

TIFOMELO HOTEL



PROJECT SUMMARY

Executive Summary

A Businessman who has current businesses in providing healthcare solutions is now looking to expand and diversify his business to include a hotel. Mr. Guneshwar Ramautar, the owner of Premier Health Systems, a registered healthcare company in New York State is proposing to establish a hotel facility with 16 rooms and 9 apartments and ample parking in Vreed-en-Hoop on the West Coast Demerara. The construction and development of the subject project will be developed in a phased sequence estimation to last over a period of two (2) years. Finance for this project will be provided using personal funds from the Ramautar family. The project is estimated to create employment for 20 persons when in full operation, but will also create non-direct employment for a number of persons who will supply their labor in the construction stage and other aspects of the hotelier service provision. For a more in-depth understanding of the subject undertaking please peruse the entire business plan.

Introduction

With the idea of diversifying in business while investing in his land of birth where he received his early education, Mr. Guneshwar Ramautar is embarking on a hotel facility with 16 rooms and 9 apartments on the West Coast of Demerara area. Based on analysis of the market area in Guyana, as well as current and prospective hotel supply and demand trends in West Coast Demerara, we are of the opinion that there is sufficient market support for this hotel facility.

In-house amenities and services, inclusive of parking will also serve to enhance the hotel's appeal. The Hotel will be in the trespass of the Vreed-en-Hoop Shore Base Gas Project which is expected to be in operation by December 2023.

It should be noted that our projected operating results are based on several key assumptions. Example of these includes the large influx of persons coming to Guyana for business in oil and gas and tourism. The hotel is expected to be of high quality which will attract high profile personnel from the international oil related companies.

With the forgoing in mind, we estimate that the proposed hotel can achieve an annual occupancy of 70% at USD \$100-\$125 (in current-value 2023 dollars) in a stabilize year of operation. The annual revenue is expected to be in the vicinity of US\$ 1 million.

What We Believe

At TIFOMELO Hotel, our core values of caring, compassion and commitment are the principles that guide, motivate and inspire us as we bring our mission to life. These core values describe “how” we do what we do and they are the very essence of our Hotel.

Our Mission

We are committed to provide a wholly integrated hotel management approach with personalized service that creates exceptional value. Our people embody the spirit to serve and provide to everyone regardless of creed or color.

Our Vision

Exceptional and personalized service, exceeding expectations, and inspiring a connection to our brand in the experiences we provide in hotelier service.

Our Values

At its core, TIFOMELO Hotel holds the following values and beliefs:

Exceptional Service - We understand that the value can be created with every encounter and this is reflected in our superior standard of service.

Integrity - We are honest and straightforward in our interactions with our guests, colleagues and the communities in which we operate.

Respect - We respect the objectives of our stakeholders, the values of our guests, and the cultural difference in the locations that we operate.

Teamwork and Passion - We bring our individual expertise, creativity and passion for our industry as a member of the team. This sets us apart and is the essence of the TIFOMELO Hotel Way.

Continuous Improvement - We are innovative and utilize best practices to continually improve our management techniques, and the quality of our products and services.

Company Ownership

The Company is owned by Mr. Guneshwar Ramautar; a vibrant and astute businessman who has over 15 years in the healthcare corporate arena and over 20 years as an entrepreneur. Mr Ramautar is specialized in the delivery of healthcare services of which he provides to both private individuals and public institutions. A businessman that is committed to the development of a quality and prominent line of business. Mr Ramautar has now decided to answer the President of Guyana Dr. Mohamed Irfaan Ali's call to invest in their land of birth while diversifying his business portfolio to include hotelier service.

Area, Site and Economic Overview

Guyana has gained increased international attention with the government's and ExxonMobil announced discovery of high-quality, oil-bearing reservoirs off the country's coastline in 2015. In late 2019, ExxonMobil was able to extract "first oil" from its first of many deep-water wells. With the initial production of oil from these wells, Guyana's balance sheet and economic prospects have brightened and strengthened significantly, with a corresponding improvement in its economy and GDP outlook. Some estimates have indicated that the nation's GDP will triple in the next five years as a result of this activity, increasing from \$3.9 billion to roughly \$11 billion. While most of the country's lodging supply is located near the center of Georgetown, the subject site for the proposed hotel is situated outside the downtown core, further south on the west coast of the demerara river, an area vastly becoming populated and within 1.5 miles of the Shore Base Project.

