Baton Rouge insuring against the liabilities set forth in the indemnification paragraph above, such insurance to include by way of example but not by way of limitation, commercial general liability coverage and primary automobile liability insurance coverage, with limits not less than that amount hereinafter stated. Such insurance coverage shall be provided by policies issued by a company or companies of sound and adequate financial responsibility, and which are approved by LESSOR and the City of Baton Rouge and Parish of East Baton Rouge and licensed to do business in Louisiana. Such insurance policies shall contain an endorsement providing that LESSOR and the City of Baton Rouge and Parish of East Baton Rouge will be given not less than thirty (30) days notice prior to the cancellation or change of coverage provided by said policies. The commercial general liability policies shall include contractual liability coverage, and shall make reference to this Lease. LESSEE shall cause a certificate or certificates of insurance to be furnished, in duplicate, to the LESSOR and the City of Baton Rouge and Parish of East Baton Rouge evidencing such insurance coverage. In the event LESSOR and the City of Baton Rouge and Parish of East Baton Rouge is notified that any of the coverage required herein is to be

canceled or changed in such a manner as not to comply with the requirements of this Lease, LESSEE shall, within fifteen (15) days prior to the effective date of such cancellation or change, obtain and provide the LESSOR and the City of Baton Rouge and Parish of East Baton Rouge with certificates evidencing the re-establishment of the insurance coverage required herein.

4.04 It is specifically understood and agreed that LESSEE at its sole cost and expense, shall carry and maintain at all times during the performance of this Lease, the following types of insurance:

4.04 (a) Workers' Compensation and Employer's Liability insurance covering all employees engaged in services hereunder in compliance with the laws of the State of Louisiana.

4.04 (b) Commercial General Liability coverage shall be provided with limits of no less than One Million Dollars (\$1,000,000.00) for any one Occurrence and a General Aggregate limit of no less than One Million Dollars (\$1,000,000.00) if these coverage's apply exclusively to this agreement. If coverage's are for multi-location policy then said policy shall provide an Aggregate limit of no less Two Million Dollars (\$2,000,000.00). Coverage's are to include Premises-Operations, Personal Injury, Products/Completed Operations, Contractual Liability, and Contractually Assumed Obligations.

4.04 (c) Automobile Liability coverage shall be provided with limits of not less than One Million Dollars (\$1,000,000.00) for any one occurrence. Coverage's are to include all Owned, Hired and Non-Owned Automobiles.

4.04 (d) Commercial Property coverage in an amount equal to 100% of the value of the improvements to meet the coinsurance provisions of the policy. LESSEE shall carry during the term of this Lease Commercial Property insurance on all fixed improvements erected/or purchased by LESSEE on the leased premises to the full insurable value thereof, it being understood and agreed that for purposes hereof the term "full insurable value" shall be deemed to be that amount for which a prudent owner in like circumstances would insure similar property.

4.05 The following shall be named as Additional Insured under all policies of insurance:

The Metropolitan Council

The City of Baton Rouge-Parish of East Baton Rouge

The Greater Baton Rouge Airport Commission

The Greater Baton Rouge Airport District

Provided however, such liability insurance coverage shall also extend to damage, destruction and injury to LESSOR and the City of Baton Rouge and Parish of East Baton Rouge or leased premises and LESSOR and the City of Baton Rouge and Parish of East Baton Rouge personnel, and caused by, or resulting from work, acts, operations or omissions of LESSEE, its officers, agents, employees and independent contractors on the Leased Premises or the Airport. The LESSOR and the City of Baton Rouge and Parish of East Baton Rouge shall have no liability for any premiums charged for such coverage, and the inclusion of the LESSOR and the City of Baton Rouge and Parish of East Baton Rouge as a named insured is not intended to, and shall not, make the LESSOR and the City of Baton Rouge and Parish of East Baton Rouge a partner or joint venture with LESSEE in its operations on the Airport.

4.06 All required insurance policies shall provide an endorsement to include a Waiver of Subrogation in favor of the City of Baton Rouge, Parish of East Baton Rouge and shall read as follows: "LESSEE, its agents, assigns, employees and insurer(s) hereby release the City of Baton Rouge and Parish of East Baton Rouge, its agents and assigns from any and all liability or responsibility including anyone claiming through or under them by way of subrogation or otherwise for any loss or damage which LESSEE, its agents or insurers may sustain incidental to or in anyway related to LESSEE'S operation under this Lease."

ARTICLE V

DAMAGE OR DESTRUCTION OF PREMISES/IMPROVEMENTS AND REPAIR

5.01 LESSEE shall repair or rebuild at its expense any improvements, which are owned by or have been erected by LESSEE (regardless of whether those improvements are to become the property of LESSOR at the termination of the lease), which have been destroyed or damaged by fire or unavoidable casualty promptly upon the occurrence of the destruction or damage. Rent during the period of damage, destruction, or repair shall not be abated but shall continue.

Except as otherwise provided herein, if any property which is owned by LESSOR and leased to LESSEE hereunder be destroyed by fire or unavoidable casualty, LESSOR shall promptly rebuild or replace the leased premises in as good a condition as it was prior to such fire or other casualty and a proportionate part of the monthly minimum rental shall be suspended or proportionately abated in accordance with the use until the leased premises has been restored and put in complete repair, provided that LESSOR receive in advance of the repairs being made, a sufficient sum of LESSEE's insurance proceeds to make such repairs, LESSOR's obligation being limited to repair or rebuild only in an amount equal to the sums received by them from said insurance proceeds.

5.02 In the event that LESSOR is prohibited from completing any of the repairs above referred to in this article due to insufficient insurance funds or to actions beyond the control and responsibility of LESSOR, such as, but not necessarily limited to, unavailability of materials, restriction imposed by any public authority relative to curtailment of building, inability of LESSOR to secure building permits from public authority or strikes which may prevent LESSOR's contractors from performing the work required, LESSEE's obligation to LESSOR to pay all sums due hereunder shall continue and in the event of partial destruction to LESSOR's premises rented to LESSEE, LESSEE shall be obligated for the payment of a pro-rata rental based on the space used provided the remaining premises usable is sufficiently large enough for LESSEE to conduct its business. In the event of total destruction, no rental consideration will be paid LESSOR by LESSEE; however, it is the obligation of the LESSEE to continue his lease and extend it by the time the premises herein leased is not available to LESSEE provided the causes of the inability of LESSOR to complete and deliver the premises to LESSEE in a complete condition be as those enumerated immediately above.

5.03 During the term of this Lease Agreement, LESSEE shall at its own expense, keep all improvements, including but not limited to any building (inside and outside), sidewalks, driveways, parking lots, foundation, walls, structural components, doors, windows, floors, ceiling, roof, roof vents, overhangs, gutters and downspouts, and its appurtenances, facilities, fixtures, and services connected therewith in good substantial repair.

5.04 LESSEE in assuming possession of the leased premises constitutes an admission that the premises is suitable for its needs and activities at the moment of assuming possession. It is understood that the LESSOR is fully relieved by LESSEE of any responsibility whatsoever for damages to any persons whomsoever or to the property of the LESSEE or others, arising from the condition, upkeep or maintenance of the leased premises. LESSOR is hereby expressly relieved of any and all liability for injuries or damages caused by any vice or defect in the leased premises to any occupant or to anyone in or on the premises or in or on any adjacent street, sidewalks, curbs, or other walks adjacent to the leased premises, under the provisions of Louisiana Revised Statutes 9:3221, as it might be amended, and the LESSEE expressly assumes all such liability. LESSEE further agrees to indemnify and save the LESSOR from any liability whatsoever for any damages or injuries to any person or persons whomsoever, arising out of the occupancy, use, condition or state of repair of the leased premises, and he expressly assumes all such liabilities as an expressed term of this lease.

ARTICLE VI

ENVIRONMENTAL

6.01 LESSEE shall comply, at its own cost and expense, with all laws and regulations now existing or hereafter enacted, including but not limited to all Federal, State and local laws; any rules and/or regulations promulgated by any department, agency or division thereof; sanitary laws and ordinances; all rules and requirements of the State Board of Health; all other Federal, State, Parish and Municipal requirements affecting the use, operation, and cleanliness of the leased premises; and all rules and regulations of any local Board of any authorized organization of fire underwriters and of any state authorities relating to safeguarding against fires. LESSEE shall in every other regard use and occupy the leased premises in accordance with all applicable rules and regulations of any State, Parish and Municipal governmental authorities.

6.02 LESSEE shall comply with all local, State and Federal environmental laws and regulations. LESSEE assumes all liability for any contamination that is created during the term of this Lease. At the termination of this Lease, LESSEE must return the Leased Premises to the condition that the Leased Premises was in prior to commencement of the lease, remediating

environmental hazards including those caused by fuel leaks, spills, seepage, and fires which arise out of or are caused by LESSEE's use of the Leased Premises. At LESSEE's request, LESSOR may release LESSEE from environmental liability only after a specialist or expert approved in writing by LESSOR inspects the Leased Premises at LESSEE's cost.

6.03 LESSEE hereby agrees, jointly and severally, unconditionally, absolutely and irrevocably, to indemnify, defend (with counsel reasonably acceptable to LESSOR and at LESSEE's sole cost) and hold harmless LESSOR, its' successors and assigns, and their respective officers, directors, employees, shareholders, agents and affiliates, against and in respect of:

- 6.03(a) any loss, liability, cost, injury, expense or damage of any and every kind whatsoever (including, without limitation, court costs and reasonable attorneys' fees and expenses) which at any time or from time to time may be suffered or incurred by LESSOR (or any other person indemnified hereunder) in connection with the breach of the representations, warranties and covenants contained in this lease or any representation, covenant and warranties in this lease pertaining to pollution, hazardous materials, toxic substances and environmental matters or in connection with any inquiry, charge, claim, cause of action, demand or lien made or arising directly to indirectly or in connection with, with respect to, or as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the leased premises into or upon any land, the atmosphere, or any watercourse, body of water, or wetland, of any "Hazardous Materials" (as hereinafter defined) including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the "Statutes" (as hereinafter defined), whether now known or unknown, including without limitation:
- 6.03(a)(I) any costs, fees or expenses incurred in connection with the removal, encapsulation, or other treatment of Hazardous Material from or on

the Leased Premises;

- 6.03(a)(II) any reasonable attorney's fees and expenses, engineers' fees, and/or charges of any contractor or expert retained or consulted in connection with any inquiry, claim or demand, including without limitation any costs incurred in connection with compliance with such inquiry, claim or demand;
- 6.03(b) any loss, liability, cost, expense or damage (including, without limitation, reasonable attorneys' fees and expenses) suffered or incurred by LESSOR (or any other person indemnified hereunder) as a result of, arising out of or in connection with any failure of the Leased Premises to comply with all applicable environmental protection laws, ordinances, rules and regulations, and any litigation, proceeding or governmental investigation relating to such compliance or non-compliance; and
- 6.03(c) any loss, liability, cost, damage or expense suffered or incurred by LESSOR (or any other person indemnified hereunder) directly or indirectly arising from any claim, action, demand, cause of action or damage relating to or in connection with any personal injury concerning or relating to the presence of asbestos or other Hazardous Material on the leased Property.

As used herein, "*Hazardous Material*" means and includes, without limitation: (I) "hazardous substances", or "toxic substances" as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), as amended and hereafter amended; (II) "hazardous wastes", as that term is defined by the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6902 *et seq.*, as amended and hereafter amended; (III) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other applicable federal, state or local law, regulation, ordinance, or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste substances or material, all as amended or hereafter amended; (IV) petroleum

products, including, but not limited to, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute) and substances containing hydrocarbons (other than petroleum products which are normally contained in motor vehicles), to the extent that said petroleum products are not released from said motor vehicles; (V) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. §6902 et seq., as amended or hereafter amended (collectively, the “*Statutes*”); (VI) asbestos in any form or condition; and (VII) polychlorinated biphenyls (“PCB”) or substances or compounds containing PCBs.

- 6.03(d) The provisions of and undertakings and indemnification set out in this indemnity shall continue indefinitely in full force and effect and shall survive the satisfaction, termination, suspension or closure of this Lease, and shall continue to be the personal liability, obligation and indemnification of the LESSEE, binding upon the LESSEE, jointly and severally, forever.
- 6.03(e) The provisions contained herein shall govern and control over any inconsistent provision of this Lease, and any other agreement, instrument, or document evidencing or securing the Lease; including, without limitation, any exculpatory or non-recourse provisions contained in any of the foregoing agreements.
- 6.03(f) If at any time or times hereafter LESSOR employs counsel for advice or other representation (i) with respect to the Indemnity herein, (ii) except as otherwise expressly provided herein, to represent LESSOR in any litigation, contest, dispute, suit or proceeding (whether instituted by LESSOR, LESSEE, or any other party) in any way or respect relating to the Indemnity herein (if LESSOR prevails in the litigation, suit or proceeding in question), or (iii) to enforce LESSEE’S obligations hereunder, then all of the reasonable attorneys’ fees and expenses arising from such services and all expenses, costs and charges in any way or respect arising in connection

therewith or relating thereto shall be paid by LESSEE to LESSOR, on demand.

- 6.03(g)(I) LESSEE shall notify LESSOR promptly upon receipt of any inquiry, notice claim, charge, cause of action or demand pertaining to the matters indemnified hereunder, including without limitation any notice of inspection for cause, abatement or non-compliance stating the nature and basis of such inquiry or notification. LESSEE shall immediately deliver to LESSOR any and all documentation or records as LESSOR may request in connection with such notice or inquiry, and shall keep LESSOR advised of any subsequent developments.
- 6.03(g)(II) LESSOR shall give written notice to the LESSEE of any claim against LESSOR which might give rise to a claim by LESSOR against the LESSEE under this Lease stating the nature and basis of the claim, the amount thereof and reasonable best estimate of the amount of the LESSEE'S liability to LESSOR in connection therewith.
- 6.03(g)(III) If any action shall be brought against LESSOR, then after LESSOR notifies the LESSEE thereof as provided above, defense thereof at the expense of LESSEE with counsel reasonably satisfactory to LESSOR and to settle and compromise any such claim or action; provided, however, that LESSOR may elect to be represented by separate counsel, at LESSOR'S expense, and if LESSOR so elects, such settlement or compromise shall be effected only with the consent of LESSOR, which consent shall not be withheld or delayed if the settlement or compromise does not impose any liability on LESSOR or any other party indemnified hereunder and shall not otherwise be unreasonably withheld or delayed.
- 6.03(h) Except in the event any failure, delay, act, or omission is the result of LESSOR'S willful misconduct or gross negligence, and then only to the extent LESSEE is prejudiced thereby, LESSEE'S obligations hereunder shall

in no way, manner or respect be impaired, affected, reduced or released by reason of any act or omission of LESSOR in connection with any notice, demand, warning or claim regarding Hazardous Materials on the Leased Premises. Notwithstanding anything to the contrary contained in the indemnity herein, the indemnifications set forth herein shall not be applicable to any loss, liability, cost, injury, expense or damage arising solely out the gross negligence or intentional misconduct of LESSOR.

6.03(i) The Indemnity herein shall be continuing, irrevocable and binding on the LESSEE, jointly and severally, and its respective successors and assigns and shall inure to the benefit of LESSOR and LESSOR'S successors and assigns. LESSEE'S obligations hereunder may not be assigned. The dissolution of the LESSEE shall not affect this Lease or any of LESSEE'S obligations hereunder.

6.03(j) Any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and may be personally serviced, telecopied or sent by overnight courier or U.S. Mail and shall be deemed given: if served in person, when served; if telecopied, on the date of transmission if before 3:00 p.m. (Baton Rouge time); provided that a hard copy of such notice is also sent; if by overnight courier, on the first business day after delivery to the courier; or if by U.S. Mail, on the fourth (4th) day after deposit in the mail postage prepaid, certified mail, return receipt requested

To LESSOR: Director of Aviation
Baton Rouge Metropolitan Airport District
9430 Jackie Cochran Avenue
Suite 300, Terminal Building
Baton Rouge, Louisiana 70807



To LESSEE: _____

ARTICLE VII

ADDITIONAL TERMS AND CONDITIONS

7.01 LESSEE shall make any payment required to be made under this Lease promptly, and shall make such payment in cash in the amount thereof. In the event that such payment is not made forthwith, LESSOR, at its sole election and in its sole discretion, may proceed to suit against LESSEE.

7.02 If any provision herein or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this lease and the application of such provision or provisions to the other parties and circumstances will not be affected thereby, the provisions of this lease being severable in any such instance.

7.03 If LESSOR is unable to deliver possession on the date set forth above for the commencement of this lease, the primary term of this lease shall begin on the first day of the first calendar month when the premises is available. This lease shall, however, continue in full force and effect and LESSEE shall not be entitled to any damages except that LESSEE shall pay no rent for the time during which LESSOR is unable to deliver possession of the leased premises, but if possession is not delivered within 30 days after the date set forth above, then LESSEE shall have the option to terminate this lease by notice to LESSOR in writing. If possession is tendered to the LESSEE during a calendar month, rent for the partial month shall be due on a pro rata basis but the lease term shall not begin until the first day of the next calendar month.

7.04 LESSEE shall be in default hereunder if LESSEE does any of the following and does not discontinue or correct same after thirty (30) days written notice from LESSOR:

- 7.04(a) Violates at any time any of the conditions of this lease;
- 7.04(b) Discontinues the use of premises for the purpose for which they are rented, or fails actively to conduct that business in the leased premises;
- 7.04(c) Fails to pay the rent as and when due, provide the insurance required by this lease, or to pay the premiums for such insurance; fails to pay utility bills or other expenses or obligations assumed under this lease promptly as stipulated;
- 7.04(d) Is adjudicated or bankrupt, or if any sub-LESSEE or assignee of LESSEE then occupying more than fifty (50%) percent in area of the leased premises becomes bankrupt or insolvent, or if a receiver or trustee is appointed at any time to take charge of the property or of any part of it, or if there is any cession to creditors by LESSEE or any sub-LESSEE or assignee of LESSEE of this Lease occupying all or a part of the leased premises;
- 7.04(e) Is placed in receivership;
- 7.04(f) Files a petition in bankruptcy, receivership or for respite;
- 7.04(g) Fails in business or becomes insolvent;
- 7.04(h) Uses the leased premises or any portion of it at any time for any illegal or unlawful purposes; or
- 7.04(i) Commits, or tolerates the commission, on the leased premises of any nuisance or of any act of waste, or of any act made punishable

by fine or imprisonment under the laws of the United States or the State of Louisiana, or of any ordinance of the City of Baton Rouge or Parish of East Baton Rouge.

7.05 LESSOR shall have the option in any such event to exercise any or all of the following remedies:

- 7.05(a) Cancel this lease upon thirty (30) days written notice for a non-monetary breach or ten (10) days written notice for a monetary breach.
- 7.05(b) To proceed for past due installments only, reserving its right to later proceed for the remaining installments; or
- 7.05(c) To re-enter the leased premises and let them for such price and on such terms as may be immediately obtainable and apply the net amount realized to the payment of the rent.
- 7.05(d) To elect any other remedy allowed under Law, including but not limited to the acceleration of rentals for the remaining term.

If LESSOR has elected to accelerate the rental for the un-expired term of the lease, then at LESSOR'S option, LESSOR shall have the further option to re-enter the premises and to attempt to lease them for such rental and on such terms as LESSOR may be able to obtain, in reduction of the amount due LESSOR, or to let them on a month-to-month basis, and credit the net amount realized on the payment of the rental due for the full un-expired term of the lease, reserving the right to sue thereafter for any balance remaining due after credit for the rental actually received or estimated to be received. Any balance thus due shall be considered rental due under this lease and shall be secured by the LESSOR'S privilege and right of detention. Exercise of this right of re-entry and privilege to re-let shall not in any way prejudice LESSOR'S right to hold LESSEE liable for any amount due under this lease in excess of the amount for which the property is re-let.

In addition, if the LESSEE fails or refuses to permit LESSOR to re-enter the premises, LESSOR shall have the right to evict LESSEE in accordance with the provisions of Louisiana Law, without forfeiting any of LESSOR'S rights under this paragraph or under the other terms of this lease, and LESSOR may at the same time or subsequently, sue for any money due or to enforce any other rights which LESSOR may have.

7.06 LESSEE shall remain responsible for all damages or losses suffered by LESSOR incurred as a result of the breach of this lease. LESSEE waives all putting in default for any such breach, except as expressly required by this lease.

7.07 If an attorney is employed to enforce or protect any claim of LESSOR arising from this lease, the LESSEE shall pay, to the LESSOR as the fee of that attorney, an additional sum amounting to twenty-five (25%) per cent of the amount of the claim, or, if the claim is not for money, then such sum as will constitute a reasonable attorney's fee, together with all costs, charges and expenses.

7.08 Failure to strictly and promptly enforce the conditions set forth above shall not operate as a waiver of LESSOR's rights. Subject to the notice and grace periods provided for herein, LESSOR expressly reserves the right always to enforce prompt payment of rent or to cancel this lease regardless of any indulgences or extensions previously granted. LESSOR's accepting any rent in arrears, or after notice or institution of any suit for possession, or for cancellation of this lease, will not be considered as a waiver of such notice or of the suit, or of any of the other rights of LESSOR.

