



JEKYLL ISLAND STATE PARK AUTHORITY

ANALYSIS OF LONG TERM IMPACTS OF DEVELOPMENT ON JEKYLL ISLAND:
TECHNICAL APPENDIX

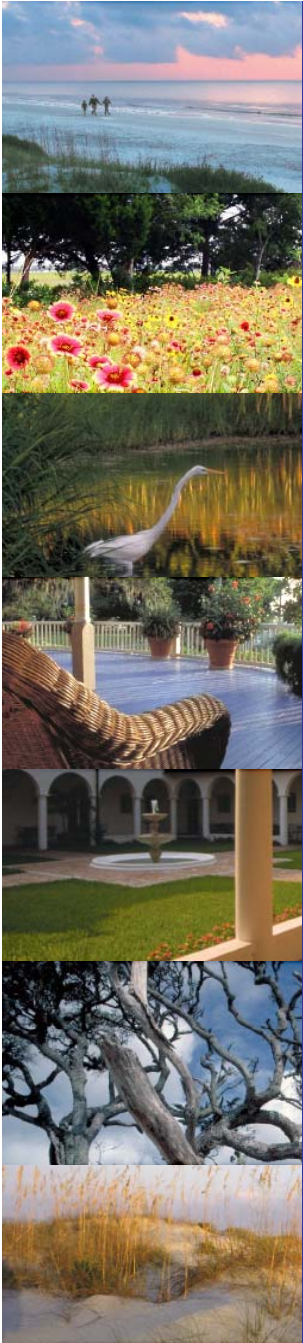
DETAILED FORECAST TABLES

September 15, 2008

DRAFT

NOTE

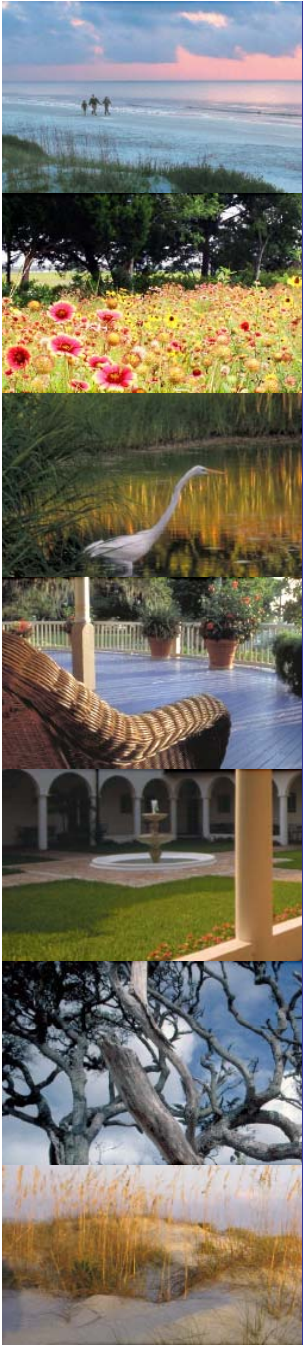
- The following slides have been specifically prepared to accompany an oral presentation by Bleakly Advisory Group, Inc. The oral presentation provides a more detailed explanation of the methodology, data sources, findings and conclusions. The oral presentation is integral to understanding the following information and the basis for the findings. The background analysis and data which this presentation relies upon will be included in the full report. That report will be completed shortly.



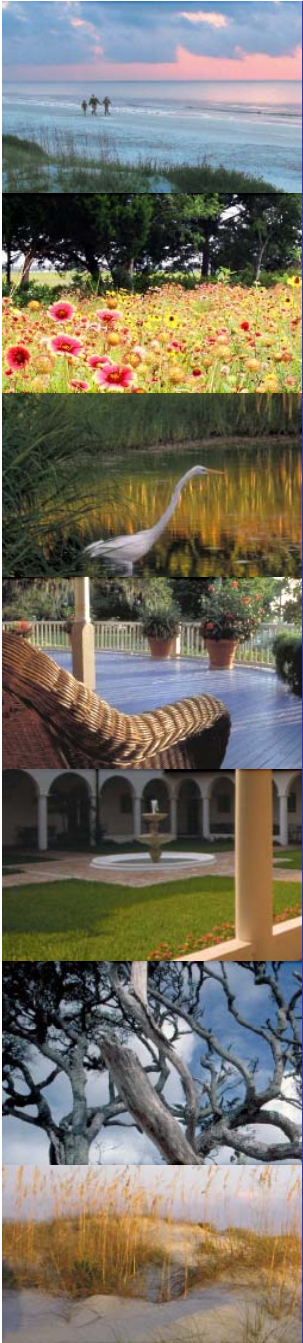


Presentation Outline

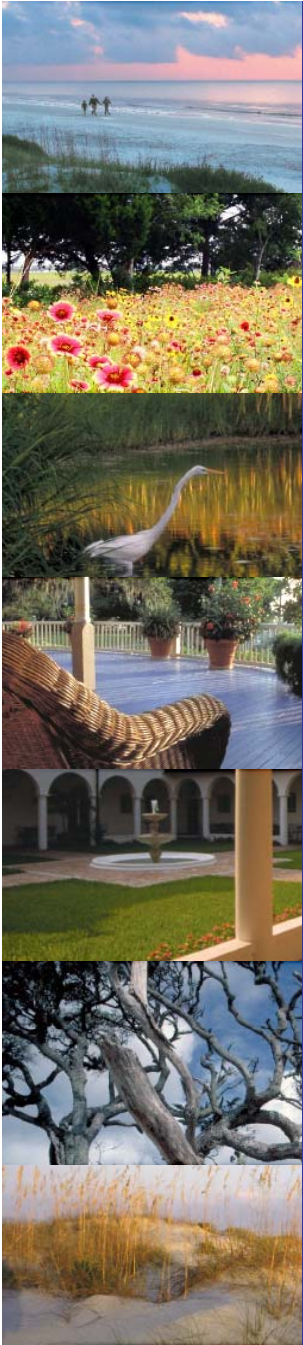
- Purpose
- Forecast Detail Development Estimates
 - Existing Development Estimates
 - Forecasts
- Visitation Components and Projections
 - Forecast Methodology
 - Visitation and Daily Population Forecasts
- Annual Operating and Capital Budget Forecasts
 - Ground Lease
 - Operating Revenues & Expenses
 - Capital Improvements



Purpose



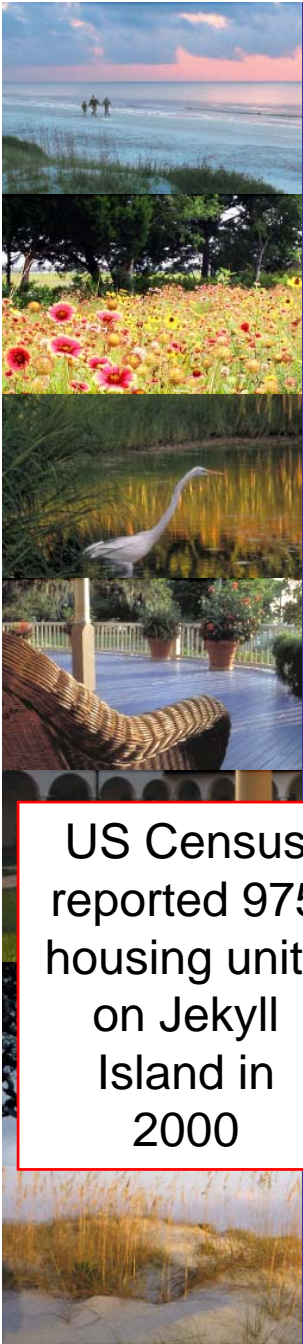
- In the legislation creating Jekyll Island State Park the Georgia legislature mandated that the island, unlike other Georgia state parks, must be financially self-sustaining. This factor requires that the Jekyll Island Authority (JIA) take a business-like approach to assuring it has the financial resources necessary to protect and preserve the island's extensive public assets for the enjoyment of all Georgians.
- This analysis estimates the level of future visitation and related redevelopment necessary to both maintain the Authority's financial viability and finance investments in visitor amenities and public assets to secure the Island's future as Georgia's Jewel.
- As part of its stewardship of this unique resource, the Authority seeks to balance its financial needs while preserving the unique historic and natural assets of Jekyll Island, which are the centerpiece of its appeal.
- The presentation summarizes a detailed analysis of the financial implications of visitation on Jekyll Island and provides an important analytic framework for considering the appropriate level of future development on the island.



