



Dear Brevard County Board of Commissioners:

It is with excitement and anticipation that we submit this grant agreement to Brevard County (the “County”) on behalf of DAD 1300 N. Atlantic Cocoa, LP., a development entity of Driftwood Development Partners, LP. (an affiliate of Driftwood Capital, “Driftwood”). As you are aware, Driftwood plans to construct and operate a state-of-the-art convention center and related facilities, located at 1300 N. Atlantic Avenue in Cocoa Beach to be known as the Westin Cocoa Beach Resort & Spa (the “Project”). This grant agreement pertains to use of a portion of tourism development taxes generated by the operation of the Project.

Driftwood, through its affiliated entities, owns and manages the International Palms Resort located on approximately 15.7-acres situated in the heart of Cocoa Beach on a prime oceanfront location that has been used for a hotel since the early 1960’s. Due to the existing hotel’s advanced age, all existing structures and features onsite including below-grade infrastructure and foundations will be demolished and new structures will be constructed.

For the Project to realize its maximum potential, Driftwood plans to replace the International Palms Resort with the Space Coast’s first signature luxury resort. The new development will be an approximately 500,000 square foot (net of parking) mixed-use destination resort anchored by a 4.5-star, 502-key Westin hotel, along with eleven (11) food and beverage venues, a spa, multiple retail locations, a multistory parking garage to accommodate approximately 800 vehicles, a vast array of other resort amenities and an approximately 120,000 square foot, state-of-the-art indoor and outdoor convention center venue.

The Westin Cocoa Beach Resort & Spa represents an ambitious and generational development project, one of the largest of its kind in the U.S. This approximately \$400 million development will be transformative for Brevard County and the Space Coast and befitting of its tremendous



revival as a center of technology, innovation, and leisure. The Project has been designed by Gensler Architects and will feature a contemporary design incorporating high-end finishes.

Brevard County has achieved substantial growth and has become a nationally known destination for tourists and business travelers alike. With the “return to space”, the area has the potential to attract national and international conventions, both as a destination and to accommodate the growing business community. While the County has a wide range of hotels, a variety of restaurants, and other tourist and business traveler amenities, it does not have a first-class luxury resort or an adequate convention center hotel to “anchor” the expansion of its assets. With the construction of the Project, Brevard County will be able to attract local, regional and national business in the form of conventions. This once in a generation opportunity to change the tourism landscape of the County has arrived.

To date, Driftwood has spent nearly five years and approximately \$37 million in pre-development and entitlement costs to secure full land development entitlements from the City of Cocoa Beach and other agencies with jurisdiction to advance architectural and engineering plans for the Project. As a result, the Project is essentially “shovel-ready” and can be opened within three years of construction commencement. Driftwood strongly believes that based on the attached economic impact study, the Project can generate millions of dollars of economic benefit to Brevard County, expand its visitor profile, and accommodate existing and future corporate demand, thereby allowing it to compete with the finest resorts and convention centers in the country.

Driftwood intends to fully fund the development, as well as construct and operate the entire Project as described. To help ensure the success of the Project, Driftwood is requesting a grant from Brevard County equivalent to 50% of the Tourist Development Tax (TDT) generated by the resort, to be spent exclusively for the promotion and advertising of the Project and the Space Coast. The proposal caps the amount of the grant at a maximum of \$1.0 million per year and a maximum of \$30.0 million over the life of the 30-year grant term. It is extremely important to note that the



proposal specifies that money from the grant will be spent solely for advertising and promotions and will be audited by the Tourist Development Council (TDC) prior to any money being disbursed.

The remaining 50% of the TDT generated by the project will be retained by the TDC. This construct will ensure that there is no impact to the current funding levels of any organization or activity currently receiving TDT funding. The economic impact study projects that, net of the proposed grant, the Project will generate five (5) times the amount of the annual TDT currently generated by the International Palms Resort.

As such, we are excited about the future of this Project and hope to garner your support for this grant agreement. As you will see in the attached economic impact study and proposed grant agreement, Driftwood has the track record to successfully develop and manage this Project. We look forward to presenting this associated grant proposal to you and your subsequent consideration.

Thank you for your time and consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Rodriguez", is positioned above the printed name.

Carlos J. Rodriguez

Chairman & Chief Executive Officer

Driftwood Capital

Westin Cocoa Beach Oceanfront Conference Center Market & Economic Impact Study



May 2022

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Section 1

Introduction



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Introduction

Transmittal Letter

Re: Conference Center Market & Economic Impact Study

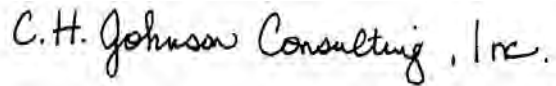
Dear Mr. Carlos Rodriguez, Mr. Hector Arechiga de Leon, and Mr. Dan Meteyer:

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the market and economic impact study for the conference center component of the proposed Westin Cocoa Beach Resort & Spa in Cocoa Beach, Florida. Pursuant to our engagement, this report provides an analysis of the economic, demographic, and market characteristics of Cocoa Beach, as well as the broader region; outlines current trends within the conference and meetings industry; identifies characteristics of regional and comparable facilities; summarizes observations from engagement with key stakeholders; provides strategic recommendations; and projects demand, financial performance, and economic impact generated by the facility's operation.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,



C.H. Johnson Consulting, Inc

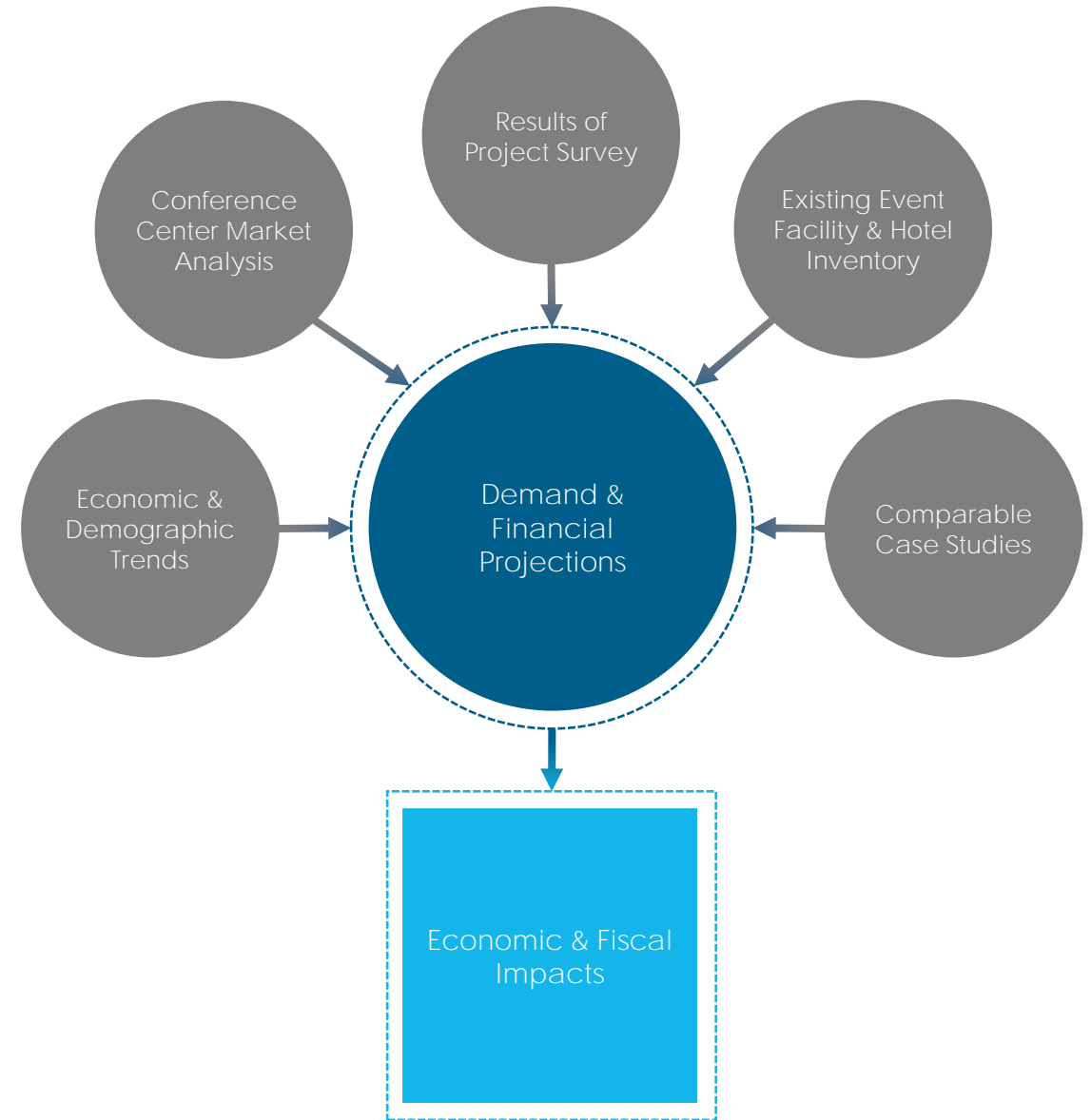
Introduction

Study Introduction & Methodology

Johnson Consulting was retained by Driftwood Capital to conduct market and economic impact study for the conference center component of the proposed Westin Cocoa Beach Resort & Spa in Cocoa Beach, Florida. The study aims to foster the ability of Driftwood Capital, as well as other local partner organizations, to make informed decisions regarding the development and continuing operation of the conference center. The proposal document submitted to Driftwood Capital by Johnson Consulting outlines a detailed scope of services for the study. Broadly, the objective of this study is to answer the following questions:

- What is the market's potential capacity to support a new conference center?
- What are the trends in the broader conference and meetings industry?
- How will the facility operate from a demand and financial perspective?
- What economic and fiscal impacts could be generated by the facility?
- Which funding mechanisms, partnerships, or deal structures could be strategically employed to optimize the facility's development and operation?

In order to answer the questions above, Johnson Consulting developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.

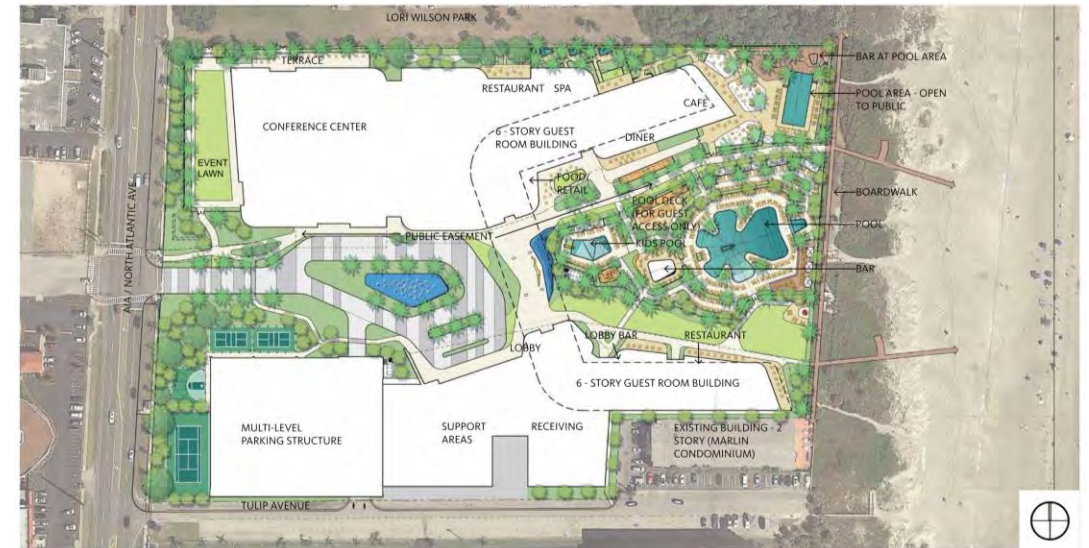


Introduction

Project Introduction

The Westin Cocoa Beach Resort & Spa is a transformative project that embraces the Space Coast's revival as a center of commerce, innovation, and leisure. This \$388 million, 6-story project will replace the current International Palms Resort to create an iconic landmark, state-of-the-art resort, and meeting facility on a spectacular, 15.7-acre oceanfront site with 500 feet of beach frontage. The new development will feature:

- The area's only 4+ star, upper upscale hotel with 502 guestrooms:
 - 14% suites, 43% king rooms, 43% queen rooms
- 11 food and beverage venues
- A full-service spa, pool, and extensive resort amenities
- 120,000+ square feet of indoor/outdoor event space, including:
 - Grand Ballroom – 16,000 SF
 - Junior Ballroom – 4,500 SF
 - 6 Meeting Rooms – 7,000 SF
 - Pre-Function – 15,500 SF
 - Other / Restaurants – 8,500 SF
 - Outdoor Event Lawns – 72,000 SF
- Multi-level parking structure to accommodate 779 parking spaces



Introduction

Project Introduction

Designed by world renowned architect, Gensler, the project is inspired by formative movements in the Space Coast's history, from the 'I Dream of Jeannie' story, the surfing culture, the Space Race and NASA, and is guided by state-of-the-art design principles and new on-site infrastructure.

Driftwood Development Partners is the lead developer for the project and has over 30 years of experience developing and managing hotels, including presently owning and operating several properties in the immediate area, including the neighboring Hilton Cocoa Beach, nearby Melbourne Crowne Plaza, and the existing International Palms Resort. Driftwood has secured a favorable franchise agreement with Marriott for the Westin Cocoa Beach project.

The project plans are illustrated on the right. The timeline for the development is as follows:

- Q4 2022: Demolition of Existing Facilities
- Q1 2023: Groundbreaking
- Q4 2025: Opening



Section 2

Economic & Demographic Trends



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Economic & Demographic Trends

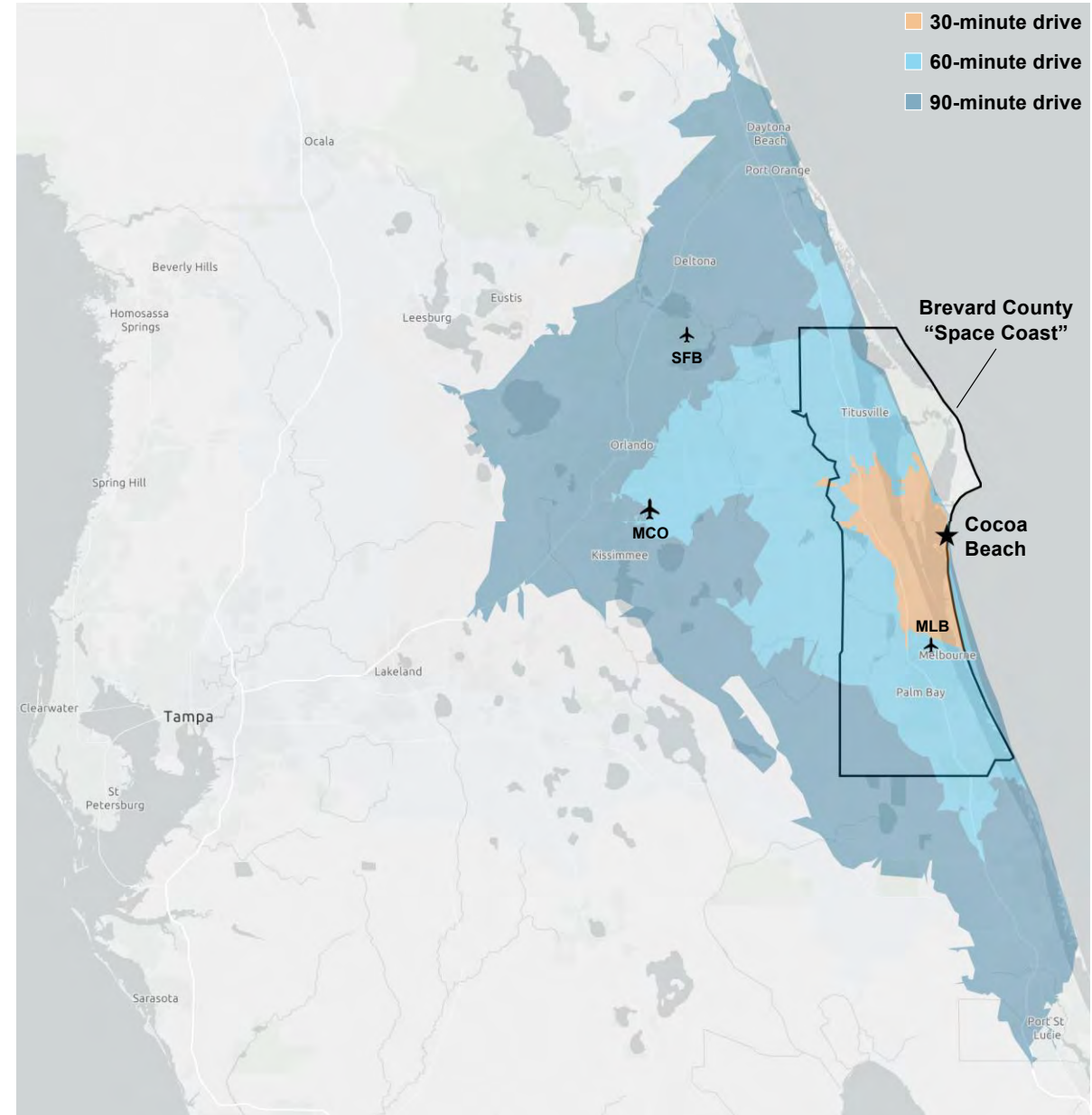
Overview

Cocoa Beach is the closest beach destination to Orlando and less than an hour's drive from Orlando International Airport and the area's many theme parks. The site is only a few miles away from Cape Canaveral, the Kennedy Space Center, and Port Canaveral, the world's second largest cruise port. Despite the negative effects of the COVID-19 pandemic on the U.S. lodging market, Cocoa Beach has remained a steady and strong drive-to leisure market.

In addition to the many reasons to visit the market from a tourism perspective, the privatization of the space industry has brought in billions of dollars in new investment and thousands of new professional jobs from aerospace companies such as SpaceX, Virgin Galactic, Lockheed Martin, Boeing, and many others. The Space Coast boasts a #1 rating in the following studies:

- Most Highly Concentrated High-Tech Economy in Florida – Milken Institute, 2018
- Highest Industry Diversity Index in Florida – Florida Gulf Coast University, 2018
- Best Place to Live in Florida – US News & World Report, 2018

Cocoa Beach and Brevard County (also referred to as the “Space Coast”) are located near the center of Florida's Atlantic coast, which could be advantageous in efforts to attract conference center events that rotate between multiple locations within the state of Florida or U.S. as a whole. As shown in the map on the right, the 30, 60, and 90-minute drive time areas encompass areas as far north as Daytona Beach, as far west as Orlando and Kissimmee, and as far south as Port St. Lucie.