7.09 In addition to the other rights given to the LESSOR by the express terms of this lease in the event of any breach or default by LESSEE, LESSOR shall have and hereby expressly reserves all rights and privileges granted to LESSOR by law.

7.10 If a portion of the leased premises should be taken by expropriation or condemnation proceedings, or if the LESSOR should convey a portion of the leased premises under the threat of such proceedings, the rental shall be reduced in a just and proportionate amount, in the ratio that LESSEE is deprived of the utility of the leased premises. If, however, all

of the leased premises are taken or conveyed for such purposes, or the portion taken or sold is such as substantially to prevent LESSEE'S use of the leased premises, this lease shall terminate.

7.11 LESSEE shall have the right to:

7.11(a) The right to install, operate, maintain, repair and store, subject to approval of LESSOR in the interests of safety and convenience of all concerned, all equipment, tools, and materials necessary for the conduct of LESSEE's business.

7.11(b) The right of ingress to and egress from the leased premises, which right shall extend to LESSEE's employees, passengers, guests, invitees, and patrons;

7.11(c) Said property is not to be used for any other purposes other than those authorized herein without written consent of LESSOR.

7.12 LESSEE shall not, at any time during the term of this lease or in any manner, either directly or indirectly, sublease, assign, hypothecate, or transfer this agreement or any interest therein, without the written consent of LESSOR. If LESSEE is a corporation (other than a corporation the outstanding voting stock of which is listed on a "National Securities Exchange Act of 1934") and if at any time after execution of the lease any part or all of the corporation shares shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition (including such a transfer to or by a receiver or trustee in Federal or State Bankruptcy insolvency or other proceeding) so as to result in a change in the present-control of said corporation shares, then such transfer shall be deemed to be an assignment of this lease for the purposes of this section.

The acceptance by LESSOR of the payment of rent following any assignment or other transfer prohibited by this paragraph shall not be deemed to be a consent by LESSOR to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of LESSOR hereunder.

7.13 The parties hereto for themselves, their representatives, successors, and assigns, further covenant and agree as follows:

- 7.13(a) LESSEE agrees to observe and obey during the terms of this lease, all laws, ordinances, rules and regulations promulgated and enforced by LESSOR, and by any other proper authority having jurisdiction over the conduct of operations at the Airport.
- 7.13(b) LESSEE agrees to hold the LESSOR free and harmless from loss from each and every claim and demand of whatever nature, made on behalf of or by any person or persons, for any wrongful act or omission on the part of the LESSEE, its agents, servants and employees, and from all loss and damages by reason of such acts or omissions, except to the extent that LESSOR, its agents, servants or employees are at fault.
- 7.13(c) LESSEE agrees that no signs, advertising matter, or political signage may be erected without written consent of LESSOR.
- 7.13(d) LESSEE agrees that all concessions at Baton Rouge Metropolitan Airport will be operated by the LESSOR or will be leased by the LESSOR, to those concessionaires of the LESSOR'S choice.
- 7.13(e) LESSOR hereby designates the Director of Aviation as its official representative with the full power to represent LESSOR in all dealings with LESSEE in connection with the premises herein leased. LESSOR may designate by notice in writing, addressed to LESSEE other representatives from time-to-time and such notice shall have the same effect as if included in the terms of this agreement.
- 7.13(f) Notice to LESSOR as herein provided shall be sufficient if sent by registered mail, postage prepaid:



To LESSOR: Director of Aviation

Baton Rouge Metropolitan Airport
9430 Jackie Cochran Avenue

Suite 300, Terminal Building

Baton Rouge, LA 70807;

To LESSEE: _____

or such other addresses as may be designated by LESSOR or LESSEE in writing from time to time.

7.13(g) LESSEE shall be responsible for connection and payment of all sewer, water, gas and electric utilities consumed in connection with leased premises.

7.13(h) LESSEE shall keep the premises, as described herein, neat and clean and shall dispose of all debris, garbage, and other waste matter which may accumulate, and shall provide metal containers with proper covers and/or appropriate containers for waste within the building or buildings on said premises.

7.14 During any period when the Airport shall be closed by any lawful authority restricting the use of the Airport in such a manner as to interfere with the use of same by LESSEE for its business operation, the rent shall abate for the duration of said closure, but thereafter, shall resume effect without legal consequence.

7.15 LESSOR reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this agreement.

7.16 LESSOR reserves the right to further develop and improve the Airport property, Terminal Building, and landing area of the Airport as it sees fit, regardless of the desires or view of the LESSEE, and without any interference or hindrance whatsoever and no damages of any kind, such as loss of profits, etc. whatsoever, shall be due to LESSEE from LESSOR.

7.17 The rights granted hereunder are expressly limited to Full Service Hotel & Restaurant, pursuant to the terms of this Lease, and nothing contained herein shall be construed to give LESSEE any rights in any future expansion, renovation, or relocation of the Airport or Terminal.

7.18 LESSOR shall not be responsible or liable to LESSEE for any claims for compensation or any losses, damages, or injury sustained by LESSEE resulting from (1) cessation for any reason of air carrier operations at the Terminal, (2) diversion of cargo traffic to any other facility, or (3) reduction in company's sales or profits due to LESSOR'S renovation or relocation of the Terminal, Terminal Building, or landing area of the Airport.

7.19 LESSOR reserves the right, but shall not be obligated to LESSEE, to maintain and keep in repair all publicly owned facilities of the Airport, together with the right to direct and control all activities of LESSEE in this regard.

7.20 No material alterations, extensions, improvements, or the addition of any buildings, fixtures, equipment or improvements to the leased premises shall be made without the prior written consent of the LESSOR.

7.21 LESSEE agrees to yield and deliver to LESSOR possession of the premises exclusively leased herein with all improvements at the termination of this lease, by expiration or otherwise, or of any renewal or extension hereof, in good condition in accordance with its express obligations hereunder, except for reasonable wear and tear, fire or other casualty. It is

agreed and understood that all improvements to the leased premises will become the property of the LESSOR without any obligation of LESSOR to pay LESSEE for same whatsoever.

7.22 LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or any other structure on the Airport which, in the opinion of LESSOR would limit the usefulness of the Airport or constitute a hazard to aircraft.

7.23 During time of war or national emergency, LESSOR shall have the right to lease the airport property, or any part thereof, to the United States Government for military or naval use, and, if any such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

7.24 This lease shall be subordinate to the provisions of any existing or future agreement between the LESSOR and the United States, relative to the operation and maintenance of the Airport, the execution of which has been or may be required a condition precedent to the expenditure of Federal Funds for the development of the Airport. This lease is also subordinate to all reversionary clauses that may now exist in favor of the United States, and in the event that the United States exercise any rights it may have to the land leased herein, then this lease will be rendered null and void without any prejudice to LESSOR whatsoever.

7.25 The LESSEE, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of race, color or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation. The LESSOR is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct to enforce this nondiscrimination covenant.

7.26 In the event of breach of any of the nondiscrimination covenants contained herein, the City of Baton Rouge and Parish of East Baton Rouge, as represented by the Greater Baton Rouge Airport District, shall have the right to terminate the lease and re-enter and

repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued.

7.27 It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting any exclusive right whatsoever.

7.28 LESSEE agrees to comply with all rules and regulations now in effect and as may be hereinafter promulgated respecting any minimum standard for operations on the leased premises or any other aeronautical activity including any change or amendment to the Minimum Standards for Aeronautical Activities enacted by LESSOR or any standard or specifications or requirements promulgated or enforced by the Federal Aviation Administration or its successor.

7.29 LESSEE, if it choose to allow underground storage tanks on the premises, agrees that it will at all times obey and comply with all Federal, State and local regulations and laws. LESSOR is permitted to, but not obligated to, inspect such improvements at any time upon reasonable notice. In the event of termination of this lease for any reason, including default, LESSOR shall not be obligated to become owner of underground storage tanks and take possession of said tanks, until such time as LESSEE has complied with all Federal, State and local regulations, including by way of example, any clean-up responsibilities. LESSOR, in the event of default under this subsection, may, at its option, elect to sue for specific performance to enforce compliance with any Federal, State or local regulations in addition to also seeking termination of the lease. Additionally, LESSOR may, but shall not be obligated to, deduct from any amount which may be due LESSEE hereunder, an amount necessary to remedy any default or non-compliance under this sub-section.

7.30 LESSEE shall be held responsible for maintaining and providing security for the Leased Premises.

7.31 The LESSEE shall permit the authorized representative of the LESSOR to periodically inspect and audit all data and records of the LESSEE relating to its performance under this Agreement.

7.32 The failure of LESSOR to insist on a strict performance of any of the agreements, terms, covenants, and conditions hereof shall not be deemed a waiver of any rights or remedies that LESSOR may have for any subsequent breach, default, or non-performance, and LESSOR'S right to insist on strict performance of this Lease shall not be affected by any previous waiver or course of dealing.

7.33 The LESSEE shall comply with all applicable "Anti-Kickback" regulations and laws and shall insert appropriate provisions in all contracts to insure compliance with such regulations and laws.

7.34 All rights not specifically granted LESSEE by this Lease is reserved to the LESSOR.

7.35 The invalidity of any portion, article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.

7.36 The parties agree and stipulate that the exclusive venue and jurisdiction for any action arising from this Lease shall be in 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

7.37 This Lease shall be governed by and in accordance with the laws of the State of Louisiana.



IN WITNESS WHEREOF, the parties have hereunto set their hands and signatures the day and year first above written.

LESSOR:

ATTEST:

THE CITY OF BATON ROUGE AND PARISH OF EAST
BATON ROUGE ON BEHALF OF THE GREATER
BATON ROUGE AIRPORT DISTRICT

BY: _____

SHARON WESTON BROOME
MAYOR-PRESIDENT
CITY-PARISH OF EAST BATON ROUGE

LESSEE:

ATTEST:

BY: _____

SECTION H:

FORM 1 – Acknowledgement of Bonding and Insurance Requirements

FORM 2 – Financial Disclosure

FORM 3 – ACDBE Instructions and Schedules A, B, and C



FORM 1

Acknowledgment of Insurance and Bonding Requirements

I, _____, on behalf of _____, Proposer, acknowledge that if selected as the successful proposer for "Proposal for the Development and Operation of a Hotel at the Baton Rouge Metropolitan Airport." Proposer shall comply completely and promptly with all insurance requirements contained in the Agreement attached to this RFP and appendices thereto, pertaining to insurance.

Proponent understands that it is expected to share these requirements with potential sureties and insurance brokers, agents, underwriters, etc. prior to any award of an Agreement and to take all necessary steps to ensure compliance with the applicable requirements without delay. Proponent understands, acknowledges and agrees that any failure to fully comply with these requirements within ten (10) days of the date Proponent receives a final Agreement document from the City may result in the forfeiture of the Proposal guarantee submitted with this Proposal and/or the disqualification of Proponent from further consideration for the Agreement.

By executing this Acknowledgement of Insurance Requirements, I represent that the Proponent understands and agrees to comply unconditionally with all requirements related to insurance contained in the Agreement attached to this Solicitation. Further, by signing below, I represent that I am authorized to make the representations contained herein on behalf of Proponent.

Dated this _____ day of _____, 2019.

Sign here if you are an individual:

Printed Name: _____

Signature: _____

Sign here if you are an authorized representative of a responding entity:

Printed Name of Entity:

Signature of authorized representative: _____

Title: _____

Subscribed and sworn to or affirmed by _____ (name), as the _____ (title) of _____ (entity name) this _____ day of _____, 201__.

Printed Name: _____

Notary Public: _____

My commission expires: _____

SEAL



FORM 2 – Financial Disclosure

Instructions: Submitter must provide accurate and legible financial disclosures to the Airport as requested below.

A "Submitter" is an individual, entity or partnership submitting a Proposal in response to this RFP.

1. If the Respondent is an individual, financial disclosures for that individual must be provided.
2. If the Respondent is an entity or partnership, financial disclosures for that entity or partnership must be provided.
3. If the Respondent is a newly formed entity or partnership (formed within the last three years), financial disclosures for that entity or partnership must be provided together with full financial disclosure from the entity's or partnership's owners. Financial Disclosure includes a full response to all questions and requests for documentation listed in this Form 2.

For example, if the Respondent is a newly formed entity (formed within the last three years) made up of two separate entities (e.g., a majority interest owner and a minority interest owner), then financial disclosure is required from the Respondent entity, and financial disclosure is also required from each of the two owners (majority entity owner and minority entity owner) as well.

The Respondent (and its owners, if applicable) must submit hard copies of all financial disclosures in response to this Form 2.

Part A – General Information:

Name of the Respondent: _____

Name of individual, entity or

_____ partnership completing this Form:

Relationship of individual, entity, or

_____ partnership completing this Form to the Respondent

Contact information of individual, entity or partnership completing this Form: _____

Address: _____

Phone Number(s): _____

Email: _____

Part B: Financial Information:

1. The Submitter, and its owners, if applicable, should demonstrate its financial capability and stability by selecting and providing documentation from one of the following three groups of requests (see below).

Please circle which group, (a), (b), or (c), is selected and provide the supporting documentation with the Proposal.

- (a)** Financial statements for the three (3) most recent consecutive fiscal years, audited by a Certified Public Accountant ("CPA"), including:
 - (i) Income Statement
 - (ii) Balance Sheet; and
 - (iii) Statement of Cash Flows
- (b)** Financial statements for the three (3) most recent consecutive fiscal years, either reviewed or compiled by a Certified Public Accountant ("CPA"), including:
 - (i) Income Statement;
 - (ii) Balance Sheet; and
 - (iii) Satisfactory proof of the maximum Payment and Performance Bond that Respondent was able to obtain during the subject fiscal years.
- (c)** Unaudited, self-prepared financial statements for the three (3) most recent consecutive fiscal years, including:
 - (i) Income Statement
 - (ii) Balance Sheet;
 - (iii) Satisfactory proof of the maximum Payment and Performance Bond that Respondent was able to obtain during the subject fiscal years.
 - (iv) Two (2) banks or other institutional lenders' references; and
 - (v) Dunn and Bradstreet report for the last two (2) years.

2. Fill in the blanks below to provide a summary of all of the Respondent's assets and liabilities for the three (3) most recent years (calculated from the date of the end of the fiscal year).

ALL FIGURES BELOW MUST BE REPRESENTED IN U.S. CURRENCY (\$).

Most recent three (3) years:

	<u>Year: 20</u> (Thousands)	<u>Year: 20</u> (Thousands)	<u>Year: 20</u> (Thousands)
Current Assets	\$.....	\$.....	\$.....
Current Liabilities	\$.....	\$.....	\$.....
Property & Equip.	\$.....	\$.....	\$.....
Working Capital	\$.....	\$.....	\$.....
Sales/Revenue	\$.....	\$.....	\$.....
Total Assets	\$.....	\$.....	\$.....
Total Liabilities	\$.....	\$.....	\$.....
Interest Charges	\$.....	\$.....	\$.....
Net Income	\$.....	\$.....	\$.....
Net Worth	\$.....	\$.....	\$.....

3. Will Respondent use or require an open line of credit for the project? Yes or No.

If yes, the Respondent must provide the source of the line of credit on bank letterhead for the bank providing the line of credit. The bank contact information must include: contact name, title, address, telephone, fax and email address.



DECLARATION

Under penalty of perjury, declare that I have examined the Financial Disclosure - Form 3 and all attachments to it, if applicable, and, to the best of my knowledge and belief, and all statements contained in it and all attachments, if applicable, are true, correct and complete.

Whether you are an individual executing this form or you are an authorized representative of an entity executing this form, the person signing below must sign or affirm in the presence of a Notary Public. The Notary Public's signature and seal must be provided, together with the date of the notarial act.

Sign here if you are an individual:

Printed Name: _____

Signature: _____

Date: _____, 20 ____

Subscribed and sworn to or affirmed by _____ (name) this _____ day of _____, 20 ____.

Printed Name: _____

Notary Public

My commission expires:

SEAL

Sign here if you are an authorized representative of a responding entity:

Printed Name of Entity: _____

Signature of authorized representative: _____

Title: _____

Date: _____, 20____

Subscribed and sworn to or affirmed by _____ (name), as the _____ (title) of _____ (entity name) this _____ day of _____, 201____ .

Printed Name: _____

Notary Public



FORM 3 – ACDBE INSTRUCTIONS AND SCHEDULES A, B, AND C

MANDATORY DBE REQUIREMENTS AND SUBMITTALS

It is mandatory for Submitters and Proposers to become familiar with and comply with the Baton Rouge Metropolitan Airport Concessions Disadvantaged Business Enterprise (DBE) Program. It is Airport policy that a Respondent or Proposer that fails to submit completed DBE Schedules (forms) and current DBE letter(s) of certification as specified herein will be considered non-responsive.

Mandatory DBE Submittals:

- **Schedule A** is required of all bidders when bidding on a project that includes funding. This form shall list all firms that plan to participate in the project and describe the work, goods, and/or services to be provided. This form will also indicate the Prime firm's level of DBE participation commitment.
- **Schedule B** is required for every firm that plans to participate in the project. The FAA requires that the information on this form be collected from all bidders.
- **Schedule C** is required in the event that the prime firm fails to meet the DBE goal for the project. Supporting documentation of Good Faith Efforts is required.

Participating DBE firms must be certified by the LAUCP (<http://www8.dotd.louisiana.gov/UCP/>). DBE letters of certification must be submitted and must be current and in compliance with 49 CFR Part 26. Firms with pending and/or expired letters of certification cannot be employed to satisfy the DBE participation requirement. If a bidder is currently certified as a DBE in compliance with 49 CFR Part 26, then it too must properly complete and submit all applicable DBE Schedules (forms) contained herein.

Contractors or consultants and subcontractors or subconsultants who engage DBE subcontractors or subconsultants agree to undertake good faith efforts as set forth in 49 CFR Part 26 Appendix A to include DBE participation in any change order work associated with this contract to maintain or exceed the DBE participation level set in this contract. Contractors or consultants and subcontractors and subconsultants who engage DBE subcontractors or subconsultants (and any lower level subcontractors or subconsultants) also agree to make a good faith effort to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the participation level submitted on Schedule A.

The DBE requirements stated herein pertain and can be applied to prime contractors or consultants and/or subcontractors or subconsultants (and any lower level subcontractors or subconsultants).

For clarification or copies of BRMA's DBE program, please contact the DBE Liaison Officer at the Baton Rouge Metropolitan Airport, Terminal Building, Suite 300, Baton Rouge, Louisiana, 70807 or (225) 355-0333.

See the DBE Requirements Section for further discussion of the DBE program and copies of the DBE Schedules.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) REQUIREMENTS

The Code of Federal Regulations, Title 49, Part 26 (49 CFR 26) as amended and the Baton Rouge Metropolitan Airport (BRMA) Disadvantaged Business Enterprise (DBE) Program are hereby made a part of and incorporated by this reference in this contract. Copies of these documents are available upon request from Baton Rouge Metropolitan Airport, DBE Liaison Officer, Terminal Building, 3rd Floor, Baton Rouge, Louisiana, 70807 or call (225) 355-0333.

PART I – POLICY/COMPLIANCE

- (A) DBE OBLIGATION: The requirements of 49 CFR Part 26, regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of the BRMA to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit Qualification Statements or Proposals.

The Contractor, Subcontractor or Subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor or Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor or Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

Award of this contract will be conditioned upon satisfying the requirements of this solicitation. These requirements apply to all Respondents or Proposers including those who qualify as a DBE. An ACDBE goal of 8.0 percent has been established for this proposal. The Respondents or Proposers shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26, to meet the contract goal for DBE participation in the performance of this contract. Good faith efforts include meeting this DBE goal or providing documentation demonstrating that the Respondents or Proposers made sufficient good faith efforts in attempting to meet this goal.

- (B) PROMPT PAYMENT: Under the DBE program, the Prime Contractor or Consultant agrees to pay each Subcontractor or Subconsultant under this contract for satisfactory

performance of its contract prior to submitting an invoice to the BRMA for request for payment. This payment will be documented on the Contractor's Monthly Report form that is submitted with each payment request. The Prime Contractor or Consultant agrees further to return retainage payments to each Subcontractor or Subconsultant within 14 days after the Subcontractor's or Subconsultant's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of BRMA. This clause applies to both DBE and non-DBE Subcontractor or Subconsultants.

In the event of the Contractor's or Consultant's noncompliance with these prompt payment provisions, BRMA may impose such sanctions and penalties as it or FAA may determine to be appropriate, including, but not limited to, the following:

1. Withholding of payments to the Contractor or Consultant under the contract until it complies, and/or
2. Deduction from a contract funds due or to become due the Contractor or Consultant, and/or
3. Disqualification of the Contractor or Consultant as non-responsible, and/or
4. Cancellation, termination or suspension of the contract in whole or in part, and/or
5. Any other remedy as BRMA or FAA deems appropriate.