Forecast Detail

Development Estimates

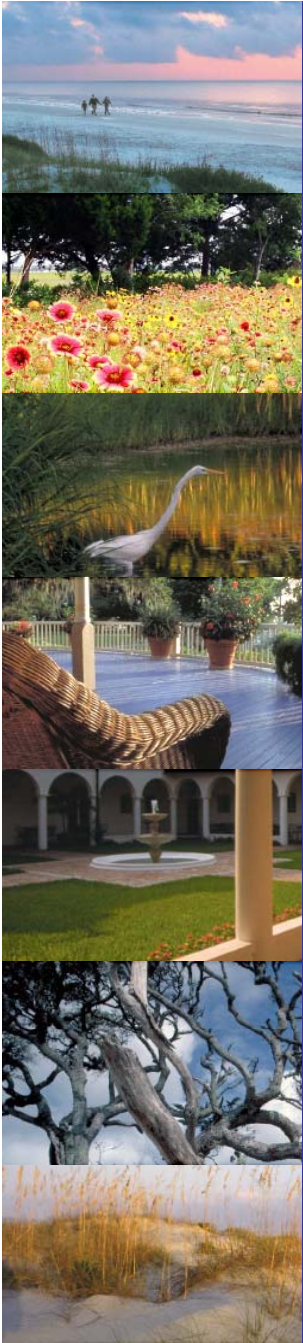
Existing Jekyll Island Development



US Census reported 975 housing units on Jekyll Island in 2000

| Estimated Existing Development By Location | Within Historic District | Outside Historic District | Island-wide TOTALS |
|--|--------------------------|---------------------------|--------------------|
| Hotel/Motel Accommodations (as of July 2008) | | | (Rooms) |
| Jekyll Oceanfront Resort (Jekyll Inn) | | 259 | |
| Quality Inn | | 72 | |
| Beachview Club | | 38 | |
| Buccaneer Beach Resort/Clarion (Formerly 207 Units) | | | |
| Oceanside Inn & Suites (Comfort Inn) | | 178 | |
| Days Inn | | 124 | |
| Holiday Inn (Formerly 198 Units) | | | |
| Georgia Coast Inn (Formerly 110 Units) | | | |
| Jekyll Island Club | 134 | | |
| Jekyll Island Club Cottages [1] | 23 | | |
| Total Accommodations | 157 | 671 | 828 |
| Privately Owned/Leased Residential Properties [2] | | | (Units) |
| Single Family Detached | - | 527 | |
| Duplex | - | 84 | |
| Townhome/Condo | - | 182 | |
| Apartments | - | 8 | |
| Total Dwelling Units | - | 801 | 801 |
| Campsites | - | 206 | 206 |

See footnotes at end of inventory.



Existing Jekyll Island Development

| Estimated Existing Development By Location | Within Historic District | Outside Historic District | Island-wide TOTALS |
|--|--------------------------|---------------------------|------------------------|
| Commercial/Retail, Restaurant Other Commercial Uses [3] | | | (Building SF) |
| Commerical/Shopping Center | | 39,600 | |
| Blackbeard's Restaurant | | 11,815 | |
| Gas Station | | 4,500 | |
| Seajay's Restaurant | | 4,000 | |
| Airport/Bike Rentals | | 450 | |
| Jekyll Wharf Restaurant | 5,000 | | |
| Historic District/Pier Road Gift Shops | 21,945 | | |
| Total Commercial Space | 26,945 | 60,365 | 87,310 |
| Pavilions, Piers, Shelters & Other Structures [4] | | | (SF Structures) |
| Fishing Pier | | 5,500 | |
| Bath Houses & Public Restrooms | 3,750 | 4,814 | |
| Picnic Areas & Pavilions | | 1,919 | |
| Total Other Structures | 3,750 | 12,233 | 15,983 |
| Private Churches | | | (Building SF) |
| Methodist Church | | 8,090 | |
| First Baptist Church | | 7,030 | |
| Presbyterian Church | | 4,500 | |
| Total Churches | - | 19,620 | 19,620 |

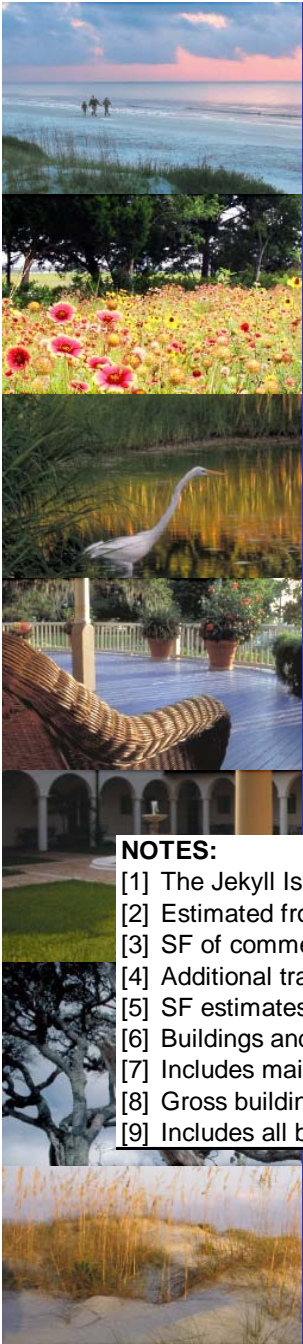
See footnotes at end of inventory.



Existing Jekyll Island Development

| Estimated Existing Development By Location | Within Historic District | Outside Historic District | Island-wide TOTALS |
|---|---------------------------------|----------------------------------|---------------------------|
| JIA Operations Buildings [5] | | | (Building SF) |
| JIA Offices | 11,566 | | |
| Fire Station | 6,646 | | |
| Vacant Historic District Bldgs [6] | 61,092 | | |
| JIA Warehousing & Maintenance [7] | 59,856 | | |
| JIA Employee Housing (10 Units) | | 10,000 | |
| Airport Operations Building | | 1,400 | |
| Welcome Station/Georgia State Patrol | | 6,000 | |
| Water/Wastewater Plants & Pump Stations | | 31,167 | |
| Total JIA/Civic Uses | 139,160 | 48,567 | 187,727 |
| Tourism Facilities and Attractions | | | (Building SF) |
| Tidelands Nature Center | | 5,000 | |
| 4-H Complex | | 31,104 | |
| Beachview Club | | 15,800 | |
| Main Golf Course Clubhouse Complex | | 22,000 | |
| Great Dunes Clubhouse & Cart Barn | | 5,850 | |
| Mini-Golf, Bike Rentals & Playground | | 1,856 | |
| Tennis Center Clubhouse | | 5,500 | |
| Jekyll Island Convention Center [8] | | 62,000 | |
| Jekyll Island Marina | | 18,657 | |
| Campground Office/Store | | 3,000 | |
| Summer Waves Water Park | | 9,000 | |
| History Center & Museum Buildings[9] | 68,025 | | |
| Georgia Sea Turtle Center | 5,650 | | |
| Total Tourism Buildings | 73,675 | 179,767 | 253,442 |

See footnotes at end of inventory.



