

**Proposed Hotel & Convention Center  
Tunica, Mississippi  
Myriad Botanical Resort**



Prepared for:  
**Myriad World Resorts of Tunica, LLC**

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Prepared by:  
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## **TUNICA, MISSISSIPPI**

### **PROPOSED HOTEL AND CONVENTION CENTER**

We have completed our update and revision to our original market study dated February 10, 2006 for the development of a proposed hotel and convention center (Myriad Palace Hotel and Mississippi Blossoms Convention Center) to be part of a unique destination resort known as Myriad Botanical Resort located in Tunica, Mississippi. The original assignment included field research conducted in the Tunica, Mississippi area and Orlando, Florida during November and December 2005 and subsequent analysis leading to our conclusions as presented in this report. The scope of our work was concerned with the determination of viability of a convention center and hotel and the estimated performance level that could reasonably be attained by the proposed convention center hotel. Our research and analysis was limited to the feasibility of the hotel and convention center component of the resort development. We relied on the research, analysis, projections, designs and conclusions of the Myriad Botanical Resort Development team and the other companies and consultants doing work on the project for data relating to the non-hotel and convention center aspects of the project.

Our update and revision reflects the changes to the scope and specific components of the project that have been more clearly defined since the completion of our original study. The most significant change as it relates to the convention center is the addition of 200,000 square feet of exhibit space during the fourth year of operation for the convention center, bringing the total convention and conference space to 600,000 square feet. Other components of the entertainment complex have been more clearly defined and additional research completed by Economics Research Associates and The Innovation Group has analyzed the potential demand for this type of entertainment complex.

The Myriad development team includes a variety of individuals with considerable experience in attraction, resort and theme park development, design and marketing. These individuals have provided assistance in a variety of projects including:

- ❑ Opryland Hotel and Convention Center-Nashville, TN
- ❑ Ceasars Palace Hotel and Casino-Las Vegas, NV
- ❑ Atlantis Resort and the Lost City project in South Africa
- ❑ Walt Disney Company, NBC Universal/Universal Studios, and Hard Rock Café International
- ❑ Monarch Beach Resort-Laguna Niguel, CA
- ❑ Sunterra Resort-Palm Springs, CA
- ❑ Wet N'Wild, Inc.
- ❑ Circus World
- ❑ Studio Adventure Theme Park in Melbourne, Australia

- ❑ Wakayama Marina City Project in Wakayama, Japan
- ❑ Disneyland Tokyo
- ❑ Universal Studios Japan

The variety of components included in the Myriad Botanical Resort development help create a population that comprised part of the room night demand for a hotel project. Our assumptions and conclusions are based on a development scenario that the entire plan is developed as one project. In addition, the hotel and convention center are a reasonable part of the total project only if all of the components identified in this report are developed at the same time.

Our research and analysis included the following:

## **BACKGROUND RESEARCH**

The following information and documents were reviewed:

- ❑ Reports and documents prepared by Myriad World Resort, of Tunica. LLC/Myriad Entertainment and Resorts, Inc. its associates, related parties and consultants relevant to the scope of each component of the development and its impact on the hotel and convention center. These included:
  - Parcelization Plan
  - Revised Master Plan and Parcel Plan prepared by Paul Ma Design
  - Space Allocation Program provided by HDC & Associates
  - Preliminary Market Analysis (Phase I) prepared by ERA (Economics Research Associates)
  - Case Studies of Tourist Destination Areas (Final Report) prepared by ERA
  - Myriad Botanical Resorts - Profiles of Attractions (Volume III) prepared by ERA
  - Market Analysis for Myriad Casino & Hotel (Project Report) prepared by ERA
  - Preliminary Events & Traffic Plan & Estimation for Myriad Resort's Golf, Botanical & Entertainment Business Units prepared by IMG
  - Gaming Resort Market Assessment prepared by The Innovation Group
  - Financial Analysis - Myriad Casino Resort prepared by The Innovation Group
  - Estimate of Capital Expenditures
  - Summary of Projected Key Financial Information
  - Projected Income Statement
  - HDC Capital Expenditure Estimates