(C) FAILURE TO COMPLY WITH DBE REQUIREMENTS: All federally-assisted contract performers (Prime Contractors, Consultants, Subcontractors, Subconsultants, Engineers, Architects, etc.) are hereby notified that failure to carry out the DBE obligation, as set forth above, shall constitute a breach of contract. The breach of contract will be reviewed by BRMA and FAA which may result in termination of the contract or other remedies deemed appropriate for the given situation.

(D) SUBCONTRACTS: All Contractors or Consultants and Subcontractors or Subconsultants hereby assure that they will include the following clauses in all subcontracts that offer further subcontracting opportunities.

The Contractor, Subrecipient or Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor or Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient (BRMA) deems appropriate.

Under the DBE program, the Prime Contractor or Consultant agrees to pay each Subcontractor or Subconsultant under this contract for satisfactory performance of its contract prior to submitting an invoice to the BRMA for request for payment. This payment will be documented on the Contractor's Monthly Report form that is submitted with each payment request. The

Prime Contractor or Consultant agrees further to return retainage payments to each Subcontractor or Subconsultant within 14 days after the Subcontractor's or Subconsultant's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of BRMA. This clause applies to both DBE and non-DBE Subcontractor or Subconsultants.

- (E) AWARD of DBE SUBCONTRACTS: The Contractor or Consultant shall, no later than three (3) days from the award of a contract, execute formal contracts or purchase orders with the DBE(s) included in Schedule A.
- (F) COUNTING DBE PARTICIPATION: BRMA will count DBE participation toward overall and contract goals as provided in 49 CFR §26.55. BRMA will only count DBE participation by those DBEs performing commercially useful functions as defined in 49 CFR §26.55. BRMA will not count the participation of DBE Subcontractors or Subconsultants toward a Contractor's or Consultant's final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE.

The Contractor or Consultant may count its entire expenditure to DBE manufacturers (i.e., a supplier that produces goods from raw materials or substantially alters them before resale). The Contractor or Consultant may count sixty percent (60%) of its expenditures to DBE suppliers that are not manufacturers, provided that the DBE supplier performs a commercially useful function in the supply process as defined in 49 CFR Part 26.55.

A Contractor or Consultant may not count the value of any payment made to a DBE for work that was further subcontracted out by the DBE to a non-DBE.

PART II – PROCEDURE TO DETERMINE QUALIFICATION STATEMENT OR PROPOSAL COMPLIANCE

- (A) ELIGIBILITY OF DBEs: The Baton Rouge Metropolitan Airport utilizes the Louisiana Unified Certification Program (LA UCP) for DBE certifications. LA UCP uses the certification standards of Subpart D of 49 CFR Part 26 and the certification procedures of Subpart E of 49 CFR Part 26 to determine the eligibility of firms to participate as DBEs. Only DBE firms certified under LA UCP at the time the Qualification Statement or Proposal is submitted will count toward this DBE goal.
- (B) INFORMATION SUPPLIED BY RESPONDENT OR PROPOSER WITHIN 24 HOURS OF STATEMENT OR PROPOSAL SUBMITTAL: Within twenty-four (24) hours from submitting the Qualification Statement, Bid or Proposal the Respondents or Proposers shall complete and submit the following schedules (forms) and documents as a condition of responsiveness. The Schedules shall have all blank spaces filled in completely and correctly.

SCHEDULE A – CONTRACT PARTICIPATION AND DBE COMMITMENT FORM

(copy attached): It is the obligation of the Respondent or Proposer to make good faith efforts to meet the DBE goal. Respondents or Proposers can demonstrate their good faith efforts either by meeting the contract goal or by documenting good faith efforts taken to obtain DBE participation. Schedule A shall accurately detail the work proposed by the Respondents or Proposers to be performed by all firm(s) participating in the project and, if it is a bid or proposal, the dollar value of that work. If a Respondent or Proposer is unable to fully meet the DBE goal of this contract, the Respondent or Proposer shall submit within twenty-four (24) hours of the submittal deadline a Schedule C and all documentation demonstrating the good faith efforts made to comply with the DBE requirements.

SCHEDULE B – REQUIRED PARTICIPATION QUESTIONNAIRE FORM

(copy attached): Schedule B shall accurately detail the work to be performed by all firms participating in the project. A Schedule B must be submitted for the Respondent or Proposer and for each firm included on Schedule A. Each participating DBE firm must submit a current letter of LAUCP certification with their Schedule B.

SCHEDULE C – DBE UNAVAILABILITY CERTIFICATION FORM

(copy attached): Schedule C shall provide documentation of good faith efforts made to obtain DBE participation. Schedule C must be accompanied by supporting documentations such as phone logs, facsimiles, and e-mail correspondence with potential DBE firms. Schedule C is only required when the prime firm is unable to fully meet the DBE contract goal. Further explanation of good faith efforts may be found in Appendix A of 49 CFR Part 26. It is up to BRMA to make a fair and reasonable judgment whether a Respondent or Proposer that did not meet the contract goal made adequate good faith efforts.

PART III – REPORT/RECORDKEEPING REQUIREMENTS

- (A) CONTRACTOR OR CONSULTANT MONTHLY REPORT (copy attached): This form shall be submitted each month with the Prime Contractor or Consultant's invoice for payment from BRMA and shall accurately represent the amount paid to DBE Subcontractor or Subconsultants during that invoice period. This form must be submitted with every monthly invoice regardless of the amount of payment or lack of payment. This form shall be signed by the Prime Contractor or Consultant and signed by the DBE Subcontractor(s) or Subconsultant(s) and submitted to the Program Manager. DBE participation will not officially be counted toward the Prime Contractor's or Consultant's commitment until payment has been rendered to the DBE. Failure to submit the required reports may result in the withholding of payment or partial payments to the Contractor or Consultant until the

reports are submitted. This form is not required at the time of Qualification Statement or Proposal submittal.

BATON ROUGE METROPOLITAN AIRPORT (BRMA)

Schedule A

Contract Participation and Disadvantaged Business Enterprise (DBE) Commitment

INSTRUCTIONS

Column A. Indicate the firm's role: prime, sub-tier 2 (first-level sub), sub-tier 3 (sub of a sub), manufacturer, regular dealer/supplier, or broker/agent. Please note that only 60% of the value of regular dealer/supplier commissions and fees can be counted toward Disadvantaged Business Enterprise (DBE) participation. All firms participating (DBE and non-DBE, prime and subs) must be included on the form.

Column B. Provide the name and address of the firm.

Column C. Provide the principal contact person and phone number of the firm.

Column D. Describe the work, goods, and/or services to be provided by the firm.

Column E. Indicate the dollar amount of total bid (including all alternatives) assigned to the firm. Enter N/A for qualification statements (RFQ).

Column F. Indicate the percent value of the bid amount of work assigned to the firm. Total percent value of work should equal 100% to account for all work being performed on the contract.

Column G. Indicate whether firm is a DBE or non-DBE. DBE-certified means federally certified by a member of the Louisiana Unified Certification Program (www.LAUCP.org). An ACDBE designation recognizes the firm as an airport concessionaire.

Good Faith Efforts to Secure DBE Participation

If required, please attach a completed Schedule C and supporting documents to establish that Good Faith Efforts were undertaken to secure DBE participation with respect to CFR 49 Part 26, Appendix A, Part IV, quoted below:

IV. The following is a list of types of actions which you should consider as part of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.

C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. (1) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

(2) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.



Schedule A – Contract Participation and DBE Commitment

Proposal Title: _____

Project No: _____

Project Type (Specify DBE or ACDBE): _____

DBE Contract Goal: _____%

A	B	C	D	E	F	G
FIRM ROLE <i>*Prime, sub-tier 2, sub-tier3 manufacturer, supplier, etc.</i>	FIRM NAME AND ADDRESS	PRINCIPAL CONTACT NAME AND PHONE NUMBER	WORK TO BE SUBCONTRACTED/GOODS/SERVICES/TO BE PURCHASED	\$ VALUE OF WORK/PURCHASES	% VALUE OF WORK/PURCHASES	DBE, ACDBE OR non-DBE
				\$	%	
				\$	%	
				\$	%	
				\$	%	
				\$	%	
				\$	%	
				\$	%	

TOTAL VALUE OF PARTICIPATION FROM CONTINUATION PAGES:

**Regular dealer/supplier work/purchase is counted at 60% participation toward DBE goal.*

\$	%	%
Enter Total Bid Amount	Total Must Equal 100%	Total DBE Participation
\$	%	%

TOTAL VALUE OF PARTICIPATION:

If Total DBE participation is less than the goal, refer to the Good Faith Efforts section of the instructions and attach a Schedule C and all other necessary documentation. Firms must be DBE certified with an authorized agent of the LAUCP to count participation towards the goal.

The undersigned prime firm will enter into a formal written agreement with the subcontractors / consultants / vendors identified herein for work and/or goods and services as shown in this schedule, conditioned upon the execution of a contract with the BRMA. The undersigned agrees to be contractually bound to maintain the level of DBE participation set forth above. Failure to comply with this agreement constitutes breach of contract.

Signature: _____

Date: _____

Printed Name: _____

Title: _____



Schedule B

Required Participation Questionnaire

INSTRUCTIONS: This information is to be collected and documented for all federally funded projects as required by the Department of Transportation 49 CFR Part 26. All items requested on the form are required, if an item is not applicable, respondents shall enter N/A. Each prime firm participating as a joint venture should complete a separate form and indicate (Item 9) that the response is a joint venture.

1. Project name, project number and date of submittal:	2. Official name of firm: Indicate if prime or subconsultant:	3. Address of office to perform work:																
4. Name of parent company, if any:	5. Location of headquarters (city):	6. Age of firm:																
7. Name, title, and telephone number of principal contact:	8. Indicate Special Status: <input type="checkbox"/> Small business <input type="checkbox"/> SBA certified <input type="checkbox"/> Minority-owned business <input type="checkbox"/> LAUCP DBE certified* <input type="checkbox"/> Woman-owned business *A firm participating as a DBE must be certified by the Louisiana Unified Certification Program (LAUCP) by the date of submittal. Current letter of certification shall be attached.																	
9. Is this submittal a joint venture (JV)? <input type="checkbox"/> Yes <input type="checkbox"/> No	10. Summary of firm's annual revenues, insert index number: <u>2009</u> <u>2008</u> <u>2007</u> <u>2006</u> <u>2005</u>																	
If so, has the JV worked together before? <input type="checkbox"/> Yes <input type="checkbox"/> No	Ranges of annual revenues received: <table border="0"> <tr> <td style="text-align: center;"><u>Index</u></td> <td></td> <td style="text-align: center;"><u>Index</u></td> <td></td> </tr> <tr> <td style="text-align: center;">1</td> <td>less than \$500,000</td> <td style="text-align: center;">4</td> <td>\$2,000,000 to \$4,000,000</td> </tr> <tr> <td style="text-align: center;">2</td> <td>\$500,000 - \$1,000,000</td> <td style="text-align: center;">5</td> <td>\$5,000,000 to \$6,000,000</td> </tr> <tr> <td style="text-align: center;">3</td> <td>\$1,000,000 to \$2,000,000</td> <td style="text-align: center;">6</td> <td>\$6,000,000 or greater</td> </tr> </table>		<u>Index</u>		<u>Index</u>		1	less than \$500,000	4	\$2,000,000 to \$4,000,000	2	\$500,000 - \$1,000,000	5	\$5,000,000 to \$6,000,000	3	\$1,000,000 to \$2,000,000	6	\$6,000,000 or greater
<u>Index</u>		<u>Index</u>																
1	less than \$500,000	4	\$2,000,000 to \$4,000,000															
2	\$500,000 - \$1,000,000	5	\$5,000,000 to \$6,000,000															
3	\$1,000,000 to \$2,000,000	6	\$6,000,000 or greater															

I do solemnly declare and affirm under the penalties of perjury that the contents of this document are true and correct, and that I am authorized on behalf of this firm to make this affidavit.

Signature: _____

Date: _____

Printed Name: _____

Title: _____



Schedule C DBE Unavailability Certification

If the Respondent or Proposer cannot fully meet the DBE goal of this Contract, the Respondent or Proposer shall complete Schedule C and attach documentation demonstrating the Respondent's or Proposer's good faith efforts. See Appendix A to 49 CFR Part 26, Guidance Concerning Good Faith Efforts. It is up to BRMA to make a fair and reasonable judgment whether a Respondent or Proposer that did not meet the contract goal made adequate good faith efforts.

I, _____, certify that on the date(s) below I invited the following proposed DBE subcontractor(s) or subconsultant(s) to respond or propose work items to be performed on:

PROJECT NAME: _____

PROJECT NO: _____

Date of Request	Name and Address	Transmittal Type	Work Items Sought	Describe Response and/or Follow-up

I do solemnly declare and affirm under the penalties of perjury that the contents of this document are true and correct, and that I am authorized on behalf of this firm to make this affidavit.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Supporting documentation of Good Faith Efforts is attached (required).



CONTRACTOR'S OR CONSULTANT'S MONTHLY REPORT

Not Required with Bid Submittal

PROJECT NAME: _____

A.I.P. PROJECT NO. _____ STATE PROJECT NO. _____

CONTRACTOR OR CONSULTANT: _____

CONTRACT AMOUNT (INCLUDING CHANGE ORDERS): \$ _____ DBE PARTICIPATION COMMITMENT: _____%

ESTIMATED PROJECT COMPLETION DATE: _____

ESTIMATE NO.: _____ REPORT PERIOD FROM: _____ TO: _____

This report covers the previous estimate period and shall be submitted to the Project Engineer with the current month's pay estimate. Questions should be directed to the Airport Compliance Coordinator.

SUBCONTRACTOR(S) or SUBCONSULTANT(S)	ITEM OR DESCRIPTION OF WORK PERFORMED	AMOUNT PAID THIS PERIOD	AMOUNT PAID TO DATE	DBE SIGNATURE

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Address: _____

Phone Number: _____

The BRMA Project Manager or DBELO has reviewed this form.

Project Manager or DBELO's Signature: _____

Date: _____



SECTION I:
ADDITIONAL RFP TERMS AND CONDITIONS

Legibility/Clarity

Responses to the requirements of this RFP in the formats requested is desirable with all questions answered in as much detail as practicable. The Proposer's response is to demonstrate an understanding of the requirements. Proposals prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP is also desired. Each Proposer is solely responsible for the accuracy and completeness of its proposal.

Confidential Information, Trade Secrets, and Proprietary Information

The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of your proposal. Your cost proposal will not be considered confidential under any circumstance. Any proposal copyrighted or marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

For the purposes of this procurement, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 et. seq.) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this procurement shall be open to public inspection. Proposers are reminded that while trade secrets and other proprietary information they submit in conjunction with this procurement may not be subject to public disclosure, protections must be claimed by the proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.

The Proposer must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential proprietary information as "confidential" in order to claim protection, if any, from disclosure. The Proposer shall mark the cover sheet of the proposal with the following legend, specifying the specific section(s) of his proposal sought to be restricted in accordance with the conditions of the legend:

"The data contained in pages of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the City-Parish shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the City-Parish's right to use or disclose data obtained from any source, including the proposer, without restrictions. "

Further, to protect such data, each page containing such data shall be specifically identified and marked "CONFIDENTIAL".

Proposers must be prepared to defend the reasons why the material should be held confidential. If a competing proposer or other person seeks review or copies of another proposer's confidential data, the state will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must agree to indemnify the City-Parish and hold the City-Parish harmless against all actions or court proceedings that may ensue (including attorney's fees), which seek to order the City-Parish to disclose the information. If the owner of the asserted data refuses to indemnify and hold the City-Parish harmless, the City-Parish may disclose the information.

The City-Parish reserves the right to make any proposal, including proprietary information contained therein, available to the Purchasing Division personnel, the Office of the Mayor-President, or other City-Parish agencies or organizations for the sole purpose of assisting the City-Parish in its evaluation of the proposal. The City-Parish shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

If your proposal contains confidential information, you should also submit a redacted copy along with your proposal. If you do not submit the redacted copy, you will be required to submit this copy within 48 hours of notification from Purchasing. When submitting your redacted copy, you should clearly mark the cover as such - "REDACTED COPY" - to avoid having this copy reviewed by an evaluation committee member. The redacted copy should also state which sections or information has been removed."

An initial inquiry period is hereby firmly set for all interested proposers to perform a detailed review of the bid documents and to submit any written questions relative thereto. Without exception, all questions MUST be in writing (even if an answer has already been given to an oral question during the Pre-proposal conference, if held) and received by the close of business on the Inquiry Deadline date set forth in the Calendar of Events (See Section 1 .3). Initial inquiries shall not be entertained thereafter.

The City-Parish shall not and cannot permit an open-ended inquiry period, as this creates an unwarranted delay in the procurement cycle and operations of our departments. The City-Parish reasonably expects and requires responsible and interested proposers to conduct their in-depth proposal review and submit inquiries in a timely manner.

Further, we realize that additional questions or requests for clarification may generate from City-Parish's addendum responses to the inquiries received during the initial inquiry period. Therefore, a final 3-day inquiry period shall be granted. Questions relative to the addendum shall be submitted by the close of business three working days from the date the addendum is issued (or, posted to LaPAC*). If necessary, another addendum will be issued to address the final questions received. Thereafter, all proposal documents,

including but not limited to the specifications, terms, conditions, plans, etc., will stand as written and/or amended by any addendum issued as a result of the final inquiry period.

Any person aggrieved in connection with the specifications contained therein shall submit questions or concerns in writing to Director of Purchasing (see Sect. 1.46) during the bid period. Otherwise, this will be construed as acceptance by the proposers that the intent of the specifications is clear and that competitive proposals may be submitted as specified herein.

Protests with regard to the specification documents will not be considered after proposals are opened.

*Note: The City-Parish has elected to use LaPAC, the state's online electronic bid posting and notification system that is resident on State Purchasing's website [<https://wwwcfprd.doa.louisiana.gov/osp/lapac/dspBid.cfm?search=department&term=102>] and is available for vendor self-enrollment. In that LaPAC provides an immediate e-mail notification to subscribing proposers that a solicitation and any subsequent addenda have been let and posted, notice and receipt thereof is considered formally given as of their respective dates of posting dates.

No negotiations, decisions, or actions shall be executed by any bidder as a result of any oral discussions with any City-Parish employee or City-Parish consultant. The City-Parish shall only consider written and timely communications from proposers.

Inquiries shall be submitted in writing by an authorized representative of the proposer, clearly cross-referenced to the relevant solicitation section. Only those inquiries received by the established deadline shall be considered by the City-Parish. Answers to questions that change or substantially clarify the solicitations shall be issued by addendum and provided to all perspective proposers.

Inquiries concerning this solicitation may be delivered by mail, express courier, e-mail, hand, or fax to.

City of Baton Rouge/Parish of East Baton Rouge

Attention: Patti J. Wallace, CPPB

Purchasing Division

222 St. Louis Street, 8th Floor, Room 826

Baton Rouge, LA 70801

or P.O. Box 1471

Baton Rouge, LA 70821

E-Mail: purchasing@brla.gov Phone: (225) 389-3259 / Fax: (225) 389-4841

Errors and Omissions in Proposal

The City-Parish will not be liable for any error in the proposal. Proposer will not be allowed to alter proposal documents after the deadline for proposal submission, except under the following condition: The City-Parish reserves the right to make corrections or clarifications due to patent errors identified in proposals by the City-Parish or the Proposer. The City-Parish, at its option, has the right to require clarification or additional information from the Proposer.

Changes, Addenda, Withdrawals

The City-Parish reserves the right to change the calendar of events or issue addenda to the RFP at any time. The City-Parish also reserves the right to cancel or reissue the RFP.

If the proposer needs to submit changes or addenda, such shall be submitted in writing prior to the proposal opening, signed by an authorized representative of the proposer, cross-referenced clearly to the relevant proposal section, and submitted in a sealed envelope marked as stated in Section 1.4. Such shall meet all requirements for the proposal.

Withdrawal of Proposal

A proposer may withdraw a proposal that has been submitted at any time up to the proposal closing date and time. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to Purchasing.

Material in the RFP

Proposals shall be based only on the material contained in this RFP. The RFP includes official responses to questions, addenda, and other material, which may be provided by the City-Parish pursuant to the RFP.

Waiver of Administrative Informalities

The City-Parish reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

Proposal Rejection

Issuance of this RFP in no way constitutes a commitment by the City-Parish to award a contract. The City-Parish reserves the right to accept or reject any or all proposals submitted or to cancel this RFP if it is in the best interest of the City-Parish to do so.

Failure to submit all non-mandatory information requested may result in the City-Parish requiring prompt submission of missing information and/or giving a lower score in the evaluation of the proposal.

Ownership of Proposal

All materials submitted timely in response to this request become the property of the City-Parish. Selection or rejection of a response does not affect this right. All proposals submitted timely will be retained by the City-Parish and not returned to proposers. Any copyrighted materials in the response are not transferred to the City-Parish.

Cost of Offer Preparation

The City-Parish is not liable for any costs incurred by prospective Proposers or Contractors prior to issuance of or entering into a Contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to the RFP are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the City-Parish.