Access and Visibility

The designated site for the proposed hotel is planned less than a mile from where the Shore Base Project will be housed.

Demographics

Guyana is the only English-speaking country in South America and shares cultural and historical bonds with the Anglophone Caribbean. Guyana's two largest ethnic groups are the Afro-Guyanese (descendants of African slaves) and the Indo-Guyanese (descendants of Indian indentured laborers), which together comprise about three quarters of Guyana's population the other quarter is made up of the four other races (Portuguese, Chinese, Amerindians and Europeans). 70% of Guyana's population lives along the coastlines of Demerara. Due to the limitation of space in central Georgetown area, many new businesses are spreading to the outlining areas including West Coast Demerara.

Area Amenities

The immediate neighborhood surrounding the subject site is mostly private homes and thus lacking in affording accomadations. . This hotel is proposed to help alleviate such issues. It will also have a small convenience store, gym and laundry.

Demand Generators

For years, the largest demand generators in the market were the Guyana Parliament complex and the U.S. Embassy, along with the other foreign embassies, numerous government offices, multinational organizations, financial institution, and international companies, as well as other entities doing business in the nation's capital. Perhaps the most transformative economic influence for Guyana over the next 20 to 25 years is the

discovery of oil off its coastline in 2015. Its impact is only now starting to come into focus and change the landscape of the country. With companies such as ExxonMobil, Hess, CNOOC, Haliburton, Total, Tullow Oil, SBM and others major players operating in Guyana will increase the local lodging with various levels of hotel related room night demand from all this oil related activity.

Guyana prides itself on eco-tourism destinations, inclusive of vast mountain ranges, waterfalls, rainforests, rivers, and more. That said, the destination is largely untapped and the potential to enhance visitation by developing access and facilities to serve is notable.

Nonetheless, barring any unforeseen factors that impact current economic trends, the local economy is poised for significant growth over the next 20+ years in all aspects of the economy. The large influx of visitors will definitely see an increase in the demand for hotelier services hence, making such a venture profitable.

Competitive Lodging Facilities

For the purpose of analysis, we identified 10 hotels in the market area that would be considered competitive to varying degrees with the proposed subject hotel. These hotels are summarized in the table below.

Compleitive Sets of Hotels		
<i>Property Name</i>	<i>No. of Rooms</i>	<i>Miles from Subject</i>
Primary Competitive Set		
Marriott	198	15
Pegasus	130	15
Ramada	118	10
Subtotal	446	
Secondary Competitive Set		
Ascend Collection, Opus Hotel	25	18
Herdmanston Lodge	25	15
Cara Lodge	34	15
Grand Coastal	43	24
Kings Hotel	17	24
Sleepin Hotel	137	15
El Dorado Inn	24	15
Subtotal	305	
Grand Total	751	

Source: GTA

These properties are considered competitive to varying degrees based on location, quality, facilities, and/or market orientation. It is our understanding that they are all being used to varying degrees by the international business people coming to Guyana. Some are being used as default due to lack of available supply or pricing at the primary set hotels. The primary competitive set is comprised of the market's largest and internationally-rated hotels, including the two most notable international brands present in the country, the Marriott and Ramada. The Pegasus hotel was historically branded with Starwood Hotel and Resorts for years as Le Meridian, but became an independent property in the mid 2000's. Presently there is no other hotel closest to the Shore Base Project in Vreeden Hoop.

Historical Market Performance

A summary of the estimated historical performance for the competitive sets is provided in the following table. Please note that, in certain instances, these estimates are based on interviews with management of the hotel.