Economic & Demographic Trends

Population

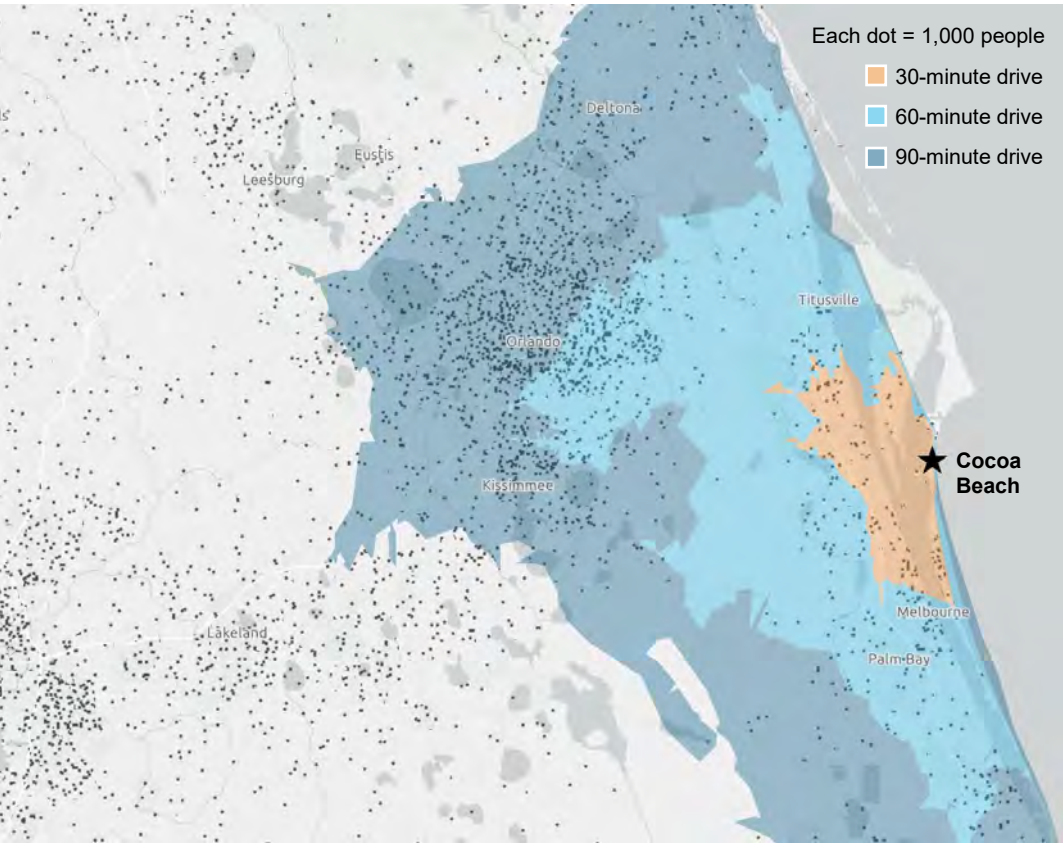
Large and growing population bases are a critical component of ensuring the success of conference centers. Rotating events are attracted to facilities located in amenity-rich markets with larger populations, and larger populations equate to more potential “drive-to” attendees and locally-based event demand.

As shown in the table on the right, the population of the city of Cocoa Beach was 12,148 as of 2020. The 30, 60, and 90-minute drive time catchment areas, typical for a conference center of this scale, had populations ranging from over 294,000 to nearly 3.8 million. Although the population of Cocoa Beach itself has remained relatively stable since 2000, the greater Space Coast region has experienced dramatic population growth and is expected to continue to grow. Between 2000 and 2025, the population of Brevard County is forecasted to grow at an average rate of 1.3% per year. This trend also holds true for the 30, 60, and 90-minute drive time areas, which have growth rates forecasted at 1.0%, 1.9%, and 2.0% per year, respectively. Growth rates in these markets are all on pace with that of the state of Florida (1.5% per year) and are well above that of the nationwide average (0.8% per year).

The map on the right illustrates the population distribution throughout the Space Coast and surrounding Central Florida area. Each dot represents 1,000 residents. As shown, the largest population concentration within a reasonable driving distance of the proposed conference center in Cocoa Beach is the Orlando Metropolitan Area, which is situated between the 60 and 90-minute drive time radii. Beyond the drive time radii, the Tampa Metropolitan Area is the next largest population center – the edge of which is shown in the bottom left portion of the map. There is still a considerable population base within the Space Coast area itself.

Population					
	2000	2010	2020	2025	CAGR
United States	281,421,906	308,745,538	333,793,107	346,021,282	0.8%
Florida	15,982,378	18,801,310	21,587,015	23,056,641	1.5%
Brevard County	476,230	543,376	616,481	654,534	1.3%
Cocoa Beach, Florida	12,476	11,206	12,148	12,635	0.1%
30-Minute Drive Time	241,921	263,373	294,048	309,149	1.0%
60-Minute Drive Time	784,046	985,921	1,152,116	1,240,666	1.9%
90-Minute Drive Time	2,531,939	3,152,224	3,793,647	4,139,332	2.0%

Sources: Esri, Johnson Consulting



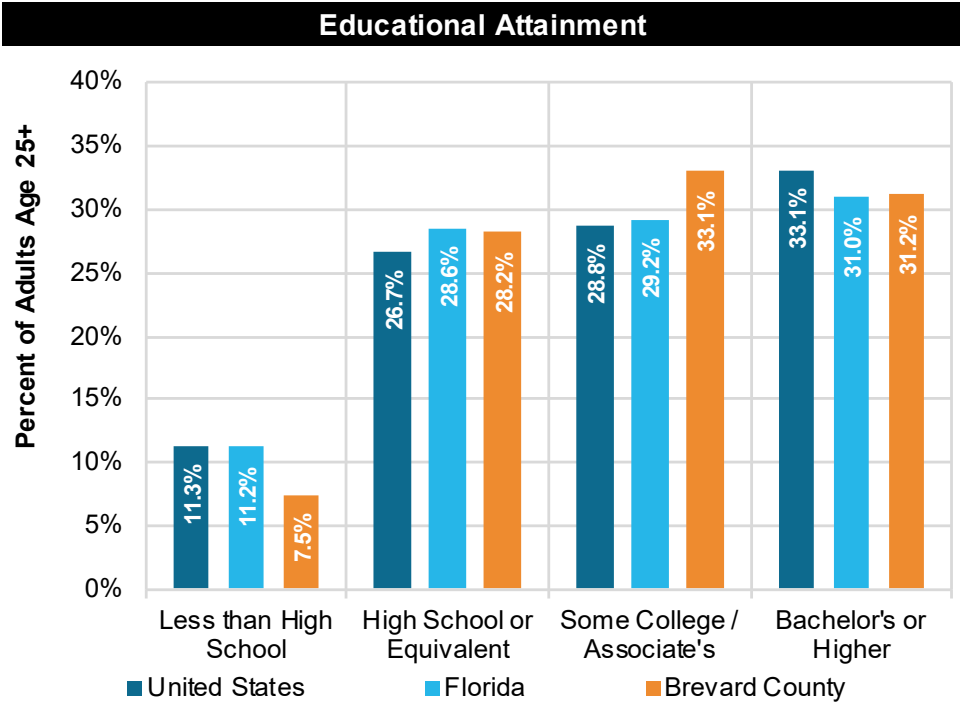
Economic & Demographic Trends

Education & Income

Education and income, although not strict predictors of conference center performance, are important market attributes for benchmarking the level of conventions, conferences, and meetings activity. Markets with higher educational attainment and income levels are more likely to have a robust economic base and healthy education system, which are key components of ensuring long-term growth and resiliency. Well educated, high income markets have a significant advantage when it comes to attracting new businesses, and are also more likely to have the nightlife, retail, and tourism scenes that appeal to event planners.

As shown in the chart on the top right, Brevard County (the “Space Coast”) has healthy educational attainment levels among adults age 25+. The Space Coast has far lower levels of individuals with less than a high school education (7.5%) compared to state and national averages (11.2% and 11.3%, respectively). The Space Coast has a higher concentration of individuals with some college or an associate’s degree, a reflection of the prevalence of the industrial and manufacturing industry in the area. Bachelor’s or higher attainment (31.2% of Space Coast residents), although slightly above the state average of 31.0%, lags the national average of 33.1%.

The table on the bottom right quantifies the median household income for Cocoa Beach, the Space Coast, and the drive time catchment areas relative to state and national averages. As shown, the median household income within Cocoa Beach is nearly \$68,000, while that of the Space Coast is just over \$59,000. Both figures exceed the statewide median of just over \$56,000 and are in the same ballpark as the national average of just over \$62,000. Income levels in Cocoa Beach and the Space Coast are projected to grow at a rate that is at or above state and national averages between now and 2025, a reflection of the strong economic trajectory of the market.



Sources: Esri, Johnson Consulting

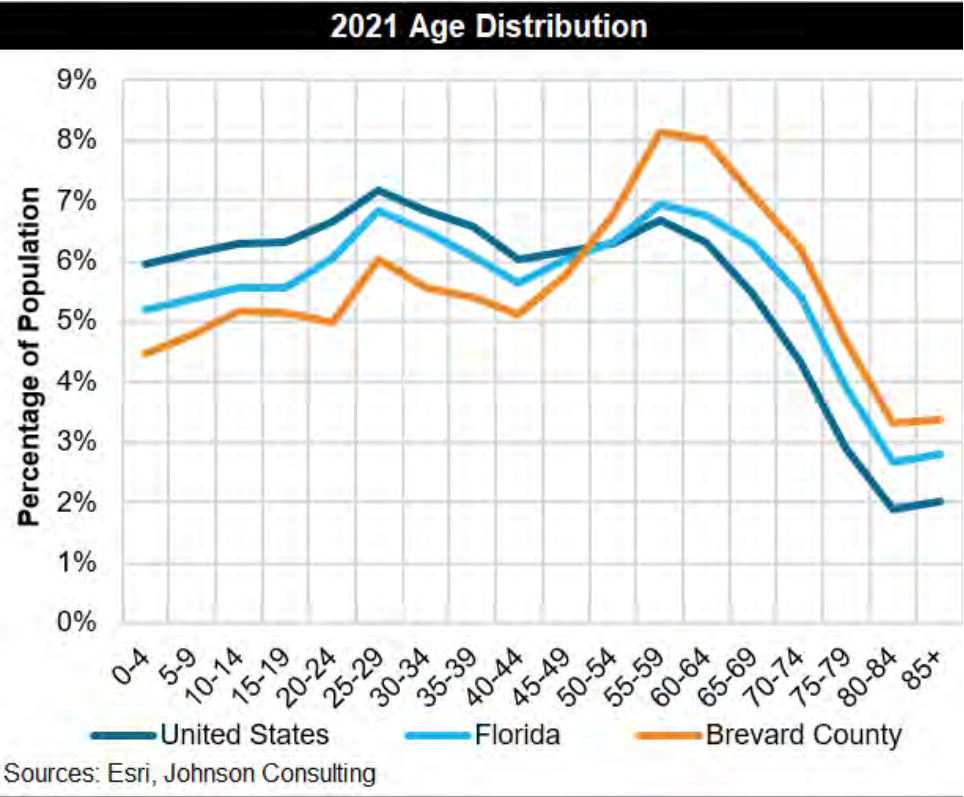
Median Household Income			
	2020	2025	CAGR
United States	\$62,203	\$67,325	1.6%
Florida	\$56,362	\$60,749	1.5%
Brevard County	\$59,108	\$63,887	1.6%
Cocoa Beach, Florida	\$67,618	\$74,966	2.1%
30-Minute Drive Time	\$66,626	\$73,095	1.9%
60-Minute Drive Time	\$60,185	\$65,489	1.7%
90-Minute Drive Time	\$58,050	\$62,484	1.5%

Sources: Esri, Johnson Consulting

Economic & Demographic Trends

Age

Age is another important demographic indicator to consider when evaluating the market. Some markets seek to combat “brain drain,” a phenomenon where primarily college-educated young professionals are leaked to larger metropolitan markets. Other markets seek to attract wealthier retirees, which bring economic spending, leisure time, and philanthropic dollars with them. The conference and meetings segment has events that cater to all ages, ranging from family shows for children, conferences and conventions for working professionals, and consumer shows that may appeal to older demographics. The key is to achieve a balance that works within the social and economic context of the market. As shown in the chart on the right, Brevard County (the “Space Coast”) has a lower proportion of individuals under the age of 50 and a higher concentration of individuals over the age of 50 compared to both state and national averages. This is primarily due to the area’s attractiveness as a relatively affordable, quiet, beachfront retirement destination rather than an inability to attract younger families and professionals. A successful event facility should devise a sales and marketing plan that plays to the older age profile of the market to ensure strong attendance numbers while also targeting events attended by younger professionals in order to bolster a qualified, working-age workforce in the long-term.



Major Employers

The table on the right displays the Space Coast’s major employers. This list shows a healthy mix of public and private sector entities and reflects the market’s strength in the aerospace and industrial sectors. These entities are important because they represent potential users of the new conference center, as well as potential partners for things like naming rights, advertising, and sponsorships.

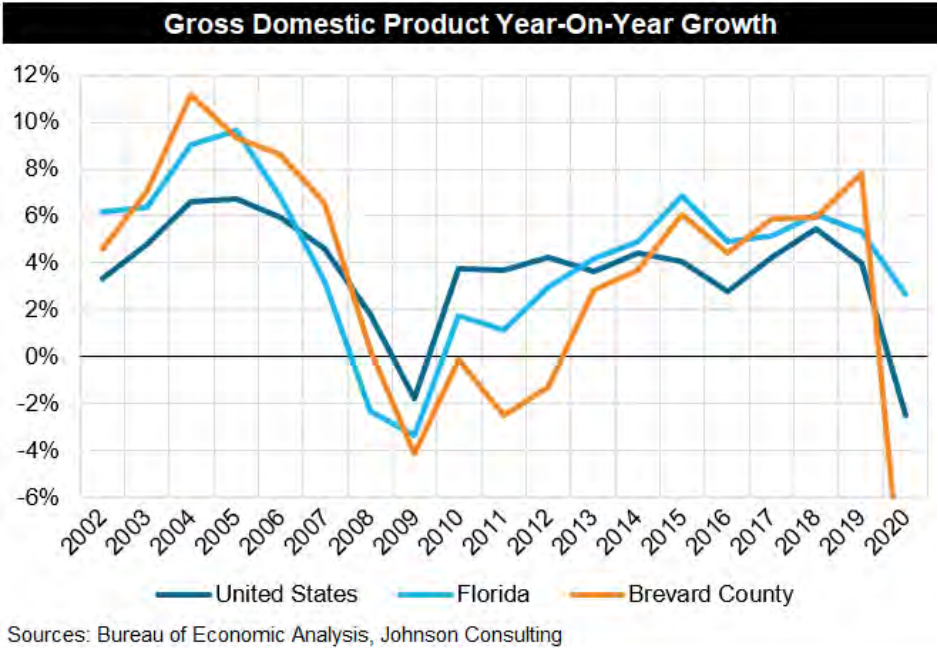
2021 Major Employers			
Employer	Employment	Employer	Employment
Brevard County Schools	9,000+	Northrop Grumman	2,000+
Health First	8,000+	Brevard County	2,000+
L3Harris Technologies	6,000+	U.S. Department of Defense	2,000+
Publix Super Markets	3,000+	NASA	1,000+
Walmart	3,000+	Rockwell Collins	1,000+

Source: Brevard County Tax Collector, Johnson Consulting

Economic & Demographic Trends

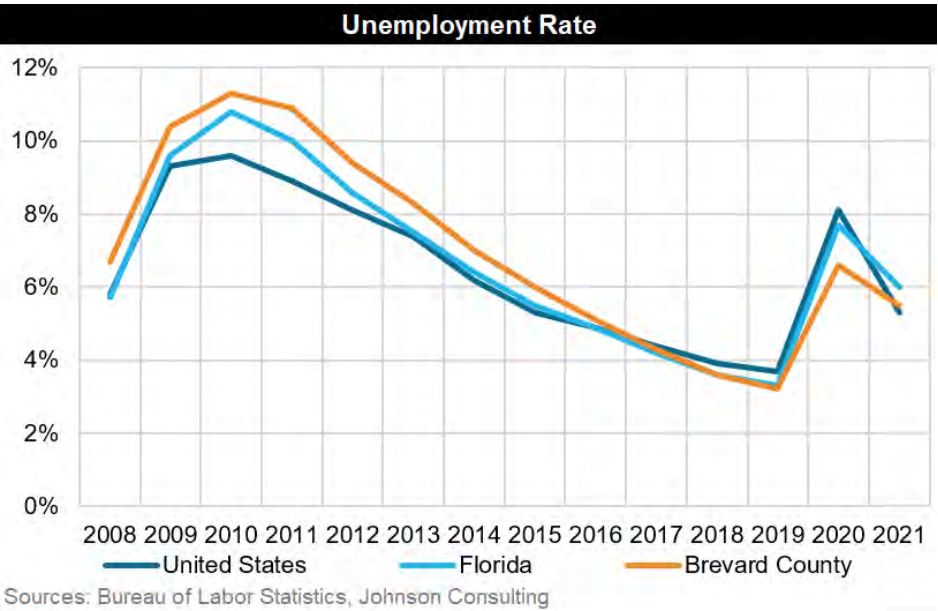
Gross Domestic Product

Gross Domestic Product (GDP) measures the total size of a region’s economy by quantifying the total value of goods produced and services provided in a given time period. The chart on the right shows the GDP Year-On-Year growth for the Space Coast relative to that of the state of Florida and U.S. as a whole between 2002 and 2020. As shown, the Space Coast’s GDP grew faster than Florida and the U.S. in many of the first few years but seemed to be more severely affected by and slower to recover from the financial crisis. The Space Coast’s growth has since recovered and has been accelerating since approximately 2015, with 2019 being its best year since 2006. The impact of the COVID-19 pandemic on the Space Coast’s GDP is yet to be known, although the GDP of all 3 comparative geographies took a hit in 2020. The Space Coast’s reliance on leisure tourism and hospitality could be detrimental, although the state of Florida’s “laissez-faire” approach to shutdowns may partially offset this effect.



Unemployment

Unemployment trends in the Space Coast tell a similar story. High unemployment rates are indicative of socioeconomic distress, while low unemployment rates can cause issues like qualified workforce shortages. The chart on the right shows the unemployment rate for the Space Coast relative to that of the state of Florida and U.S. between 2008 and 2021. As shown, Brevard County’s unemployment rate tracked higher than state and national rates every year until 2017, where it dipped below these benchmarks. The 2020 numbers show that the Space Coast’s rate remained well below state and national averages despite the area’s reliance on the heavily hit tourism and hospitality sectors. Unemployment rates don’t always capture the entire picture as they ignore variables like underemployment and labor participation rate, but nevertheless, the Space Coast trending well.



Economic & Demographic Trends

Location Quotients by Industry Sector

As of 2021, nearly 278,000 workers are employed by employers within the Space Coast. The top 5 industries with the most employees are:

- Health Care & Social Assistance
- Retail
- Professional, Scientific, & Technical
- Manufacturing
- Education

The table on the right contains a location quotient analysis of the number of employees in the Space Coast by industry sector relative to that of the U.S. as a whole. Location quotients of 1 indicate similar relative concentration of that particular industry in the Space Coast, while values higher than 1 indicate higher concentrations of that industry, and values lower than 1 indicate lower concentrations of that industry. The location quotient values are color-coded accordingly. As shown, the Space Coast has a high concentration of industries such as Public Administration, Health Care & Social Assistance, Retail, Real Estate, and Administrative & Support. The Space Coast has a very low concentration of industries such as Mining, Management of Companies, Utilities, and Agriculture, Forestry, Fishing, and Hunting. A market's employment and economic concentrations within certain industries is highly correlated with its ability to attract conferences and events within that industry.

2021 Employment Location Quotient by Industry Sector			
Sector	Brevard County	United States	Location Quotient
Manufacturing	26,901	15,526,471	1.0
Health Care and Social Assistance	41,380	23,217,292	1.0
Education	21,489	14,629,096	0.8
Retail Trade	33,621	16,864,485	1.1
Accommodation and Food Services	19,023	9,207,610	1.2
Construction	20,167	11,127,591	1.0
Professional, Scientific, & Technical	27,122	13,005,287	1.2
Transportation & Warehousing	12,904	8,044,029	0.9
Public Administration	16,986	8,215,705	1.2
Other Services	12,428	7,014,785	1.0
Administrative & Support	13,106	5,887,329	1.3
Finance & Insurance	9,456	8,123,688	0.7
Wholesale Trade	4,809	3,934,179	0.7
Arts, Entertainment, & Recreation	5,096	2,388,480	1.2
Real Estate, Rental, & Leasing	6,005	3,044,245	1.1
Information	3,874	2,846,142	0.8
Utilities	2,035	1,412,381	0.8
Agriculture, Forestry, Fishing, and Hunting	1,037	1,973,200	0.3
Management of Companies & Enterprises	120	116,402	0.6
Mining	76	705,964	0.1
Total Employees	277,635	157,284,361	
Source: Esri, Johnson Consulting			

Section 3

Conference Center Market Analysis



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Conference Center Market Analysis

Types of Events

Conference centers and multipurpose event facilities are, as the name implies, able to accommodate many different types of events. The matrix below categorizes each type of event that can occur in these types of facilities, at the broadest of levels, and describes some of the key characteristics of each event type.