Existing Development Summary

| | | |
|--|----------------|------------------------|
| Hotel/Motel Accommodations | 828 | Rooms |
| Campgrounds | 206 | Sites |
| Residential Properties | 801 | Units |
| TOTAL Rooms, DU's & Campsites | 1,835 | |
| Pavilions, Bath Houses, Piers | 15,983 | SF (Structures) |
| Commercial/Retail Buildings | 87,310 | SF |
| Tourism Facilities/Attractions | 253,442 | SF |
| JIA Operations/Uses | 187,727 | SF |
| Private Churches | 19,620 | SF |
| TOTAL Nonresidential Buildings | 548,099 | SF |

NOTES:

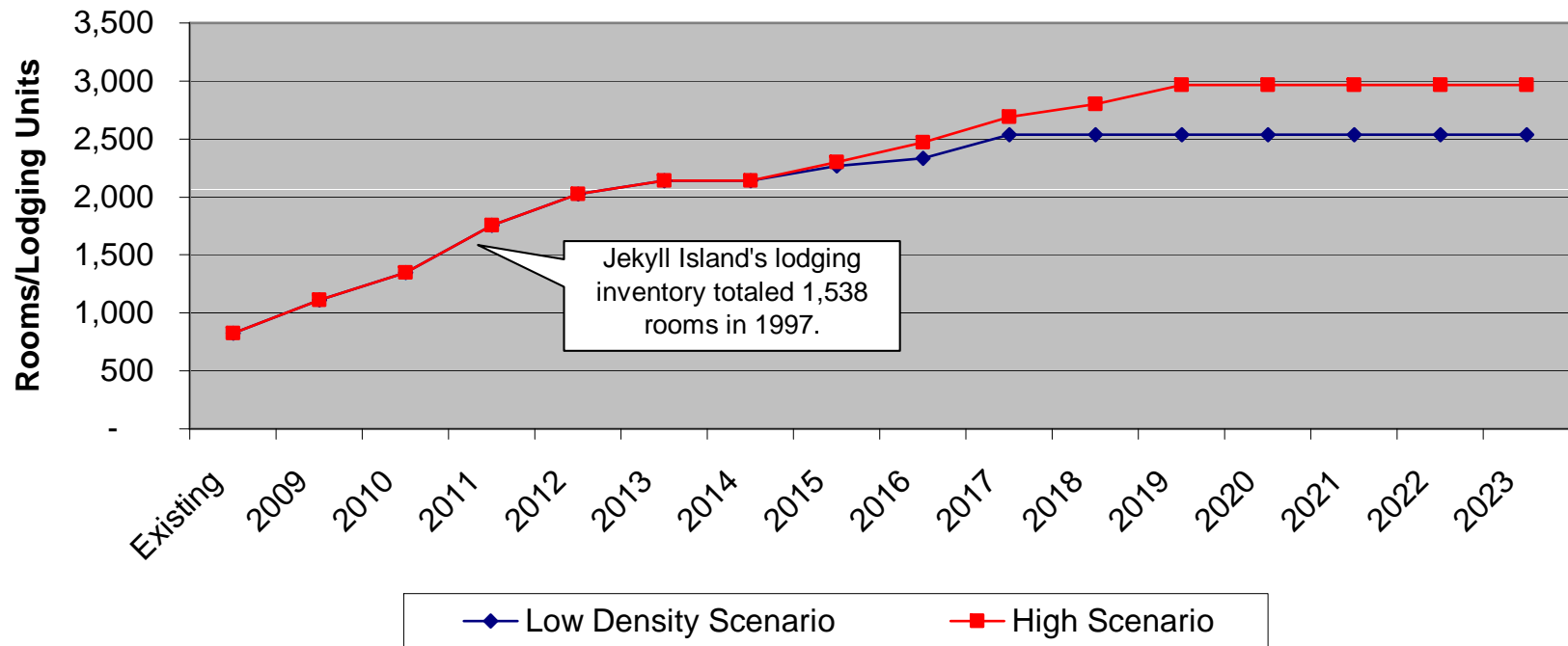
- [1] The Jekyll Island Club operates 23 rooms/units and a restaurant within the Crane, Cherokee and Sans Souci cottages as part of the hotel inventory.
- [2] Estimated from Glynn County property tax assessment records.
- [3] SF of commercial buildings not managed by the JIA are estimated from Glynn County property tax assessment records.
- [4] Additional traffic generators that are occupied primarily by non-building structures.
- [5] SF estimates for all JIA managed buildings were taken from the State of Georgia, Building Land and Leased Inventory of Property (BLLIP) database.
- [6] Buildings and outbuildings within the Historic District that are currently classified as having no active use.
- [7] Includes maintenance sheds, warehouses & other out buildings
- [8] Gross building area of the existing convention center. Meeting space totals an estimated 55,000 SF
- [9] Includes all buildings classified as part of the Jekyll Island History Center & Museum, including Faith Chapel.

Historical records indicate that 1,538 lodging rooms existed on Jekyll Island during the 1990's.



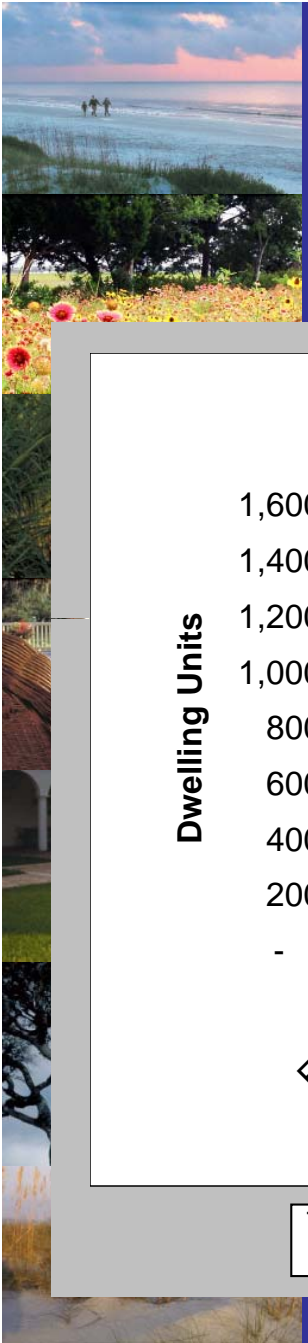
Estimated 15-Year Development Capacity: Lodging

Projected Range of Existing, Planned and Potential Future Jekyll Island Lodging Accommodations



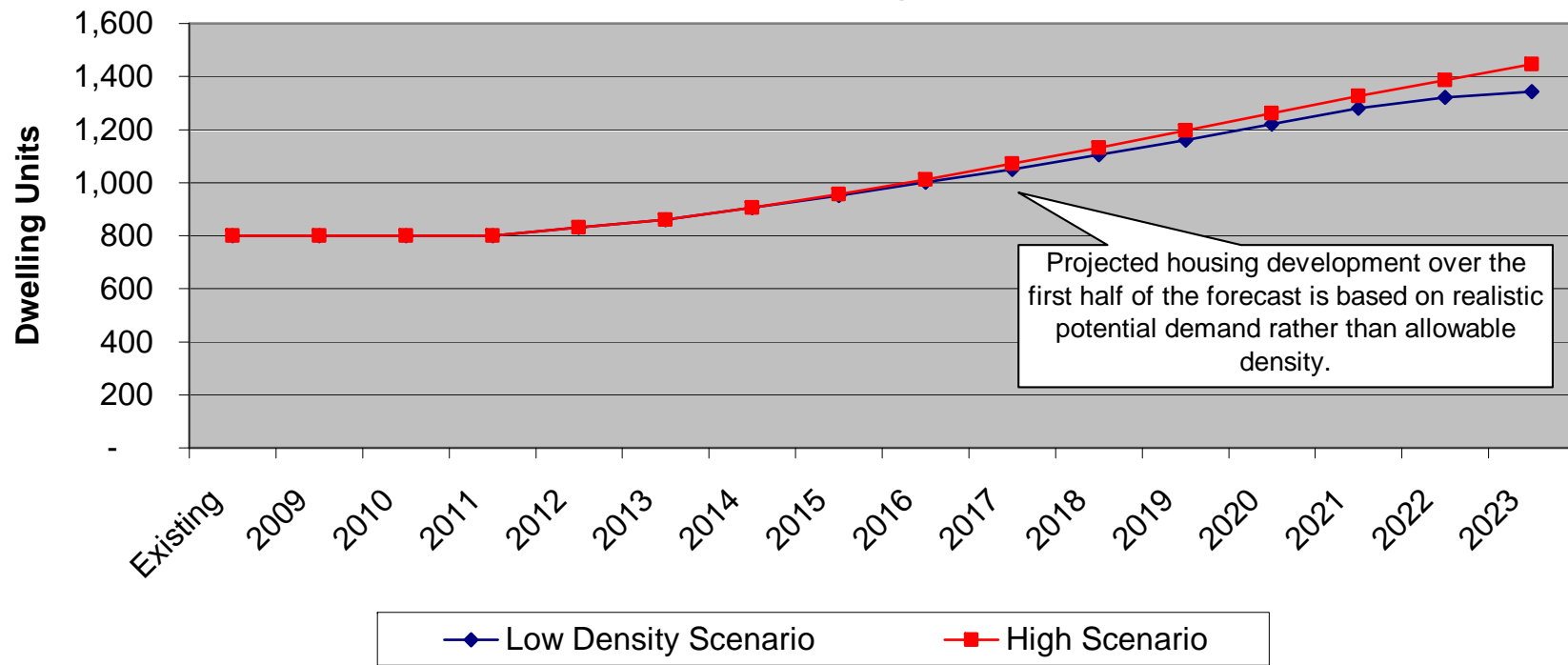
Totals include existing, planned and potential future conventional hotel/motel rooms, cottage and condo hotel units and vacation interval/timeshare units.

