

**Return on Investment (ROI) Summary  
Redevelopment Agreement for Redevelopment Agreement  
for the Hotel Marion**

The Developer's estimated capital investment for developing the hotel and other improvements is approximately \$28,966,695.

**Assumptions**

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

- a) Use current fiscal year 2025-2026 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 \$8,765,000, 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 October 2025.
- 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 130,457 kilowatt-hour (kWh) per month and 896 kilovolt-ampere (kVA) per month.

**FISCAL IMPACT:**

The estimated payback period for the City's proposed investment of \$2,896,670 is approximately five years. Based on the assumptions outlined above and current projections, the net present value (NPV) of revenue generated by the project over this five-year period is estimated at \$726,959. This includes projected annual electric utility revenue of \$523,978 and ad valorem tax revenue of \$87,817.