	Conventions & Conferences	Exhibitions & Trade Shows	Meetings & Assemblies	Consumer Shows	Entertainment Events	Sporting Events
Purposes	Networking Education Idea Sharing	Sale of Goods & Services Advertising Networking	Organizational Business Idea Sharing Networking	Sale of Goods & Services Advertising Community Partnerships	Entertainment Arts & Culture Leisure	Tournaments & Competitions Recreation Leisure
Facility Types	Hotels Convention Centers	Hotels Convention Centers Expo Centers Fairgrounds	Hotels Convention Centers Arenas Theaters	Hotels Convention Centers Expo Centers	Arenas & Stadiums Theaters & Amphitheaters Convention Centers	Arenas & Stadiums Convention Centers Sports Complexes
Event Duration	2 - 5 Days	3 - 6 Days	1 - 2 Days	2 - 5 Days	1 - 3 Days	1 - 3 Days
Visitor Stay	2 - 4 Days	1 - 3 Days	1 - 2 Days	1 - 2 Days	1 Day	1 - 2 Days
Visitor Type	Industry Specific	Industry Specific	Organization Specific	General Public	General Public	General Public
Visitor Origin	Mostly Non-Local	Mostly Non-Local	Local & Non-Local	Mostly Local	Mostly Local	Mostly Local
Economic Impact	\$\$\$\$\$	\$\$\$\$\$	\$\$\$\$	\$\$\$	\$\$\$	\$\$\$

Conference Center Market Analysis

Types of Event Sponsors

The conference and events industry includes a wide variety of event types that are sponsored by different types of businesses and organizations, including:



Corporations: Business meetings are an integral part of the meetings industry. They represent the majority of meetings held throughout the world, and topics can be as wide-ranging as the industries themselves. For the purposes of this report, corporate meetings will refer to off-site conferences, sales, and incentive meetings, such as the events that are often held at hotels.



Associations: Trade and business associations represent certain industries and strive to keep members informed about current issues related to their industry. Associations sponsor meetings and conventions to serve this educational and informational purpose, and also assist in marketing efforts by holding trade shows where members can display and sell their products.



Educational Institutions: Universities are increasingly recognizing that more continuing education occurs at meetings, rather than in classroom settings, and are becoming an important player in developing and sponsoring continuing education activities and conferences.



Government: All levels of government hold meetings for the purpose of education, discussion of issues, and policy deliberation. In many countries, governments also create and sponsor trade shows in order to support sectors of the economy.



Independent Show Organizers, Incentive Houses, and Publishing Companies: The meetings industry has grown so large that it now supports a growing number of organizations that specialize in the business of producing meeting events. These businesses may work on behalf of corporations and associations, and handle all aspects of a meeting, from booking attendees to event operations.



Social, Military, Education, Religious, Fraternal, and Ethnic (SMERFE) Organizations: These organizations typically sponsor convention or assembly events that are not always business-related and tend to be geared more towards social networking and discussion of issues.

Conference Center Market Analysis

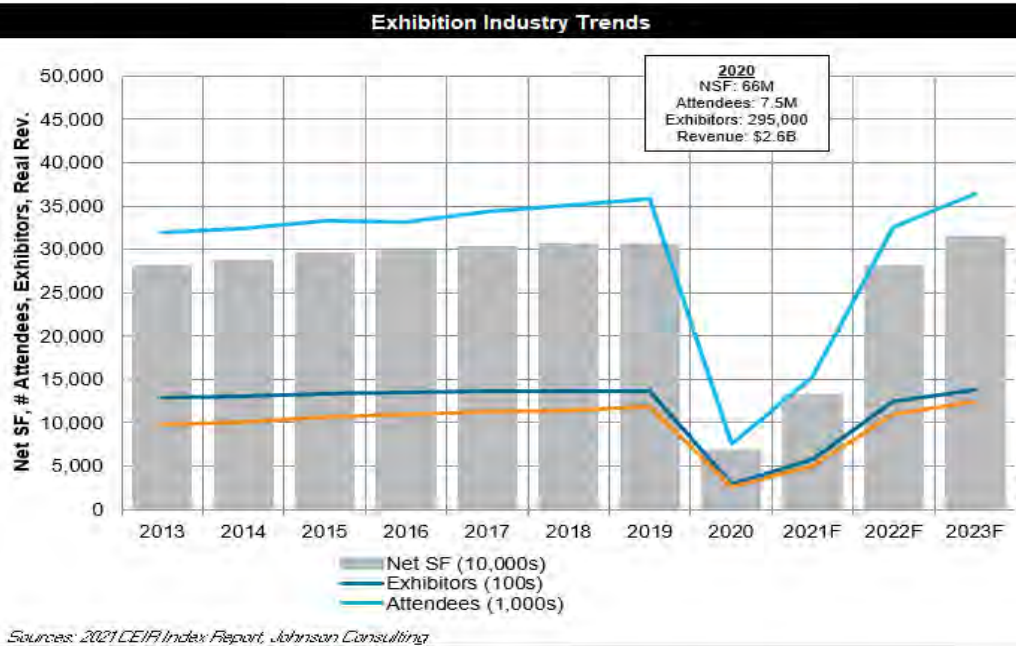
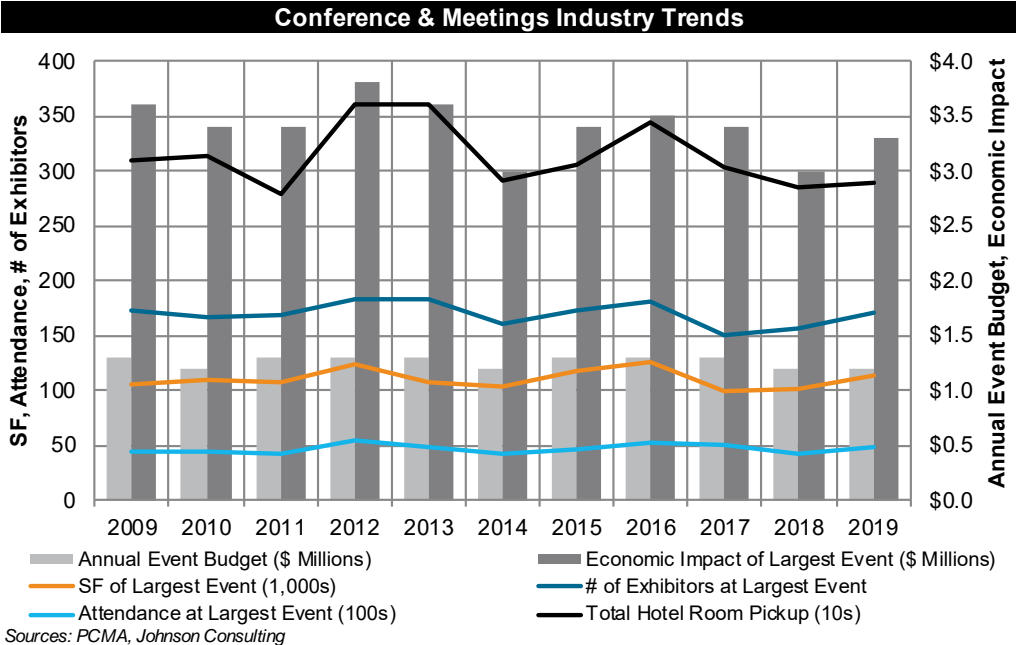
Nationwide Trends

This section provides insight into the nationwide conference and meetings industry, based upon two sources of published data that are widely respected in the industry – 1) Professional Convention Management Association (PCMA), whose members host conferences and meetings across a range of industries, and 2) Center for Exhibition Industry Research (CEIR), which tracks exhibition events.

Over the past decade and prior to the COVID-19 pandemic, the convention, meetings and exhibition industry has demonstrated relative stability across a variety of measures. Data from the PCMA's Meetings Market Survey, shown on the top right, indicates slight increases in the square footage requirements of organizations' largest events and attendance at organizations' largest events. Prior to 2020, slight contraction is indicated in the number of exhibitors, total hotel room pickup, annual event budget, and economic impact. The organization has not released updated numbers for 2020 or 2021.

Prior to 2020, the exhibitions industry enjoyed steady growth in recent years, following declines that resulted from nationwide economic conditions. This is supported by the Center for Exhibition Industry Research's (CEIR) Index Report for the exhibition industry, which is summarized on the bottom right. Exhibitions are defined as events with at least 3,000 net square feet of exhibit space and 10 or more exhibitors. This report compiles data from over 600 events that occurred in North America, representing 14 industry sectors. The impact from COVID-19 cause a major decline in the exhibition industry due to cancellation of events for safety reasons. The industry is projected to fully recover by the end of 2023 with many buildings having attendee spending already back to pre-covid levels. Attendance has returned to about 65% of pre-covid levels.

Given that nearly all large gatherings ceased during the pandemic, it can be inferred that conference, meeting, and exhibition activity was very low in 2020. Consensus among industry experts indicates that the industry will return to pre-pandemic levels by 2023 or 2024, which lines up nicely with the scheduled opening of this project.



Conference Center Market Analysis

Local & Regional Trends

There are a few key considerations when evaluating local and regional potential in the conference and event market. The following pages explore Space Coast visitor statistics, international and state association event activity throughout Florida, and the results of a survey of local Chamber members.

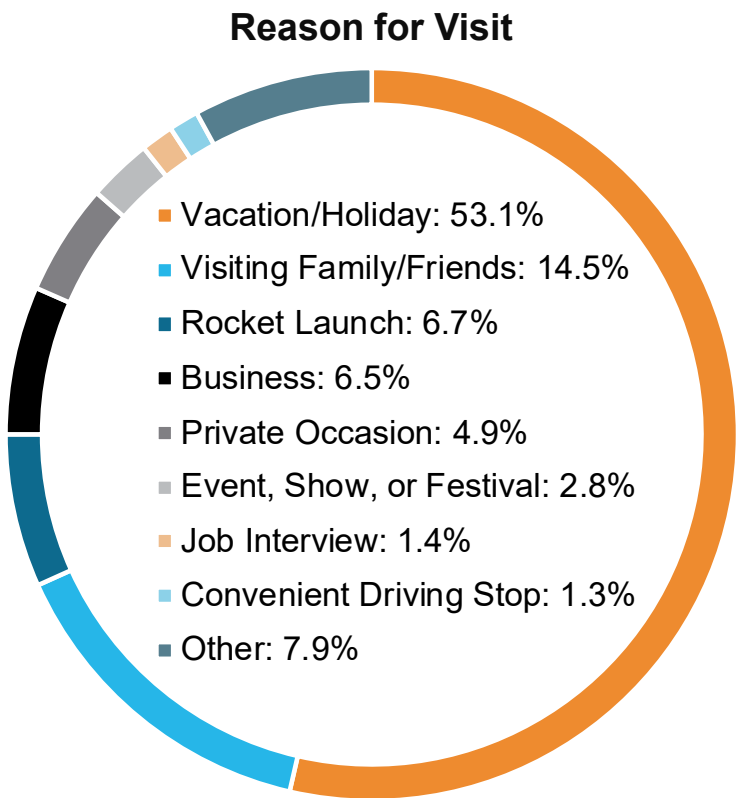
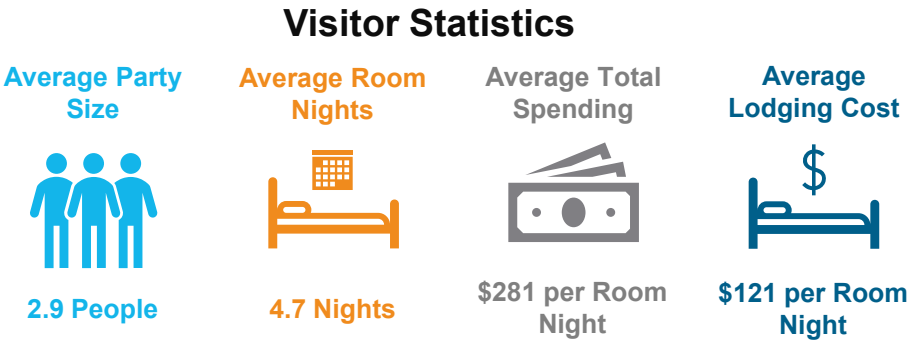
Visitor Statistics

Visit Space Coast conducted a thorough survey and research process in 2018 and 2019 that provides insight into the characteristics of the broader tourism market in the Space Coast. More specifically, these surveys were administered to domestic, overnight tourists, a tourism segment referred to as Domestic Tourism, Accommodations-Based (DTAB). A total of 2,079 surveys were collected over a two-year period.

As shown on the top right, Space Coast visitors traveled in an average party size of 2.9 people. This indicates that there are many singles and couples visiting, and also many larger group such as groups of friends and families with children. The average length of stay is 4.7 room nights – quite a long average, another reflection of a market heavily concentrated in leisure and vacations. Average total spending in the market is \$281 per room night, and average lodging cost is \$121 per room night.


Reason for Visit


Another insight gleaned from visitor surveys is the reason for the visit. As shown on the bottom right, over half of Space Coast visitors are on leisure vacations. While it is advantageous that the market is already very appealing for these types of visitors, it's important to diversify into different tourism segments. As shown, just 14.2% of visitors came for business, private occasions, or events, shows, or festivals – all 3 are categories that could be boosted by the addition of the project's conference center.




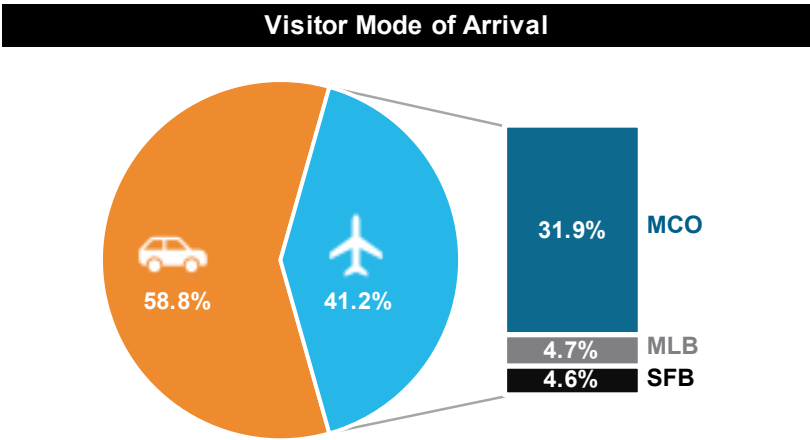
Conference Center Market Analysis

Visitor Mode of Arrival

 Roads are the most important transportation network for a primarily drive-to market like the Space Coast. As shown in the chart on the top right, 58.8% of Space Coast visitors arrive via car – a typical characteristic of a market that specializes primarily in leisure tourism and has less weight in the business and group/meetings segment. The Space Coast is located along the I-95 corridor, which connects to Jacksonville, Palm Coast, and Daytona Beach in the north and Palm Beach, Fort Lauderdale, and Miami in the south. It connects to the Orlando Metro Area to the west via state highways 50 and 528, which extend on to the Tampa Metro Area via Interstate 4. The project site itself is located along state highway A1A, the main thoroughfare of Florida’s Atlantic coast.

 The most important transportation mode for attracting more events and attendees from throughout the Southeast, U.S., and beyond is air. As shown in the map on the previous page, the Space Coast is located within driving distance of 3 international airports: Orlando (MCO), Sanford (SFB), and Melbourne (MLB). The chart on the top right shows that 41.2% of Space Coast visitors arrive via air travel, including 31.9% via Orlando (MCO), 4.7% via Melbourne (MLB), and 4.6% via Sanford (SFB). As the market continues to improve its performance in the business and group/meetings segments, the share of passengers arriving via air travel is likely to increase.

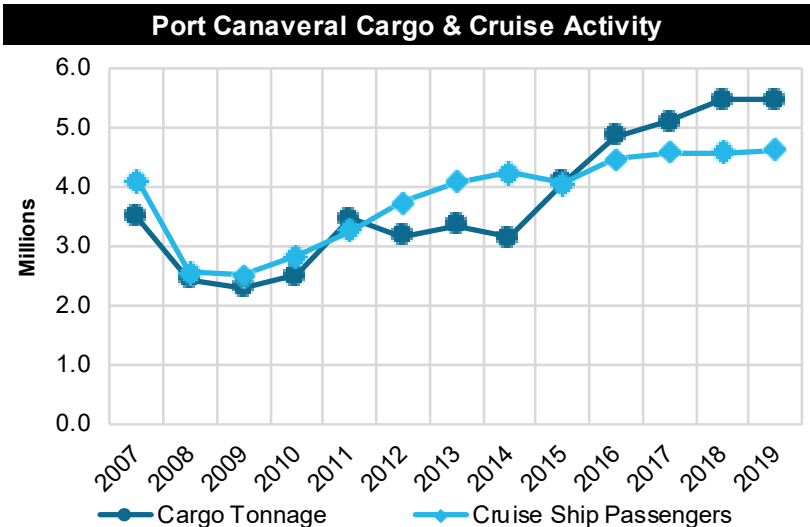
 Another transportation mode that is crucial to the area’s economy is shipping. As the gateway to Central Florida, Port Canaveral provides an important hub for cargo shipping and is also the 2nd busiest port for cruise activity in the U.S. – an important boon for the area’s tourism industry overall. In 2019, more than 5.4 million tons of goods passed through Port Canaveral, representing a 56.8% increase over 2007 levels. In 2019, nearly 4.6 million cruise ship passengers embarked from Port Canaveral, a 12.4% increase over 2007 levels.



Sources: Visit Space Coast, Johnson Consulting

Total Airport Passengers per Year				
Airport	Code	2008	2019	CAGR
Orlando International Airport	MCO	17,255,000	24,550,000	3.3%
Sanford International Airport	SFB	582,000	1,510,000	9.1%
Melbourne International Airport	MLB	143,000	239,000	4.8%

Sources: Bureau of Transportation Statistics, Johnson Consulting

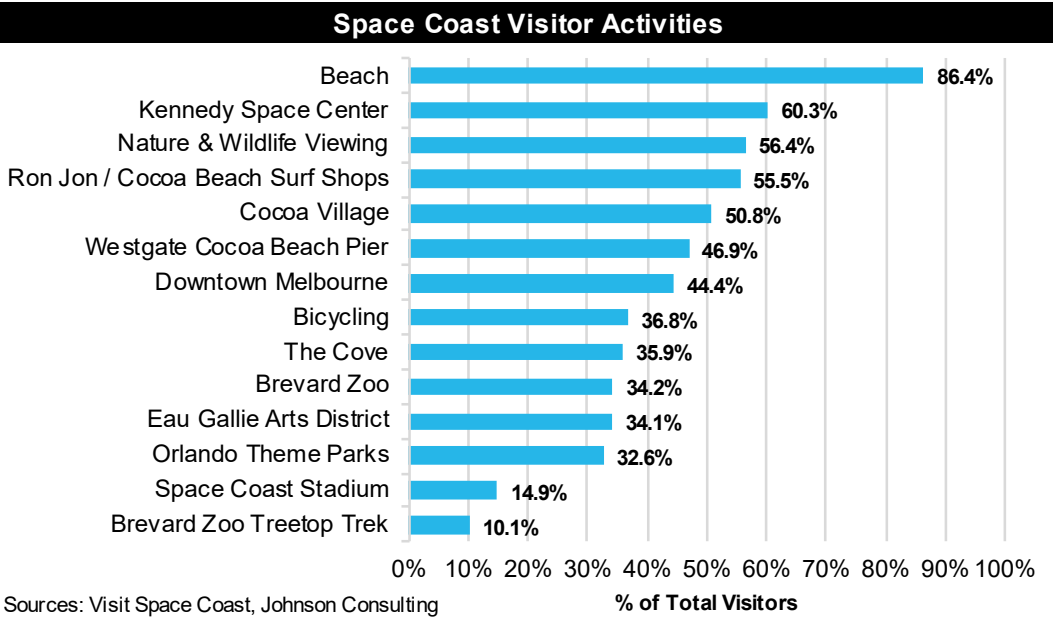


Sources: Space Coast Economic Development, Johnson Consulting

Conference Center Market Analysis

Space Coast Visitor Activities

The Space Coast offers a variety of activities and attractions that visitors can take part in during their stay. These activities and attractions are important for conference facilities to be aware of, as they can use them in sales and marketing efforts as reasons for event planners to choose their facility over others. As shown on the top right, the beach is by far the most common activity, attracting 86.4% of visitors. This speaks to the competitive advantage provided by the project’s oceanfront location. Event planners will be very attracted to a conference center with beachfront access, as it will help them to maximize attendance at their event. Although the beach is a huge demand generator, it’s something that’s not unique to the Space Coast market – many coastal markets offer attractive beaches, especially in Florida. The Kennedy Space Center is the Space Coast’s top unique offering, with 60.3% of all visitors reporting a visit there.