Non-negotiable Contract Terms

Non-negotiable contract terms include but are not limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, governing law, claims or controversies, and termination based on contingency of appropriation of funds (if applicable).

Taxes

Any taxes, other than state and local sales and use taxes, from which the City-Parish is exempt, shall be assumed to be included within the Proposer's cost.

Proposal Validity

All proposals shall be considered valid for acceptance until such time an award is made, unless the Proposer provides for a different time period within its proposal response. However, the City-Parish reserves the right to reject a proposal if the Proposer's response is unacceptable and the Proposer is unwilling to extend the validity of its proposal.

Prime Contractor Responsibilities

The selected Proposer shall be required to assume responsibility for all items and services offered in his proposal whether or not he produces or provides them. The City-Parish shall consider the selected Proposer to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

Corporation Requirements

Upon the award of the contract, if the contractor is a corporation and not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate

of authority pursuant to R.S. 12:301-302 from the Secretary of State of Louisiana prior to the execution of the contract.

Upon the award of the contract, if the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

If services are to be performed in East Baton Rouge City-Parish, evidence of a current occupational license and/or permit issued by the City-Parish shall be supplied by the successful vendor, if applicable.

Use of Subcontractors

The Proposer shall serve as the single prime contractor for all work performed pursuant to its contract. The Proposer, as the prime contractor, shall be responsible for all deliverables referenced in this RFP. This general requirement notwithstanding, Proposers may enter into subcontractor arrangements. Proposers may submit a proposal in response to this RFP, which identifies subcontract(s) with others, provided that the Proposer, as the prime contractor, acknowledges total responsibility for the entire contract.

Written or Oral Discussions Presentations

Written or oral discussions may be conducted with Proposers who submit proposals determined to be reasonably susceptible of being selected for award. The City-Parish reserves the right to enter into an Agreement without further discussion of the proposal submitted based on the initial offers received.

Any commitments or representations made during these discussions, if conducted, may become formally recorded in the final contract.

Written or oral discussions/presentations for clarification may be conducted to enhance the City-Parish understanding of any or all of the proposals submitted. Neither negotiations nor changes to vendor proposals will be allowed during these discussions. Proposals may be accepted without such discussions.

Acceptance of Proposal Content

The mandatory RFP requirements shall become contractual obligations if a contract ensues. Failure of the successful Proposers to accept these obligations shall result in the rejection of the proposal.

Contract Negotiations

If for any reason the Proposer whose proposal is most responsive to the City-Parish's needs, price and other evaluation factors set forth in the RFP considered, does not agree to a contract, that proposal shall be rejected and the City-Parish may negotiate with the next most responsive Proposer. Negotiation may include revision of non-mandatory

terms, conditions, and requirements. Negotiation shall also allow price reductions. The final contract form shall be reviewed by the Purchasing Division and approved by the Parish Attorney prior to issuance of a purchase order, if applicable to complete the process.

Contract Award and Execution

The City-Parish reserves the right to enter into an Agreement without further discussion of the proposal submitted based on the initial offers received.

The RFP, any addendums, and the proposal of the selected Contractor will become part of any contract initiated by the City-Parish.

In no event is a proposer to submit its own standard contract terms and conditions as a response to this RFP. The proposer needs to address the specific language in the sample contract (Attachment D) and submit with their proposal any exceptions or exact contract deviations that their proposer wishes to negotiate. The terms for both of these documents may be negotiated as part of the negotiation process with the exception of contract provisions that are non-negotiable.

If the contract negotiation period exceeds 30 days or if the selected Proposer fails to sign the contract within seven calendar days of delivery of it, the City-Parish may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

Award shall be made to the Proposer whose proposal, conforming to the RFP, will be the most advantageous to the City-Parish, and other factors considered.

Notice of Intent to Award

Upon review and approval of the evaluation committee's recommendation for award by Purchasing and Metro Council, a Notice of Intent to Award letter to the apparent successful Proposer will be issued. A contract shall be completed and signed by all parties concerned on or before the date indicated in the Schedule of Events. If this date is not met, through no fault of the City-Parish, the City-Parish may elect to cancel the Notice of Intent to Award letter and make the award to the next most advantageous Proposer.

Purchasing shall notify all unsuccessful Proposers as to the outcome of the evaluation process. The evaluation factors, points, evaluation committee member names, and the completed evaluation summary and recommendation report shall be made available to all interested parties after the Intent to Award letter has been issued.

Debriefings

Debriefings may be scheduled by the participating Proposers after the Intent to Award letter has been issued by contacting Purchasing 72 hours in advance. Contact may be made by phone at (225) 389-3259 or E-mail to purchasinginfo@brgov.com to schedule the debriefing. Debriefings will be for the sole purpose of reviewing with the requesting vendor their own proposal scoring results.

If the requesting vendor wishes to view other file documents, a Public Records request in accordance with R.S 44.1 et. seq. must be submitted.

Assignment

Assignment of contract, or any payment under the contract, requires the advanced written approval of the City-Parish.

Audit of Records

The City-Parish or others so designated by the City-Parish, or other lawful entity shall have the option to audit all accounts directly pertaining to the resulting contract for a period of five (5) years after project acceptance or as required by applicable Local, State and Federal law. Records shall be made available during normal working hours for this purpose.

1.39 Civil Rights Compliance

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and

Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972,

Federal Executive Order 1 1246, the Federal Rehabilitation Act of 1973, as amended the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1 972, the Age Act of 1975, the Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under this Agreement and any contract entered into as a result of this Agreement, without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement and any contract entered into as a result of this agreement.

Record Retention

The Contractor shall maintain all records in relation to this contract for a period of at least ten (10) years.

Record Ownership

All records, reports, documents, or other material related to any contract resulting from this RFP and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the City-Parish, and shall, upon request, be returned by Contractor to City-Parish, at Contractor's expense, at termination or expiration of this contract.

Content of Contract/Order of Precedence

In the event of an inconsistency between the contract, the RFP and/or the Contractor's Proposal, the inconsistency shall be resolved by giving precedence first to the final contract, then to the RFP and subsequent addenda (if any) and finally, the Contractor's Proposal.

Contract Changes

No additional changes, enhancements, or modifications to any contract resulting from this RFP shall be made without the prior approval of Purchasing, Parish Attorney and Metro Council, where applicable.

Changes to the contract include any change in: compensation; beginning/ending date of the contract; scope of work; and/or Contractor change through the Assignment of Contract process. Any such changes, once approved, will result in the issuance of an amendment to the contract.

Substitution of Personnel

The City-Parish intends to include in any contract resulting from this RFP the following condition:

Substitution of Personnel: If, during the term of the contract, the Contractor or subcontractor cannot provide the personnel as proposed and requests a substitution, that substitution shall meet or exceed the requirements stated herein. A detailed resume of qualifications and justification is to be submitted to the City-Parish for approval prior to any personnel substitution.

It shall be acknowledged by the Contractor that every reasonable attempt shall be made to assign the personnel listed in the Contractor's proposal.

Governing Law

All activities associated with this RFP process shall be interpreted under applicable Louisiana

Law. All proposals and contracts submitted are subject to provisions of the laws of the State of Louisiana including but not limited to section 1:701-710 of the City-Parish Code of Ordinances, purchasing regulations; standard terms and conditions; special terms and conditions; and specifications listed in this RFP.

Claims or Controversies

Any proposer who believes they were adversely affected by the City-Parish's procurement process or award, may file a protest. It must be submitted in writing to the Director of Purchasing and specifically state the particular facts which form the basis of the protest and the relief requested. The written protest must be received within seven (7) days from the date the basis of the protest was, or should have been known.

The City-Parish will take action on protests within fifteen (15) days of the receipt thereof. The City-Parish may suspend, postpone or defer the proposal process and/or award in whole or in part upon receipt of a protest.

A protest shall be limited to issues arising from the procurement provisions of the contract and state or local law. Protests with regard to basic project design will not be considered.

Protests will be reviewed by a committee appointed by the Parish Attorney. The decision of the committee regarding the protest will be given to the proposer in writing within ten (10) days after all pertinent information has been considered. The decision of the Review Committee shall be a condition precedent to any other proceedings in connection with a protest and shall be considered the administrative remedy available to the protesting bidder.

Proposer's Certification of OMB A-133 Compliance

Certification of no suspension or debarment. By signing and submitting this proposal, the proposer certifies that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133.

A list of parties who have been suspended or debarred can be viewed via the internet at <http://www.sam.gov>

FEDERAL CLAUSES

The following clauses are mandatory if Federal Funds are utilized.

5.1 CIVIL RIGHTS

Both parties shall abide by the requirements of Title VI' of the Civil Rights Act of 1964, and shall not discriminate against employees or applicants due to color, race, religion, sex, handicap or national origin. Furthermore, both parties shall take Affirmative Action pursuant to Executive Order #1 1246 and the National Vocational Rehabilitation Act of 1973 to provide for positive posture in employing and upgrading persons without regard to race, color, religion, sex, handicap or national origin, and shall take Affirmative Action as provided in the Vietnam Era Veteran's Readjustment Act of 1974. Both parties shall also abide by the requirements of Title VI of the Civil Rights Act of 1964 and the Vocational Rehabilitation Act of 1973 to ensure that all services are delivered without discrimination due to race, color, national origin or handicap.

5.2 ANTI-KICKBACK CLAUSE

The Contractor hereby agrees to adhere to the mandate dictated by the Copeland "AntiKickback" Act which provides that each Contractor or sub grantee shall be prohibited from inducing, by any means, any person employed in the completion of work, to give up any part of the compensation to which he is otherwise entitled.

5.3 CLEAN AIR ACT

The Contractor hereby agrees to adhere to the provisions which require compliance with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act which prohibits the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA list of Violating Facilities.

5.4 ENERGY POLICY AND CONSERVA TION ACT

The Contractor hereby recognizes the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (PL. 94-163).

5.5 CLEAN WATER ACT

The Contractor hereby agrees to adhere to the provisions which require compliance with all applicable standards, orders, or requirements issued under Section 508 of the Clean Water Act which prohibits the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities.

5.6 ANTI-LOBBYING AND DEBARMENT ACT

The Contractor will be expected to comply with Federal statutes required in the Anti-Lobbying Act and the Debarment Act.



AFFIDAVIT

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

BEFORE ME, the undersigned authority, personally came and appeared

who, being duly sworn did depose and say:

That he is a duly authorized representative of receiving value for services rendered in connection with:

DEVELOPMENT AND OPERATION OF A SELECT-SERVICE OR FULL-SERVICE HOTEL

a public project of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana: that he has employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by him whose services in connection with the construction, alteration, or demolition of the public building or project or in securing the public contract were in the regular course of their duties for him; and that no part of the contract price received by him was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by him whose services in connection with the construction of the public building or project were in the regular course of their duties for him.

This affidavit is executed in compliance with the provisions of LA R.S. 38:2224.

Affiant's Signature

SWORN TO AND SUBSCRIBED before me, on this _____ day of _____, 20____.
Baton Rouge, Louisiana.

NOTARY PUBLIC



BIDDER'S ORGANIZATION

BIDDER IS:

AN INDIVIDUAL

Individual's Name: _____

Doing business as: _____

Address: _____

Telephone No.: _____ Fax No.: _____

A PARTNERSHIP

Proposer Name: _____

Address: _____

Name of person authorized to sign: _____

Title: _____

Telephone No.: _____ Fax No.: _____ Email: _____

A LIMITED LIABILITY COMPANY

Company Name: _____

Address: _____

Name of person authorized to sign: _____

Title: _____

Telephone No.: _____ Fax No.: _____ Email: _____

A CORPORATION

IF BID IS BY A CORPORATION, THE CORPORATE RESOLUTION MUST BE SUBMITTED WITH BID.

Corporation Name: _____

Address: _____

State of Incorporation: _____

Name of person authorized to sign: _____

Title: _____

Telephone No.: _____ Fax No.: _____ Email: _____

IF BID IS BY A JOINT VENTURE, ALL PARTIES TO THE BID MUST COMPLETE THIS FORM.



CORPORATE RESOLUTION

A meeting of the Board of Directors of _____
a corporation organized under the laws of the State of _____
and domiciled in _____ was held this ____ day _____, 20__
and was attended by a quorum of the members of the Board of Directors.

The following resolution was offered, duly seconded and after discussion was
unanimously adopted by said quorum:

BE IT RESOLVED, that _____
is hereby authorized to submit proposals and execute agreements on behalf of this
corporation with the City of Baton Rouge, and Parish of East Baton Rouge.

BE IT FURTHER RESOLVED, that said authorization and appointment shall remain in full
force and effect, unless revoked by resolution of this Board of Directors and that said
revocation will not take effect until the Purchasing Director of the Parish of East Baton
Rouge, shall have been furnished a copy of said resolution, duly certified.

I, _____, hereby certify that I am the Secretary of _____,
a corporation created under the laws of the State of _____ domiciled in
_____; that the foregoing is a true and exact copy of a resolution
adopted by a quorum of the Board of Directors of said corporation at a meeting legally
called and held on the _____ day of _____ 20 ____, as said resolution appears
of record in the Official Minutes of the Board of Directors in my possession.

This _____ day of _____, 20 ____

SECRETARY



SECTION J:
HOTEL MARKET STUDY

Market Demand Study

Proposed Terminal Hotel Baton Rouge Metropolitan Airport

Baton Rouge, Louisiana

PREPARED FOR:

Mr. Mike Edwards, Director of Aviation

Baton Rouge Metropolitan Airport

PREPARED BY:



CONTACT:

RACHEL J ROGINSKY

PRINCIPAL AND OWNER

PINNACLE ADVISORY GROUP

98 NORTH WASHINGTON STREET – SUITE 403

BOSTON, MA 02114

RROGINSKY@PINNACLE-ADVISORY.COM

617.722.9916



September 30, 2018

Mr. Mike Edwards
Director of Aviation
Baton Rouge Metropolitan Airport
9430 Jackie Cochran Drive, Suite 300
Baton Rouge, LA 70807

RE: Market Demand Analysis
Proposed Terminal Area Hotel
Baton Rouge Metropolitan Airport

Dear Mr. Edwards:

In accordance with the request of the Baton Rouge Metropolitan Airport (“Client”) and the terms of our engagement letter dated August 20, 2018, Pinnacle Advisory Group (“Pinnacle”) has completed a market demand analysis for a proposed hotel (“Proposed Hotel”) to be located adjacent to the passenger terminal at the Baton Rouge Metropolitan Airport. This document summarizes our findings and provides our facility recommendations and projections of occupancy and average rate for the first five years of operation. Given the time needed for approvals, planning, and construction of the development, coupled with discussions with you, we have assumed for the purposes of this analysis that the opening date would be January 1, 2021. The conclusions presented in this report are based upon our current knowledge of the market for lodging and related facilities in the defined market area as of the completion of our fieldwork conducted in September 2018.

As in all studies of this type, the estimated annual performance levels are based on competent and efficient management and presume no significant changes in the competitive dynamics in the related lodging market other than those specifically discussed in the report. Projected operating levels for the subject facility contained herein are based upon estimates and assumptions that are subject to uncertainty and variability. While we do not represent the projected operating results as those which will ultimately be achieved, we have prepared them conscientiously based upon the most reliable information available to us and our extensive experience in the lodging industry. We have no obligation, unless subsequently so engaged, to update this study because of events occurring subsequent to the completion of the study. Additional assumptions and limitations regarding our research and projections are presented at the end of this report.

It is expressly understood that the scope of the study and report does not include the possible impact of zoning regulations, licensing requirements or any other restrictions concerning the subject property, except where such matters are discussed within this report. It is our understanding and assumption that the Proposed Hotel will be developed in accordance with local land-use regulations and any other applicable restrictions.

Mr. Mike Edwards
September 30, 2018

We appreciate having the opportunity to be of service to you. Please do not hesitate to call us should you have any questions or wish to have us elaborate on any of the material presented in this report.

Respectfully submitted,

Pinnacle Advisory Group

Pinnacle Advisory Group, Inc.

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Introduction and Scope

Introduction

Pinnacle Advisory Group was engaged by Baton Rouge Metropolitan Airport to evaluate the market support for development of a Proposed Hotel adjacent to the passenger terminal of the Baton Rouge Metropolitan Airport in Baton Rouge, Louisiana. The specific intent of this study was to analyze the potential levels of demand for the Proposed Hotel, evaluate the site, provide facility recommendations, develop projections of performance levels and present a brief report summarizing our findings and recommendations.

Scope of Research and Analysis

The primary scope of work completed during our research and analysis included:

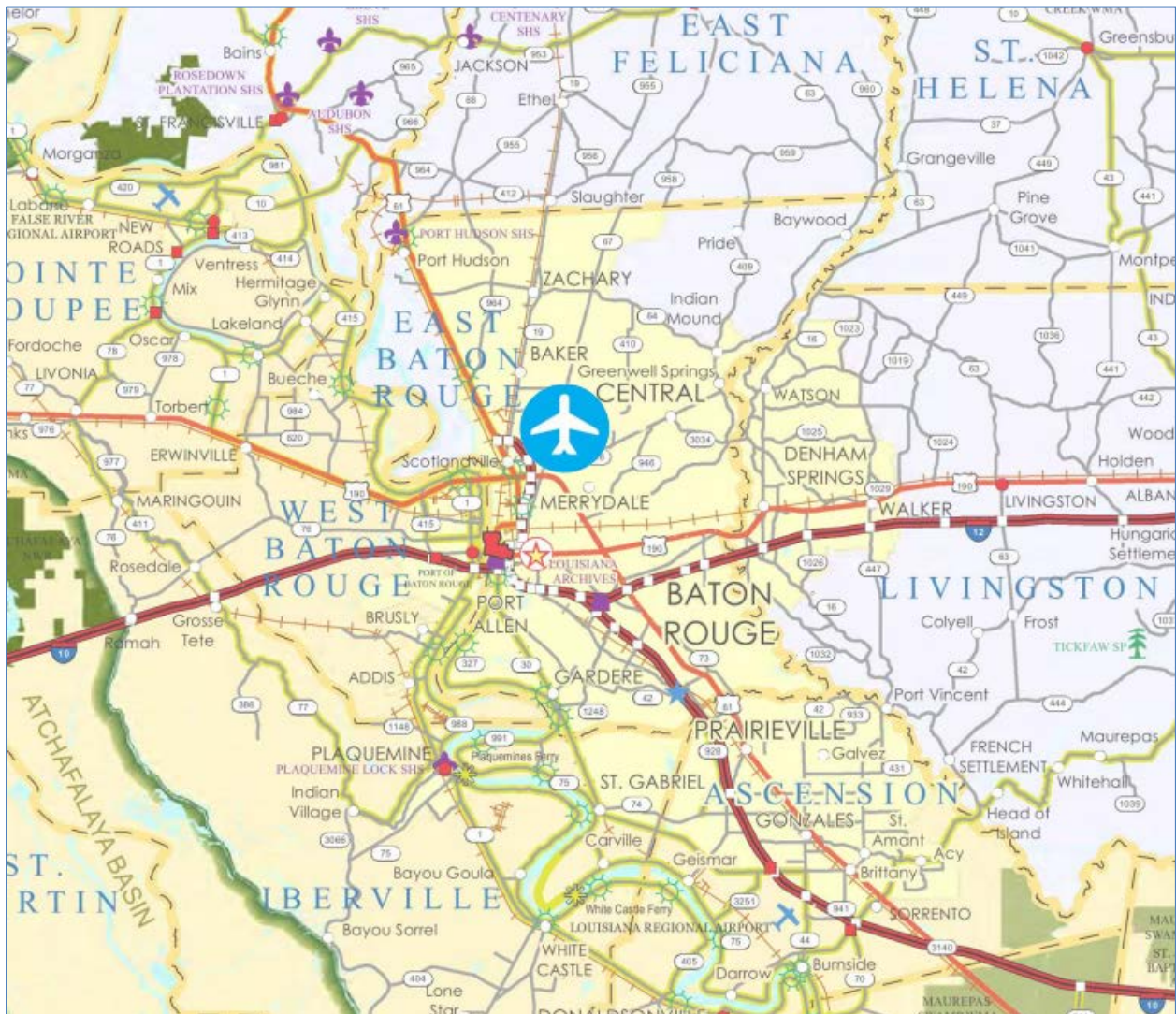
1. Examination of the site and evaluation of the surrounding environment with respect to its suitability for the hotel development;
2. Discussions with representatives of Baton Rouge Metropolitan Airport to garner a clearer understanding of scope and nature of the proposed development, and to understand the current development plans for the Airport Industrial Park;
3. Discussions with airlines regarding their use of area lodging facilities;
4. Discussions with Economic Development representatives to garner a clearer understanding of the future development projects in the City and Parish;
5. Identification of the supply of existing hotels which we deemed of relevance to this analysis. Properties were deemed to be of relevance if they would potentially compete for demand with the Proposed Hotel or its primary competitors;
6. Gathering of information regarding the actual performance levels of the identified hotels via our interviews with on-site management, and/or via other sources such as representatives of franchise or management companies involved at each property;
7. Review of broader-based hotel supply and demand dynamics in the Baton Rouge region, via discussions with our industry contacts in the area;
8. Interviews with government officials, tourism representatives and other individuals with regard to the area's lodging market in general as it would relate to the proposed development, including gathering detailed information regarding other proposed developments. Interviews were supplemented with research on the Internet regarding the area economy and development patterns as well as via collection of data from various United States and Louisiana government and development organizations.
9. On the basis of the research in the market outlined above, preparation of projections of occupancy and average rate, for the Proposed Hotel for a period of five years of operation beginning January 1, 2021; and
10. Preparation of this report summarizing our findings, conclusions and recommendations on the basis of the above.