“Capacity” refers to Jekyll Island’s estimated physical potential to accommodate future growth under the adopted Master Plan, the Revitalization Plan and Conservation Guidelines.



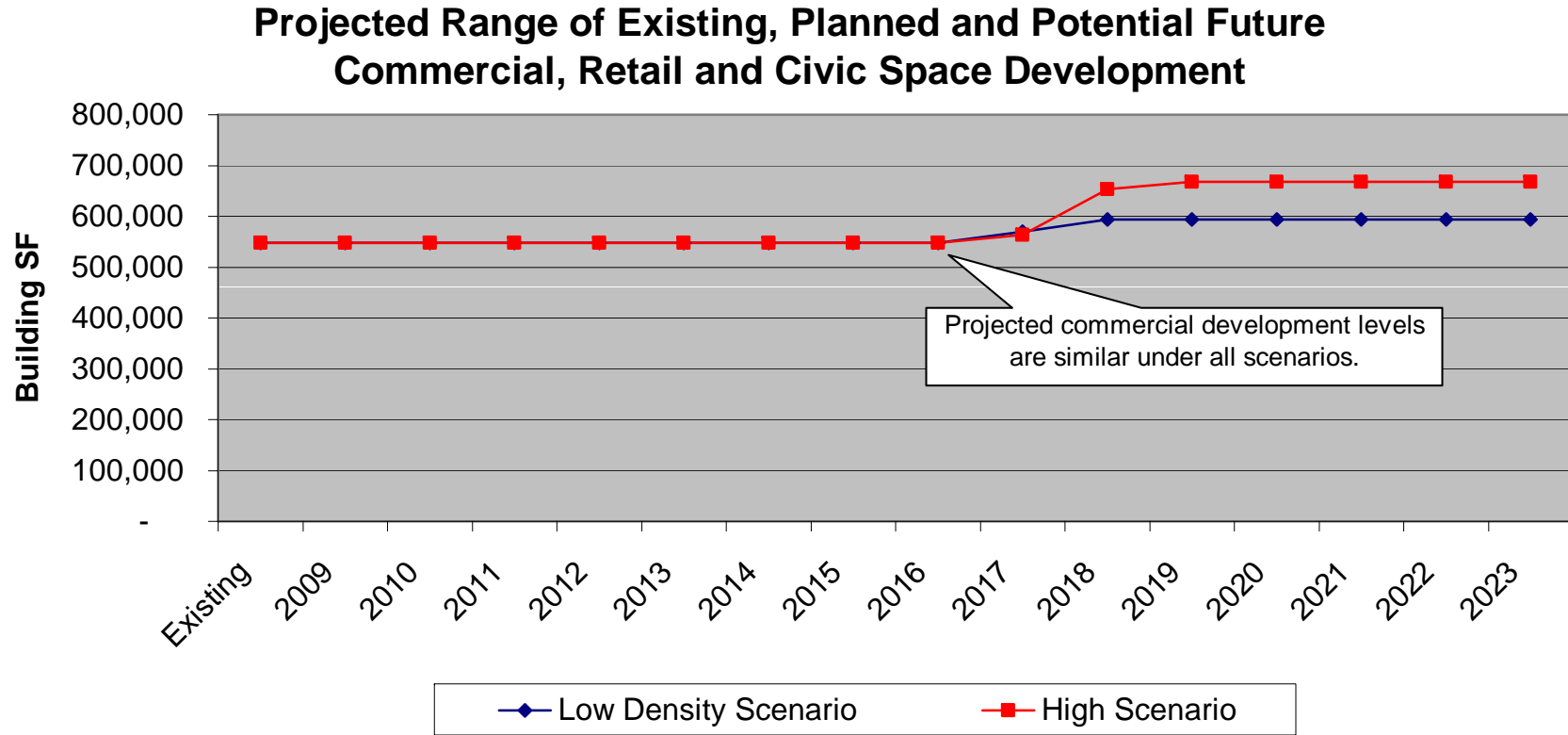
Estimated 15-year Development Capacity: Cottages, Condos, Townhomes

Projected Range of Existing, Planned and Potential Future Jekyll Island Housing Units



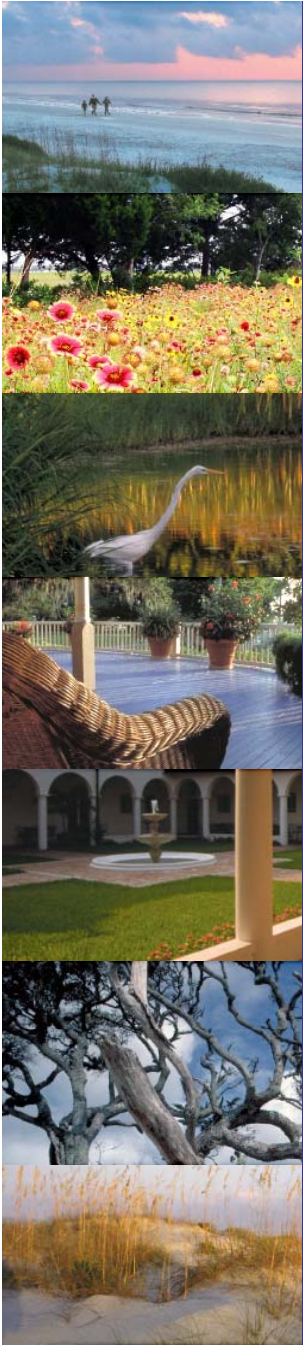
Totals include existing, planned and potential future cottages, townhomes and condominiums, including year-round residences and seasonal/vacation homes.

Estimated 15-Year Development Capacity: Commercial & Other Nonresidential Uses



Totals include existing, planned and potential future convention center expansion, retail development, new civic space and related commercial development.

Minimal new commercial development is anticipated under all scenarios.



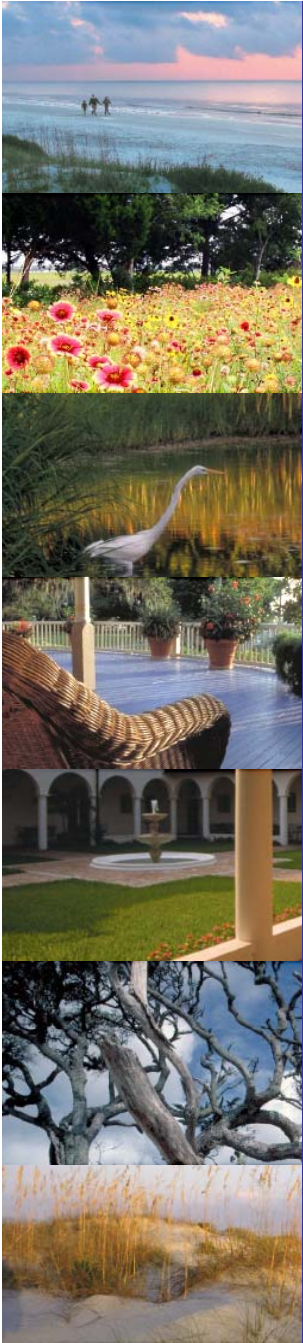
Forecast Detail

Visitation Components and Projections



Visitor Forecast Methodology

- Estimate current visitation and allocate by type and accommodations used
 - **Daily Parking Pass Purchasers**
 - Overnight hotel/motel guests
 - Overnight guests in paid vacation rentals
 - Overnight visitors and guests of residents & seasonal owners
 - Infrequent day trippers
- Add estimated average and peak seasonal populations
 - **Annual Decal Purchasers**
 - Primary residents (owners & renters)
 - Seasonal residents/vacation homeowners
 - Employees
 - Frequent day trippers (including county residents & business deliveries)