Florida’s Association Event Potential

As the third largest state in the U.S., Florida has a very strong statewide association market. The Florida Society of Association Executives (FSAE) represents 1,200 such organizations – essentially, the association of associations. FSAE recently conducted an economic impact study that aimed to quantify the volume and impact of the events held by these organizations. The results of this study are shown on the bottom right. As shown, the study categorized these events as conferences, full-day meetings, half-day meetings, and board/committee meetings,

Florida Society of Association Executives Study				
Event Type	# of Events per Year	# of Attendees Per Year	Average # of Attendees per Event	Total Spending
Conferences	2,230	1,348,615	605	\$1,131,702,300
Full-Day Meetings	7,960	1,160,250	146	\$770,477,700
Half-Day Meetings	10,020	1,223,843	122	\$203,657,190
Board/Committee Meetings	20,380	390,670	19	\$73,680,630
Total	40,590	4,123,378	102	\$2,179,517,820

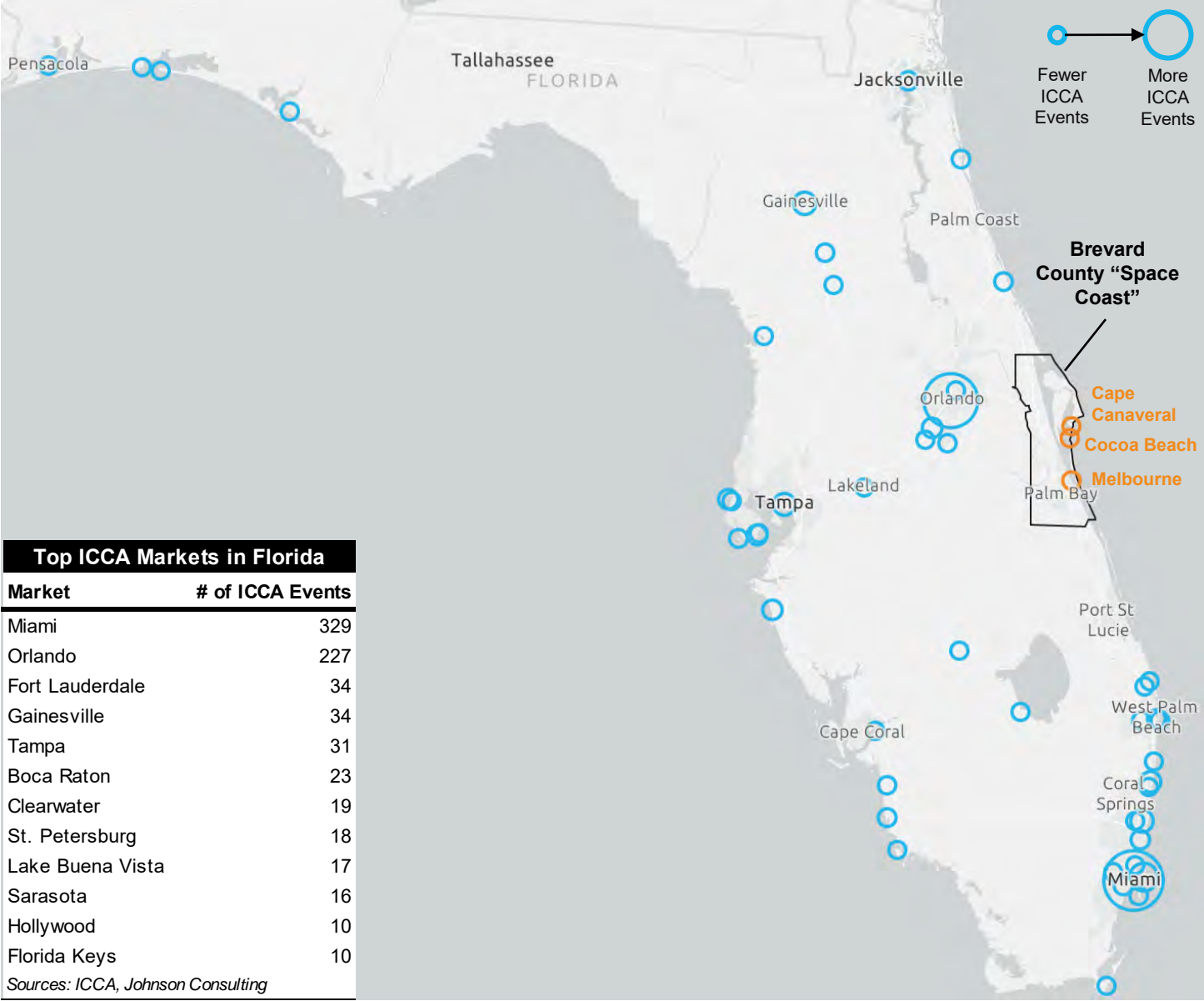
Sources: Florida Society of Association Executives, Johnson Consulting

and measured various indicators such as the number of events, number of attendees, and total spending by these attendees. Florida’s association market holds over 40,000 individual events each year which draw over 4.1 million attendees and generate nearly \$2.2 billion in spending. The Westin’s conference center is in a strong position to capture a large share of this business due to its proximity to the geographic center of the state. Experts believe this segment will be among the fastest to return in a post-pandemic world, as these events are primarily drive-to events and therefore don’t require attendees to make riskier airport travel arrangements.

Conference Center Market Analysis

International Association Event Demand

Another potential source of demand for the Westin’s conference center is internationally rotating association events. This a segment that is not currently being penetrated by other facilities in the Space Coast for a number of reasons, primarily because there aren’t any facilities that are large enough to accommodate these types of events. The International Congress & Convention Association (ICCA) tracks association-sponsored events that rotate between at least 3 different countries and attract a minimum of 50 attendees. This data allows us to gain insights about this type of event activity, including which markets are attracting it. This segment is extremely valuable, as these events draw large numbers of international attendees, which have longer stays and higher spending propensities compared to domestic and local attendees. The map on the right shows the number of events in ICCA’s database that have occurred in various markets throughout Florida since 2010. Space Coast markets have hosted just 7 of these events since 2010. It’s important to note that the ICCA database accounts for only a portion of the entire realm of this activity, but the Space Coast’s failure to compete with other markets throughout the state still holds true. The Westin’s conference center will be the largest and most attractive in the Space Coast and along Florida’s Atlantic coast between Jacksonville and West Palm Beach, which will undoubtedly boost the market’s ability to penetrate this demand segment.



Conference Center Market Analysis

The Future of Meetings & Events

The preceding slides have established that the conference and events segment is alive and well, and an extremely important element of a market's overall tourism strategy. Moving forward into the future, this segment will be presented with new challenges and opportunities. The Professional Convention Management Association (PCMA) and Marriott International released a report establishing 5 overarching trends that will define the future of the industry, as follows:



Emotional Intelligence: Designing with the end-user in mind. Meetings and events will need to move past reactive adjustments to adopt a proactive approach to personalized experiences, understanding the needs of participants before they arrive.



Orchestrated Serendipity: Engineering and embracing the unexpected for more meaningful moments. Experiences must embrace freedom and surprise, freeing consumers from the constant constraint of schedules or agendas. By embracing the unexpected, we can engage participants and leave a lasting impression.



Multimodal Design: Designing for adaptation and iteration. Every event has a unique objective and audience, and a space must reflect each event's specific personality and needs. Space is critical to any event and should be designed to adapt to the ways that participants will engage.



Bigger than Oneself: Acting on a meaningful message. You can't just provide content anymore. Every event must have a message. Participants want to understand what's important to a business, and experience events that deliver that message down to the smallest detail.



Clear Sense of Place: Leveraging geography for deeper enrichment. The most memorable events celebrate local surrounding, enriching visitors, exposing them to the local culture, and connecting them with the community to increase engagement.

Events and facilities that harness these trends will be well-situated for success in the years to come.

Section 4

Results of Project Survey



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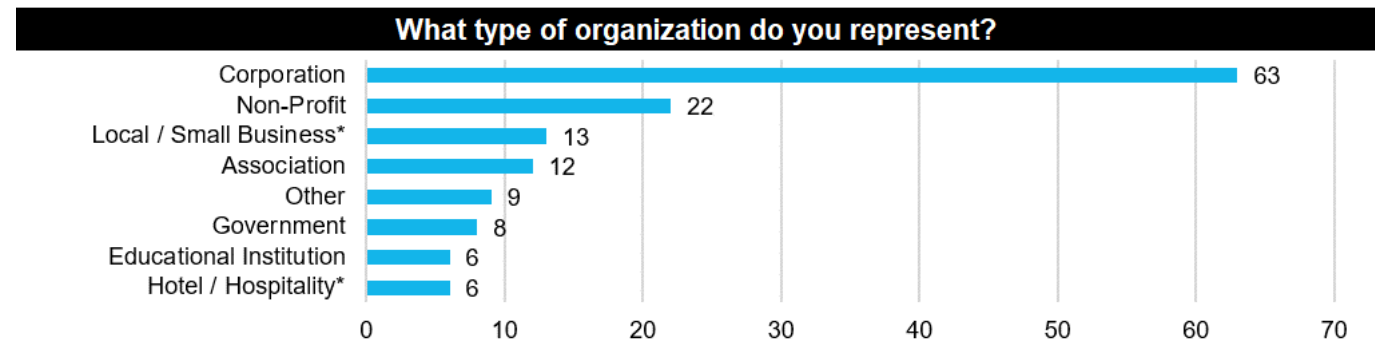
Results of Project Survey

In an effort to gauge the potential for locally-driven event demand that could be accommodated in the Westin's conference center, Johnson Consulting partnered with the Cocoa Beach Regional Chamber of Commerce (CBRCC) to conduct a survey of its members. The 9-question survey was distributed to all CBRCC members via email and garnered a total of 139 responses received during the summer of 2021. The following pages will summarize the results of the survey.

As shown on the top right, most survey respondents indicated that they represent a corporation, although there was representation of other types of organizations including non-profits, small/local businesses, associations, government, education institutions, and hotel/hospitality.

Survey respondents were asked questions specifically regarding their organization's off-site events – defined as events that occur outside of the building within which the organization's operations normally occur. As shown on the middle right, many respondents indicated that their organization does not regularly hold off-site events, but most indicated that their organization does have at least a few off-site events annually.

Survey respondents were asked about the types of events that their organizations typically hold off-site. As shown on the bottom right, meetings and banquets are the most common type of event being held off-site, followed by entertainment events, conventions/conferences with and without exhibits, consumer shows, trade shows, and sports events.

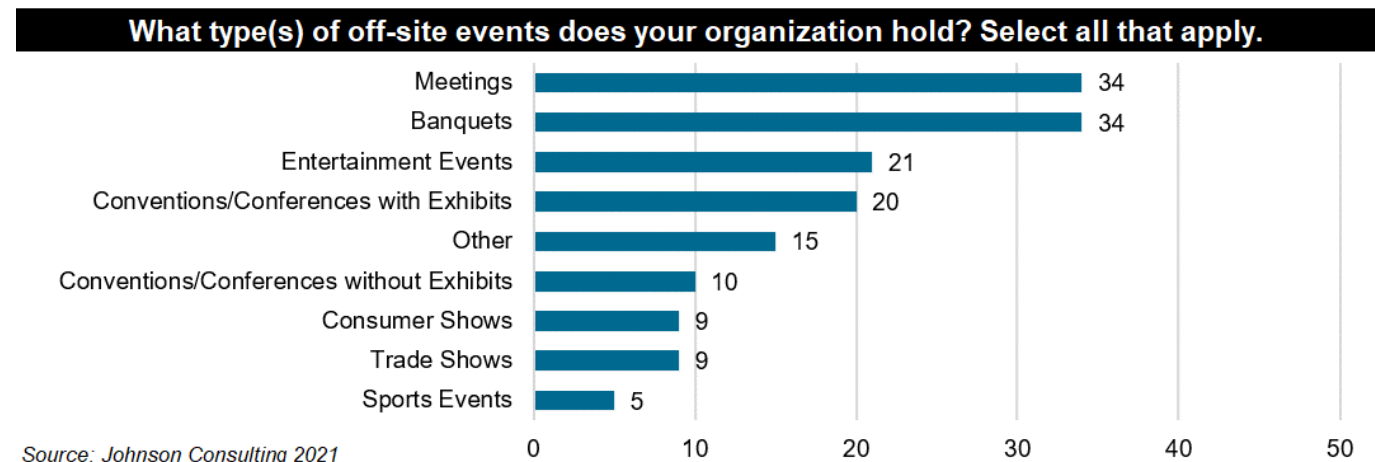


**These answers were mentioned by respondents under the "Other (please specify)" option, so they may be under-represented.*

Source: Johnson Consulting 2021



Source: Johnson Consulting 2021



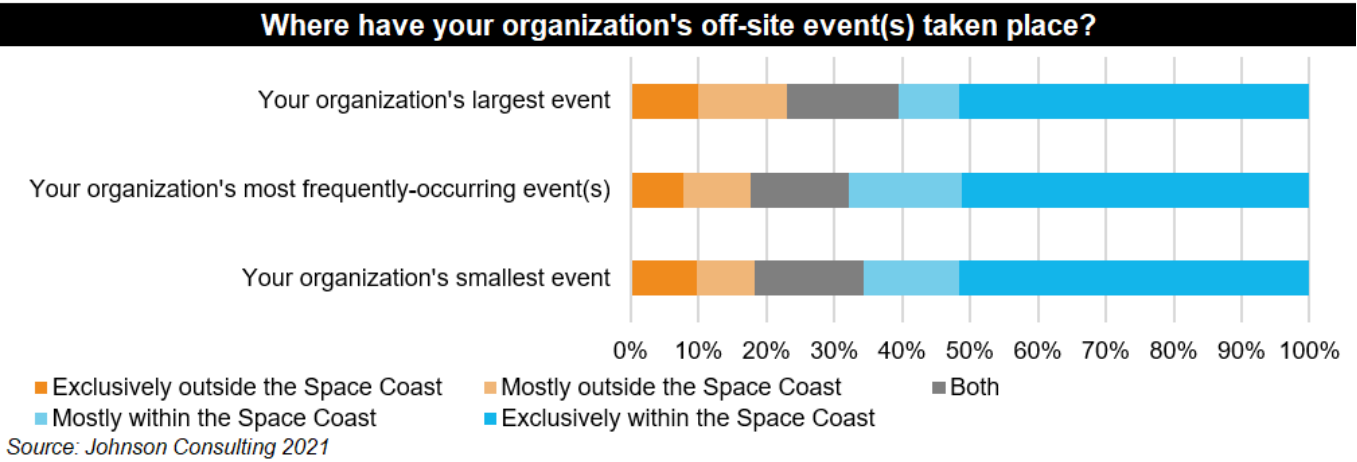
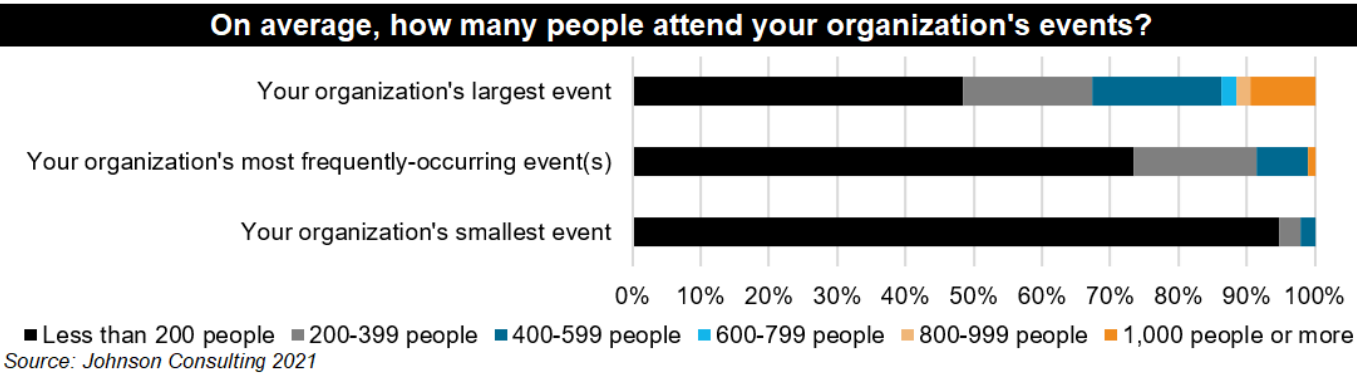
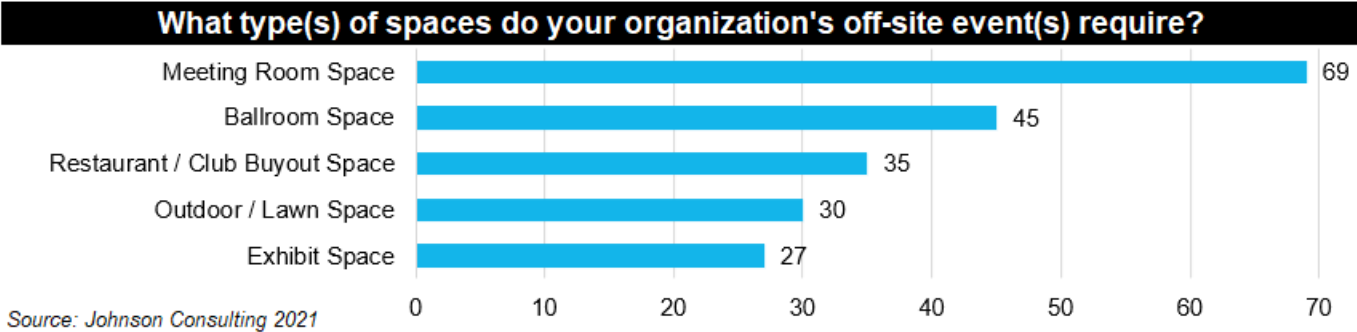
Source: Johnson Consulting 2021

Results of Project Survey

As shown on the top right, meeting room space was the most common type of space required for respondents' organizations' off-site events followed by ballroom space, restaurant/club buyout space, outdoor/lawn space, and exhibit space.

As shown in the middle right, the vast majority of organizations' smallest and most frequently-occurring off-site events are for less than 200 people. However, when asked about their organizations' largest event, nearly 52% of respondents indicated that the event draws more than 200 attendees.