Historical Operating Performance of the Competitive Market

Year	Occupied Room Nights	Available Room Nights	Annual Occupancy Percent	Average Daily Rate	RevPar
Primary Competitive Set					
2018	110394	162790	67.81%	\$ 163.97	\$ 111.19
2019	116427	162790	71.52%	\$ 184.54	\$ 131.98
2020	40759	162490	25.08%	\$ 195.78	\$ 49.11
2021	51452	162490	31.66%	\$ 198.25	\$ 62.78
2022	123485	162490	76.00%	\$ 202.41	\$ 153.82
CAGR	8.40%			9.00%	18.20%
Secondary Competitive Set					
2018	52581	98915	53.16%	\$94.86	\$ 50.43
2019	63037	111325	56.62%	\$96.03	\$ 54.38
2020	25615	111325	23.01%	\$96.03	\$ 22.10
2021	33145	112240	29.53%	\$98.24	\$ 29.01
2022	71248	114540	62.20%	\$102.56	\$ 63.80
CAGR	24.50%	17.10%		0.50%	6.90%
Total Competitive Set					

2018	162975	261705	62.27%	\$141.67	\$ 88.22
2029	179464	274115	65.47%	\$153.45	\$ 100.46
2020	66374	273815	24.24%	\$158.24	\$ 38.36
2021	84597	274730	30.79%	\$165.15	\$ 50.85
2022	194733	277030	70.29%	\$173.21	\$ 121.75
CAGR	12.90%	5.40%		5.90%	13.40%

CAGR - Compound Annual
Growth Rate
Source: Various Hotel
Operators.

Between 2018 and projected year-end 2022, total rooms supply increased by 5.4% compounded annually. Despite these supply increases, and making a correction for the impact of Covid-19, demand growth outpaced supply growth significantly over the analysis period, increasing by 12.9% compounded annually, leading to occupancy increases of 15 points, from roughly 50% in 2018 to 66% as of projected year-end 2022.

Seasonality

West Coast Demerara is not a leisure “resort” destination like so many other Caribbean markets and, thus, does not experience the level of seasonality that many of the neighboring countries do. Rather, the local market follows a more traditional commercial demand pattern, with most hotels experiencing the majority of their business Monday through Thursday, with low occupancies Friday through Sunday. That said, given the influence of visiting ex-patriots, occupancies in the market peak in the summer months, around spring break, and other major holidays such as Christmas and New Year’s.

Supply and Demand Projections

Future growth in room night demand for the competitive set is based on historical trends and future economic growth prospects of the Georgetown hotel market, which is expected to see a significant increase in economic activity as a result of the emerging energy industry. While that will be transformational, it is expected that the increase in government revenues will aid in the promotion and development of a largely untapped tourism market, allowing for growth in leisure-related demand as well. The group market segment is also anticipated to benefit from the outsized growth of the energy industry, especially as it relates to training groups and new international group meetings occurring in Guyana in order to “experience” this new and growing market first-hand. Specifically, a portion of the anticipated growth for both group and transient will be the result of latent demand associated with the opening of new supply, particularly internationally-branded supply, such as the subject hotel.

Between 2019 and 2026, room night supply is estimated to grow at a compound annual growth rate of 8.5%, or roughly 212,400 available rooms, while demand is projected to increase at a compounded annual growth rate of 8.4% or 135,400 room nights. Given the volume of the supply proposed, overall competitive market occupancies are anticipated to fluctuate significantly over the course of the next five years, peaking at 68% in 2020 before declining to a stabilized level of 65% by 2025. Please note that the increase of new supply, especially the supply that is affiliated with global hotel brands like Marriott and Hilton, will achieve occupancies above the market, but the existing independent supply is anticipated to see losses in occupancy as they are out-positioned to some degree by the new, more modern supply that is built to international standards.

Marketing and sales

The plan is to advertise in Magazines, Newspapers, Television, Social Media and Radio locally and its website for international recognition. A website with information on the company, experience and background, and contact information will be available online. References to the website will be mentioned in all other forms of advertising channels used to reach market segments including all new firms coming to set up businesses in Guyana.

Training

Training and skills developments are critical components for the success of a business of this nature, in this regard, continued training will be done in all aspects of the company's operations.

The Business will employ and train persons despite their gender, ethnicity, social, cultural or economic backgrounds. All employees will be trained and paid competitive salaries. An incentive scheme will be established as a means of rewarding staff for exceptional performances. The Business operation values will be to create a modern work environment with the best service sector training and to ensure that employees and customers and other stakeholders receive quality and timely services/products.

Management will comply with all legal requirements and standards applicable to the company's business and at all times ensure a safe and friendly work environment and comply with business ethics.