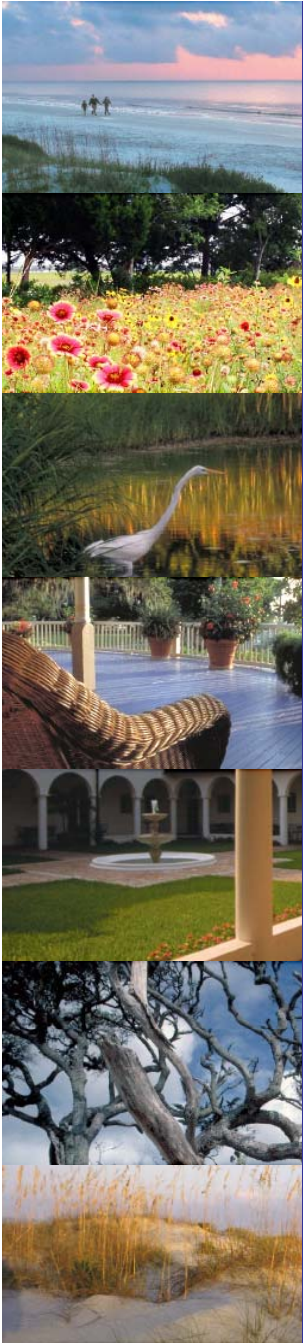
Forecast Methodology

- Estimate Primary Residents
 - 2000 US Census identified 367 owner occupied and 121 renter occupied households
 - Glynn County assessor currently identifies only 265 resident homeowners claiming homestead exemptions
 - BAG estimates a “resident” population of +/-750 including owners and year-round renters
- Estimate Seasonal Residents
 - Methodology distinguishes between units in the rental pool and units not in the rental pool
 - BAG estimates that +/- 415 of 801 private dwelling units on Jekyll are not in the rental pool



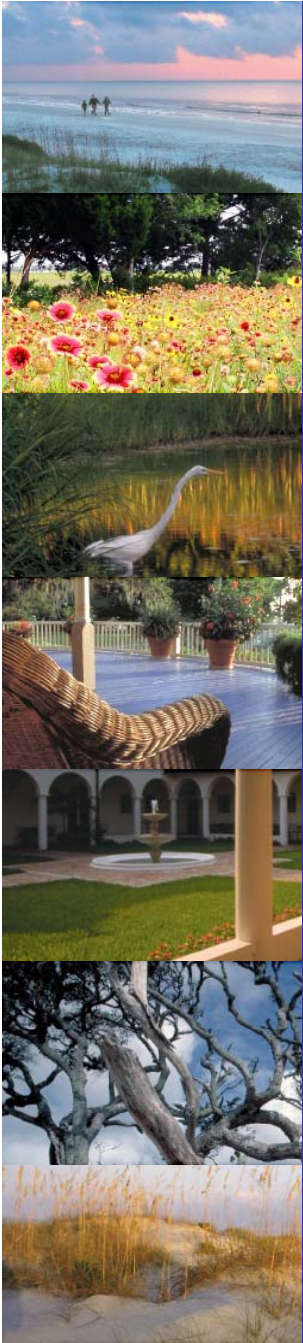
Forecast Methodology

- Add estimates of family visitors and unpaid guests
- = Occupancy of Seasonal Dwellings
 - Units in Rental Pool
 - Occupancy rate weekly rentals
 - Less estimated permanent vacancy factor = days owner occupied
 - Seasonal population estimated by multiplying owner & renter occupied days x average party size
 - Units not in the rental pool
 - Units x average household size x estimated seasonal occupancy
- Day Trippers
 - Estimates “calibrated” based on parking decals sold, causeway traffic and other variables as controls
 - Visits not attributed to other sources are classified as day trips



Forecast Methodology

- Components of average daily population:
 - Permanent residents
 - Seasonal residents
 - Overnight guests in paid accommodations
 - Family & visitors in unpaid accommodations
 - Infrequent day trippers (buying daily passes)
 - Employees
 - Frequent visitors (decal holders)
- Average daily population is adjusted upward to reflect seasonal peaks using spikes in hotel occupancy as an indicator



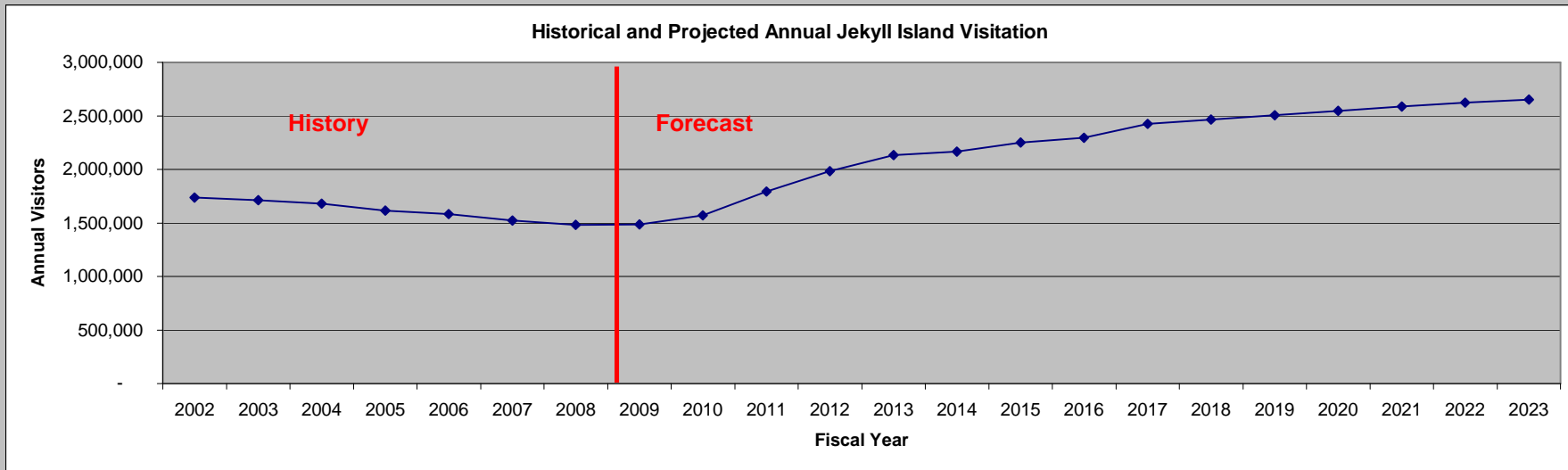
Forecast Methodology

- Causeway Traffic
 - Estimated daily on-off island vehicle trips associated with the above population
- The following variables can be adjusted by time period
 - Average household and average party size
 - Occupancy rates
 - ADR's
 - Length of stay
 - Change in accommodations and dwelling units
 - Parking & Other Fees



Recent and Projected Visitation

- BAG estimates that annual visitation to Jekyll Island has declined by nearly 600,000 (-23%) since 1988-89, to < 1.5 million
- Visitation is projected to grow by 3.9% per year over the forecast period, reaching 2.65 million visitors by 2023



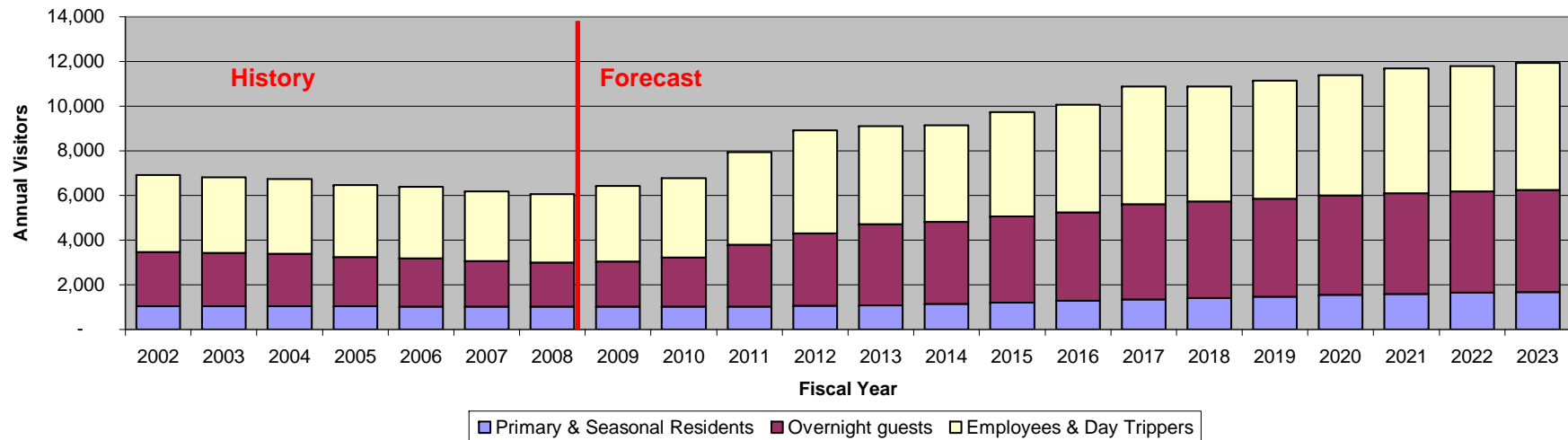
Annual Visitors includes persons staying in paid accommodations, family members and guests of permanent/seasonal residents and "infrequent" day trippers purchasing daily parking passes.