As shown on the bottom right, nearly 2/3 of respondents indicated that their organizations' off-site events are occurring exclusively or mostly within the Space Coast. This is good, as the economic impact of these events is being captured by event venues and surrounding businesses within the Space Coast. However, nearly 1/5 of respondents indicated that their organizations' off-site events are occurring exclusively or mostly outside the Space Coast. Although respondents were not asked why this is the case, it can be inferred that it is a result of the Space Coast's lack of sufficiently-sized event facilities. This is supported by the fact that the "largest event" category has the most events occurring outside the Space Coast.

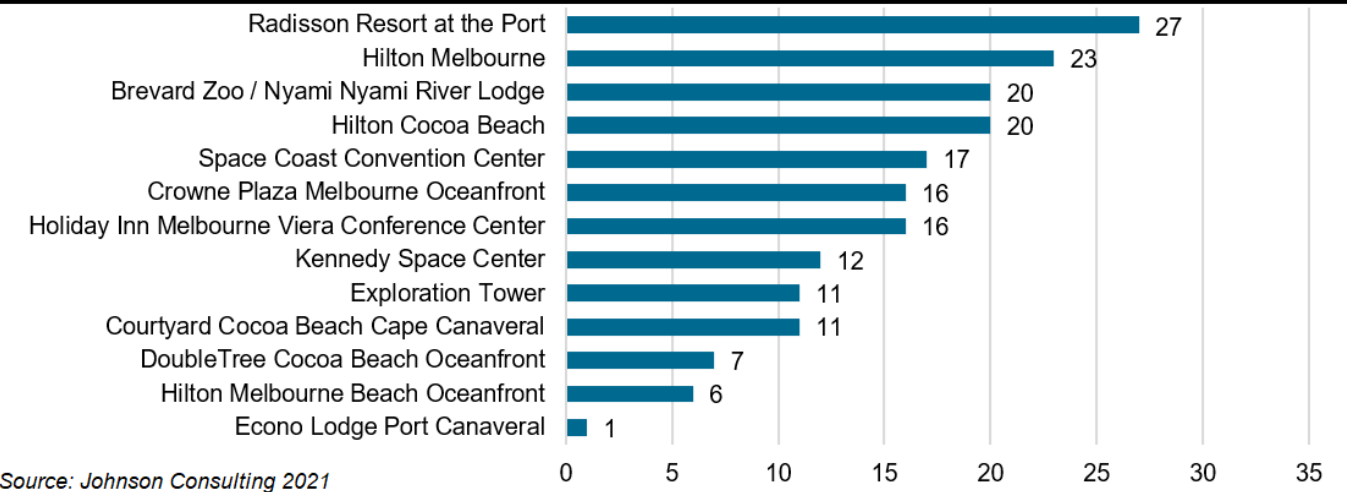


Results of Project Survey

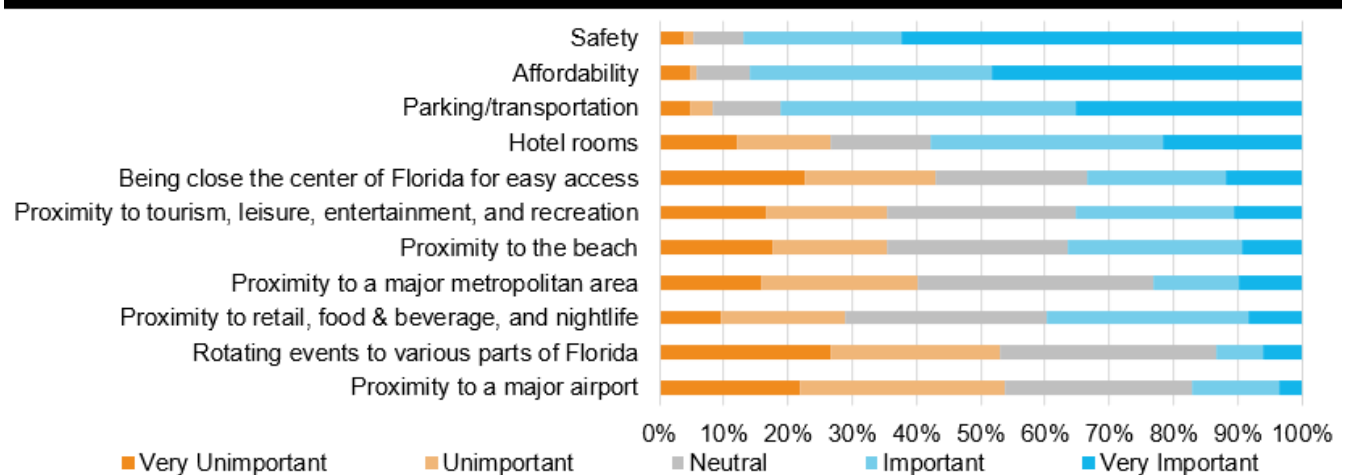
As shown on the top right, the Radisson Resort at the Port was the #1 facility for hosting respondents' organizations' off-site events followed by the Hilton Melbourne, Brevard Zoo / Nyami Nyami River Lodge, Hilton Cocoa Beach, and several other local event facilities. This is no surprise, as the Radisson is the largest existing event facility in the market. Upon its completion, the Westin Cocoa Beach will be the largest event facility in the market, so it is reasonable to assume that it will absorb many events that are currently occurring in other Space Coast facilities. The Westin Cocoa Beach will also capture local events that are too big to be held in any of the other existing Space Coast venues, non-local events that haven't come to the market due to its lack of a suitable event facility, and new events that could be created as a result of having a larger, higher quality event facility.

As shown on the bottom right, there are a variety of factors that event planners consider when selecting a geographic market and specific event facility within which to hold their events. The most important decision-making factors are safety, affordability, parking/transportation, and hotel rooms, while other factors may be less important. The Westin Cocoa Beach should keep all of these factors in mind as it attempts to maximize competitiveness with other event facilities both within and outside of the Space Coast.

If your organization has held off-site events within the Space Coast, where have these events been held? Select all that apply.



How important are the following decision-making factors when your organization considers where to hold an off-site event?

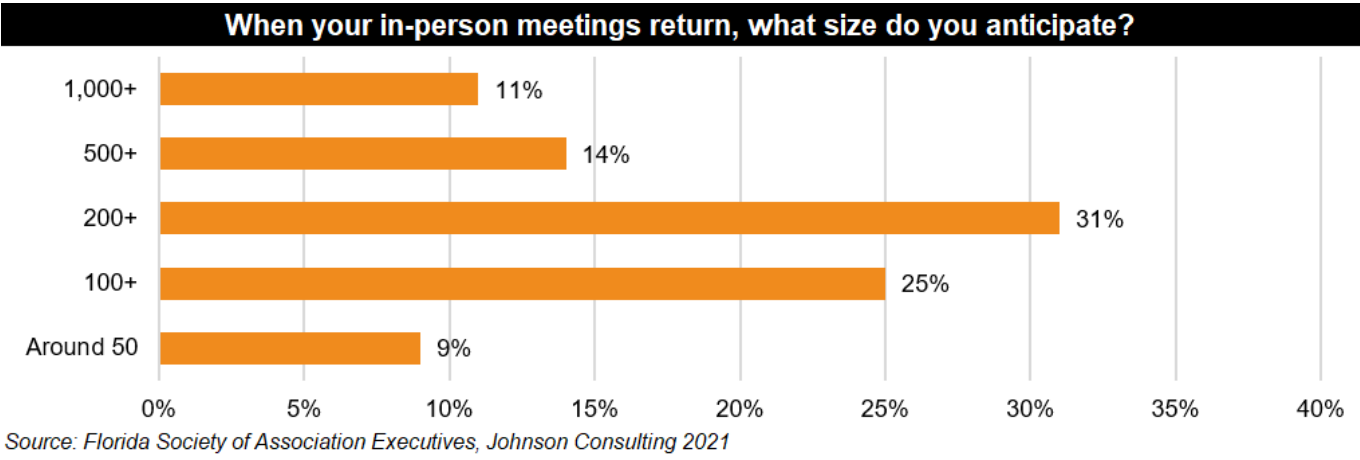
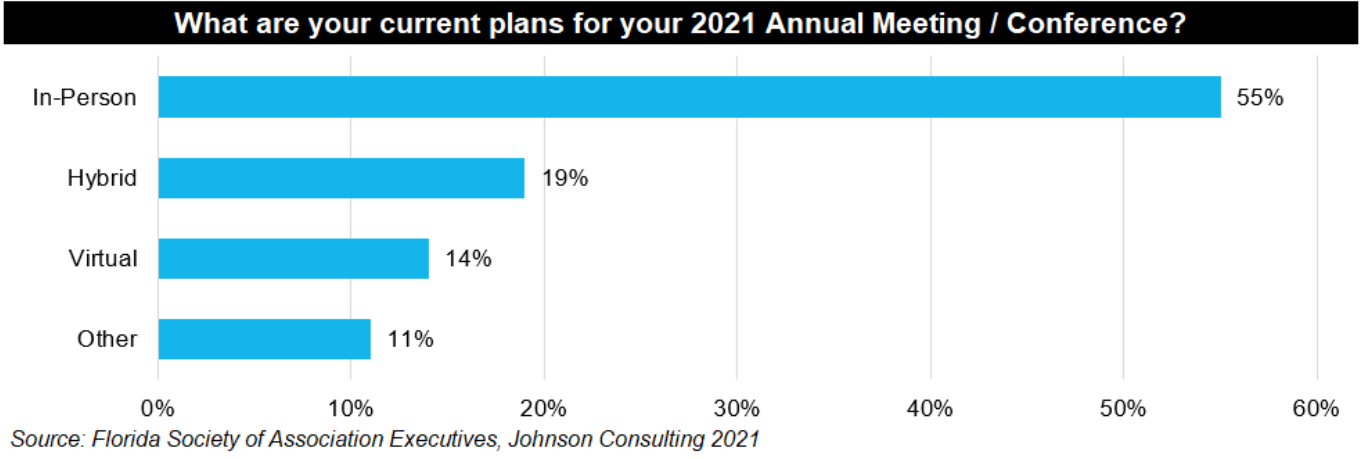


Results of Project Survey

In addition to the survey of CBRCC members, the Florida Society of Association Executives (FSAE) provided insight on this project via both a one-on-one interview with Johnson Consulting and by providing the results of their own recent survey. The survey was administered to the organization's 1,200+ members and garnered 146 responses. The survey focuses on post-COVID meeting plans, and the most relevant results are summarized on the right.

On the top right, more than half of respondents indicated that their annual meeting/conference will be held in-person in 2021, while fewer indicated that they planned to hold these events in a hybrid or virtual format. Given that the majority of these events are already moving back to in-person formats and that the Westin's conference center won't be open until approximately 3 years from now, there should be a healthy stream of demand ready to be tapped into upon the facility's opening.

On the bottom right, respondents were asked to indicate the size of their organization's meetings in terms of the number of attendees. As shown, most respondents said their organizations' events will be less than 500 people, but 14% said 500 people or more, and 11% said 1,000 people or more.



Section 5

Event Facility & Hotel Inventory



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Event Facility & Hotel Inventory

Hotel Inventory

Thanks to a strong leisure tourism segment, the Space Coast has a very large hotel inventory for a market of its size – in total, there are 133 hotels accounting for 10,399 hotel rooms within Brevard County. There are 739 hotel rooms in the “Upper Upscale” class (7.1% of total), 2,457 in the “Upscale” class (23.6% of total), and 2,495 in the “Upper Midscale” class (24.0% of total). These higher quality hotel rooms are most likely to be selected by conference center attendees, so it is advantageous that together, they represent more than half of the Space Coast’s total hotel stock. The table on the top right profiles the largest hotels in the market. As shown, the 502-room Westin Cocoa Beach Oceanfront would be the largest in the market by far.

Hotel Pipeline

The Space Coast also has a very strong hotel pipeline of hotels that are currently in development, which will be opening within the next few years. In total, these hotels account for 1,702 new hotel rooms in the market – an 16.4% increase over the current 10,399 rooms. On one hand, these new rooms represent competition for the Westin, but they also could be helpful in accommodating overflow that may occur if the Westin secures events that require room blocks that are too big to be accommodated by the Westin alone. This overflow, known in the hospitality industry as “compression,” will also benefit existing hotels in the market.

Space Coast Largest Hotels			
Hotel	Class	Year Built	# of Rooms
Hilton Cocoa Beach	Upper Upscale	1986	295
Crowne Plaza Melbourne Oceanfront	Upscale	1979	290
Radisson Resort at the Port	Upscale	1967	284
Hilton Melbourne	Upper Upscale	1985	238
Best Western Cocoa Beach Hotel & Suites	Midscale	1986	229
DoubleTree by Hilton	Upscale	1986	208
Hilton Melbourne Beach Oceanfront	Upper Upscale	1986	206
Sources: CoStar, Johnson Consulting			

Space Coast Hotel Pipeline					
Hotel	Location	Class	Phase	Opening	Number of Rooms
Westin Cocoa Beach Oceanfront	Cocoa Beach	Upper Upscale	Final Planning	2025	502
Courtyard	Titusville	Upscale	Recently Completed	2022	152
Cambria Hotels	Cape Canaveral	Upscale	Under Construction	2022	150
element	Indialantic	Upscale	Final Planning	2024	130
aloft Hotel	Melbourne	Upscale	Proposed	2023	130
SpringHill Suites	Melbourne	Upscale	Final Planning	2022	128
Comfort Suites	Titusville	Upper Midscale	Final Planning	2023	122
Comfort Suites	Melbourne	Upper Midscale	Final Planning	2022	110
Tru by Hilton	Melbourne	Midscale	Final Planning	2023	98
Avid Melbourne-Viera	Melbourne	Midscale	Under Construction	2022	95
Fairfield Inn	Melbourne	Upper Midscale	Final Planning	2022	85
Total					1,702
Sources: CoStar, Visit Space Coast, Johnson Consulting					

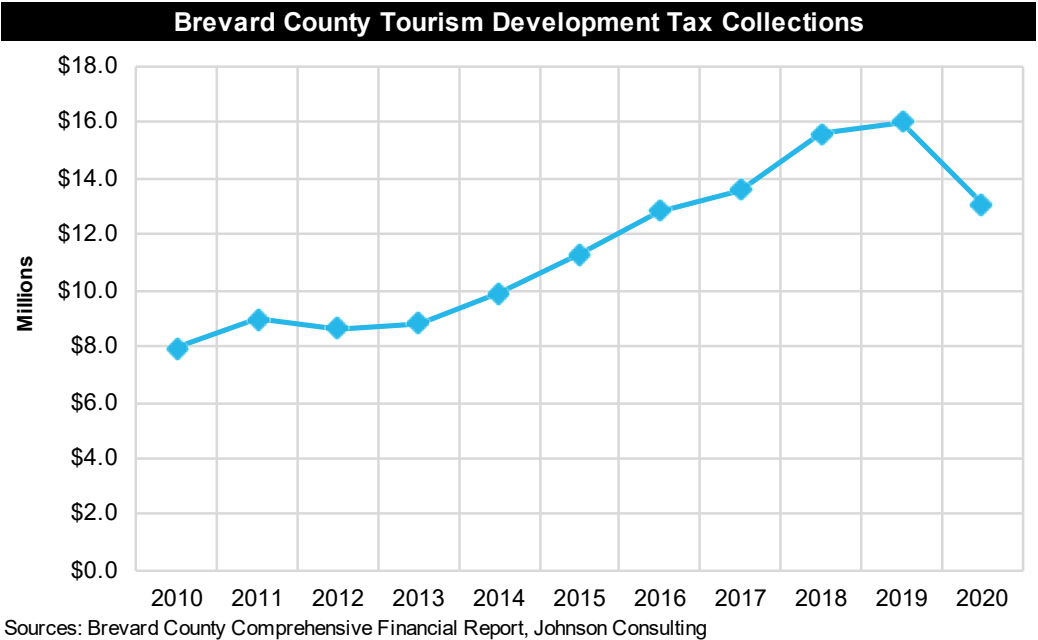
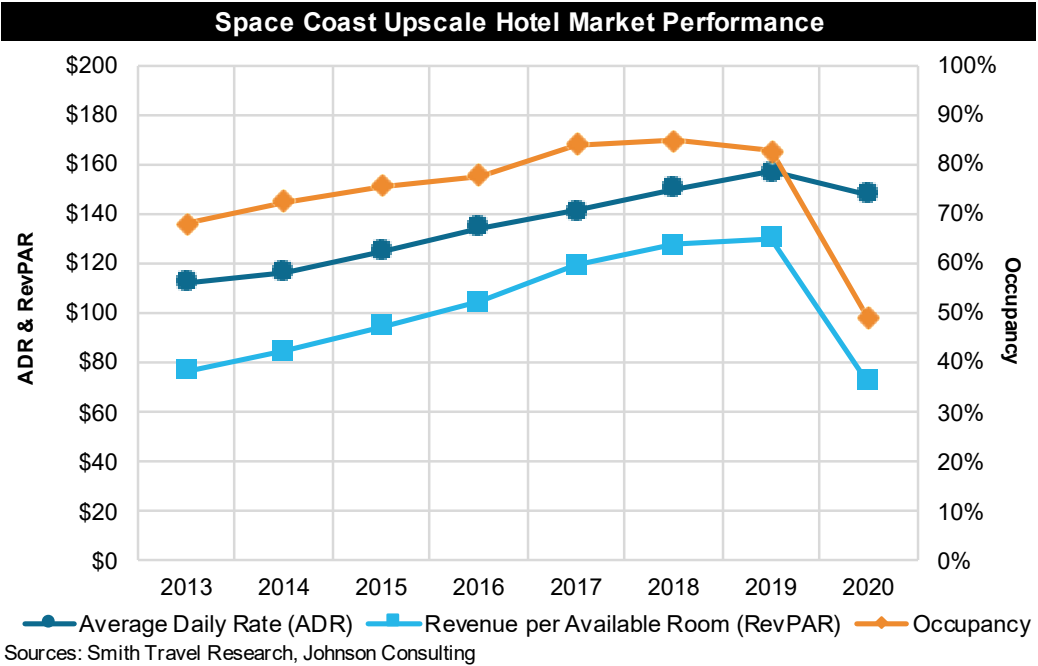
Event Facility & Hotel Inventory

Space Coast Hotel Market Performance

Hotel market performance is another way to evaluate the overall trajectory of the tourism market in the Space Coast. The success of the broader tourism market is strongly correlated with the conference and events segment’s potential, as event planners want to hold their events in markets that their attendees are excited to go to. As shown on the top right, the hotel market enjoyed tremendous improvement between 2013 and 2019, with Average Daily Rate, Revenue per Available Room, and Occupancy increasing by 25.4%, 55.1%, and 14.6%, respectively. As expected, these indicators took a dive in 2020 as a result of the COVID-19 pandemic.

These trends are even more pronounced in Brevard County’s historical Tourism Development Tax (TDT) collections. As shown on the bottom right, the County’s TDT collections increased from \$7.9 million in 2010 to \$16.0 million in 2019 – an increase of 102.2% in just 9 years. In 2020, TDT collections fell to \$13.1 million as a result of the COVID-19 pandemic. Although this dip has a large impact on the County’s revenue stream, it’s not as severe as dips experienced in other jurisdictions throughout the U.S. This is an effect of the Space Coast market’s reliance on the leisure segment, which wasn’t as harshly affected as the business and group/meetings segments.

There are many unknowns that remain in terms of the pace of the recovery trajectory, but these numbers bode very well for the conference center’s outlook overall.



Event Facility & Hotel Inventory

Event Facility Inventory

The Space Coast’s event facility inventory is relatively underdeveloped for a market with such a strong hotel inventory. Again, this is a reflection of the market’s strength in leisure tourism and the relative lack of the business and group/meetings segments. As shown in the “Area of Opportunity” chart and the table on the right, the Westin Cocoa Beach will be the largest event facility in the market by far, with a 16,000 square foot ballroom and 43,000 square feet of indoor event space in total. The Westin will be the newest facility by far with the second newest facility being the Space Coast Convention Center which was built in 2003, although some of the other facilities have undergone subsequent renovations. It will also be the largest hotel in the market, which guarantees better capabilities for events that require room blocks.