Site Analysis

Baton Rouge Metropolitan Airport

The proposed Airport Terminal Hotel is to be located adjacent to the passenger terminal of the Baton Rouge Metropolitan Airport (the “Airport”). The City of Baton Rouge, Louisiana, owns and operates the Baton Rouge Metropolitan Airport through the Greater Baton Rouge Airport District. The Airport is located in the northwest portion of East Baton Rouge Parish, about five miles north of downtown Baton Rouge, adjacent to Interstate 110.

The Airport is bordered by Blount Road to the north, Plank Road (LA Highway 67) to the east, Harding Boulevard (LA Highway 408) to the south, and Veterans Memorial Boulevard to the west. Primary access to the Airport is provided via Interstate 110 and Veterans Memorial Boulevard. A map indicating the location of the Airport within the region as presented in the Airport’s most recent Master Plan is presented below.



Commercial aviation development, including the passenger terminal complex and air cargo facilities, is located on the west side of the airfield. The south quadrant is designated for general aviation (GA) use.

East of the airfield, land uses consist of primarily of general aviation and aviation maintenance. North of the airfield, the City has gradually acquired residential property for noise mitigation purposes. Although much of this land is currently undeveloped, the City is actively marketing leasehold interests in these properties for future aviation or non-aviation-related development. Approximately 700 acres are available for development. Current tenants include the Coca-Cola Bottling Company of Baton Rouge, the Louisiana Headquarters of the Transportation Safety Administration, and an armored transport company.

Air Traffic

Direct air transportation to the Baton Rouge area is principally provided by Baton Rouge Metropolitan Airport (BTR) which provides commercial, cargo and general aviation facilities. American, Delta, and United operate frequent jet flights from Baton Rouge to hubs in Dallas-Ft. Worth, Atlanta, Houston, and Charlotte and onward to destinations throughout the world. VIA Airlines, a regional carrier, recently added direct flights to Orlando (Sanford) and Austin.

The following table presents historic passenger volume for Baton Rouge Metropolitan Airport.

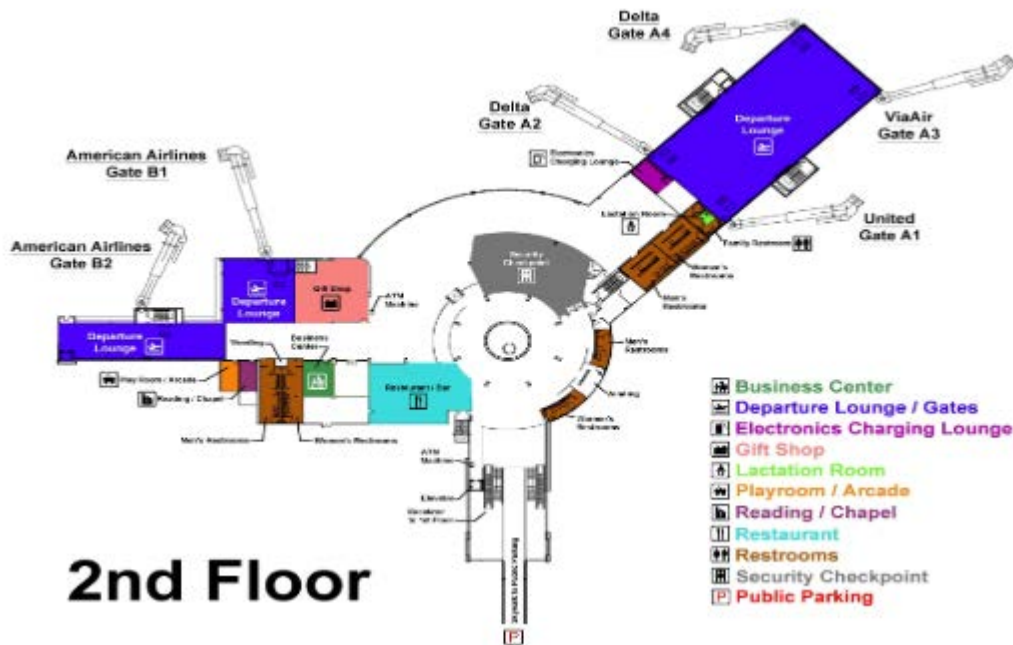
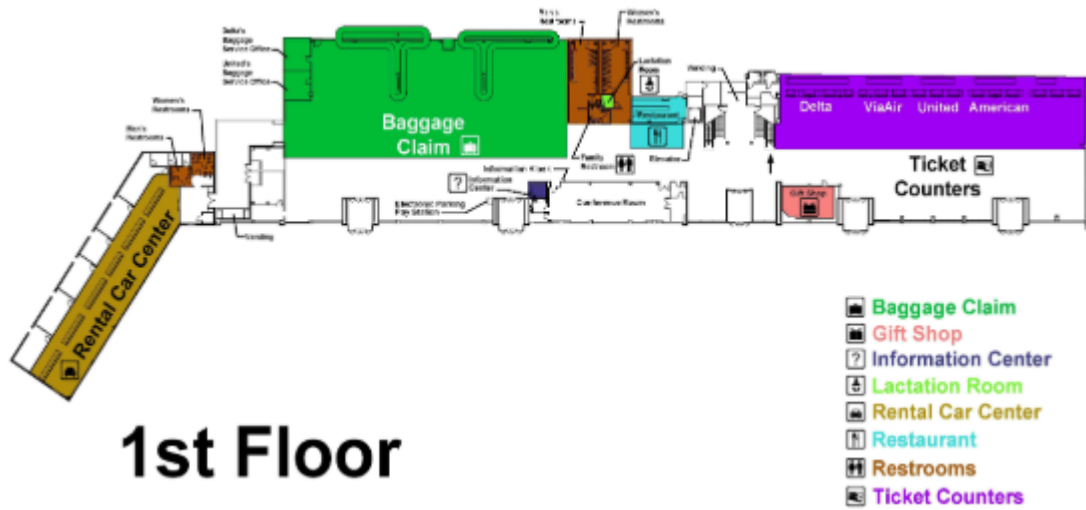
Baton Rouge Metropolitan Airport							
Scheduled Commercial Airline Statistics							
Year	Total Flights	Inbound Passengers	Growth	Outbound Passengers	Growth	Total Passengers	Growth
2004	N/A	263,297		375,412		638,709	
2005	10,779	450,208	71.0%	523,417	39.4%	973,625	52.4%
2006	12,980	525,000	16.6%	534,709	2.2%	1,059,709	8.8%
2007	12,368	485,311	-7.6%	491,836	-8.0%	977,147	-7.8%
2008	11,046	428,639	-11.7%	433,135	-11.9%	861,774	-11.8%
2009	9,624	352,529	-17.8%	356,140	-17.8%	708,669	-17.8%
2010	10,050	387,740	10.0%	390,847	9.7%	778,587	9.9%
2011	9,989	405,116	4.5%	404,735	3.6%	809,851	4.0%
2012	9,712	412,615	1.9%	413,873	2.3%	826,488	2.1%
2013	9,821	405,097	-1.8%	407,235	-1.6%	812,332	-1.7%
2014	9,145	391,289	-3.4%	394,772	-3.1%	786,061	-3.2%
2015	8,608	363,000	-7.2%	363,000	-8.0%	726,000	-7.6%
2016	8,171	360,000	-0.8%	359,000	-1.1%	719,000	-1.0%
2017	7,965	375,000	4.2%	374,000	4.2%	749,000	4.2%
CAG 2008-2017			-1.5%	-1.6%		-1.5%	
CAG 2004-2017			2.8%	0.0%		1.2%	
<i>Source: Baton Rouge Metropolitan Airport, Bureau of Transportation Statistics</i>							

Passenger statistics at Baton Rouge Metropolitan Airport have demonstrated a somewhat erratic pattern over time, due to Baton Rouge’s status as major staging area for natural disasters along the Gulf Coast of the United States. The Airport’s facilities include a 24,000 square foot Emergency/Natural Disaster Staging Facility designed to temporarily accommodate relief supplies and workers. The Baton Rouge Metropolitan Airport, located centrally within the Gulf region, yet far enough inland to be protected from storm surge and the strongest winds, have allowed it to maintain and increase service when larger airports within the region are damaged. Thus, in the aftermath of Hurricanes Katrina and Rita in September of 2005, passenger traffic increased sharply, as insurance personnel, federal employees and others travelled to the area to assess damage and assist in the recovery. Traffic declined as the region gradually recovered and emergency agencies withdrew. In 2008, the financial crisis of the summer and fall was preceded by sharp increases in petrochemical prices; as aviation fuel prices skyrocketed, airlines consolidated flights and grounded the most fuel-thirsty planes, resulting in further decreases in commercial air service to Baton Rouge. In August of 2016, catastrophic flooding was caused by prolonged rainfall in the area which dumped more than twice as much water as Hurricane Katrina, prompting a rise in relief flights. Airport officials continue to solicit new commercial airlines and routes. A recent success has been the agreement of low-cost carrier Via Airlines to initiate direct flights between Baton Rouge and Orlando, Florida and Austin, Texas.



The Baton Rouge Airport also has extensive general aviation facilities; scheduled airline service represents only a fraction of the air traffic at the Airport. Several charter or air taxi services are based at the airfield. Dow Chemical maintains a hangar/terminal and a number of other companies’ base corporate aircraft at the Airport.

The Airport completed the renovation of its main terminal in 2014 which included and an expansion of the Airport’s rotunda, an architectural feature connecting Concourses A and B that provides an expansive, bright waiting area for passengers and their guests. Other terminal improvements include new larger restroom improvements, a charging room with multiple power outlets and restaurant renovations. The Airport also includes digital displays throughout the Terminal through an arrangement with Clear Channel which can be used to advertise and promote various services, which could include a Terminal Hotel. Carpet, paint and flooring tile were updated throughout the facility. A map of the Airport terminal follows.



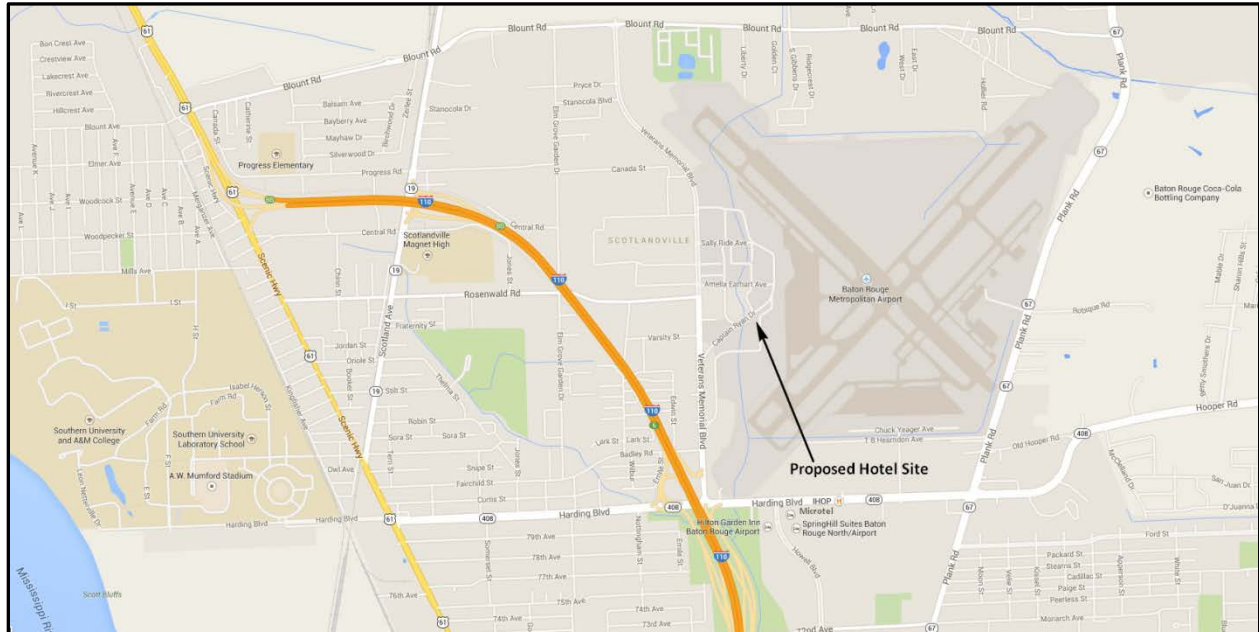
The Site

The site of the Proposed Hotel is an irregularly shaped, flat, ±3.36-acre parcel, currently used as a staff parking lot, located adjacent to the commercial passenger terminal. The hotel could be connected to the terminal by either a surface breezeway, or a short climate-controlled overpass to the southwest corner of the terminal. The site is bounded by surface roads within the Airport, including Captain Ryan Drive to the south and east, and Eddie Dulford Drive to the west. A large parking garage is located across Amelia Earhart Drive, which borders the hotel site to the north; Airport authorities have indicated that this road could be abandoned to facilitate the hotel’s access to the parking garage and the terminal. Access to the hotel will be via Amelia Earhart Drive from Veterans Memorial Boulevard. If future demand levels warrant,

additional land would be available for lease to facilitate expansion of the hotel, if necessary. The location of the Proposed Hotel site within the Airport is indicated on the photograph that follows.



The site is located approximately one mile from Exit 6 off Interstate 110, a spur route connecting the Airport and the northern part of the city to downtown Baton Rouge and Interstate 10. Interstate 10 is an east-west highway that extends from Jacksonville, Florida to Santa Monica California, and connects Baton Rouge with New Orleans, and Texas and the rest of the United States. A map of the immediate area follows.



The site provides ready access to all locations throughout the area. Two universities and a number of major corporations are located in the Baton Rouge Region. Distances to major area attractions and lodging demand generators are indicated in the chart that follows.

Distance from Demand Generators	
Attraction/ Company	Distance
America's Auto Auctions	2.0
Southern University	2.7
BREC's Baton Rouge Zoo	2.8
Baton Rouge Coca-Cola Bottling Company	3.0
ExxonMobil Chemical	3.6
ExxonMobil Refinery	4.4
Cohn Nature Preserve	5.5
IBM Service Center	6.7
Central Sports Park	7.3
Louisiana State Capitol	7.9
Entergy/Gulf States Utilities	7.9
Oak Villa Baseball Complex	7.9
Baton Rouge River Center	8.0
Louisiana State Capitol	7.9
Entergy/Gulf States Utilities	7.9
Baton Rouge River Center	8.0
LSU Tiger Stadium	8.2
Water Campus (Coastal Education and Research)	8.4
Belle Of Baton Rouge Casino	8.5
Louisiana State University	10.0
Axiall Corporation	11.0
Port of Baton Rouge	11.0
Towne Center at Cedar Lodge Shopping	12.0
Georgia-Pacific	13.5
Dow Chemical Company LA Operations	19.3
BASF Chemicals	32.0

Source: MapQuest

The major advantages of this location are the following:

- Its location adjacent to the Airport Terminal, with easy walking distance of all gates. In addition to a base of commercial flights, Baton Rouge has a substantial base of general aviation traffic, due to corporate in-migration to the Baton Rouge region and the continuing strength of the area's petrochemical industry.
- Several overnight airline crews that require accommodations near the Airport.
- Several of the area's larger employers, including Loomis, Dow Chemicals, and Coca-Cola have facilities located on the Airport property.
- The subject property will have access to the Airport's facilities, which include an 1,800 square-foot conference room which can be used to supplement the hotel's own meeting and conference facilities when necessary.
- Land within the Airport is not subject to property taxes, although the privately-owned structure would be subject to property taxes.
- An active Convention and Visitors Bureau which has successfully solicited large groups including the United States Bowling Congress to the city in 2012, 2017, and 2025. These bowling tournaments provide a five-month boost to the City's lodging industry when they occur.
- Easy access to the area's highway network, which provides direct access to the area's universities, state government offices, the petrochemical industry, and other businesses.

Area Analysis

Baton Rouge

Situated on a bluff along the Mississippi River in southeastern Louisiana, Baton Rouge is both the state capitol and the seat of East Baton Rouge Parish. The older portions of Baton Rouge are redolent with Southern charm and a distinctive architectural character, and nearby plantations located along the Mississippi River invite tourists to glimpse antebellum life in the pre-civil war south.

The first European explorers to Louisiana were the Spanish; however, the first permanent European settlements were established by the French in 1699. The settlement of Baton Rouge followed shortly thereafter; the city was established as a military outpost in 1719 by the French. Governance of various portions of the region shifted among various European powers, most often the French and the Spanish until December, 1803, when the United States purchased the Louisiana Territory from the French. Louisiana became the 18th state in 1819; Baton Rouge became its capitol in 1849. Louisiana's political, legal and administrative structures continue to reflect the Spanish and French influence; administrative districts known as 'counties' in the rest of the country are known as 'parishes' in Louisiana.

Baton Rouge today is a major industrial, petrochemical, educational, medical research, and growing technology center of the American South. The Port of Baton Rouge, about four miles from the Airport, is among the top ports in the United States in terms of tonnage shipped, and is the farthest upstream Mississippi River port capable of handling large ships.

Geographically, Baton Rouge is the center of South Louisiana's cultural and recreational attractions with New Orleans about 80 miles to the southeast. The gently rolling hills of the antebellum plantation country are less than an hour's drive north of the Airport. The fabled French-Louisiana landscape of bayous, marshes, and lakes—about an hour's drive from the Airport—offers opportunities for fishing, hunting, and other recreation.

Baton Rouge is the center of a larger Metropolitan Statistical Area that includes nine parishes (counties) including: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge and West Feliciana. In the following paragraphs, we present a brief overview of market conditions in the Baton Rouge Metropolitan area focusing on those issues which bear relevance, in varying degrees, to the potential for success of the Proposed Hotel.

General Economic Conditions

Baton Rouge benefits from a relatively diverse economy. According to a Baton Rouge Area Chamber of Commerce analysis, the regional employment has grown at an annual rate of 1.7 percent since 2012, and employment is expected to continue to trend upwards. The Baton Rouge region experienced a growth of 32 percent in its number of businesses between 2011-2016, while 55 percent of the region's employment sectors experienced job growth in the past year. According to the Chamber, job growth was led by the education and Health Services, Leisure and Hospitality and Other Services sectors. Financial Services, Construction and Manufacturing also exhibited significant growth.

North Baton Rouge Economic Development District

The Baton Rouge North Economic Development District was created in 2016 to assist in the development of the neighborhoods immediately south of the Airport to provide for substantial economic activity and employment opportunities. The overall objective is to improve five key priorities for the historically low-income area: quality of life, business activity, job outlook, income level and wealth. The group is funded by a two percent tax on hotel rooms, and has recently submitted a strategic plan.

Population

Baton Rouge is the second-largest city in Louisiana, with a population estimated at approximately 228,000 in 2016. A table detailing regional growth in population is presented below; regional population growth is expected to outpace that of the state and nation over the next several years.

Total Population				
	County	MSA	State	Country
	EAST BATON ROUGE, LA	BATON ROUGE, LA	LOUISIANA	UNITED STATES
2005	413,812	735,507	4,576,628	295,516,599
2010	440,854	804,491	4,545,581	309,347,057
2015	449,504	835,067	4,678,348	321,545,081
<i>Compound Annual Growth (CAGR)</i>				
CAGR 2005 - 2010	1.27%	1.81%	-0.14%	0.92%
CAGR 2010 - 2015	0.39%	0.75%	0.58%	0.78%
CAGR 2005 - 2015	0.83%	1.28%	0.22%	0.85%
<i>Projected</i>				
2020	468,577	887,982	4,842,807	336,690,447
CAGR 2015 - 2020	0.83%	1.24%	0.69%	0.92%
Source: U.S. Dept. of Commerce and Woods & Poole Economics, Inc.				

Employment

Louisiana's economy is dependent upon the continued strength of the petrochemical industry and the overall national economy. According to the Louisiana Economic Outlook Report, the Baton Rouge area is expected to add 6,000 jobs, or 1.5 percent, in 2019 and 8,100 jobs, or 1.9 percent, in 2020, which would be the second-highest rate of growth in the State. Although several major industrial projects are nearing completion in the area, economists expect that new investment projects will absorb workers freed by completed projects. Local projects under consideration include a \$500 million to \$1 billion expansion of the ExxonMobil polyolefins plant in north Baton Rouge, which would result in 45 to 65 additional permanent jobs. A new 300-worker housing manufacturing facility at the long-shuttered Holsum Bread Bakery in north Baton Rouge has also been discussed. If they proceed, both projects would generate a substantial number of construction jobs in the short term prior to their completion. IBM, which signed an incentive agreement with the state for its downtown customer service facility, is required to hire an additional 225 workers by the end of next summer, or some incentives will be clawed back. Several area hospitals are also expanding. These and other projects are expected to contribute to overall area employment growth.