Average Daily Population

- BAG estimates that the average FY 2008 daily population on Jekyll Island is just over 6,000
 - Includes visitors + residents & employees
- Average daily population is projected to grow to 11,900 by 2023
 - Daily population could reach 15,500 during peak periods

Historical and Projected Jekyll Island Average Daily Population

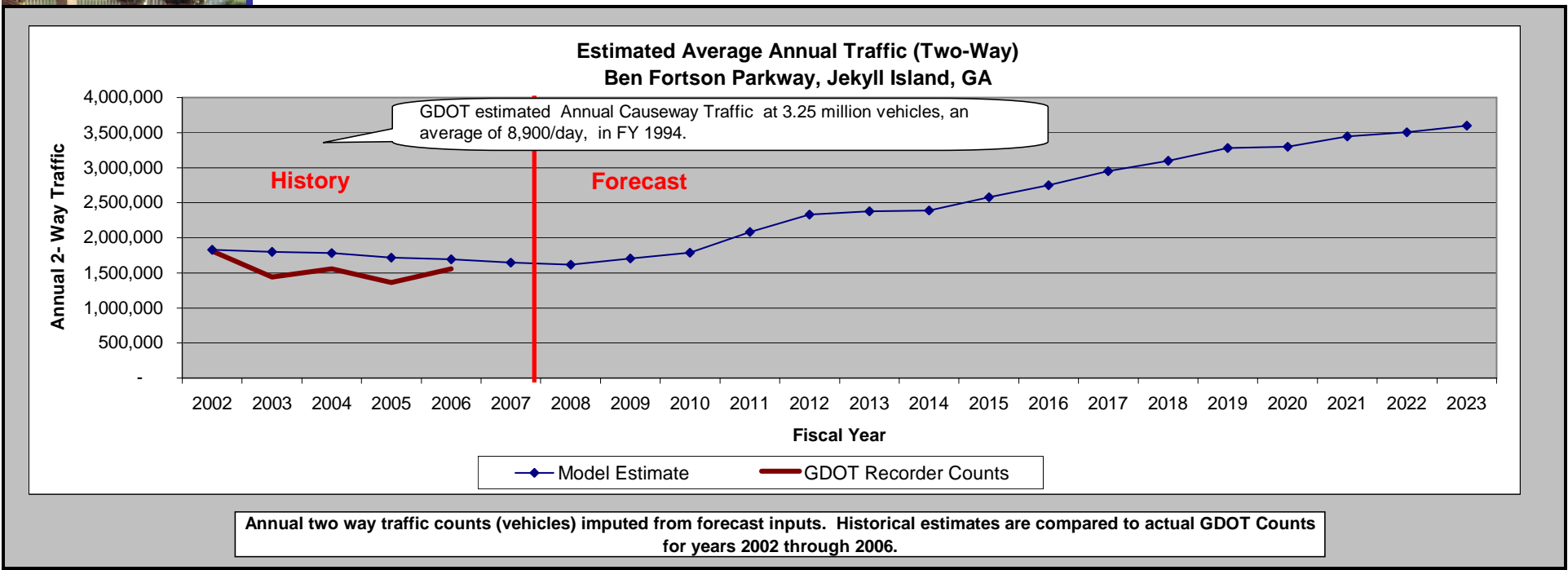


Average daily population includes persons staying in paid accommodations, family members and guests of permanent/seasonal residents, day trippers and employees.



Recent/Projected Causeway Traffic

- Annual traffic from Jekyll Island is projected to grow to 3.2 million by 2023 (8,800 cars/day), roughly comparable to GDOT estimates of 8,500 – 8,900 vehicles/day from 1989-1994.



Forecast Detail: Accommodations and Dwelling Units (Low Scenario)

| JIA Budget Forecast | Fiscal Year Beginning July 1..... | | | | | |
|--|------------------------------------|----------------------|-----------------------|-----------------------|---------------------------------------|-------------|
| | (Preliminary) FY 2008 Actual | Year 5 FY 2013 | Year 10 FY 2018 | Year 15 FY 2023 | Average Annual Chg. FY 2009 - 2023 | |
| | | | | | Amount | Percent |
| Paid Accommodations | | | | | | |
| Hotel Rooms | 802 | 1,525 | 1,851 | 1,851 | 70 | 3.1% |
| Hotel Cottages/Condo Hotel Units | 23 | 452 | 522 | 522 | 33 | 12.3% |
| Rental Condominiums - Villas by the Sea | 172 | 172 | 155 | 146 | (2) | -0.6% |
| Vacation Interval/Timeshare Units | - | 160 | 144 | 128 | 9 | NA |
| Vacation Rentals (Duplexes & Other Attached Units) | 58 | 80 | 172 | 261 | 14 | 5.7% |
| Vacation Rentals (Cottages) | 156 | 165 | 201 | 237 | 5 | 1.6% |
| Subtotal: Paid Accommodations | 1,211 | 2,554 | 3,045 | 3,144 | 129 | 3.6% |
| Units not in Rental Pool | | | | | | |
| Villas by the Sea - Not in Rental Pool | - | - | 17 | 26 | 2 | NA |
| Vacation Interval/Timeshare Units | - | - | 16 | 32 | 2 | NA |
| Duplexes & Other Attached Units | 44 | 56 | 105 | 153 | 7 | 4.7% |
| Cottages | 371 | 388 | 455 | 521 | 10 | 1.3% |
| Subtotal: Units Not in Rental Pool | 415 | 444 | 594 | 732 | 21 | 2.1% |
| Campsites | 206 | 206 | 226 | 226 | 1 | 0.3% |
| Total Rooms, Units & Campsites | 1,832 | 3,204 | 3,865 | 4,103 | 151 | 5.5% |

BAG findings indicate that fiscal needs can be met with less development than is possible in 2023 under the “Low” scenario.

According to Cooper Carry’s calculations, TOTAL (existing & new) lodging rooms, dwellings and campsites could increase from slightly more than 1,800 currently to 4,100 by the end of the 15-year forecast under a “low density” scenario. Jekyll Island formerly had 2,500 total rooms/units/sites during the 1990’s.