All of these factors, in tandem with the property’s attractive beachfront locale, suggest that it will face little competition from other event facilities from within the Space Coast market, and will “grow” the pie rather than further dividing it. The facility’s biggest challenge will be attracting events away from larger metropolitan markets like Miami, Orlando, Fort Lauderdale, and Tampa, and helping to foster the development of new events that cater specifically to the Space Coast’s unique attributes.



Space Coast Largest Event Facilities						
Facility	Location	Hotel Class	Year Built	# of Hotel Rooms	Largest Meeting Space (SF)	Total Meeting Space (SF)
Westin Cocoa Beach Oceanfront	Cocoa Beach	Upper Upscale	2025	502	16,000	43,000
Radisson Resort at the Port	Cape Canaveral	Upscale	1967	284	10,720	30,000
Kennedy Space Center	Merritt Island	N/A	1961	N/A	9,000	18,660
Hilton Cocoa Beach	Cocoa Beach	Upper Upscale	1986	295	4,200	12,170
Hilton Melbourne	Melbourne	Upper Upscale	1985	238	6,435	12,104
DoubleTree Cocoa Beach Oceanfront	Cocoa Beach	Upscale	1987	148	6,262	11,046
Space Coast Convention Center	Cocoa	Upper Midscale	2003	75	7,000	10,000
Radisson Suite Hotel Oceanfront	Melbourne	Upscale	1999	167	2,856	7,699
Courtyard Cocoa Beach Cape Canaveral	Cocoa Beach	Upscale	1999	156	3,344	7,602
Hilton Melbourne Beach Oceanfront	Melbourne	Upper Upscale	1986	206	3,486	6,720
Palm Bay Hotel	Palm Bay	Economy	1985	124	3,395	5,700
Holiday Inn Melbourne Viera Conference Center	Melbourne	Upper Midscale	1991	128	5,445	5,445

Sources: CoStar, Facilities, Johnson Consulting

Section 6

Demand & Financial Projections



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Demand & Financial Projections

In order to quantify the economic and fiscal impact of the Westin’s conference center, Johnson Consulting put together demand and financial projections for the facility’s operations. These projections are based on a combination of Driftwood’s internal research and planning and Johnson Consulting’s experience in the hospitality and conference center industry.

Event Demand

As shown on the top right, the Westin’s conference center is estimated to host 382 events in year 1, which can be expected to grow to 416 events by year 3 and 430 events by year 5 as the Space Coast market continues to grow and the facility develops its reputation as an attractive oceanfront meeting venue. The market’s characteristics, beachfront location, high-end resort amenities, and conference center’s program of spaces make it most attractive to meetings, conferences, banquets, and social events, with the possibility to attract larger conventions, trade shows, consumer shows, public events, and sports and entertainment events on a less frequent basis.

Attendance

The table on the bottom right shows the projected event attendance for the Westin’s conference center. Average attendance per event varies depending on event type, with consumer shows and public events being the largest and meetings/conference being the smallest due to the frequency of smaller individual meetings. As shown, this equates to total annual attendance numbers of over 163,000 in year 1, which can be expected to grow to over 184,000 by year 3 and 192,000 by year 5.

Projected Event Demand			
Event Type	Year 1	Year 3	Year 5
Exhibit Events			
Conventions/Trade Shows	27	40	46
Consumer Shows/Public Events	7	10	10
Subtotal Exhibit Events	34	50	56
Non-Exhibit Events			
Meetings/Conferences	191	197	200
Banquets/Social	141	147	150
Sports/Entertainment Events	8	11	12
Other	8	11	12
Subtotal Non-Exhibit Events	348	366	374
Total	382	416	430

Source: Johnson Consulting

Projected Attendance				
Event Type	Average per Event	Year 1	Year 3	Year 5
Exhibit Events				
Conventions/Trade Shows	750	20,250	30,000	34,500
Consumer Shows/Public Events	1,000	7,000	10,000	10,000
Subtotal Exhibit Events		27,250	40,000	44,500
Non-Exhibit Events				
Meetings/Conferences	300	57,300	59,100	60,000
Banquets/Social	500	70,500	73,500	75,000
Sports/Entertainment Events	750	6,000	8,250	9,000
Other	300	2,400	3,300	3,600
Subtotal Non-Exhibit Events		136,200	144,150	147,600
Total		163,450	184,150	192,100

Source: Johnson Consulting

Demand & Financial Projections

Event Attributes

As shown on the top right, Johnson Consulting used a variety of assumptions regarding the attributes of the events occurring in the Westin’s conference center, which varied depending on the type of event. These attributes represent the average attribute for that type of event and include the number of show days (number of days the event is taking place), the number of move in/out days, and the average square footage utilized by the event.

Operating Revenue Assumptions

The table on the middle right shows the assumptions underlying the projected operating revenue, including rental rate and food and beverage per caps.

Projected Operating Revenue

The table on the bottom right shows Johnson Consulting’s projections of the Westin conference center’s operating revenue. The largest revenue category is food and beverage followed by space and equipment rental. As shown, Johnson Consulting projects the facility to generate over \$13.3 million in revenue in year 1, over \$15.8 million in revenue in year 3, and over \$17.25 million in revenue by year 10. These numbers equate to \$304, \$360, and \$393 per square foot of conference center space, respectively.

Event Attributes			
Event Type	Show Days	Move In/Out Days	Average SF Used
Exhibit Events			
Conventions/Trade Shows	2.40	1.00	51,750
Consumer Shows/Public Events	2.20	1.00	51,750
Non-Exhibit Events			
Meetings/Conferences	1.40	0.50	11,500
Banquets/Social	1.40	0.50	17,250
Sports/Entertainment Events	1.40	0.50	40,250
Other	1.40	0.50	11,500
Source: Johnson Consulting			

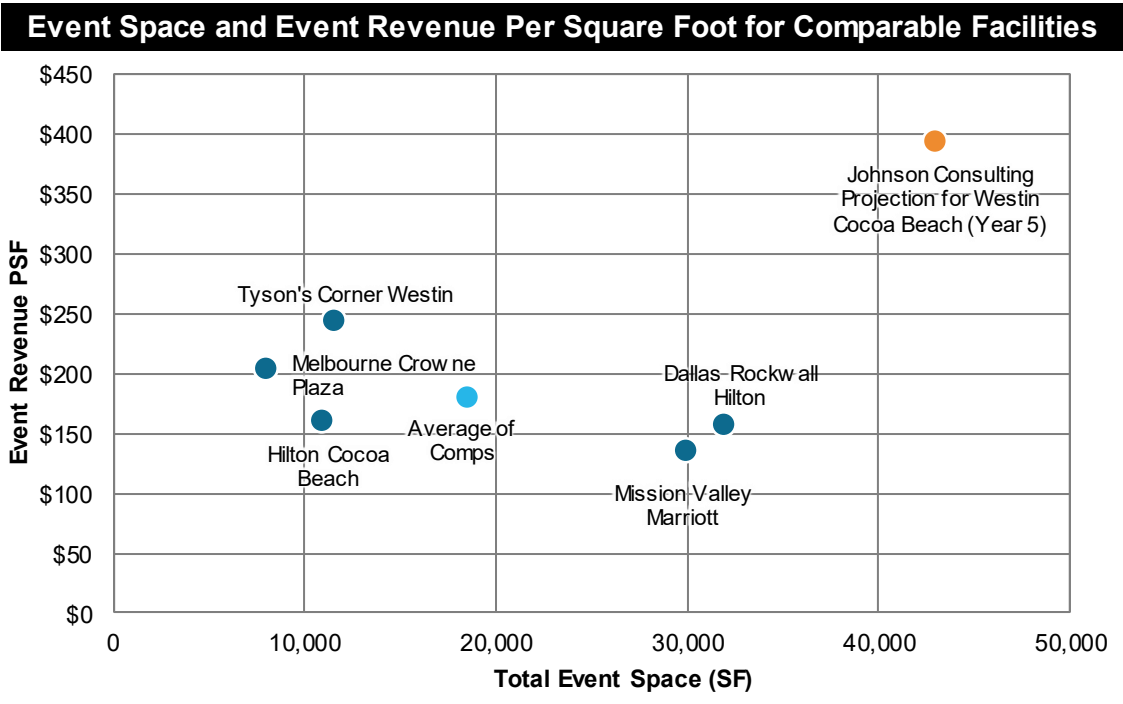
Operating Revenue Assumptions	
Line Item	Assumptions
Rental (Space & Equipment)	\$200.00 / 1,000 gross square foot days
Food & Beverage (Gross)	
Conventions/Trade Shows	\$27.00 per cap
Consumer Shows/Public Eve	\$20.00 per cap
Meetings/Conferences	\$40.00 per cap
Banquets/Social	\$52.50 per cap
Sports/Entertainment Events	\$20.00 per cap
Other	\$20.00 per cap
Source: Johnson Consulting	

Projected Operating Revenue (\$000, Inflated)			
	Year 1	Year 3	Year 5
Revenues			
Rental (Space & Equipment)	\$3,098	\$3,932	\$4,376
Food & Beverage (Gross)	10,246	11,881	12,882
Total Revenues	\$13,344	\$15,813	\$17,258
per Square Foot	\$304	\$360	\$393
Source: Johnson Consulting			

Demand & Financial Projections

Projected Operating Revenue Per Square Foot

The figure below shows the narrow difference between Driftwood and Johnson Consulting’s projections for event revenue per square foot for the Westin Cocoa Beach in relation to various comparable properties. Johnson Consulting’s projections are shown at \$393 per square foot (by year 5). This was drawn from the outputs of Johnson Consulting’s demand and financial models in tandem with data for several comparable hotel and conference center properties. Comparable properties show that as the amount of conference and event space increases, the amount of event revenue per square foot tends to decrease. The average comparable property in this analysis has 18,557 square feet of event space and generates \$180 per square foot in event revenue (in inflated 2030 dollars). However, the major difference between the Westin conference center and the comparable facilities is that the Westin offers a higher quality resort package with a significant amount of outdoor and non-dedicated event spaces. The square footages for these spaces are not included in the calculations below, which explains the higher per square foot numbers overall. If the outdoor and non-dedicated event spaces was included, the revenue per square foot number would come out to just \$104 – well below that of the comps. This overall revenue number is important because it feeds into the economic and fiscal impact analysis in the following pages.



Section 7

Economic & Fiscal Impacts



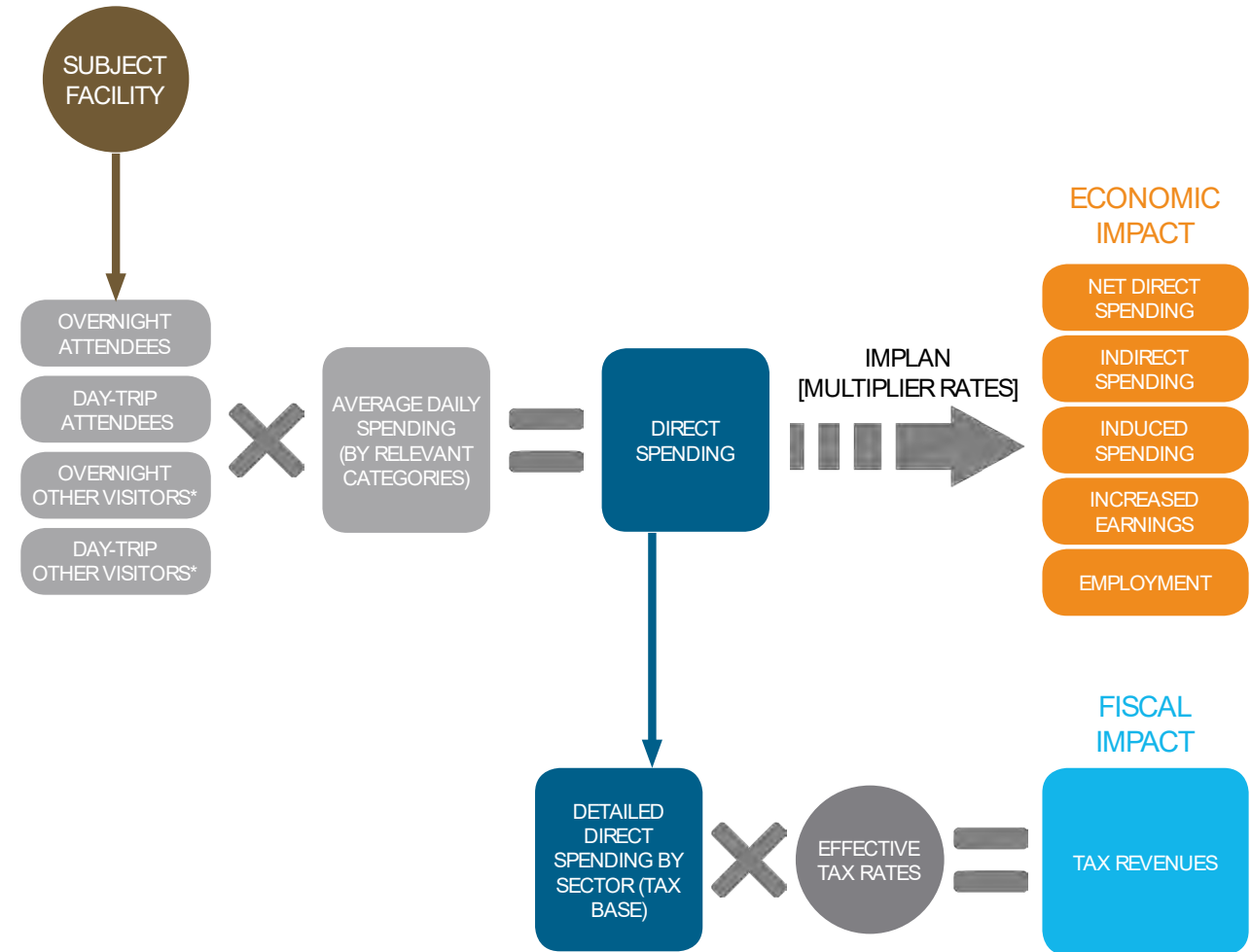
**JOHNSON
CONSULTING**

Economic & Fiscal Impacts

Introduction to Economic & Fiscal Impact

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the Brevard County and Space Coast economy. The levels of impacts are described as follows:

- **Direct Spending** – spending that occurs as a direct result of the facility's operation (example: attendee purchases meal at restaurant nearby)
- **Indirect Spending** – re-spending of the initial direct expenditures on goods and services (example: restaurant purchases more food from supplier)
- **Induced Spending** – changes in local consumption due to the personal spending by employees whose incomes are supported by direct and indirect spending (example: waiter at the restaurant has more personal income to spend)
- **Increased Earnings** – measures increased employee and worker compensation related to the facility's operation
- **Employment** – measures the number of full-time equivalent (FTE) jobs supported in the local economy as a result of the facility's operation
- **Fiscal Impact** – reflects tax revenues to local and state governments that result from the facility's operation



Economic & Fiscal Impacts

Annual Impact from Operations (Entire Resort)

As shown on the the right, Johnson Consulting's impact analysis projects that the operation of the entire Westin Cocoa Beach Resort & Spa will generate an even greater annual economic and fiscal impact for Cocoa Beach and Space Coast community. The following impacts can be expected annually by year 5 of the facility's operation:

- Nearly 147,000 hotel room nights sold
- Nearly \$110 million in direct spending
- Over \$49.3 million in indirect and induced spending, for a sum of over \$159.2 million in total spending
- Over 1,300 jobs supported per year, resulting in over \$49.1 million in increased earnings for those employees
- Nearly \$10.8 million in tax revenue for state and local governments (including sales and use tax and lodging tax)

Estimated Annual Economic & Fiscal Impact from Entire Resort Operations					
Economic Impact		Rate/ Assumption	Year 1	Year 3	Year 5
1	Room Nights Sold		132,287	142,919	146,986
Direct Spending (\$000)					
2	Rooms	<i>per Johnson</i>	\$41,075	\$54,672	\$61,389
3	Banquet	<i>Consulting's</i>	\$12,518	\$16,937	\$17,621
4	Other	<i>projections</i>	\$23,133	\$29,122	\$30,896
5	Total Direct Spending (\$000)		\$76,726	\$100,730	\$109,905
6	Indirect and Induced Spending (\$000)	<i>0.449 of Line 5</i>	\$34,450	\$45,228	\$49,348
7	Total Spending (\$000)		\$111,176	\$145,958	\$159,253
8	Increased Earnings (\$000)	<i>0.447 of Line 5</i>	\$34,297	\$45,027	\$49,128
9	Increased Employment (FTE)	<i>12.87 of Line 5</i>	987	1,246	1,307
Fiscal Impact		Rate/ Assumption	Year 1	Year 3	Year 5
10	Sales and Use Tax (\$000)				
11	State of Florida	<i>6.00% of Line 5</i>	\$4,604	\$6,044	\$6,594
12	Brevard County & Public Schools	<i>1.00% of Line 5</i>	767	1,007	1,099
13	Total Sales and Use Tax	<i>7.00% of Line 5</i>	\$5,371	\$7,051	\$7,693
14	Lodging Tax (\$000)	<i>5.00% of Line 2</i>	\$2,054	\$2,734	\$3,069
15	Total Tax Revenues		\$7,425	\$9,785	\$10,763

Source: IMPLAN, Johnson Consulting

Economic & Fiscal Impacts

Summary of Economic & Fiscal Impacts

The table below summarizes Johnson Consulting’s projected economic and fiscal impacts for the Westin Cocoa Beach, including its one-time impact of construction and its annual impact of operations.

Summary of Westin Cocoa Beach Impacts		
	One-Time Impact of Construction	Annual Impact of Facility Operations
Economic Impact		
Direct Spending (\$000)	\$160,050	\$109,905
Indirect & Induced Spending (\$000)	\$71,862	\$49,348
Total Spending (\$000)	\$231,912	\$159,253
Increased Earnings (\$000)	\$71,542	\$49,128
Employment (in FTE Jobs)	2,060	1,307
Fiscal Impact		
Sales Tax		
State Sales Tax (\$000)	\$14,000	\$6,594
County Sales Tax (\$000)	\$2,000	\$1,099
Lodging Tax (\$000)	na	\$3,069
Total (\$000)	\$16,000	\$10,763
Source: IMPLAN, Johnson Consulting		

Other Impact Considerations

It is important to note that the economic and fiscal impacts presented in this analysis do not include additional property tax revenue that could be generated by the project, depending on the structure of a potential public-private partnership. These impacts also do not include the unquantifiable benefits that the project can provide such as providing an attractive facility for community events, attracting new employers and residents to the Space Coast, and other more qualitative impacts.

**TOURIST DEVELOPMENT \$30 MILLION GRANT AGREEMENT
WITH DAD 1300 N. ATLANTIC COCOA, LP**

THIS TOURIST DEVELOPMENT GRANT AGREEMENT is made and entered into this ____ day of _____, 2022, by and between the following Parties: DAD 1300 N. ATLANTIC COCOA, LP., a Delaware limited partnership, (hereinafter called the 'GRANTEE'), and BREVARD COUNTY, a political subdivision of the State of Florida, (hereinafter called the 'GRANTOR').