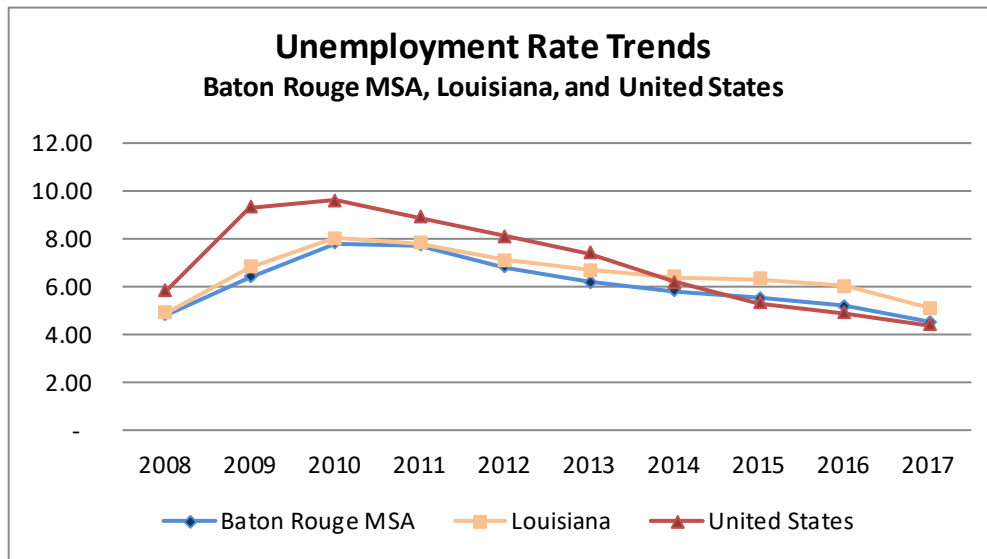
Historically, employment in the Baton Rouge MSA increased at a rate of 1.17 percent over the past 10 years, accelerating to 1.81 percent over the most recent five years. Although regional employment contracted slightly in 2009 due to the effect of the recession, the region surpassed pre-recession levels in 2012. Growth in employment in the area has been at a substantially higher rate than the rest of the state or country over the past 10 years, a trend which is expected to continue for the foreseeable future.

Total employment for the Baton Rouge area as compared to that of the State of Louisiana and the nation as a whole is presented in the following table.

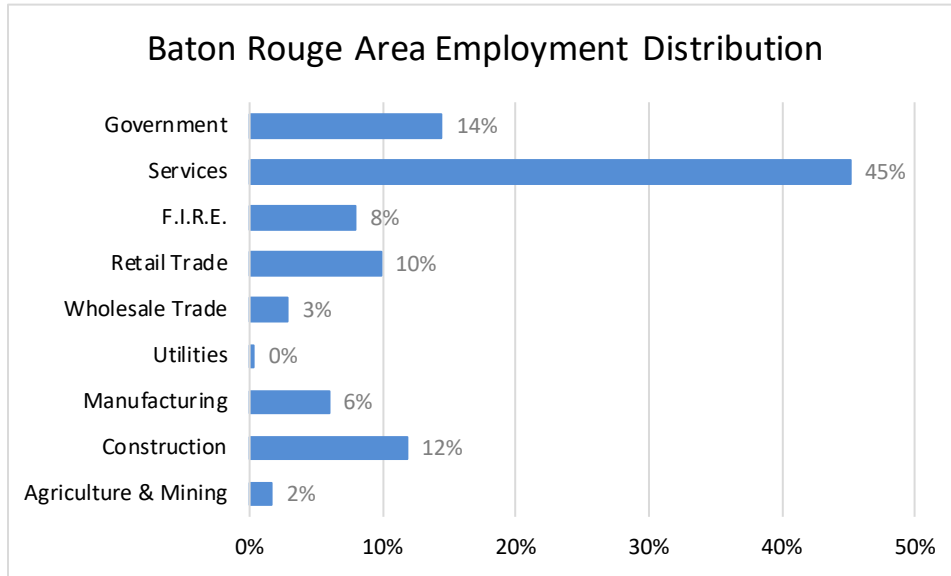
Total Employment					
	City	County	MSA	State	Country
Year	BATON ROUGE, LA	EAST BATON ROUGE, LA	BATON ROUGE, LA	LOUISIANA	UNITED STATES
2008	103,237	208,563	360,356	1,982,381	145,362,000
2009	100,472	204,476	354,019	1,923,884	139,877,000
2010	102,869	205,112	360,351	1,919,852	139,064,000
2011	102,048	204,338	360,209	1,911,021	139,869,000
2012	103,347	207,284	365,929	1,933,137	142,469,000
2013	105,179	211,944	375,824	1,960,539	143,929,000
2014	108,217	218,971	390,152	2,016,083	146,305,000
2015	109,738	222,699	398,594	2,025,661	148,834,000
2016	108,272	220,709	397,032	1,997,358	151,436,000
2017	109,157	222,513	400,288	2,004,003	153,337,000
CAGR 2008 - 2017	0.62%	0.72%	1.17%	0.12%	0.60%
CAGR 2012 - 2017	1.10%	1.43%	1.81%	0.72%	1.48%

Note: Employment by place of residence, not by place of work; Data excludes proprietors and government workers.
Source: US Bureau of Labor Statistics

Until 2013 the Baton Rouge area unemployment rate closely tracked that of the State of Louisiana unemployment rate and both were below that of the United States. In 2014, despite accelerating job growth in Baton Rouge and Louisiana, the US unemployment rate declined more rapidly.



The distribution of employment within the Baton Rouge metropolitan area is illustrated on the following chart.



Data Note: Detail may not sum to totals due to rounding.

Source: U.S. BLS, Current Employment Statistics

The largest employment sectors in the area are Services, Government, and Construction.

State Government

Baton Rouge is the State Capital of Louisiana and as such is home to numerous state departments. The state government employs approximately 25,000 people in the metro area. State, local and federal government accounts for approximately 18 percent of direct employment in the region; a diverse mix of trade associations, businesses, attorneys and lobbyists are also employed in the business of influencing legislators or navigating the court system.

The bicameral State legislature meets annually in the spring. In even-numbered years, the general session convenes in March for no longer than 60 legislative days during a period of 85 days. In odd-numbered years, a limited jurisdiction session convenes in April for no longer than 45 legislative days during a period of 60 days. The legislature also may convene for extraordinary sessions and for veto sessions. Numerous subcommittees meet outside the normal legislative session.

Legislators, lobbyists, media and citizens are all drawn to the Capitol for committee meetings and during the legislative session, generating substantial lodging demand. Much of this demand is impervious to economic conditions; the legislature is required to meet through all economic cycles, and interested parties continue to seek meetings with legislators and state government leaders in good times and bad. In addition, many state associations find it convenient to meet within the capitol district, as it is relatively centrally located within the state.

Education

Southern University

Southern University and A&M College (“Southern University”), located on a 512 acre campus about 2.7 miles from the Airport, offers four-year, graduate, professional, and doctoral degree programs. Chartered in 1880, by the General Assembly of the State of Louisiana, Southern University is part of the only Historically Black Land Grant University System in the United States and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, (SACSCOC). On average, 6,600 students

(5,300 undergraduates) are enrolled each year at the Baton Rouge campus, and are instructed by a faculty of 325 full-time and 103 part-time faculty members. Approximately 85 percent of students are Louisiana residents, 37 percent are from East Baton Rouge Parish. Southern University is a member of the Southwestern Athletic Conference, with 13 men's and women's varsity teams competing at the NCAA-level.

Southern University is also home to the Louisiana Small Business Development Center (“LSBDC”), which provides individual consulting services, training programs/seminars, and information assistance to potential and existing small businesses in the Greater Baton Rouge Region. The LSBDC provides numerous classes and seminars for entrepreneurs and small business people throughout the year. In addition, numerous research projects are underway at the University.

Louisiana State University

Louisiana State University (“LSU”), founded in 1853, is located about 10 miles from the site of the Proposed Hotel at the Baton Rouge Airport. The University is located on more than 2,000 acres south of downtown Baton Rouge, bordered on the west by the Mississippi River. The University’s principal buildings are grouped on a 650-acre plateau that constitutes the main part of the campus. Accredited by the Commission on Colleges of Southern Association of Colleges and Schools, LSU’s instructional programs include 193 undergraduate and graduate/professional degrees. The student body consists of nearly 31,000 students from 50 states and more than 100 foreign countries and has nearly 1,400 full-and part-time faculty members.

The University boasts an extensive athletic program. LSU is a charter member of the Southeastern Conference. LSU compete with teams from other major universities in NCAA Division 1A competition in football, Men’s & Women’s (“M&W”) basketball, baseball, indoor and outdoor track and field (M&W), cross country (M&W), golf (M&W), tennis (M&W), swimming (M&W), women’s gymnastics, women’s volleyball, women’s soccer, and women’s softball. The LSU Tigers football team is supported by a devoted fan following, and the city benefits from a large influx of fans and an increased volume of general aviation traffic for most home football games.

In addition to more than 40 institutes, centers for advanced study, and other specialized units headquartered at LSU, various state and federal governmental units maintain offices and laboratories on campus. At any given time, more than 1,000 research projects are in progress. Additionally, faculty and staff members and graduate students pursue numerous research projects that are not sponsored by outside agencies. Research and Development funding at LSU reached \$281 million in 2015 according to the National Science Foundation. LSU’s awarded grants and contracts from federal, state, and private sources provide a significant boost to the Louisiana economy. Other research projects and instructional programs are undertaken through the LSU Agricultural Center, the Louisiana Agricultural Experiment Station, and Pennington Biomedical Center.

Major Employers

A number of major companies have large facilities in Baton Rouge. These include:

- **BASF** is a global leader in the chemical industry. The company’s facility in Geismar employs approximately 1,600 people manufacturing a number of solvents and compounds used in products ranging from skateboard wheels and pharmaceuticals to pesticides.
- **Blue Cross and Blue Shield of Louisiana** is the state’s largest health insurer with approximately 2,000 employees at the company’s Baton Rouge headquarters serving customers statewide.

- **Chicago Bridge & Iron Co. (CB&I)**, based in The Woodlands, Texas, has more than 2,000 employees in metro Baton Rouge in its core engineering, construction, fabrication and technology businesses, including workers at its Essen Lane office and at pipeyards in Walker and Prairieville. Statewide, the company has more than 10,000 employees. In July 2017 the company sold some maintenance, engineering, and construction services employing about 1,500 on the Baton Rouge area to a New York Private equity firm which has named the business Aptim. In late 2017, CB&I announced a merger with McDermott International Inc., headquartered in Houston.
- **Community Coffee** is a Baton Rouge-owned and operated coffee roaster and distributor that employs about 850 people. The company's coffee roasting plant is in Port Allen, and its headquarters is in Baton Rouge. Community Coffee recently purchased an 87,000-square-foot coffee manufacturing facility east of New Orleans in Harahan, Louisiana with plans to use the property as part of an overall expansion.
- **Dow Chemical** maintains several large plants in Louisiana, including a 1,500-acre manufacturing facility near Plaquemine on the west side of the Mississippi River. With more than 3,000 employees and contract employees, and 23 production units manufacturing more than 50 different intermediate and specialty chemical products, Dow's Louisiana Operations is the largest employer in Iberville and West Baton Rouge parishes. Dow maintains a corporate hanger at the Airport.
- **ExxonMobil's** Baton Rouge Chemical Plant is one of the largest in the world and manufactures a variety of products used in consumer goods ranging from nylon to synthetic rubber. One of the world's largest companies, ExxonMobil is No. 2 on the Fortune 500 list in 2017 and employs a workforce of nearly 3,000 across Baton Rouge area facilities and operations. The Baton Rouge refinery is the third largest in the U.S., processing more than 500,000 barrels of crude oil each day. ExxonMobil is considering a major expansion of its polyolefins plant in north Baton Rouge.
- **Georgia Pacific's** Port Hudson plant in Zachary manufactures Brawny paper towels and Quilted Northern and Angel Soft bath tissue as well as printer paper. The company employs about 1,200 people among its three Louisiana facilities.
- **IBM** operates a technology services center in downtown Baton Rouge to serve as a key provider of services for IBM's major U.S. corporate customers via the development and maintenance of enterprise-level software. While IBM has fallen short of some of its employment goals, it currently employs about 600 in the Baton Rouge area and is expected to employ about 800 by 2019. The company has also recently promised to create a "customer contact center" in Baton Rouge, creating several hundred more jobs. IBM said it would begin recruiting for the contact center jobs in 2019.

Transportation

The transportation infrastructure is an integral component to the success of any real estate development. The purpose of a well-organized transportation network is to provide businesses and customers with good locations, easy access, and functionalism.

Public Transportation

Like many other metropolitan areas, Baton Rouge has a limited mass transportation system. While local bus service is available in many areas throughout the region, the system is not designed to provide a quick, convenient, easily navigable means of transportation for visitors between area attractions. An express bus

service is available between the Airport and downtown Baton Rouge with departures approximately every 40 minutes between 5.30 AM and 6.15 PM; however, most visitors rely on rental cars or hotel shuttles.

Highway Transportation

Interstate 10 (I-10) which stretches from across the country from Jacksonville, Florida to Santa Monica, California is the primary interstate artery serving the City. Interstate 110 (Martin Luther King Jr. Freeway) is a spur route that connects the Airport and northern portions of the city to I-10 and the downtown area. Airline Highway (US Highway 61) runs from New Orleans northwest to Baton Rouge and U.S. Highway 190. US 190 continues west from Baton Rouge over the Mississippi River on the Huey P. Long Bridge towards Opelousas. Interstate 12 runs approximately 86 miles in an east–west direction from I-10 in Baton Rouge through the city of Hammond, where it intersects I-55 and US 51, and eastward to an interchange with both I-10 and I-59 in Slidell, Louisiana.

Air Transportation

Direct air transportation to the Baton Rouge area is principally provided by Baton Rouge Metropolitan Airport (BTR) which provides commercial, cargo and general aviation facilities. In 2017, the Airport served approximately 749,000 passengers on about 8,000 scheduled commercial airline flights. In addition, air taxi and general aviation traffic represent a substantial portion of flight operations. Additional detail regarding the Airport and air transportation to the area is included as part of the site analysis section of this report.

Tourism

Baton Rouge’s attractions include several museums, plantation homes, and natural science exhibitions. The USS Kidd, a World War II destroyer, is the centerpiece of a naval museum, the Capitol Park Museum explores Louisiana’s heritage and the LSU Museum of Art features a diverse collection. Several Mississippi river cruise vessels make port calls in the city and surrounding area.

Louisiana State University and Southern University both have active intercollegiate sports programs that bring opposing teams and spectators to the area. LSU’s football program is one of the best known in the country, and is a perennial contender in SEC and national football championships. With an alumni base of over 225,000, LSU attracts sellout crowds to all home football games. Since many alumni live outside the Baton Rouge area, LSU fans, and boosters of the opposing teams fill local hotels on home football weekends.

Baton Rouge Area Sports Foundation (Sports BR) actively markets area facilities for large tournaments. Central Sports Park located about seven miles east of the Airport is a new first-class facility containing five softball/baseball fields with lights, a concession/restroom building, 1/3-mile concrete walking path, and a large fishing lake. The Hartley/Vey Sports Park at Oak Villa Park is a first-class facility containing eight softball fields, basketball courts and a lake. It has played host to some of the largest softball tournaments in Louisiana over the last two years.

Sports BR reported 60 events in 2017 that attracted 145,676 visitors and resulted in \$36 million in estimated economic impact to the area. Key events in 2017 included the USBC Women’s Bowling Championship, with over 17,700 competitors over 79 days of competition. The Women’s Bowling Championship will return to Baton Rouge in 2025. USSSA Baseball brought 12 events to the area in 2017; the RIP Elite tournament alone featured 206 teams and approximately 9,900 visitors. This will be the third time since 2010 the Capital Region has hosted the event. US Youth Soccer is scheduled to conduct its June 2019 Southern Regional Championship at the Burbank Soccer Complex. The event is expected to bring in 225 teams from across the South and generate \$15 million for the local economy.

Raising Cane’s River Center in downtown Baton Rouge is a multi-facility complex that includes an arena, theatre and convention facilities including a ballroom, exhibition halls and conference rooms. In addition to conventions, the facility hosts Broadway shows, concerts, and sporting events.

Visit Baton Rouge, the area’s convention and visitor’s bureau, assists event organizers in bringing conventions to Baton Rouge. Recent major successes have included the 2017 US Bowling Congress’s Women’s Championships mentioned above. Over the course of 11 weeks, 17,700 bowlers and over 3,500 spectators visited the area. In 2025, the World Bowling Congress to returns to Baton Rouge. Over a six-month period in 2012, this event brought over 70,000 bowlers and spectators to Baton Rouge, resulting in a substantial increase in lodging demand over the period.

Impact on Hotel Demand

Baton Rouge has a diverse economic base including major manufacturing, educational and healthcare facilities in addition to state government offices. Most major employers are relatively mature companies or institutions, which can be expected to reflect overall national and local economic conditions. Over the next several years, we anticipate that area growth will broadly parallel the overall economy. The following key factors are expected to affect the Baton Rouge lodging market over the next several years.

- Major local employers including Georgia-Pacific, ExxonMobil and CB&I tend to have a steady stream of employees, consultants, contractors and vendors visiting their facilities. Several local companies are considering expansion or other major capital projects, which are likely to generate project-related lodging demand. The strength of the area’s manufacturing base is expected to continue to generate project related lodging demand over the foreseeable future.
- The Airport and economic development agencies are actively marketing the Aviation Business Park, which is centrally located within the region. Although proximate to the Airport, and directly off a major interstate highway, the business park is only four miles from Baton Rouge’s inland port facilities and three miles from rail lines. As the business park develops, it is likely to attract demand initially from contractors, architects and engineers, and later from business travelers.
- Baton Rouge’s status as Louisiana’s Capitol, and it’s numerous historic and tourist attractions, enables the city to attract lodging demand from across all sectors -- business, group and leisure travelers. As economy continues to expand, we expect lodging demand and room rates to increase.

Overall, based on our review of the leading economic indicators presented herein, we are of the opinion that both the short-term and the long-term economic prospects for the Baton Rouge market area are positive and should generally remain very supportive of hotel operating levels.

Lodging Market Analysis

Identification of the Defined Competitive Supply

In order to evaluate the current and prospective status of the lodging industry in the Airport area, it was necessary to define a competitive supply of hotels for study. It should be noted that the supply of hotels in the immediate are of the Airport is somewhat limited, and we have thus included properties located north of the subject site in Zachary, Louisiana, in downtown Baton Rouge, and along College Drive to the southeast of the downtown area to provide an understanding of lodging dynamics in the broader area. This does not infer that these hotels are the only hotels catering to demand that is potentially available in the area. The defined supply is intended to represent the grouping of hotels for which performance measures and the general character of the market can be assessed when examining the potential future demand in the area.

The overall lodging supply in the Baton Rouge area consists of some 7,300 rooms in 66 properties according to STR, an aggregator of lodging industry statistics. These facilities range from small budget-oriented independent operations to upper-upscale chain-affiliated boutique hotels. Twelve properties, comprising almost 1,100 rooms or almost 15 percent of the lodging supply have built since January 2013. Within Baton Rouge, 450 new hotel rooms in four properties have been added to the local lodging supply, bringing the total to 5,200 rooms in 39 properties. Three of these new properties have been added to the downtown business district. Areawide average occupancy levels have generally been in the low to mid 60's over the past five years with the exception of 2016. Catastrophic flooding in 2016 resulted in a substantial number of displaced residents and an influx of emergency workers to area hotels raising overall occupancy levels into the low 70's.