- Meeting Minutes from Milton Pate Architects
- Walsh Group/Archer Western follow-up on people mover transportation system
- Business plan and budget for Lucid provided by Select Contracts Group
- Projected annual attendance by venue provided by Myriad Botanical Resort development team
- Preliminary Report for the Myriad Golf Resort prepared by Land & Leisure, Inc.
- ❑ The site and development timetable for each individual component in order to evaluate their impact on the hotel and convention center development.
- ❑ The scope and characteristics of other similar developments to establish a basis for comparison and likely performance levels for the proposed development.
- ❑ Performance of other convention center hotels and centers to establish a basis for comparison and likely performance levels as well as to establish a comparable market for the subject property.
- ❑ The operating performance of other convention hotels to establish a basis for our performance projections for the proposed property.
- ❑ The recent trends and characteristics of the national convention industry as they relate to the proposed development.
- ❑ The current marketing plans and projected operating results for the proposed hotel and convention center with owners and the designated marketing team members.
- ❑ We completed a review of the economic and demographic characteristics for the market area as they relate to the demand for hotel and convention demand.

## **ANALYSIS AND PROJECTIONS**

The following analysis and projections were completed as part of this assignment:

- ❑ Analyzed the potential for convention and leisure demand for Tunica and the proposed hotel and convention center.
- ❑ Prepared an estimate of demand based on our anticipated penetration of the group and leisure markets for this type of property. An analysis of the convention lodging market was prepared to evaluate the impact of the facility and its ability to attract room night demand at the property. These estimates are stated in room nights occupied and occupancy percentages for the first five years of operation for the project.

- ❑ Developed an analysis of the competitive market that the proposed meeting hotel will enter, including data and mapping of competitive supply throughout the U.S. (both hotels and convention facilities).
- ❑ Projected how the proposed hotel will penetrate the meetings market within the competitive set.
- ❑ Provided background information on the state of, and trends within, the convention and meetings industry.
- ❑ Prepared estimates of the anticipated average daily room rate in current value and inflated dollars for the first five years of operation for the proposed project. Actual room rates achieved at similar convention hotels as well as in the market area over the past several years were reviewed and analyzed as criteria for preparing our estimated average daily room rates for the subject property.
- ❑ Prepared a five year projection of operating results for the proposed hotel and convention center utilizing the anticipated average rates and occupancies achieved at the subject property. Actual operating results achieved at similar convention hotels were utilized as a basis for our projection of operating results for the hotel and convention center. These projections include all revenues and expenses applicable and resulted in a “bottom line” of income before rent, depreciation, interest and taxes on income.

The following report summarizes the results of our research, analysis, conclusions and recommendations.