RECITALS

WHEREAS, the GRANTEE states Brevard County has achieved substantial growth and has become a nationally known destination for tourists and business travelers alike, including the "return to Space;" and

WHEREAS, GRANTEE has determined that there is a robust interest in and potential for attracting national and international conventions to Brevard County, in hotel convention center destination serving business, tourism and combined business/tourism events that will substantially benefit the growing business community in Cocoa Beach and Brevard County; and

WHEREAS, the Grantee states that while Brevard County has a wide range of hotels, a variety of restaurants, and other tourist and business traveler amenities, Brevard County does not have an adequate Convention Center venue to "anchor" the expansion of its existing tourist development assets; and

WHEREAS, GRANTEE is offering the GRANTOR an opportunity to provide Tourist Development Tax to fund advertising and promoting a world-class, state-of-the-art Convention Center to be constructed and operated by the GRANTEE in order to fill a missing convention center venue element in the tourist industry of Brevard County; and

WHEREAS, no Westin destination resort currently exists in Brevard County; and

WHEREAS, GRANTEE is proposing and the GRANTOR desires to attract a Westin flag hotel into Brevard County consisting of a new Westin Cocoa Beach Resort and Spa of approximately 800,000 square foot (in total) of mixed-use destination resort uses anchored by a 4.5-star, 502-key Westin hotel; approximately 120,000 square feet of event space including a state-of-the-art convention center venue, indoor, and outdoor event space; multiple food and beverage venues; spa and fitness center; retail; and a multistory parking garage which accommodates approximately 800 vehicles, all of which are included as part of "the Project".

WHEREAS, the GRANTEE states the Westin Cocoa Beach Resort and Spa represents an ambitious development project, and one of the largest of its kind in the U.S. at an estimated cost of approximately \$400 million; and

WHEREAS, GRANTEE represents the Project will fill a significant void in Brevard County's existing lodging market with a high-end resort and convention center that will be much sought after by less budget-oriented leisure travelers and corporations; and

WHEREAS, it is anticipated that the Westin Cocoa Beach Resort and Spa will be transformative for Brevard County's Space Coast, befitting its tremendous revival as a center of technology, innovation, and leisure; and

WHEREAS, GRANTEE, through its affiliated entities, owns and controls the International Palms Resort located at the Property on approximately 15.7-acres situated in the heart of Cocoa Beach on a prime oceanfront location abutting the GRANTOR's Lori Wilson Park, and the Property has been used for a hotel/resort since the early 1960's; and

WHEREAS, due to the existing resort's advanced age and general state of disrepair, all existing structures and features onsite are contemplated to be demolished, including below grade infrastructure and foundations per GRANTEE's plans; and

WHEREAS, GRANTEE has spent nearly five years and approximately \$37 million of which \$7 million has been used to receive full land development entitlements from the City of Cocoa Beach and other agencies with jurisdiction to advance architectural and engineering plans for the Westin project to the point the resort is essentially "shovel-ready" and can be open within three years of construction commencement; and

WHEREAS, in accordance with section 125.0104(3), Florida Statutes, GRANTOR imposed a Tourist Development Tax; and

WHEREAS, GRANTEE has agreed to construct and operate, at its sole cost, the convention center venue as part of the Westin Cocoa Beach Resort and Spa project; and

WHEREAS, Grantee seeks an annual Grant payable by the GRANTOR in four quarterly installments in each year during the term of this agreement; and

WHEREAS, the Grant will be solely used for the promotion and advertising of the Westin Cocoa Beach Resort and Spa and the Space Coast; and

WHEREAS, as of the Effective Date, the GRANTOR is authorized to promote and advertise tourism in accordance with the provisions of section 125.0104(3), Florida Statutes, as well as the specific provisions of sections 102-117 and 102-119 of the Code of Ordinances of Brevard County, Florida; and

WHEREAS, under the terms of this Agreement, the GRANTEE will be using the Tourist Development Grant solely to promote and advertise the Westin Cocoa Beach Resort and Spa and the Space Coast and that such a use will promote and advertise tourism in Brevard County; and

WHEREAS, the total amount of this Grant, depending on the tourist economy, will not exceed a total of \$30 million over a period of 30 years; and

WHEREAS, the Tourist Development Council recommended approval of this Tourism Development Grant for GRANTEE at its meeting on _____2022; and

WHEREAS, GRANTOR approved a Tourist Development Grant for GRANTEE at a meeting of the County Commission on _____2022, subject to satisfaction of the conditions set forth herein; and

WHEREAS, the GRANTOR has represented to the GRANTEE that its Tourist Development Plan allows for the delivery to and expenditure by the GRANTEE of the GRANT funds for advertising and promotion of the Convention Center venue pursuant to the terms of this Grant once all conditions precedent to this agreement are met; and

WHEREAS, the GRANTEE desires to limit the annual GRANT amount paid to the GRANTEE to 50% of the total annual Tourist Development Tax Dollars (TDT) generated by the Project, as defined in section 2.9; and

WHEREAS, the total GRANT amount paid over the term of this agreement shall be payable in one hundred twenty, quarterly installments, provided the annual GRANT cap on each set of four quarterly payments made during the term of this agreement shall be one million dollars (\$1,000,000); and

WHEREAS, GRANTEE acknowledges that the GRANTOR is subject to the Florida Public Records Act, Chapter 119, Florida Statutes (the "Public Records Act") and to certain provisions of Chapter 286, Florida Statutes, relating to records and public meetings; and

WHEREAS, by approving this Agreement, the GRANTOR finds and declares that this Agreement serves a public purpose which includes the promotion and advertisement of a Convention Center venue for the development and growth of tourism in the County, as well as the promotion of economic development, job growth, and a new business to the County, to wit, a Westin Cocoa Beach Resort and Spa resort, as well as expansion of the type of hotel services offered within the COUNTY, along with the expansion of the County's tax base and indirect economic development likely to result from GRANTEE's activities in Brevard County; and

WHEREAS, the economic analysis presented by GRANTEE states there is an increase in tourism predicted due to the construction of the proposed Convention Center venue; and

WHEREAS, section 125.045 (2), Florida Statutes provides that "The governing body of a county may expend public funds to attract and retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose. The provisions of this chapter which confer powers and duties on the governing body of a county, including any powers not specifically prohibited by law which can be exercised by the governing body of a county, must be liberally construed in order to effectively carry out the purposes of this section"; and

WHEREAS, section 125.045(3), Florida Statutes provides that "For the purposes of this section, it constitutes a public purpose to expend public funds for economic development activities, including, but not limited to making grants to private enterprises the attraction of new businesses to the community;" and

WHEREAS, sections 125.045(5)(a)1. and .3, Florida Statutes provide that a County may "direct financial incentives of monetary assistance provided to a business from the county or through an organization authorized by the county. Such incentives include, but are not limited to, grants, loans, equity investments, loan insurance and guarantees, and training subsidies..." and "Fee-based or tax-based incentives, including, but not limited to, credits, refunds, exemptions, and property tax abatement or assessment reductions;"

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, and other valuable and good consideration, the Parties agree as follows:

1. RECITALS.

1.1. The above recitals are true and correct and are incorporated herein and made part of this Agreement.

1.2. The Parties agree that this Grant shall not take effect until such time as the conditions in section 7 are met.

2. DEFINITIONS.

2.1. "Tourist Development Tax" or "TDT" shall mean the portion of Brevard County's Tourist Development Tax that is levied and collected under the authority of section 125.0104(3), Florida Statutes and section 102-117, Brevard County Code of Ordinances.

2.2 "Annual GRANT" shall mean the total amount of each set of four Quarterly Payments of TDT revenue made to the GRANTEE by the GRANTOR, there being in accordance with this Agreement thirty (30) such sets of "Quarterly Payments," as the term "Quarterly Payments" is defined in section 2.10 below.

2.2 "Certificate of Occupancy" or "CO" shall mean a certificate of occupancy for the project and the Westin Hotel from the government agency with jurisdiction to issue it. For purposes of this agreement, a temporary certificate of occupancy (TCO) or its equivalent shall be treated as certificate of occupancy as long as said temporary certificate or its equivalent permits the Owner to rent rooms in the resort and the convention center.

2.3 "Convention" shall mean a conference or an event at the Convention Center venue located at the project site with guests attending a convention with 200 or more estimated participants.

2.4 "Convention Center" or "Convention Center venue" means a state-of-the-art privately owned Convention Center of approximately 62,500 square feet in size.

2.5 "Effective Date" is the earlier of either (1) the date a temporary certificate of occupancy (TCO) is issued allowing the use of the Convention Center venue, or (2) a permanent certificate of occupancy (CO) for the Convention Center is issued. The Agreement shall not be enforceable against any Party until said effective date.

2.6 "Owner", "Ownership" or "Owned" refers to DAD 1300 N. ATLANTIC COCOA, LP., or, any new affiliated entity that is wholly owned by DAD 1300 N. ATLANTIC COCOA, LP., and created for the ownership and/or operation of the resort hotel and/or convention center that has been assigned the rights and obligations of this agreement. Assignment of the rights and obligations of this agreement is only authorized to an entity which is wholly

owned, regardless of business type, by Owner; provided that GRANTEE provides GRANTOR with documentation to support said ownership, and GRANTOR acknowledges the same.

2.7 “Pre-function” space means large areas for gathering of attendees, excluding hallways.

2.8 “the Project” shall mean the improvements described in section 4 of this Agreement.

2.9 “Project Site” shall mean the tract of land located at 1300 N. Atlantic Avenue, Cocoa Beach, Florida, as more particularly described on EXHIBIT “A” to this Agreement.

2.10 “Quarterly Payment” means a payment by GRANTOR to the GRANTEE of 50% of the total TDT generated by the Project in each quarter of the one hundred twenty (120) quarters during the “Grant Term” of this Agreement provided for in section 5.4 below. For the purposes of this section, and subject to section 5.4.2. below, a “quarter” is defined as a period of ninety-two (92) days with the first “quarter” ending ninety-two (92) days after the Effective Date, as defined in section 2.5 above.

2.11 “Resort” shall mean a new Westin Cocoa Beach Resort and Spa to be located at 1300 N. Atlantic Avenue, Cocoa Beach, Florida consisting of approximately 800,000 square foot (in total) of mixed-use destination resort uses anchored by a 4.5-star, 502-key Westin hotel; approximately 120,000 square feet of event space including a state-of-the-art convention center venue, indoor, and outdoor event space; multiple food and beverage venues; spa and fitness center; retail; and a multistory parking garage which accommodates approximately 800 vehicles.

2.12 The “SPACE COAST OFFICE OF TOURISM,” refers to the Brevard County Tourist Development Office, a department of the Brevard County government. The Space Coast Office of Tourism will administer this grant on behalf of GRANTOR.

2.13 “Tax Collector” means the Brevard County Tax Collector, a separate constitutional officer.

2.14 “Tourist Development Grant” or “GRANT” shall mean grant funding by GRANTOR in the form of cash payments to GRANTEE made from the Tourist Development Tax revenue generated each year by the Project, as defined in section 2.8 above.

2.15 The “Tourist Development Council” refers to the advisory council appointed by the Board of County Commissioners of Brevard County, Florida, pursuant to Section 125.0104(4)(e), Florida Statutes, and Section 102-120, Brevard County Code of Ordinances.

2.16 “Westin Cocoa Beach Resort and Spa” shall mean a Westin hotel, or any successor hotel flag or brand transferee that may arise during the term of this Agreement. Said successor hotel must be a Westin also, or at least a hotel with a 4.5-star hotel rating, as rated by Forbes Travel Guide, or its successor, and the successor hotel must be approved by the GRANTOR.

2.17 “Year” shall mean a time period of three-hundred-sixty-five (365) days, with the first year of this Agreement commencing on the Effective Date.

3. FINDINGS.

The County makes the following additional finding in approving this Tourist Development Grant.

3.1 This Grant is authorized pursuant to section 125.045(2), (3) and (5)(a)1. and .2 Florida Statutes, which provides that tax-based incentives, including grants to private enterprises and expenditure of public funds for the attraction of new businesses to the community, constitute a public purpose authorized pursuant to those statutes.

3.2 In accordance with section 125.0104(3), Florida Statutes, as well as sections 102-117, as well as 102-119 of the Code of Ordinances of Brevard County, Florida, the GRANTEE is authorized by law to spend the TDT GRANT funds received under section 5 of this Agreement;

3.2.1 for the promotion and advertisement of the privately owned Convention Center venue in the State of Florida, nationally and internationally, provided:

3.2.1.1 such tax revenues are expended for the Convention Center venue, and

3.2.1.2 the Convention Center venue shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the venue to tourists.

4. PROJECT DESCRIPTION.

For the purposes of this agreement, the Project is described as including the following facilities and amenities:

4.1. GRANTEE agrees and commits to undertake the construction of the Project which consists of approximately 800,000 square foot (in total) of mixed-use destination resort anchored by a 4.5-star, 502-key Westin hotel; approximately 120,000 square feet of event space including a state-of-the-art Convention Center venue, indoor, and outdoor event space; multiple food and beverage venues; spa and fitness center; retail; and a multistory parking garage which accommodates approximately 800 vehicles.

5. TOURIST DEVELOPMENT GRANT.

5.1 Grant Amount. Subject to section 5.2 and the quarterly payment provisions in section 5.3 below, for the purpose of inducing GRANTEE to construct the Project at the Project Site, the GRANTOR agrees to pay an annual Tourist Development Grant (hereinafter the "Annual GRANT") to the GRANTEE in an amount equal to fifty percent (50%) of the total TDT revenue generated solely by the Project in the prior year.

5.2 Grant Payment and Cap. Beginning in the year of the Effective Date, as defined in section 2.5, the Annual GRANT shall be paid each year during the term of this Agreement in Quarterly Payments as specified in section 5.3 below, provided:

5.2.1. each Annual GRANT shall not exceed one million dollars (\$1,000,000); and

5.2.2. the total amount of the Annual GRANTS paid to the GRANTEE by the GRANTOR on or before the end of the term of this Agreement shall not exceed thirty million dollars (\$30,000,000).

5.3 Total Payments. Subject to section 5.4 below, the total number of quarterly GRANT Payments to be made by the GRANTOR to the GRANTEE during the term of this Agreement shall be one hundred twenty (120).

5.3.1. The first Quarterly Payment due under the terms of this Agreement shall be invoiced by the GRANTEE to the GRANTOR, in compliance with sections 5.5 and 5.7 below, at least ninety (90) days but not less than one hundred twenty (120) days after the Effective Date of this Agreement.

5.3.2. Thereafter, during the term of this Agreement every invoice for a Quarterly Payment shall be submitted by the GRANTEE to the GRANTOR within twenty (20) calendar days after the end of every quarter, as the term “quarter” is defined in section 2.10.

5.4 Grant Term. The term of this GRANT agreement shall be thirty (30) years from the Effective Date, as defined in section 2., provided:

5.4.1. if the thirty million dollar (\$30,000,000) cap on total GRANT payments is reached prior to the expiration of the thirty (30) year term, the Agreement shall terminate on the date of the GRANTOR’s delivery of the final GRANT payment to the GRANTEE. The final GRANT payment is defined as the payment by the GRANTOR to the GRANTEE that causes the thirty million dollar payment cap to be reached; or

5.4.2. if the \$30 million cap has not been reached at the end of the thirty (30) year term of this Agreement and less than one hundred twenty (120) Quarterly Payments have been made, the term of this Agreement shall be extended until the one hundred twentieth (120th) Quarterly Payment has been made.

5.5 Initiation of Payment. GRANTOR is not obligated to make any Quarterly Payment until:

5.5.1. after GRANTEE has made its first payment of the Tourist Development Tax from the Project to the Tax Collector;

5.5.2. GRANTEE has provided proof of said payment to GRANTOR.

5.6 Payment Due Date. The GRANTOR shall deliver each Quarterly Payment to GRANTEE within 45 days after GRANTOR receives the GRANTEE’s invoice and documentation specified in section 5.5 above.

5.7 Grantee Invoices. All Grantee invoices shall be provided to the Space Coast Office of Tourism and GRANTOR for Quarterly Payments shall be made in accordance with the grant procedures of the Space Coast Office of Tourism, Brevard County Administrative Order AO-33 (copy available upon request) and the local government Florida Prompt Payment Act.

5.8 Payment to Owner. The payments made under this GRANT may only be made to

the owner of the Convention Center venue, as ownership is defined in section 2.6. The Convention Center venue must have the same ownership as the Resort Hotel, as ownership is defined in section 2.6. In the event the Convention Center venue does not have the same ownership as the Resort Hotel, as ownership is defined in section 2.6, this GRANT is null and void.

5.9 Non-Tourist Development Revenues. The Parties agree that this GRANT shall not be paid from GRANTOR's non-tourist development related revenues. Payments made under this agreement are not to be considered a general obligation or indebtedness of the County or to create a lien on any County property. Neither the County nor any holder of the indebtedness issued by GRANTOR shall have any right to require or compel the levy of ad valorem taxes by the COUNTY in order to make payments pursuant to this Agreement.

6. GRANTEE USE OF THE GRANT FUNDS.

6.1 Legal. GRANTEE warrants that all funding authorized through this Agreement shall be used only for eligible activities in accordance with section 125.0104, Florida Statutes, and, to the extent applicable, Brevard County ordinances, the Brevard County Charter, local law, and this Agreement.

6.2 Advertising and Promotion. Subject to the Force Majeure provision set forth in section 26 below, as a condition of receiving this GRANT, Grantee agrees to spend the total revenue generated for the Project each year by the GRANT for promotion and advertising of the Convention Center venue, which shall include references to Cocoa Beach and Florida's Space Coast, as part and parcel of the promotion and advertisements of its Project. GRANTEE agrees to provide documentation of said spending to Grantor upon request or for the purposes of any audit of GRANT funds conducted or authorized by the GRANTEE.

6.3. Public Usage. Through the term of this Agreement, the Parties will cooperate to schedule a portion of the Convention Center venue to be made available to Brevard County for 15 days ("County days") per year without charge. Said scheduling shall occur on or before of October 1st of each year. County days shall include Convention Center venue staff setting up the basic room with tables (with tablecloths and chairs, as needed, at no cost), provided that during such County Days, all other equipment rentals, food and beverage and other operating expenses associated with an event scheduled for a County day shall be borne solely by the entity sponsoring the event. GRANTEE gives GRANTOR the right to access GRANTEE's property to film video and take photographs of the Convention Center and the activities at the Convention Center; and GRANTEE gives GRANTOR a royalty-

free, world-wide, nonexclusive, irrevocable, unlimited commercial use license right to use said video and photographs in GRANTOR's promotional materials. The GRANTOR's right to fifteen days use of the Convention Center venue will cease upon expiration of this Agreement.

7. CONTINGENCIES ON GRANT PAYMENT.

7.1 Annual GRANTOR payment of the Grant shall be contingent on the occurrence of the following conditions precedent:

7.1.1. execution of this Agreement by all parties;

7.1.2 receipt from all regulatory bodies with jurisdiction over the construction of the Project, of permitting documents verifying that all construction activities at the Project Site and the Project have conformed to applicable law. Such documentation shall include a CO or TCO allowing use of the Convention Center venue by the GRANTEE. GRANTOR shall accept said CO or TCO as evidence that the Project has been substantially completed and made ready for tenancy by GRANTEE and its invitees.

7.2 GRANTEE acknowledges the above referenced contingencies and represents it is not acting in reliance on this Agreement or the occurrence of any of the listed contingencies before those contingencies have been satisfied.

8.0 Job Creation and Economic Impact.

8.1 The Parties acknowledge that GRANTEE has provided an economic impact study entitled: Westin Cocoa Beach Resort and Spa Conference (or its equivalent namesake) Market & Economic Impact Study dated May, 2022, as updated setting forth job creation estimates as well as projected economic and fiscal impacts, together with comparable projects and GRANTEE experience in similar projects. A copy of that study is incorporated by reference in this Agreement.

9.0 Audit and Public Records.

9.1 Right to Audit Records. In performance of this Agreement, GRANTEE shall keep books, records, and accounts of all activities related to this Agreement, in compliance with generally accepted accounting procedures. All documents, papers, books, records and accounts made or received by GRANTEE in conjunction with this Agreement and the

performance of this Agreement shall be open to inspection during regular business hours by an authorized representative of the office and shall be retained by GRANTEE for a period of five (5) years after termination of this Agreement, unless returned to GRANTOR upon completion of the contract.