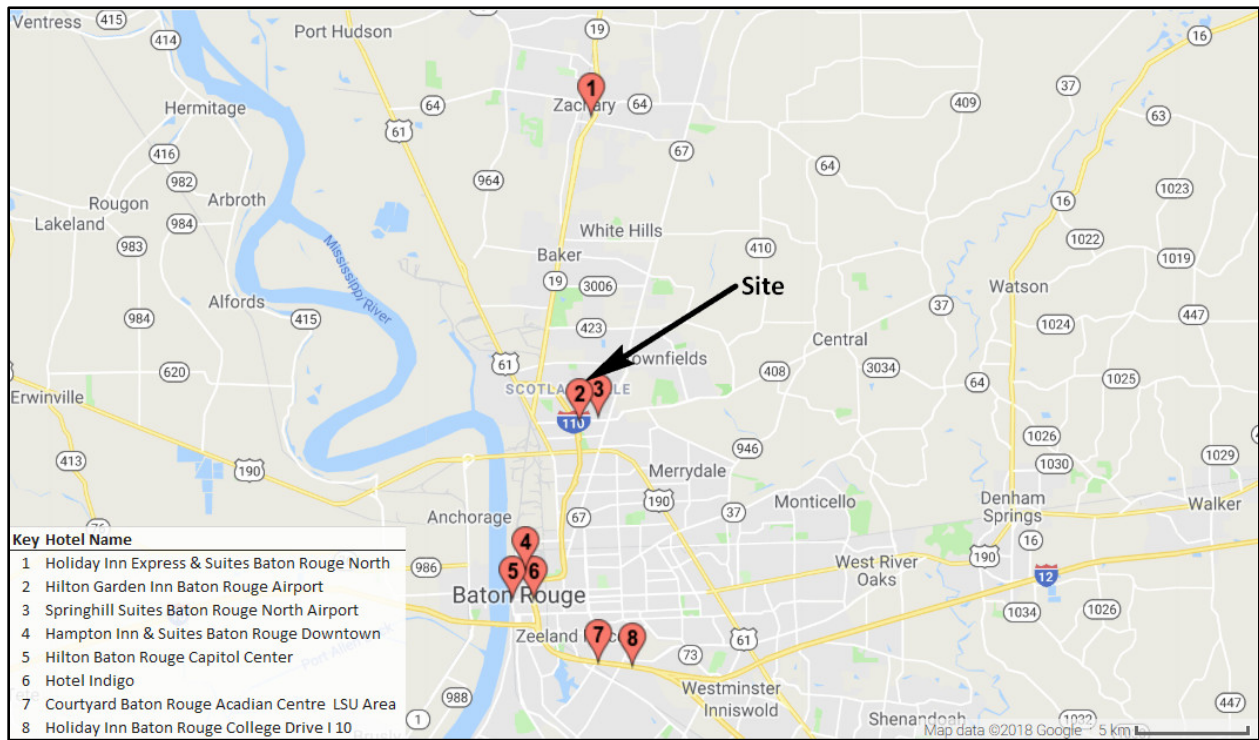
We have identified eight chain-affiliated existing properties in the Baton Rouge metropolitan area that define the subject property's broader competitive set. These hotels were selected based on their proximity to the proposed Airport terminal hotel, as well as their amenities, facilities, market segmentation, pricing structures, and brand affiliations. The competitive market presently consists of 1,132 guest rooms; one property, a 137-room Hampton Inn, opened during calendar year 2013.

Defined Competitive Set					
Property	City, State	Rooms	Open Date	Chain Scale	Distance
Hilton Garden Inn Baton Rouge Airport	Baton Rouge, LA	131	June-04	Upscale Class	1.4
Springhill Suites Baton Rouge North Airport	Baton Rouge, LA	119	September-09	Upscale Class	1.6
Courtyard Baton Rouge Acadian Centre LSU Area	Baton Rouge, LA	149	December-88	Upscale Class	7.9
Hotel Indigo Baton Rouge Downtown	Baton Rouge, LA	93	June-25	Upper Upscale Class	7.9
Holiday Inn Express & Suites Baton Rouge North	Zachary, LA	73	February-11	Upper Midscale Class	9.0
Hilton Baton Rouge Capitol Center	Baton Rouge, LA	291	August-06	Upper Upscale Class	7.9
Holiday Inn Baton Rouge College Drive I 10	Baton Rouge, LA	140	December-08	Upper Midscale Class	11.3
Hampton Inn & Suites Baton Rouge Downtown	Baton Rouge, LA	137	May-13	Upper Midscale Class	7.9
* Distance from airport terminal, in miles.					
Source: STR					

The above properties represent a broad spectrum of full-service, select-service and upscale limited service hotels near the Baton Rouge Airport, extending to the downtown area. Our market analysis revealed that the above properties all compete in varying degrees, for corporate and leisure demand, and select properties compete for group and contract demand. Because of the high level of activity in the market and the relative proximity of hotels to each other, there is a somewhat unusual cross fertilization in terms

of competitive dynamics. Limited service properties and select-service properties compete with full service properties due to having similar targeted demand generators. With the broader selection of properties considered and as shown in the table above, the subject full-service property is expected to attain a market position close to the top – reaching for demand from both full-service properties and higher-rated limited service properties located closest to the Airport. However, it is expected to compete most directly with the upscale properties that are located closest to the Airport: the Hilton Garden Inn Baton Rouge Airport and the SpringHill Suites Baton Rouge North Airport.

In-person interviews and site inspections were conducted at the facilities deemed of most critical importance to this analysis. These interviews were supplemented with telephone interviews and Internet research and collection of operating and financial data for the remaining facilities. The map below indicates the relative location of the various hotels in relation to each other and the subject site which is marked with an asterisk. Each hotel is discussed briefly following the map.



Hilton Garden Inn Baton Rouge Airport

The Hilton Garden Inn Baton Rouge Airport, built in June 2004, is located approximately 1.4 miles from the Airport Terminal. The property has a full-service restaurant, 1,500 square feet of meeting space, convenience shop, fitness center, business center, complementary wi-fi, and shuttle service to the Airport. The property commenced a full renovation in March 2018 that included complete renovation of the guest rooms including new flooring baths, and case goods; completion of remaining public areas is expected by the end of the year. As the closest full-service property to the Airport, the Hilton Garden Inn currently captures a significant portion of the Airport related demand, including much of the airline crew demand, and frequently sells out on weekdays throughout the year.

SpringHill Suites Baton Rouge North Airport

The SpringHill Suites Baton Rouge North Airport is located directly across the street from the Hilton Garden Inn, in a commercial/industrial office park located across the Harding Boulevard from the Airport. It is located adjacent to a 78-unit Microtel that is not included in the competitive set due to its economy orientation. The SpringHill Suites, built in September 2009, has 1,200 square feet of meeting space, a fitness center, business center, and small sundry shop. It offers complimentary breakfast and wi-fi service, and all guest suites include fridges and microwaves. The property has not been renovated since it opened and presently appears somewhat worn, however a comprehensive renovation is expected to commence shortly. Despite its status as a limited service hotel, the property has successfully captured some airline crew demand by extending its complementary shuttle service to transport airline crews to area restaurants. In addition, it provides accommodation for construction contractors and petrochemical employees.

Hotel Indigo Baton Rouge Downtown

The Hotel Indigo Baton Rouge is located at 200 Convention Street in downtown Baton Rouge, approximately 7.8 miles from the proposed subject property and is across the street from the Hilton. This 93-room hotel was opened in February 2011 and is located within easy walking distance of the River Center. The property offers a full-service café/bar, valet parking (\$20/night), 24-hour room service, free wi-fi, a fitness center, and business center. Meeting facilities are limited; the hotel has one 300 square foot meeting room. The property accommodates travelers to government offices and local businesses as well as some convention-related demand.

Hilton Baton Rouge Capitol Center

This 290-room hotel is located proximate to the River Center in downtown Baton Rouge, and serves as the headquarters hotel for most area conventions. Reopened in 2006, following an extensive \$70 million reconstruction, the property is an expansion and reuse of the historic and derelict Heidelberg Hotel which opened in 1927 and closed in 1981. It includes 20,000 square feet of meeting and event space, including two riverfront ballrooms with outstanding views. The hotel includes a full-service restaurant, a bar, concierge level, fitness center, 24-hour room service, free wireless internet, a third-floor pool overlooking the Mississippi River and complementary Airport shuttle service. Valet parking is offered at a fee (\$22/night); no self-parking is available. The property also provides transportation within a five-mile radius. The property received a major renovation in 2014.

Hampton Inn & Suites Baton Rouge Downtown

The Hampton Inn & Suites Baton Rouge opened in May of 2013 in a riverfront building in downtown Baton Rouge. Located within walking distance of the River Center, the state capitol, and many state offices, the hotel rapidly gained traction. This hotel features a complimentary breakfast, business center, evening reception, and fitness center. Room Service is provided by the adjacent Little Village Restaurant. The property includes a 10-seat boardroom and 1,250 square feet of meeting space in two meeting rooms. Parking is located across the street in a municipal garage (\$10/night). Guestrooms feature complimentary high speed internet, refrigerators and microwaves. The property is popular with state government travelers and convention center guests.

Holiday Inn Express Baton Rouge North Zachary

Located in Zachary, Louisiana, approximately nine miles north of the Baton Rouge Airport, the 73 unit Holiday Inn Express opened in February 2011. It is included in the competitive set because it is one of the few properties available in the Zachary area, proximate to many of the area's energy companies. The

property offers a complimentary breakfast, business center, fitness center, outdoor pool, and wireless internet service. The property is popular with energy company, construction, and chemical plant workers midweek and social and sports groups on weekends.

Courtyard by Marriott Acadian Thruway

The 149-room Courtyard by Marriott Acadian Thruway is the nearest full-service alternative to the Airport for Marriott Rewards members. This first-generation Courtyard hotel features a bistro-style restaurant, serving breakfast and cocktails and dinner, and 1,250 square feet of meeting space in two meeting rooms. The property also has a small business center, fitness center, outdoor pool and sundries shop. A much-needed renovation is planned for late 2019. Located adjacent to and Outback Steakhouse and a New York Life office, the property is popular with visitors to the local chemical companies. The property is also popular with LSU football fans and is generally sold out for home football game weekends.

Holiday Inn Baton Rouge College Drive I-10

Located on Constitution Avenue at the College Drive exit of I-10, about 12 miles from the Airport, the 140-room Holiday Inn opened at the end of 2008. The property features a business center, gift shop, outdoor pool and health club. The property has a three-meal restaurant, the Sporting News Grill, and two meeting rooms and a boardroom comprising 1,375 total square feet. Breakfast can be added to the rate for an upcharge of \$10, and up to four kids ages 11 and under sharing their parent's room eat free any time of the day in any Holiday Inn on-site restaurant. The property is popular with visitors to LSU and local business travelers.

Changes to Supply

During the course of our fieldwork, we spoke with local tourism development officials, hotel operators, and economic development representatives to ascertain the status of any on-going or proposed hotel development. Over the past five years, three hotels containing 450 rooms have opened in downtown Baton Rouge; of which the 137-unit Hampton Inn has been included in the competitive supply. The other new downtown properties, a Holiday Inn Express and an Autograph Collection hotel, have not been included in the competitive set. In addition, a 71-unit hotel has opened in Zachary about 15 miles north off the Airport, and a Candlewood Suites opened about 10 miles south of the Airport, near College Drive. Over the next several years additional properties are expected to be added to the local lodging inventory.

A 135-unit Courtyard by Marriott is under construction in the Downtown area and is expected to open in October 2018, which has been included in our future projections for the selected competitive set. In addition, a 52-unit Days Inn is under construction on Howell Place Boulevard immediately south of the Hilton Garden Inn. The Days Inn has not been included in the competitive set for the Proposed Hotel due to the brand's economy orientation. In addition, two midscale properties, a Baymont Inn & Suites and a Tru by Hilton are under construction about 10 to 12 miles south of the Airport. Since we do not expect these hotels to have significant competitive impact upon the proposed Airport terminal hotel, we have also not included them in the future competitive supply. A 90-unit Holiday Inn Express and Suites is proposed for a site at Howell Place Boulevard and 72nd Avenue, about 2.0 miles from the Airport terminal, but has not been included in the competitive set due to its uncertainty. Several other proposed properties are in the final planning stages, and several potential hotel sites are available within the region, but we are presently unaware of any other projects of competitive import that are presently advancing.

Baton Rouge's hotels historically provided accommodations for visitors to a fairly broad region including Port Allen, Gonzales and Denham Springs. The areawide lodging market has been growing and fragmenting over the past several years, a trend which is expected to continue in the future. Hotels have been developed in Port Allen, Gonzales, Donaldsonville and Denham Springs within the past five years

and more properties are planned. As more hotels are developed in these outlying communities, the geographic region that the Baton Rouge hotels serve has contracted.

Market Demand

During the course of our fieldwork, we obtained operating statistics for each property through interviews conducted with on-site management and various ownership entities. In addition, we have commissioned a custom trend report from Smith Travel Research (“STR”), a lodging industry analyst that collects occupancy and average rate data. We note that due to the lack of relevant properties in the immediate vicinity of the Airport, the selected competitive set covers a broad geographic area, and we have focused our analysis on those properties we considered most relevant. The table below presents a six-year trend of the historical supply and demand for accommodations within the overall selected competitive set.

Historical Market Performance					Defined Competitive Set					
Year	Competitive Supply	% Change	Competitive Demand	% Change	Occupancy	Points	Average Rate	% Change	RevPAR	% Change
2012	363,400		243,400		67.0%		\$114.11		\$76.42	
2013	396,800	9.2%	237,700	-2.3%	59.9%	-7.1%	\$114.73	0.5%	\$68.73	-10.1%
2014	413,500	4.2%	266,700	12.2%	64.5%	4.6%	\$114.61	-0.1%	\$73.92	7.6%
2015	413,500	0.0%	274,200	2.8%	66.3%	1.8%	\$118.21	3.1%	\$78.39	6.0%
2016	413,500	0.0%	310,400	13.2%	75.1%	8.8%	\$124.15	5.0%	\$93.20	18.9%
2017	413,500	0.0%	277,600	-10.6%	67.1%	-7.9%	\$117.47	-5.4%	\$78.87	-15.4%
CAGR: 2012-17		2.6%		2.7%				0.6%		0.6%
YTD August 2017	275,300		194,700		70.7%		\$116.82		\$82.54	
YTD August 2018	275,300	0.0%	175,000	-10.1%	63.5%	-10.1%	\$113.70	-2.7%	\$72.20	-12.5%

* Competitive supply and demand rounded to the nearest hundred
Source: STR & Pinnacle Advisory Group

The only major change to the defined competitive set supply over the period shown was the addition of the Hampton Inn downtown in May of 2013. It should be noted that several properties have undergone renovations which have temporarily disrupted their results. The Hilton Baton Rouge Capitol Center was renovated in 2013/2014 and the Hilton Garden Inn Baton Rouge Airport is in the final stage of a renovation that commenced in March of 2018.

Overall, in absolute terms, the lodging supply increased by 13.8 percent within this set since 2012, while demand increased by 14.1 percent, indicating that demand has, in large measure, kept pace with supply within the greater market. 2012 benefited from increased demand from the World Bowling Congress, while in 2013 occupancy declined due to the renovation of the Hilton and the opening of the Hampton Inn Downtown. Occupancy rebounded in 2014 as the Hilton resumed normal operation and the Hampton Inn was gradually absorbed, and grew slowly through 2015. Occupancy peaked at 75 percent in 2016 due to the catastrophic flood of late August, which generated lodging demand from displaced residents and an influx of emergency workers. As emergency workers departed in 2017, the US Bowling Congress’s Women’s Championships brought about 21,200 visitors to Baton Rouge between April and July. In 2018, on a year-to-date basis as of August, demand within the competitive set has declined by approximately 10 percent, partially attributable to the renovations at the Hilton Garden Inn, and partially attributable to the opening of new hotels throughout the region that have not been included in the defined competitive set.

Average Daily Rate (“ADR”) per occupied room crept slowly upward between 2012 and 2015, spiking by 5.0 percent in 2016, in response to the additional flood-related demand. ADR levels in 2017 declined to a level slightly below the 2015 ADR. Overall rate growth between 2012 and 2017 was an anemic 0.6 percent,

and ADR has declined by 2.7 percent on a year-to-date basis in 2018. Revenue Per Available Room (“RevPAR”) also increased by 0.6 percent between 2012 and 2017. A day of the week analysis, shown in the table below, indicates strongest occupancy levels midweek. Commercial travelers are most prevalent Monday through Thursday, while leisure travelers tend to predominate on Friday through Sunday nights. The strongest occupancy rates in each of the years studied has occurred on Tuesdays and Wednesdays, with Sundays consistently posting the weakest occupancy levels. Rates tend to be highest on weekends when leisure travelers predominate.

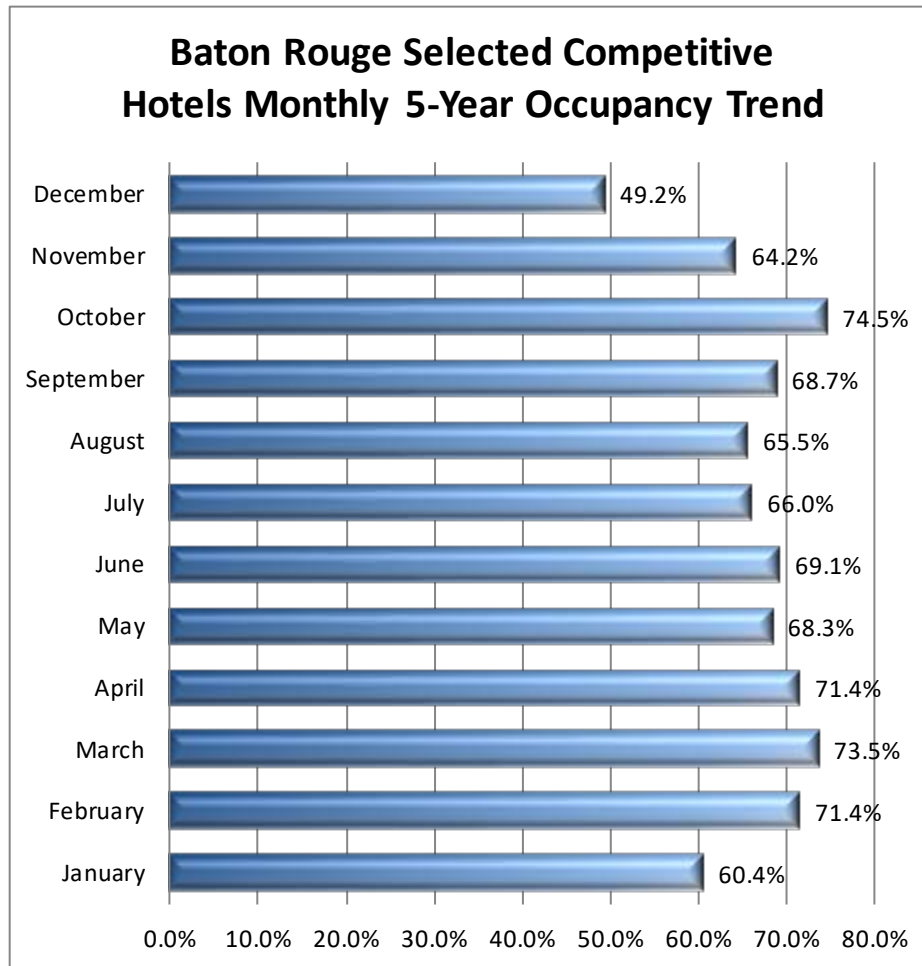
Occupancy by Day of Week Analysis- Trailing 12 months								
Year	Sun	Mon	Tues	Weds	Thurs	Fri	Sat	Total Year
Sep 15 - Aug 16	43.3%	64.9%	76.1%	76.8%	68.1%	73.1%	76.3%	68.4%
Sep 16 - Aug 17	50.1%	72.8%	83.3%	82.6%	75.0%	77.0%	77.5%	74.0%
Sep 17 - Aug 18	38.8%	62.5%	73.3%	73.3%	60.0%	63.3%	65.5%	62.4%
3- Yr. Average	44.1%	66.7%	77.6%	77.6%	67.7%	71.1%	73.1%	68.3%

Source: STR

Average Daily Rate by Day of Week Analysis- Trailing 12 months								
Year	Sun	Mon	Tues	Weds	Thurs	Fri	Sat	Total Year
Sep 15 - Aug 16	\$112.14	\$115.54	\$119.39	\$119.02	\$116.68	\$124.41	\$127.43	\$119.81
Sep 16 - Aug 17	\$115.83	\$121.04	\$124.99	\$124.33	\$121.72	\$128.60	\$129.47	\$124.17
Sep 17 - Aug 18	\$106.68	\$113.30	\$118.26	\$117.78	\$113.54	\$116.43	\$117.40	\$115.40
Total 3 Yr	\$111.93	\$116.84	\$121.03	\$120.51	\$117.64	\$123.51	\$125.15	\$120.04

Source: STR

Highest occupancies are achieved in October and March and the lowest occupancies are achieved in December and January during the holiday season, as indicated in the chart which follows. Data is presented for an average of the past five years as of August 2018.



A division of the competitive set between the primary market competitors located at the Airport and the secondary market competitors located throughout the area reveals disparate performance of the two components that comprise the larger market. The Hilton Garden Inn and the SpringHill Suites, on a combined basis, achieve occupancy rates higher than the broader competitive set, albeit at somewhat lower rates; both hotels serve a large portion of the lower-rated contract demand segment, and the SpringHill Suites in particular suffers from its lack of food and beverage service

Demand Segmentation and Growth

Our interviews with representatives of the competitive hotels indicated that room night demand emanates from the following primary demand segments: transient business travelers, groups and meetings, transient leisure, and contract. The estimated segmentation of the competitive market demand and annual growth in each demand segment between 2013 and 2017 is presented in the following table.