Forecast Detail: Lodging Revenue

| Annual Revenues | (Preliminary) | Year 5 | Year 10 | Year 15 | Average Annual Chg. | |
|--|----------------------|----------------------|-----------------------|-----------------------|---------------------|-------------|
| | FY 2009 | FY | FY | FY | FY 2009 - 2023 | |
| | Estimate | 2013 | 2018 | 2023 | Amount | Percent |
| Existing Accommodations | | | | | | |
| Hotel Rooms | \$ 20,377,678 | \$16,662,719 | \$20,501,793 | \$23,195,897 | \$187,881 | 0.5% |
| Hotel Cottages/Condo Hotel Units | \$ 1,180,654 | \$1,099,529 | \$1,343,901 | \$1,520,501 | \$22,656 | 0.9% |
| Rental Condominiums - Villas by the Sea | \$ 4,032,808 | \$3,751,121 | \$4,141,541 | \$4,572,596 | \$35,986 | 0.5% |
| Vacation Rentals (Duplexes & Other Attached Units) | \$670,115 | \$876,502 | \$982,030 | \$987,624 | \$21,167 | 1.4% |
| Vacation Rentals (Single Family Cottages) | \$3,777,855 | \$5,191,004 | \$5,349,153 | \$6,201,134 | \$161,552 | 1.9% |
| Subtotal Existing Accommodations | \$ 30,039,110 | \$ 27,580,876 | \$ 32,318,418 | \$ 36,477,751 | \$429,243 | 0.7% |
| Planned & Potential New Development | | | | | | |
| Hotel Rooms | | \$26,176,739 | \$48,031,639 | \$55,681,834 | \$3,712,122 | |
| Hotel Cottages/Condo Hotel Units | | \$24,646,224 | \$33,200,482 | \$38,488,457 | \$2,565,897 | |
| Vacation Interval/Timeshare Units | | \$6,670,630 | \$5,061,658 | \$3,911,899 | \$260,793 | |
| Vacation Rentals (Duplexes & Other Attached Units) | | \$1,118,338 | \$7,249,373 | \$16,322,066 | \$1,088,138 | |
| Vacation Rentals (Single Family Cottages) | | \$534,109 | \$3,462,243 | \$7,795,288 | \$519,686 | |
| Subtotal: New Accommodations | \$ - | \$ 59,146,040 | \$ 97,005,395 | \$ 122,199,546 | \$8,146,636 | |
| Campsites | \$707,388 | \$804,532 | \$1,136,926 | \$1,255,258 | \$36,525 | 2.1% |
| Total Annual Revenues | \$ 30,746,497 | \$ 87,531,447 | \$ 130,460,738 | \$ 159,932,555 | \$ 8,612,404 | 6.3% |
| ADR | \$ 115.98 | \$ 171.30 | \$ 202.50 | \$ 240.02 | \$ 8.27 | 2.7% |
| REV PAR | \$ 45.98 | \$ 74.85 | \$ 92.49 | \$ 106.81 | \$ 4.06 | 3.2% |

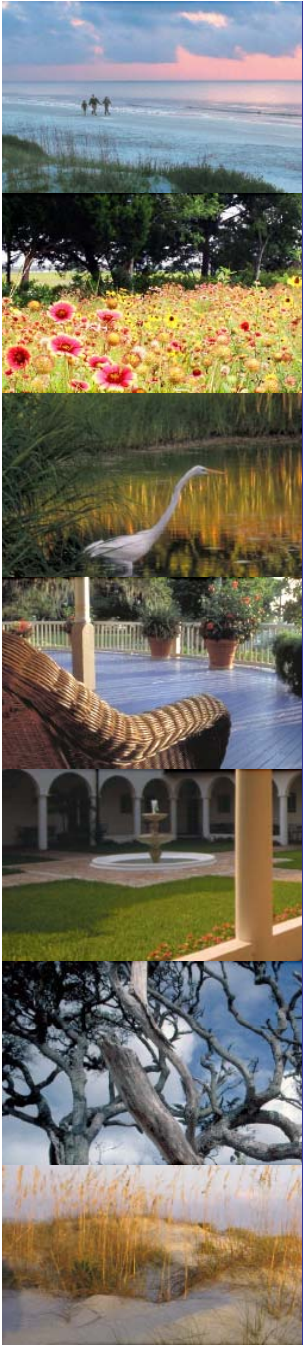
Total lodging revenues are projected to increase by 6.3% per year through 2023. However, the average ADR for all accommodations is expected to rise by less than 3% per year.

Forecast Detail: Occupancy

| Occupied Room Nights | (Preliminary) | Year 5 | Year 10 | Year 15 | Average Annual Chg. | |
|---|---------------------|----------------|----------------|----------------|---------------------|--------------|
| | FY 2009 Estimate | FY 2013 | FY 2018 | FY 2023 | FY 2009 - 2023 | |
| | | | | | Amount | Percent |
| Existing Accommodations | | | | | | |
| Hotel Rooms | 180,097 | 146,607 | 161,002 | 161,002 | (1,273) | -0.4% |
| Hotel Cottages/Condo Hotel Units | 5,214 | 4,617 | 5,037 | 5,037 | (12) | -0.1% |
| Rental Condominiums - Villas by the Sea | 27,551 | 25,112 | 25,112 | 25,112 | (163) | -0.3% |
| Vacation Rentals (Duplexes & Other Attached Units) | 8,045 | 9,527 | 9,527 | 8,468 | 28 | 0.2% |
| Vacation Rentals (Cottages) | 21,637 | 25,623 | 22,776 | 22,776 | 76 | 0.2% |
| Total Existing Accommodations | 242,544 | 211,486 | 223,453 | 222,395 | (1,343) | -0.3% |
| Planned & Potential New Development | | | | | | |
| Hotel Rooms | - | 145,142 | 229,731 | 229,731 | 15,315 | NA |
| Hotel Cottages/Condo Hotel Units | - | 93,951 | 109,172 | 109,172 | 7,278 | NA |
| Vacation Interval/Timeshare Units (Excludes Owners) | - | 32,120 | 21,024 | 14,016 | 934 | NA |
| Vacation Rentals (Duplexes & Other Attached Units) | - | 4,093 | 22,884 | 44,445 | 2,963 | NA |
| Vacation Rentals (Cottages) | - | 1,629 | 9,108 | 17,689 | 1,179 | NA |
| Total New Accommodations | - | 276,935 | 391,919 | 415,053 | 27,670 | NA |
| Campsites | 22,557 | 22,557 | 28,872 | 28,872 | 421 | 0.9% |
| TOTAL Occupied Room Nights | 265,101 | 510,978 | 644,243 | 666,319 | 26,748 | 3.5% |
| Average Occupancy (Days) | 144.7 | 159.5 | 166.7 | 162.4 | 1.2 | 0.4% |
| Occupancy Rate | 39.6% | 43.7% | 45.7% | 44.5% | 0.3% | 0.4% |

Annual occupancy in paid accommodations should increase from roughly 265,100 currently, to 666,300 by the end of the 15-year forecast.

Similarly, the number of annual overnight visitors in paid accommodations should increase from 643,000 today, to more than 1.5 million by 2023.



Forecast Detail

Annual Operating and Capital Budget
Forecasts

Forecast Detail: Ground Lease Income

| Annual Ground Lease Income | FY 2008-09 Estimate | Year 15 FY 2023-24 | Total Change | Annual Growth Rate |
|---|---|---------------------|---------------------|--------------------|
| Existing Development | (Assumes No Change in Leasing Formulas) | | | |
| Commercial Ground Leases | \$ 3,011,759 | \$ 3,465,386 | \$ 453,627 | 0.9% |
| Residential Lot Rent | \$ 209,141 | \$ 209,141 | \$ - | 0.0% |
| Subtotal: Existing Ground Leases | \$ 3,220,900 | \$ 3,674,527 | \$ 453,627 | 0.9% |
| Future Development | | | | |
| Planned Hotels & Condo Hotel Units | \$ - | \$ 2,819,990 | \$ 2,819,990 | NA |
| Vacation Ownership/Timeshare Units | \$ - | \$ 317,400 | \$ 317,400 | NA |
| Cottages, Townhomes & Condominiums | \$ - | \$ 1,706,025 | \$ 1,706,025 | NA |
| Participation | \$ - | \$ 722,250 | \$ 722,250 | NA |
| Subtotal: | \$ - | \$ 5,565,665 | \$ 5,565,665 | NA |
| Total Ground Lease Income | \$ 3,220,900 | \$ 9,240,192 | \$ 6,019,292 | 7.3% |

Annual ground lease income to the JIA should increase from \$3.2 million currently, to nearly \$9.25 million by 2023. This projection assumes that the terms of future commercial ground leases will be consistent with those negotiated for the Canopy Bluffs and Ocean Oaks developments.