9.2 Public Records Disclosures. GRANTEE agrees that Florida has broad public disclosure laws, and that any written communications with the GRANTEE, to include emails, email addresses, a copy of this Agreement, and any supporting documentation related to this Agreement are subject to public disclosure upon request, unless otherwise exempt or confidential under Florida Statute.

9.2.1. Public records are defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency. In this case, the portion of the GRANTEE's records relating to the acceptance and use of the GRANTOR grant are public records that may be subject to production upon request. The GRANTEE agrees to keep and maintain these public records until completion of the contract. Upon completion of the Agreement, GRANTEE will transfer, at no cost, to the GRANTOR, any public records in its possession.

9.2.2. Upon a request for public records related to this Agreement, GRANTEE will forward any such request to the GRANTOR. The GRANTOR will respond to any public records request. Upon request, the GRANTEE will provide access or electronic copies of any pertinent public records related to this Agreement to the GRANTOR within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes.

9.2.3. The GRANTEE agrees that Brevard County will consider all documentation the GRANTEE submits to Brevard County to support payment of this Grant to be subject to public records disclosure. If GRANTEE believes a specific documentation is exempt from public disclosure, the GRANTEE must so label the documentation and provide the basis for the exemption to GRANTOR. GRANTEE understands that GRANTOR will make the final decision as to whether or not the exemption is applicable, and so notify GRANTEE.

IF GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE OFFICE OF

**TOURISM, C/O ADMINISTRATIVE SECRETARY, 430 BREVARD AVENUE, SUITE 150,
COCOA, FLORIDA 32922, PHONE (321) 433-4470.**

10. DEFAULT TRIGGERS & SPECIFIC REMEDIES.

10.1. General Default.

10.1.1. Either Party is in default of this Agreement if the Party materially breaches any covenant contained in this Agreement and such breach has not been corrected or cured within thirty (30) days after written notice thereof.

10.1.2. GRANTEE is in default if any representation or warranty made by GRANTEE herein or in any report, statement, invoice, certificate, application, or other documentation furnished to the GRANTOR in connection with the performance of the Agreement proves to be untrue in a material respect as of the date of issuance or making thereof, was made with knowledge that it was untrue by GRANTEE employee submitting the documentation, and has not been corrected, cured or brought into compliance within thirty (30) days after written notice thereof to GRANTEE by the GRANTOR.

10.1.3. GRANTEE is in default if it fails to provide to the GRANTOR the written verification, satisfactory to the GRANTOR, of its performance of GRANTEE'S obligations as set forth herein.

10.1.4. GRANTEE is in default if it fails to provide GRANTOR with all information reasonably requested by GRANTOR relating to the provisions of the GRANT.

11. REMEDIES.

11.1. GRANTEE'S remedy for default by GRANTOR shall be the award of all funds due and payable to GRANTEE after GRANTEE'S compliance with all conditions precedent established under the terms of this Agreement (provided that such award does not include consequential or special damages). Such claims do not include consequential or special damages, and shall not exceed the total Tourist Development Grant contemplated by this Agreement. In addition, the GRANTOR's right to fifteen days use of the Convention Center venue each year will cease upon termination of this Agreement under section.

11.2. GRANTOR remedies for default by GRANTEE are as follows: At whatever point a default is identified the GRANTOR shall so notify GRANTEE and GRANTOR shall have no

obligation to make further payments to GRANTEE unless and until GRANTEE has demonstrated to GRANTOR that the matter is resolved to GRANTOR's satisfaction. GRANTEE agrees to cooperate with GRANTOR regarding any requests for information by GRANTOR to identify or resolve said default. GRANTOR's remedy shall be limited to (a) a release from further obligation to pay and (b) a claim for reimbursement under the terms specified in this Agreement, if any funds have been extended by the GRANTOR on behalf of GRANTEE.

12. TERMINATION.

12.1. If either Party fails or refuses to perform any of the provisions of this Agreement, or otherwise fails to timely satisfy the Grant provisions, either Party may notify the other Party in writing of the nonperformance and terminate this Agreement or such part of the Agreements as to which there has been a delay or a failure to properly perform. Such termination is effective upon the Party's receipt of the Notice of Termination.

12.2 If the GRANTEE defaults, without cure, this Agreement will be deemed automatically terminated and void. Under such circumstances, no further grant payments shall be due or payable from the GRANTOR to the GRANTEE under this agreement.

12.2.1. Under such circumstances:

12.2.1.1 The termination shall be automatic on the date of the uncured default. GRANTEE shall give notice to GRANTOR of said uncured default;

12.2.1.2. No further grant payment provided for in this Agreement shall be due or payable to the GRANTEE by the GRANTOR; and

12.3. It is the express agreement and intent of the Parties that the Grant payments to be made by the GRANTOR to the GRANTEE under the terms of this Agreement are not, and cannot be pledged as security for, or a guarantee of, the GRANTEE's payment of indebtedness to a third-party.

12.4. The Parties may execute a written agreement terminating this Agreement.

12.5. Termination or expiration of this Agreement shall not affect any other rights of either Party which may have vested or accrued up to the date of such termination or expiration.

13. NOTICES AND ADMINISTRATORS.

13.1 All notices required or permitted under this Agreement and any written consents or approvals required hereunder shall be in writing and are in effect upon receipt. Notices shall be transmitted either by personal hand delivery; United States Postal Service (USPS), certified mail return receipt requested; or, overnight express mail delivery. E-mail and facsimile transmission may be used if the notice is also transmitted by one of the preceding forms of delivery. The addresses set forth below for the respective parties shall be the places where notices shall be sent unless prior written notice of change of address is given.

13.2. The parties' designated representatives and their respective addresses for purposes of this Agreement shall be sent by E-mail with a confirmation copy by overnight courier or registered mail addressed as follows:

If to GRANTEE:

DAD 1300 N ATLANTIC COCOA, LP
255 Alhambra Circle, Suite 760
Coral Gables, FL 33134
Attn: Carlos Rodriguez, Sr., CHAIRMAN/CEO

If to the GRANTOR:

Brevard County Manager
2725 Judge Fran Jamieson Way
Building C
Viera, Florida 32940
E-mail:

With a copy to:

Brevard County Attorney
2725 Judge Fran Jamieson Way
Building C
Viera, Florida 32940
E-mail:

14. BINDING EFFECTS AND ASSIGNMENT.

14.1. This Agreement may not be assigned to any other legal entity or person by GRANTEE without the prior written consent of the GRANTOR.

14.2. This Agreement shall be binding upon the successors and assigns of the Parties hereto to the extent such assignment has been consented to by the GRANTOR under the circumstances specified in paragraph 13.1 above.

15. GOVERNING LAW, VENUE AND WAIVER OF REMOVAL TO FEDERAL COURT, SERVICE OF PROCESS, REMEDY FOR UNLAWFUL PAYMENTS

15.1. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Florida. Venue in any litigation arising out of this agreement shall be Brevard County, Florida in the state court with jurisdiction. **BOTH PARTIES AGREE TO WAIVER OF ANY RIGHT TO TRIAL BY JURY.** GRANTEE hereby consents and waives any objection or defenses relating to Florida state court having jurisdiction over any dispute or claim arising out of this agreement and consents to process being served upon its Florida registered agent. GRANTEE expressly waives removal of any claim or action arising under this agreement to federal court.

15.2. GRANTEE agrees that any public expenditure found to be unlawful by a court of competent jurisdiction shall be reimbursed to the GRANTOR.

16. MODIFICATION.

This Agreement may not be changed or modified except by written instrument signed by all of the Parties hereto.

17. SURVIVAL.

All covenants, agreements, representations, warranties and endowments made herein relating to repayment by GRANTEE in the event of GRANTEE'S default shall survive the termination of this Agreement until any claim or claims made under this Agreement by the GRANTOR is resolved.

18. FURTHER ASSURANCES.

Each Party, without further consideration, shall take such action, execute and deliver such documents as the other may reasonably request to correct or effectuate the purpose of this

Agreement.

19. RELATIONSHIP OF THE PARTIES.

Nothing in this Agreement, nor any act of the Parties, shall be deemed or construed by the Parties hereto or by any third party to create a relationship of principal and agent, partnership, joint venture or of any similar association whatsoever between GRANTEE and GRANTOR.

20. GRANTEE'S WARRANTIES/REPRESENTATIONS AND INDEMNIFICATION.

20.1. GRANTEE represents that it is possessed with all requisite lawful authority to enter into this Agreement, and the individual executing this Agreement is possessed with the authority to so sign and bind GRANTEE.

20.2. GRANTEE further warrants that it has not entered into any agreement nor has any obligations which would prohibit GRANTEE from locating the Project in Brevard County, Florida.

20.3. To the extent permitted by law, other than GRANTEE'S claims arising out of a default by the GRANTOR, GRANTEE shall indemnify and hold GRANTOR harmless for any claims or actions of any nature resulting from or arising out of the construction or operation of the Project or its facilities or otherwise in GRANTEE'S use of this GRANT. The GRANTEE shall indemnify, defend, and hold harmless Brevard County for the negligent acts and omissions of the GRANTEE'S own employees and agents in the performance of this Agreement, to the extent permitted by law, and against any and all third-party claims, suits, proceedings, losses, liabilities, damages, fees and expenses (including reasonable attorney's fees and expenses) related to the GRANTEE'S project. The GRANTEE expressly agrees that Brevard County has no liability to the GRANTEE for GRANTEE'S operation of the Project. The Parties acknowledge specific consideration has been exchanged for this provision.

20.4. GRANTEE agrees to comply with all federal, state and local laws, and is responsible for any and all permits, fees, and licenses necessary to perform the Grant. GRANTEE will ensure all Contractors are appropriately licensed to do the work required. Nothing in this Agreement shall be construed as a waiver by GRANTOR of any requirements for local permits, fees, and licenses.

20.5. GRANTEE shall not engage the services of any person or persons now employed by Brevard County, to provide services relating to this agreement without written consent

from Brevard County.

20.6. GRANTEE is the current owner in fee simple of the property located at 1300 N. Atlantic Avenue, Cocoa Beach, Florida 32931, upon which the project and the Project is to be built

20.7 The Grantee further represents that the grants being paid to the Grantee by the Grantor under this agreement are not necessary to make the Project economically feasible.

21. SEVERABILITY.

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The Parties shall use their best efforts to rehabilitate and replace the unenforceable provision or provisions of this Agreement with lawful terms and conditions approximating the original intent of the Parties.

22. INSURANCE.

22.1. GRANTEE agrees to procure and maintain, at its own expense and without cost to GRANTOR, the following types of insurance. The policy limits required are to be considered minimum amounts:

22.1.1. General Liability Insurance policy with a \$1,000,000 combined single limit for each occurrence to include personal injury, contractual liability, and errors and omissions coverage.

22.1.2. Auto Liability Insurance policy which includes coverage for all owned, non-owned and rented vehicles with a \$1,000,000 combined single limit for each occurrence, as well as Full Coverage Vehicle Insurance to include Liability (as above), Collision, Comprehensive, PIP and Uninsured Motorists.

22.1.3. Workers' Compensation and Employers Liability insurance policy covering all employees of GRANTEE that work on this Grant, as required by law. Coverage shall be for all employees directly or indirectly engaged in work on this Grant, with limits of coverage as required by State law.

22.1.4. Provision of Certificates of insurance - GRANTEE will provide certificates of insurance to GRANTOR demonstrating that the insurance requirements have

been met prior to the commencement of work under this Grant. The insurance coverage enumerated above constitutes the minimum requirements and shall in no way lessen or limit the liability of GRANTEE under the terms of the Grant.

23. MISCELLANEOUS PROVISIONS.

23.1. This Agreement shall not obligate or make GRANTOR or the GRANTEE liable to any Party other than the Parties to this Agreement. Oversight of GRANTEE staff will be the responsibility of the GRANTEE Manager.

23.2. The waiver by the GRANTOR of any of GRANTEE's obligations or duties under this Agreement shall not constitute a waiver of any other obligation or duty of the other Party under this Agreement, nor shall a waiver of any such obligation or duty constitute a continuing waiver of that obligation of duty.

23.3 The County's indemnity and liability obligations hereunder shall be subject to the County's right of sovereign immunity and limited to the extent of the protections of and limitations on damages as set forth in Section 768.28, Florida Statutes. Nothing in this Agreement is intended to inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the doctrine of sovereign immunity or by operation of law. Nothing herein shall constitute a waiver of the County's sovereign immunity.

24. SCRUTINIZED COMPANIES.

24.1. The GRANTEE certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List. Pursuant to Section 287.135, Florida Statutes, the GRANTOR may immediately terminate this Grant at its sole option if the GRANTEE or its subcontractors are found to have submitted a false certification; or if the GRANTEE, or its subcontractors are placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel during the term of this Contract.

24.2. GRANTEE further certifies that it and its subcontractors are also not on the Scrutinized Companies with Activities in Sudan, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria as identified in Section 287.135, Florida Statutes.

24.3. Pursuant to Section 287.135, Florida Statutes, the GRANTOR may immediately

terminate this Grant at its sole option if the GRANTEE, its affiliates, or its subcontractors are found to have submitted a false certification; or if the GRANTEE, its affiliates, or its subcontractors are placed on the Scrutinized Companies that Boycott the Scrutinized Companies with Activities in Sudan List, or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or engaged with business operations in Cuba or Syria during the term of the contract.

24.4. The GRANTEE agrees to observe the above requirements for applicable subcontracts entered into for the performance of work under this contract.

24.5. As provided in Subsection 287.135(8), Florida Statutes, if federal law ceases to authorize these contracting prohibitions, this section shall become inoperative and unenforceable.

25. EMPLOYMENT ELIGIBILITY VERIFICATION (E-VERIFY).

25.1. The GRANTEE shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the GRANTEE during the term of the Grant. Upon request, GRANTEE shall provide acceptable evidence of their enrollment. Acceptable evidence shall include, but not be limited to, a copy of the fully executed E-Verify Memorandum of Understanding for the business.

25.2. GRANTEE shall expressly require any subcontractors performing work or providing services pursuant to this Grant to likewise utilize the United States Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of this Grant.

25.3. GRANTEE agrees to maintain records of its participation and compliance with the provisions of the E-Verify program, including participation by its subcontractors as required by section 448.095(2)(b), Florida Statutes, and to make such records available to the COUNTY consistent with the terms of GRANTEE's enrollment in the program.

25.4. Compliance with the terms of this section is made an express condition of this Contract and the COUNTY may treat a failure as grounds for immediate termination of this Contract.

25.5. A GRANTEE who registers with and participates in the E-Verify program may not be barred or penalized under this section if, as a result of receiving inaccurate verification

information from the E-Verify program, the GRANTEE hires or employs a person who is not eligible for employment.

25.6. Nothing in this section may be construed to allow intentional discrimination of any class protected by law.

25.7. GRANTOR will not intentionally award a publicly-funded contract to any GRANTEE who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions contained in 8 United States Code (USC) section 1324a(e)(section 274A(e) of the Immigration and Nationality Act (INA). The GRANTOR shall consider a GRANTEE's intentional employment of unauthorized aliens as grounds for immediate termination of this contract.

26. FORCE MAJEURE.

In no event shall the GRANTOR or GRANTEE be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, strikes, pandemics, government imposed lockdowns or similar government acts substantially impeding tourism, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God; it being understood that the Parties shall use reasonable efforts which are consistent with accepted practices in the tourism industry to resume performance as soon as practicable under the circumstances.

27. FOREIGN DISCLOSURES.

Pursuant to section 286.101(3)(a), Florida Statutes, prior to the GRANTOR signing this Agreement, GRANTEE agrees it will complete Brevard County's Foreign Disclosure form and file any required foreign disclosures with the State of Florida's Department of Financial Services.

28. ENTIRE AGREEMENT AND DUPLICATE AGREEMENTS.

This Agreement contains the entire understanding of the Parties and supersedes all prior agreements and negotiations respecting such matters. This Agreement is executed in duplicate originals.

IN WITNESS WHEREOF, the GRANTOR and GRANTEE have caused this agreement to be executed and delivered by their duly authorized representatives, fully authorized by all required action to sign on behalf of and to bind that Party to the obligations stated herein.

Signed, Sealed, and Delivered in the presence of:

Witness

GRANTEE:

DAD 1300 N ATLANTIC COCOA, LP, a
Delaware limited partnership,

Witness

By: _____
Carlos Rodriguez, Managing Member
Its authorized signatory

ATTEST:

GRANTOR:

BREVARD COUNTY BOARD OF COUNTY
COMMISSIONERS

Rachel Sadoff, Clerk

By: _____
Kristine Zonka, Chair

(As approved by the Board on _____)

APPROVED AS TO FORM CONTENT

County Attorney

EXHIBIT “A”

Legal Description

EXHIBIT A

Legal Description

PARCEL 1

BLOCK THIRTEEN (13), LESS THAT PORTION OF LOTS EIGHT (8) AND NINE (9) OF SAID BLOCK 13 LYING WITHIN THE RIGHT OF WAY FOR STATE ROAD A-1-A; BLOCK FOURTEEN (14); AND ON THE SOUTH ONE-HALF (S 1/2) OF A CLOSED STREET RUNNING FROM STATE ROAD A-1-A EAST TO THE EAST LINE OF BLOCK 14, PROJECTED, ORIGINALLY NAMED LAUREL AVENUE, WHICH SEPARATED BLOCKS ELEVEN (11) AND TWELVE (12) FROM BLOCKS THIRTEEN (13) AND FOURTEEN (14); THAT PORTION OF BANKS STREET EXTENDING FROM THE SOUTH LINE OF BLOCKS THIRTEEN (13) AND FOURTEEN (14) TO THE NORTH LINE OF THE SOUTH ONE-HALF (S 1/2) OF CLOSED LAUREL AVENUE; AND THE ALLEY SEPARATING LOTS ONE (1) THROUGH FIVE (5) INCLUSIVE FROM LOTS SIX (6) AND FIFTEEN (15) IN BLOCK 14, ALL ACCORDING TO THE PLAT OF SEA CREST BEACH SUBDIVISION, AS RECORDED IN PLAT BOOK 3, PAGE 3 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA; THE STREET KNOWN AS LAUREL AVENUE AND BANKS STREET AND THE ALLEY ABOVE DESCRIBED HAVING BEEN CLOSED BY A RESOLUTION OF THE COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA.

PARCEL II

ALL OF BLOCK FIFTEEN (15), LESS THAT PART OF LOTS EIGHT (8) AND NINE (9), LYING WITHIN THE RIGHT OF WAY OF A-1-A; AND ALL OF BLOCK SIXTEEN (16), EXCEPT LOTS ONE (1), TWO (2), FOUR (4), AND FIVE (5), AND LESS THE EASTERLY 24 FEET OF LOTS SIX (6) AND FIFTEEN (15), PER OFFICIAL RECORDS BOOK 514, PAGE 924, ACCORDING TO THE PLAT OF SEA CREST BEACH, AS RECORDED IN PLAT BOOK 3, PAGE 3 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA.

PARCEL III

LOTS ONE (1) AND TWO (2), BLOCK SIXTEEN (16), SEA CREST BEACH SUBDIVISION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGE 3 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA.

PARCEL IV

THAT PORTION OF HOLLY AVENUE AS SHOWN ON PLAT OF SEA CREST BEACH, PLAT BOOK 3, PAGE 3 OF THE PUBLIC RECORDS OF BREVARD COUNTY, FLORIDA, LYING EAST OF THE EAST RIGHT OF WAY OF A-1-A WHICH WAS VACATED BY RESOLUTION NO. 80-34 BY THE CITY COMMISSIONER OF THE CITY OF COCOA BEACH, FLORIDA, DATED OCTOBER 16, 1980.