### **EXECUTIVE SUMMARY**

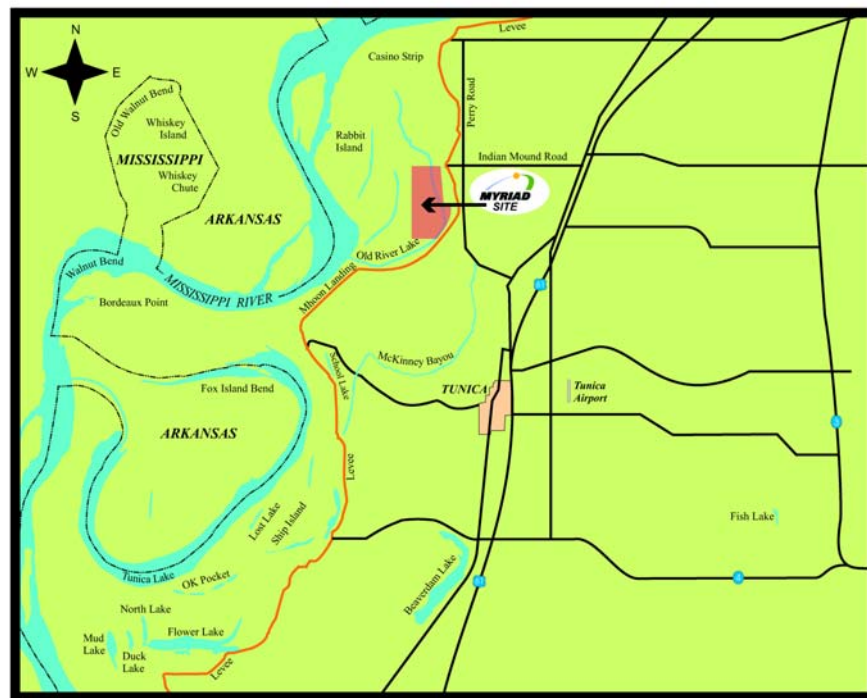
The Myriad Botanical Resort is a multi-attraction, themed resort planned to be located in Tunica County, Mississippi. The 513 acre \$2.2 billion Myriad Botanical Resort will be one of the premier gaming resort destinations in the country, and the only one featuring a botanical theme. The strengths of the development as described by The Innovation Group include:

- Highest quality in the market
- Most extensive scope in the market
- Most gaming positions in the market
- Introduces high end hotel
- Newest construction
- Features a distinctive icon-Mississippi Eye
- Utilizes a comprehensive theme
- Offers family friendly amenities
- Establishes a meaningful convention market
- Contains a substantial retail component

- Enhances Tunica as a golf destination
- Introduces personalized club style service

Located less than 45 minutes south of Memphis, Tennessee, this project represents a unique destination resort that includes a combination of upscale lodging, extensive meeting and banquet facilities, entertainment, casino and dining components.

The following map illustrates the proposed location of the Myriad Botanical Resort:



## **PLANNED FACILITIES**

These unique structures will also provide a climate-controlled environment for year-round enjoyment of the following:

- ❑ 1,200 room 4-star hotel
- ❑ 600,000 sq. ft. convention center; 400,000 sq. ft. in phase I and 200,000 sq. ft. in phase II
- ❑ Two 80,000 sq. ft. casinos with about 2,500 positions each & two 500 room casino hotels
- ❑ 250,000 sq. ft. of retail (phase I); 750,000 sq. ft. for total build out

- ❑ 175,000 sq. ft. food and beverage area
- ❑ 18-hole golf course (7,005 yards)
- ❑ 2,500 seat entertainment venue
- ❑ Luxury Spa
- ❑ Observation Wheel
- ❑ Water Park
- ❑ Snow Park
- ❑ Family Entertainment Center

In addition to the features listed above, the project may include an ice feature with various trails and skating rinks, a water feature with aquariums and lagoons. Additional entertainment venues such as music amphitheaters, a 10,000-seat arena with regular and premium seating options will be included as well as various thematic designs throughout the property.

The differing elements of the project will be connected by an indoor waterway transportation system, and an elevated people mover ground transportation system.

The project also has expansion space available for the development of vacation villas along the golf course.

The underlying strategy as described by the development team is to create an environment that generates experiences that immediately and subtly draw people into entertaining and fulfilling relationships with the destination in both its physical and hospitality realms. The experiences at Myriad revolve around the enduring and nurturing bond between people and the world's botanical wonders, a boundless source for creative ideation and interpretation. These experiences are individually conceived through a Resort Master Plan and will guide the master plan as the resort evolve; a dynamic process that is essential to sustaining the allure of the Myriad Botanical Resort as a global leisure destination. The current Resort Master Plan involves four development parcels, each delivering a unique and distinct set of experiences: Casino Cove, Myriad Shops, Myriad Conventions and Myriad Greens.

## **RENDERINGS AND SITE PLANS**

The following site plan and elevation drawings illustrate the views of the Myriad Botanical Resort components from various angles around the proposed development:



