



March 26, 2018

Ms. Ruth A. Buchanan, MBA, CEcD
Economic Development Program Manager
City of North Port
4970 City Hall Boulevard
North Port, FL 34286

Ruth

Thank you very much for your support and helpful market data. As we discussed, our market study did not come back as favorable as we hoped. It is difficult to obtain historical STR data for the market since there are currently no hotels in the North Port market. The cost of construction has increased dramatically which has added to the risk of the project. Both of these factors will hinder our ability to obtain the financing package we typically receive for our projects.

The impact fees proposed for the hotel are much larger than our typical model. We are requesting the City of North Port defer fees or provide additional financial incentives. You had stated we do not qualify for property tax exemptions, due to industry requirements. However our project does provide a much needed anchor for future development in the city. In our discussions with Mike Dunn, he expressed his concerns of hotel room availability within the local market. They are currently planning to send teams and visitors to surrounding areas due to lack of hotel rooms. Our hotel will keep these guests in North Port to further drive the local economy. In addition, we will drive future development of manufacturing and other industries sought for the area.

Lodgco Hospitality is committed to growth in the Florida market, however we need to find markets that will support our financial requirements. We have multiple Florida projects pending for our owner group to invest. Deferment of the Impact fees and/or assistance with property tax reductions will allow us to obtain bank financing required.

Lodgco Hospitality is very impressed with the current growth in North Port and is eager to participate in the continued expansion. However, we need your assistance and support to help move this project to forward.

Regards

A handwritten signature in black ink, appearing to read "Ann Kelly", written over a horizontal line.

Ann Kelly, President
Lodgco Hospitality LLC