Forecast Detail: JIA Revenues

| JIA Budget Forecast | (Preliminary) FY 2008 Actual | Year 5 FY 2013 | Year 10 FY 2018 | Year 15 FY 2023 | Average Annual Chg. FY 2009 - 2023 | |
|---------------------------------|------------------------------------|----------------------|-----------------------|-----------------------|---------------------------------------|-------------|
| | | | | | Amount | Percent |
| Administrative Revenues | | | | | | |
| Business Leases | 2,904,209 | \$ 3,293,818 | \$ 4,583,068 | \$ 6,602,776 | \$ 246,571 | 5.6% |
| Parking Fee | 1,552,313 | \$ 2,513,735 | \$ 2,916,034 | \$ 3,130,290 | \$ 105,198 | 4.8% |
| Lot Rentals | 209,130 | \$ 329,141 | \$ 968,141 | \$ 1,915,166 | \$ 113,736 | 15.9% |
| Participation | - | \$ 303,000 | \$ 676,500 | \$ 722,250 | \$ 48,150 | NA |
| Interest | 158,021 | \$ 183,190 | \$ 212,367 | \$ 246,192 | \$ 5,878 | 3.0% |
| Subtotal: | \$ 6,110,787 | \$ 10,999,456 | \$ 15,879,147 | \$ 20,613,301 | \$ 966,834 | 8.4% |
| Amenities | | | | | | |
| Golf | 2,604,162 | \$ 3,740,915 | \$ 4,895,043 | \$ 5,869,709 | \$ 217,703 | 5.6% |
| Food & Beverage | 2,454,480 | \$ 3,937,676 | \$ 5,102,360 | \$ 6,208,724 | \$ 250,283 | 6.4% |
| Summer Waves | 1,393,444 | \$ 2,327,433 | \$ 3,030,481 | \$ 3,598,523 | \$ 147,005 | 6.5% |
| Campground | 1,033,740 | \$ 965,438 | \$ 1,364,311 | \$ 1,493,757 | \$ 30,668 | 2.5% |
| Museum | 720,716 | \$ 1,733,952 | \$ 2,191,972 | \$ 2,477,729 | \$ 117,134 | 8.6% |
| Georgia Sea Turtle Center | 843,130 | \$ 1,373,979 | \$ 1,754,447 | \$ 2,083,306 | \$ 82,678 | 6.2% |
| Miniature Golf & Bikes | 302,367 | \$ 538,290 | \$ 700,892 | \$ 832,269 | \$ 35,327 | 7.0% |
| Subtotal: | \$ 9,352,039 | \$ 14,617,684 | \$ 19,039,505 | \$ 22,564,015 | \$ 880,798 | 6.0% |
| | | | | | \$ - | |
| Municipal Services | 2,214,727 | \$ 2,059,104 | \$ 2,903,646 | \$ 3,470,906 | \$ 83,745 | 3.0% |
| Other Revenue | 624,195 | \$ 1,039,934 | \$ 1,414,688 | \$ 1,833,383 | \$ 80,613 | 7.4% |
| Total Operating Revenues | 18,301,748 | 28,716,179 | 39,236,986 | 48,481,606 | \$ 2,011,991 | 6.7% |

Total revenues from all sources should increase from \$18.3 million currently, to nearly \$48.5 million by the end of the 15-year forecast.

Forecast Detail: Expenses

| JIA Budget Forecast | (Preliminary) FY 2008 Actual | Year 5 FY 2013 | Year 10 FY 2018 | Year 15 FY 2023 | Average Annual Chg. FY 2009 - 2023 | |
|---|------------------------------------|----------------------|-----------------------|-----------------------|---------------------------------------|--------------|
| | | | | | Amount | Percent |
| Operating Expenses | | | | | | |
| Personnel Services | 9,768,737 | \$ 11,544,540 | \$ 14,317,106 | \$ 16,921,295 | \$ 476,837 | 3.7% |
| Supplies and Materials Expenses | 1,592,380 | \$ 1,881,850 | \$ 2,267,124 | \$ 2,628,218 | \$ 69,056 | 3.4% |
| Advertising and Promotion | 993,144 | \$ 2,545,901 | \$ 3,249,287 | \$ 4,147,005 | \$ 210,257 | 10.0% |
| Repairs and Maintenance | 711,497 | \$ 832,828 | \$ 984,314 | \$ 1,141,090 | \$ 28,640 | 3.2% |
| Utilities | 1,037,885 | \$ 1,262,746 | \$ 1,536,323 | \$ 1,869,172 | \$ 55,419 | 4.0% |
| Insurance | 453,620 | \$ 533,565 | \$ 633,708 | \$ 752,647 | \$ 19,935 | 3.4% |
| Motor Vehicle Expenses | 225,000 | \$ 276,379 | \$ 342,755 | \$ 417,014 | \$ 12,801 | 4.2% |
| All Other Expenses | 2,076,280 | \$ 2,453,715 | \$ 2,956,068 | \$ 3,426,893 | \$ 90,041 | 3.4% |
| Total Operating Expenses | \$ 16,858,543 | \$ 21,331,524 | \$ 26,286,685 | \$ 31,303,332 | \$ 962,986 | 4.2% |
| NOI before Capital Costs & Depreciation | \$ 1,443,205 | \$ 7,384,655 | \$ 12,950,301 | \$ 17,178,274 | \$ 1,049,005 | 18.0% |
| Capital Improvements & Replacement | | 2,928,200 | 3,871,665 | 4,488,321 | | |
| Additional Long Term Debt Service Obligations | | 4,375,838 | 8,911,066 | 8,959,175 | | |
| Balance Available for Depreciation & Contingency | | \$ 80,617 | \$ 167,570 | \$ 3,730,777 | | |
| Estimated Future Development & Visitor Levels Compared to Existing Conditions | | | | | | |
| Lodging Units | 828 | 2,140 | 2,536 | 2,536 | | |
| Residential Units | 801 | 861 | 1,106 | 1,344 | | |
| Commercial SF | 87,310 | 87,310 | 112,310 | 112,310 | | |
| Annual Visitors | 1,483,556 | 2,132,079 | 2,465,827 | 2,652,006 | | |

Roughly 2.65 million annual visitors are needed to generate indicated NOI by 2023.

Total operating expenses should increase from \$16.8 million currently to \$31.3 million by the end of the 15-years, leaving nearly \$17.2 million available for capital investments.



Forecast Detail: Long-Range Capital Improvements

Capital Budget

Major Long Term Capital Items

Base Cost

Town Center Revitalization Improvements

| | |
|--|----------------------|
| Convention Center Renovation/Expansion | \$ 15,500,000 |
| Roads and Utilities | \$ 2,800,000 |
| Village Oceanfront Park | \$ 800,000 |
| Parking/Signage & Boardwalk Improvements | \$ 2,600,000 |
| Demolition, Site Preparation | \$ 1,750,000 |
| Engineering, Permitting & Soft Costs | \$ 300,000 |
| Contingency & Other | \$ 1,250,000 |
| Subtotal - Revitalization Improvements: | \$ 25,000,000 |

Amenity Improvements

| | |
|---|----------------------|
| Golf Course Renovations | \$ 8,520,000 |
| Clubhouse | \$ 1,750,000 |
| Summer Waves Master Plan | \$ 7,250,000 |
| Campground | \$ 2,350,000 |
| Amphitheater | \$ 500,000 |
| Bike Paths | \$ 2,000,000 |
| Fishing Pier | \$ 500,000 |
| Picnic Area Improvements | \$ 540,000 |
| Subtotal - Amenity Improvements: | \$ 23,410,000 |

Infrastructure Improvements

| | |
|--|----------------------|
| Beach Nourishment | \$ 13,100,000 |
| Water/Wastewater Upgrades | \$ 3,000,000 |
| Water/Wastewater Expansion | \$ 3,000,000 |
| Road Resurfacing | \$ 1,500,000 |
| Parking Lot Improvements | \$ 500,000 |
| Dune Crossover Construction | \$ 750,000 |
| Drainage | \$ 500,000 |
| Fire Station Improvements | \$ 1,140,000 |
| Subtotal - Infrastructure Improvements: | \$ 23,490,000 |

Historic District Improvements

| | |
|---|----------------------|
| Stabilization/Preservation of Historic Structures & Interpretive Programs | \$ 12,000,000 |
| Re-use of Dormant Buildings | \$ 11,500,000 |
| Infrastructure | \$ 6,500,000 |
| Subtotal - Historic District: | \$ 30,000,000 |

| | |
|--|-----------------------|
| TOTAL CAPITAL PROGRAM | \$ 101,900,000 |
| Less Anticipated Revenues from Other Sources | \$ (3,000,000) |
| Net JIA Financing Requirement | \$ 98,900,000 |

Note: Line item project costs estimated by JIA staff and other sources, adjusted to 2008 \$. Water/wastewater expansion cost was estimated by Thomas & Hutton Engineers, based upon projected development, usage forecasts and need to increase capacity toward the end of the forecast.