Competitive Market Historical Supply and Demand												
Year	Supply				Demand						Total Roomnights	
	Competitive Supply	% Change	Corporate	% Change	Group	% Change	Leisure	% Change	Contract	% Change		
2013	396,800		139,300		39,300		50,500		8,500		237,700	
2014	413,500	4.2%	158,600	13.9%	41,900	6.6%	56,800	12.5%	9,400	10.6%	266,700	12.2%
2015	413,500	0.0%	163,600	3.2%	42,900	2.4%	58,300	2.6%	9,500	1.1%	274,200	2.8%
2016	413,500	0.0%	183,800	12.3%	49,300	14.9%	67,000	14.9%	10,400	9.5%	310,400	13.2%
2017	413,500	0.0%	164,000	-10.8%	44,500	-9.7%	59,800	-10.7%	9,300	-10.6%	277,600	-10.6%
CAGR: 2013-17		1.0%		4.2%		3.2%		4.3%		2.3%		4.0%
YTD August 2017	275,300		115,200		30,900		42,100		6,500		194,700	
YTD August 2018	275,300	0.0%	101,900	-11.5%	28,900	-6.5%	39,000	-7.4%	5,200	-20.0%	175,000	-10.1%

* Roomnights rounded to the nearest hundred.
Source: STR & Pinnacle Advisory Group

A discussion of the historical growth and projected growth in each segment follows. It should be noted that as rooms have been added to the competitive set over the past several years, demand growth has generally increased in the 18 to 24 months following the additions, recognizing that 2017 was an anomalous year.

Corporate Demand

Corporate or commercial demand within the Baton Rouge Metropolitan Area is comprised of business travelers and government travelers. This segment also includes some workers staying for extended periods to complete projects at local establishments. Transient corporate demand within the defined competitive supply consists of some mid and upper level management, line workers, sales representatives, and officials. Demand timing for this segment typically occurs Monday through Thursday, with most frequent arrival days being Tuesday and Wednesday. Demand for this segment is limited on weekends.

The commercial/individual traveler demand is characterized as follows:

- High degree of single occupancy
- Average length of stay typically one to three days
- Efficient check-in and check-out procedures required
- Strong interest in frequent travel programs with major hotel brands
- Require proximity to place of business and accessibility to major transportation routes

The compound average growth rate for the overall market's corporate segment during the five-year period studied was 4.2 percent. We project that the corporate segment will rebound with the renovations to the Hilton Garden Inn and the completion of the Courtyard by Marriott Downtown over the next couple of years, and increase moderately through 2023, when we project that the market will re-stabilize.

Group Demand

Group demand within the Baton Rouge Metropolitan Area is comprised of convention and meeting business related to events held at the Downtown River Center, individual property-generated group business, such as corporate and association groups, as well as social groups including, but not limited to, weddings and family and organizational reunions. In addition, the local universities and youth athletic leagues generate some sports related groups, primarily from visiting teams and during tournament play. The group segment can be characterized as follows:

- Discounted room rates required
- Require proximity to place of event/business

- Appropriate meeting and banquet space

The properties in the immediate vicinity of the Airport have limited meeting and function space, and thus serve a smaller portion of the meetings segment, although they do serve some social and sports-related groups, particularly on weekends.

Group demand has increased at a compound annual rate of 3.2 percent over the period studied; we believe growth in the higher-rated meetings portion of segment has been constrained since most of the properties added to the lodging supply in recent years have had limited function space. We project that core group demand will continue to increase at a moderate rate following the introduction of the subject property to the market, stabilizing subsequent to 2023.

Leisure Demand

Leisure demand is generated by visitors to the area's universities, including spectators of various sports, parents and prospective students; tourists attracted to the area's cultural events, plantations and museums, and passengers seeking accommodation close to the Airport prior to an early flight. We estimate that leisure-related demand has increased at a compound annual rate of 4.3 percent over the period studied. We project that demand will continue to increase slowly over the next several years prior to stabilizing in 2023.

Contract Demand

Within the broader competitive set, contracted airline crew demand is a small fraction of local lodging demand, however several of the properties located closest to the Baton Rouge Metropolitan Airport, compete for this segment of demand. Delta, United, American (or their affiliated carriers) contract with local hotels to accommodate crew, staff and occasional passengers. In addition, some of the local charter carriers also contract rooms for their staff. Airline contracts tend to be quite specific, and require that crews be accommodated in quiet rooms in preferred areas of the properties; full-service hotels are preferred. In addition, food and beverage discounts and other services are also specified. Two properties within the competitive set, the Hilton Garden Inn and the Springhill Suites, are currently accommodating the majority of this demand segment, although crews on longer layovers may be accommodated downtown. The advantage of this segment is its consistency; it provides a stable base of demand throughout the year as airline crews require accommodation in slow demand months as well as during busy periods. The drawback is that crew rates are significantly discounted from the other market segments. This segment of demand is largely dependent on the growth of traffic to the Airport. We have assumed that this segment of demand will remain relatively stable throughout the projection period, as additional passenger traffic does not necessarily require additional overnighting crew

Extraordinary and Induced Demand

In forecasting potential demand in lodging markets, both core demand (accommodated) growth and extraordinary demand must be considered. The prospect for core (accommodated) demand has been articulated in the preceding section for each market segment. The following briefly describes the theory and rationale behind our estimate of extraordinary demand.

Whereas core demand growth (also known as accommodated demand) results from increases in room night demand from the market's existing room night demand generators, extraordinary (induced) lodging demand can occur in a market as the result of new hotel supply entering the competitive market, significant changes in the competitive environment (i.e. the opening of a new Convention Center), or any extraordinary circumstances (i.e. a market area hosting a special event).

Essentially, the concept of extraordinary (induced) demand can be summarized as situations in which supply creates demand. In other words, the opening of a property may accommodate demand which previously did not visit the market due to inadequate accommodations, or the unavailability of a branded product to which they are loyal. Potential induced demand for situations involving new supply can be estimated by: evaluating the subject market’s historical performance when a similar situation occurred; reviewing the performance of a comparable market when a similar situation occurred; interviewing potential users of the new facility; and/or examining the contribution that comes from either a central reservation system, or national sales network. Additionally, capacity constraints that exist within a defined market afford the opportunity for the re-introduction of accommodated demand into the market when new supply is added to the market’s inventory.

We have included induced demand from the addition of the Proposed Hotel as we anticipate that the subject will induce some new demand into the market based upon the performance of the market when other new properties have been added. Some of this demand will be induced to switch to the new property from other area hotels not included in the selected competitive set, others will be drawn by the availability of new facilities at the Proposed Hotel.

Market Demand Summary

The following table summarizes our market demand projections:

Market Demand Projection								
Core Demand Growth	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
Corporate	-5%	6%	5%	4%	3%	2%	0%	0%
Group	-10%	6%	4%	4%	3%	2%	0%	0%
Leisure	-7%	4%	2%	2%	2%	1%	0%	0%
Contract	0%	0%	0%	0%	0%	0%	0%	0%
Extraordinary Demand	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
Corporate	0	5,500	1,400	7,500	1,900	0	0	0
Group	0	1,700	400	1,700	400	0	0	0
Leisure	0	3,900	1,000	1,700	400	0	0	0
Contract	0	0	0	600	100	0	0	0
Total	0	11,100	2,800	11,500	2,800	0	0	0
Projected Growth	-6.1%	9.6%	5.0%	7.3%	3.6%	1.7%	0.0%	0.0%
Projected Market Roomnights ¹	2018 ²	2019	2020	2021 ³	2022	2023	2024	2025
Corporate	155,800	170,700	180,600	195,300	203,000	207,100	207,100	207,100
Group	40,000	44,100	46,300	49,800	51,800	52,800	52,800	52,800
Leisure	55,700	61,800	64,000	67,000	68,700	69,400	69,400	69,400
Contract	9,300	9,300	9,300	9,800	10,000	10,000	10,000	10,000
Total	260,800	285,900	300,200	321,900	333,500	339,300	339,300	339,300
Market Occupancy	61%	62%	65%	63%	65%	66%	66%	66%
Supply Change %	3%	9%	0%	11%	0%	0%	0%	0%
¹ Roomnights rounded to the nearest hundred. ² Courtyard by Marriott (135 rooms) to Open by October 1, 2018 ³ Subject property is assumed to open January 1, 2021 with approximately 140 rooms. Source: Pinnacle Advisory Group								

The market achieved peak occupancy of 75 percent in 2016, due to the flood-related demand. The prior peak was 66 percent in 2015 following the competitive set’s absorption of a 14 percent

increase in the competitive supply. Occupancy has declined in 2018 due to the combined effect of new regional supply not included in the competitive set and the Hilton Garden Inn's renovation program. We expect accommodated demand to rebound following completion of the renovation at the Hilton Garden Inn. However, although the new Courtyard by Marriott downtown is expected to induce additional demand to the downtown market, we do expect that it will require several years to stabilize, suppressing market occupancy during its stabilization period.

Subsequently, the subject property is projected to open in 2021, and market-wide occupancy is expected to again dip slightly as the market absorbs the addition, eventually stabilizing over the longer term at an average occupancy level of approximately 66 percent.

The stabilized market occupancy is intended to reflect the anticipated results of the competitive set over the holding period, given any changes in the competitive environment and/or local economy. Although it is possible that the market will achieve occupancies above this stabilized level, we believe that it is equally possible for new competition and temporary downturns in hotel demand to force occupancy below this selected point of stability.

Projected Performance – Subject Hotel

Facility Recommendations

As previously indicated, the proposed Airport Terminal Hotel will be located adjacent to the Baton Rouge Metropolitan Airport Terminal, in a neighborhood most attractive to transient guests conducting business in the northern Baton Rouge area or flying into the Airport. In our opinion, it is likely that given the present positive economic environment, that the area will continue to develop steadily over the next decade. Hence it is important that the design of the property consider the segments of demand that are likely to be most readily attracted to the subject property, and are likeliest to expand over the next several years.

Our assumptions regarding facilities, services and operations at the proposed Airport Terminal Hotel, which serve as a basis for our projections, are summarized below. The findings and forecasts that are outlined in this document explicitly assume these facility assumptions:

- Hotel will be professionally marketed, managed and operated as a 125 to 150 room upscale or select-service (with leased restaurant), or full-service chain affiliated hotel;
- Affiliation with a major lodging brand which will provide brand recognition, reservation services and a popular frequent traveler loyalty program;
- The property will include approximately 3,000 to 4,000 square feet of meeting and function space, including a divisible principal ballroom and additional meeting rooms and board rooms. This should enable to property to compete effectively within the local meeting market and provide a venue for local social functions;
- A ground floor three-meal restaurant and Bistro;
- Mini-market;
- Shuttle service to downtown to allow the property to compete for government and weekend leisure demand; and
- Public areas to include an outdoor pool, business center and exercise room.

Projected Occupancy

The extent to which the Proposed Hotel can capture demand in each of the previously mentioned demand segments was estimated by performing a fair share/penetration analysis. Factors considered in this penetration analysis included the location of the Proposed Hotel, anticipated quality of the facilities, projected room rate structure, and general concept. Within a defined market, if all properties had an equal competitive posture, a hotel's market penetration would correlate to the ratio of its guestrooms relative to the overall supply. Factors indicating a hotel would possess competitive advantages suggest a market penetration rate in excess of 100 percent of fair share, while competitive weaknesses are reflected in penetration rates of less than 100 percent.

Competitive Posture

It has been noted in several studies that airport terminal hotels tend to achieve higher occupancies and rates than comparable properties located immediately outside the airport grounds. A study of 13 connected Airport Hotels conducted by Pinnacle Advisory Group in 2016 determined that connected airport terminal hotels achieved occupancies ranging from four to nine points above those of comparable hotels proximate to the same airports, but lacking a direct connection to the terminals. The ADR of the connected properties was also substantially higher than those of the comparable properties. Thus, we

believe that the Proposed Airport Hotel can be expected to outperform existing properties outside the Airport. We also believe the availability of a new full-service hotel with meeting facilities will allow the Proposed Hotel to compete favorably for demand not previously accommodated near the Baton Rouge Airport, such as local and regional meetings and conferences.

We have assumed that the subject property will benefit from affiliation with a major lodging brand, with a popular guest loyalty program. In addition, the subject property will be new construction. The property is likely to be a first choice for people on short business trips, particularly those with business in the northern portions of the city, and visitors to Southern University, as well as airline crews and passengers. For non-Airport related guests, the likely appeal of the subject property will primarily be related to facilities, rate and brand affiliation.

Corporate Penetration

We have projected a three-year buildup in penetration in the corporate segment to an ultimate level of 115 percent. Unlike most airports, the Baton Rouge Metropolitan Airport and the site of the subject property is easily accessible from local highways and streets, and does not require additional travel time to local businesses. However, the subject property will provide superior facilities and ultimate convenience for those travelling via air. We believe the three year build-up reflects the time required to fully penetrate local negotiated corporate accounts.

Group Penetration

We have projected penetration of 90 percent at stabilization for the subject, following a two-year build-up period. The Proposed Hotel is expected to compete favorably for regional meetings that include fly-in participants and for local business meetings in northern Baton Rouge and Zachary. The subject property is likely to become the major conference and social event destination in the northern Baton Rouge area, as the immediate vicinity of the Airport lacks meeting and banquet facilities. In addition, the subject property's location relative to Southern University may allow it to compete for demand from visiting teams and university groups. However, demand related to major downtown conventions is likely to continue to seek accommodation closer to the River Center.

Leisure Penetration

The subject property, located at the Airport in an industrial area that currently boasts few tourist attractions, restaurants or entertainment options, is unlikely to be the first choice of leisure travelers vacationing in Baton Rouge. However, its proximity to the Airport and its brand affiliation are likely to prove attractive to some regional airline passengers, particularly those leisure travelers departing on early morning flights. In addition, the property will be among those closest to Southern University, and hence will benefit from some demand from parents, sports fans and prospective students. Accordingly, we have projected that the property will stabilize at a penetration rate of 80 percent following a two-year build-up period.

Contract demand

Since the subject property will be connected to the Airport terminal, it will be the most convenient option for most airlines. In general, airlines require full-service properties and quiet rooms. However, rates in this segment are heavily discounted, so hotel management must balance the steady base of demand against rate targets. We have projected that the subject property will accommodate approximately 17 percent of the estimated contract demand available within the market, ultimately reaching a penetration rate of 175 percent.

Summary of Subject Penetration

The following table outlines the forecast of occupancy, mix of market segments, and penetration rates for the Proposed Hotel for its first five years of operation.

Projected Penetration and Market Mix					
Roomnights*	2021	2022	2023	2024	2025
Corporate	20,400	22,200	23,700	23,700	23,700
Group	3,700	4,100	4,700	4,700	4,700
Leisure	5,000	5,500	5,500	5,500	5,500
Contract	1,200	1,500	1,700	1,700	1,700
Total	30,300	33,300	35,600	35,600	35,600
Penetration	2021	2022	2023	2024	2025
Corporate	105%	110%	115%	115%	115%
Group	75%	80%	90%	90%	90%
Leisure	75%	80%	80%	80%	80%
Contract	125%	150%	175%	175%	175%
Total	95%	100%	106%	106%	106%
Market Mix	2021	2022	2023	2024	2025
Corporate	67%	67%	67%	67%	67%
Group	12%	12%	13%	13%	13%
Leisure	17%	17%	15%	15%	15%
Contract	4%	5%	5%	5%	5%
Total	100%	100%	100%	100%	100%
Market Occupancy	63%	65%	66%	66%	66%
Subject Occupancy	59%	65%	70%	70%	70%
* Roomnights rounded to the nearest hundred.					
Source: Pinnacle Advisory Group					

After considering the proposed Airport Terminal Hotel's anticipated market position and estimated level of patronage by market segment, we project that it will reach a stabilized rounded occupancy level of 70 percent in 2023, its third year of operation and a stabilized overall penetration rate of 106 percent. Given the complexion of the competitive set over the course of the projection period and the advantages of the proposed facility located next to the Airport terminal, we believe that this projected penetration, greater than 100 percent of fair share, is appropriate. It should be noted that the actual results achieved by a property at the subject site will be affected by the actual facility as built, the brand selected, and the marketing and management skills of the operator.

The stabilized occupancy of 70 percent is intended to reflect the anticipated results of the property over the hotel's life, given any and all changes in the life cycle of the hotel. Therefore, the stabilized occupancy excludes from consideration any abnormal relation to supply and demand, as well as any favorable or unfavorable non-recurring conditions that may result in unusually high or low occupancies. Although the subject property may operate at occupancies above this stabilized level, it is equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability as well.

Projection of Average Rate

The average rate for the Proposed Hotel was projected on a segmented basis, considering the historical trends in the defined market and the current and anticipated rates charged or expected by the local competitive lodging facilities as compared to the attributes of the Proposed Hotel. The average room rate is estimated first in 2017 dollars, and adjusted to reflect anticipated movements over the projection period.

Over the last six years the average rate achieved by the overall competitive set has increased by a total of 2.9 percent, a compound annual rate of increase of 0.6 percent per annum, due to aggressive rate competition as new properties have been added to the market. Although rates increased more rapidly between 2014 and 2016, rates retreated in 2017 since flood-related guests departed as new properties were introduced to the regional market. We have assumed no rate growth in 2018 due to renovation activity and the introduction of the Courtyard downtown and have projected that rate increases will average two percent per annum over the following years across all segments, although the Proposed Hotel’s average rate growth will be affected by the changing mix of demand over its initial operating period.

Projected Average Daily Rate Proposed Baton Rouge Airport Hotel			
Period	Historic Rate	Projected Rate	Rate of Change
2017	\$130.00		
2021 *		\$138.59	6.6%
2022		\$141.08	1.8%
2023		\$143.53	1.7%
2024		\$146.40	2.0%
2025		\$149.33	2.0%

** Includes rate growth from 2017 thorough 2021*
Source: Pinnacle Advisory Group

To summarize, the table that follows outlines projected occupancy, average rate and RevPAR for the Proposed Hotel during its first five years of operation:

Projection of Occupancy, ADR, and RevPAR for Proposed Hotel *					
Year	Occupancy	ADR	% Change	RevPAR	% Change
2021	59%	\$138.59		\$82.24	
2022	65%	\$141.08	1.8%	\$91.88	11.7%
2023	70%	\$143.53	1.7%	\$100.17	9.0%
2024	70%	\$146.40	2.0%	\$102.17	2.0%
2025	70%	\$149.33	2.0%	\$104.21	2.0%

** Actual Results will be affected by the facility developed and the brand selected.*
Source: Pinnacle Advisory Group

Assumptions and Limiting Conditions

1. This document is to be used in whole and not in part.
2. Our conclusions are explicitly based upon the assumptions that the Proposed Hotel will be constructed and operated as an upscale, chain-affiliated, full-service property of 125 to 150 rooms located adjacent to and directly connected with the passenger terminal at the Baton Rouge Metropolitan Airport. In addition, our conclusions are based on a planned opening date of January 1, 2021. Our projections are directly related to this site and its attributes. It is expressly understood that the conclusions of this analysis could change upon any deviation from these assumptions. The changes that might arise could be material. In addition, the actual results achieved by the Proposed Hotel will be affected by the facilities actually constructed, the selected affiliation, and the marketing and management skills of the operator.
3. As in all studies of this type, the estimated results assume of competent and efficient management and presume no significant change in the competitive position of the lodging industry, other than those specifically discussed within this report.
4. It is assumed that prospective developers of the Proposed Hotel will conduct their own market due diligence and prepare independent projections based upon their own market research and the actual facility planned. Moreover, Pinnacle's research may not be used for the purposes of securing financing.
5. Estimated results are based on an evaluation of the present general economy of the area and do not consider, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions that may occur. There usually will be a difference between the estimated results and those actually achieved, as events and circumstances often deviate from expectations. Those differences may be material.
6. It is expressly understood that the scope of our study and resulting report does not include the possible impact of zoning or environmental regulations, licensing requirements or other such restrictions concerning the project except where such matters have been brought to our attention and are disclosed herein.
7. We have no obligation to update our findings regarding changes to the scope of the proposed development or changes in the market conditions subsequent to the completion of our fieldwork.
8. The information gathered during the course of the fieldwork and used in this analysis is assumed to be accurate.
9. Neither all nor part of the contents of this report (especially any findings or conclusions, the identity of the consultants, or the firm with which they are connected) shall be disseminated to the public through advertising media, news media, sales media or any public means of communication without the prior, written consent and approval of Pinnacle Advisory Group.
10. Pinnacle Advisory Group is required to discuss the findings only with its Client, the City of Baton Rouge and representatives of the Baton Rouge Metropolitan Airport Authority.
11. This document does not constitute a comprehensive market or financial feasibility study, which would evaluate the projected net income of the hotel as compared with development costs. Such studies can be provided as a supplement under a separate proposal.

12. No liability is assumed for matters legal in nature. Pinnacle Advisory Group cannot be held liable in any cause of action concerning this assignment for any compensatory dollar amount over and above the total fees collected from this engagement.
13. Any and all legal expenses incurred in the defense or representation of Pinnacle Advisory Group, its principals, and its employees will be the responsibility of the client.
14. We are not required to give testimony or attendance in court by reason of this assignment, with reference to the property in question, unless prior arrangements have been made and agreed to in writing.