

**Analysis of Redevelopment Agreement for Project Hometown  
Downtown Ocala Marriott AC  
Return on Investment**

The Developer's estimated capital investment for developing the hotel and other improvements is approximately \$56,196,441.

**Assumptions**

**1) Tax Rate and Cost of Capital**

- a) Use current fiscal year 2024-2025 tax rate.
- b) Tax rate remains constant throughout the analysis.
- c) The present value cost of capital is three percent (3%) and remains constant throughout the analysis.

**2) Construction Capital Investment**

- a) Assumes a taxable value of \$20,055,108, determined by the "Value by Income" method employed by the Marion County Property Appraiser.
- b) No annual change in property values.

**3) Electric Utility Usage**

- a) OEU Profit (Loss) based solely on wholesale power costs vs. revenue. OEU operational costs are not considered.
- b) Wholesale power costs based on a 12-month average, as of December 2024.
- c) Wholesale power cost held constant over the entire 5, 10, 15, 20, 25, and 30-year periods.
- d) Calculations are based on estimated annual usage of 120,012KWH/month and 274 KVA/month.

**FISCAL IMPACT:**

The estimated payback period for the City's proposed \$5,619,644 investment is approximately 9 years. Based on the assumptions above and current projections, the net present value of revenue to be generated by the project over a 13-year period is \$2,567,048. This includes estimated annual electric revenue of \$488,541 and ad valorem revenue of \$219,518.