

April 14, 2022



Mr. Michael Silverman, City Manager
City of Pascagoula
603 Watts Avenue
Pascagoula, MS 39568

RE: CBD Tax Abatement for 650 Delmas

Dear Michael:

Michael Craven and his development team as Revival Property 111, LLC is continuing to move forward with Hotel Whiskey-Pascagoula at the corner of Delmas Avenue and Canty Street. The property was purchased from the PRA, and with an architect selected, design is underway. The property is a mixed use facility that will include hotel accommodations, apartments, and lease space along Delmas Avenue. The property is located within the Urban Renewal District and the Central Business District, and the property is currently unimproved with no value for a structure. The proposed investment is approximately \$5,000,000 for phases 1 and 2 of the project (approximately \$2,500,000 for each phase).

As specified within the CBD Tax Exemption guidelines, the City can provide an exemption up 80 percent of the improvements portions for period of 7 years. Based on the investment that is required, the applicant is requesting the maximum exemption available from the City.

This is consistent with the initial request provided to the PRA in May 2021. Efforts by Revival Property 111, LLC have been based on the assumption that the request would be granted. At this meeting, the group also discussed its desires to establish a Tri Party agreement with the City and South Mississippi Planning and Development District for distribution of sales taxes through a declining rate of 100 percent for the first five years, 80 percent for years six through ten, and 50 percent for the final five years. This development will be subject to all hotel and prepared food taxes of the City, and those taxes are not part of the requested agreement.

When originally proposed, the experiences of COVID 19 were thought to be ending. Unfortunately, this has not been the case. The pandemic has encouraged inflation and supply chain disruptions that have limited the availability and increased the costs of products. We feel the lingering effects of the pandemic continue to make the requested incentives important to the team's ability to successful open and operate Hotel Whiskey-Pascagoula, as planned.

Thank you for your consideration in this matter, and we look forward to working with the City to improve downtown.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Donovan Scruggs'. The signature is stylized and loops around the text below it.

Donovan Scruggs, AICP