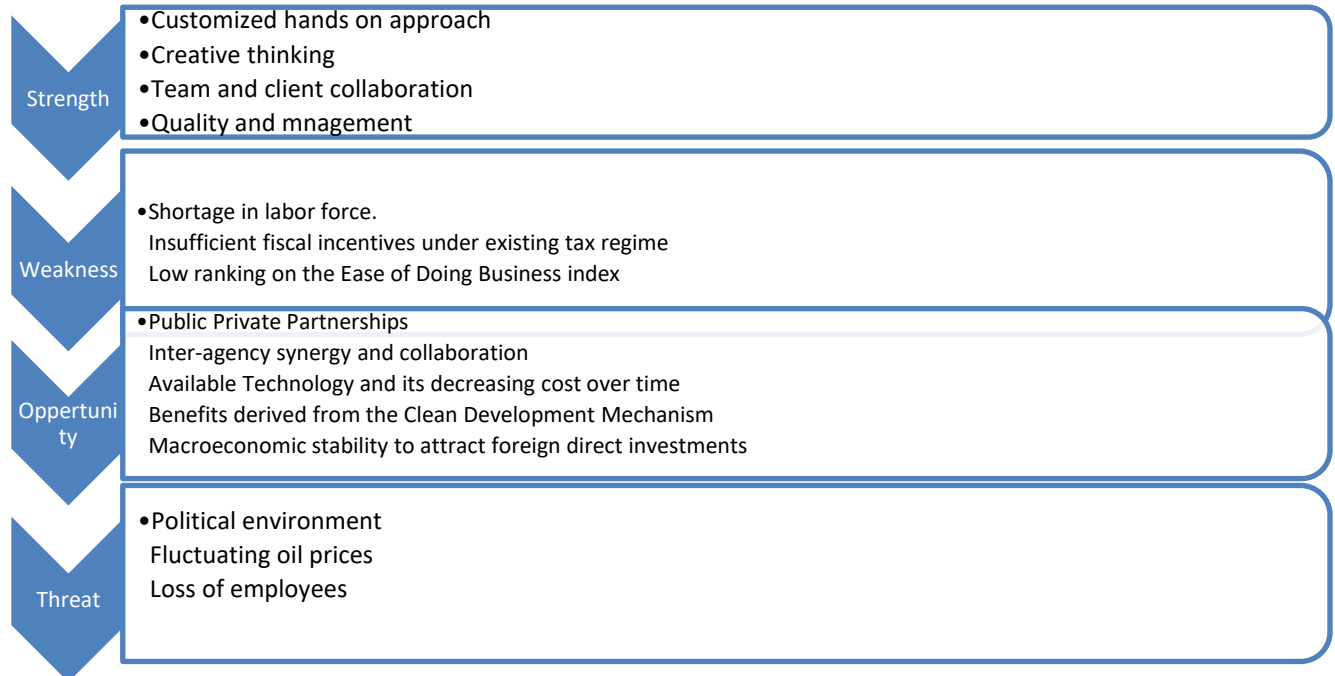
The business will embark on a comprehensive operational plan that will ensure that the services provided are of the highest quality in accordance with international standards and in keeping with the requirements of the Environmental Protection Agency (EPA) of Guyana.

Project Benefits

The project will generate many spin-off benefits which will impact the community, industries and the country. The main benefits will include:

- Employment Generation- (20) persons will be employed inclusive of Managerial, skilled and semi-skilled persons.
- Training and Human Resources Development- the company will continue to provide training to its workforce. The type and form of training will be keeping with the goals and objectives of the company. In carrying out its training activities the company will be contributing significantly to human resources development.
- Innovation- Several studies have shown that there is need to encourage more innovation at the national level.

SWOT ANALYSIS



Competitive Edge:

The competitive edge TIFOMELO Hotel will have over other companies is based on the following:

1. Successful operated business
2. Longtime member and experience service provider (healthcare services)
3. Experience in the industry keeps the company ahead of the competition by the relationships formed with clients and vendors
4. Extensive repeat customer base
5. Successful word of mouth referral business
6. Economies of scale developed over the years of operations will cause TIFOMELO to offer competitive prices to retain customers.

Personnel Plan:

The company plans to hire quality employees when construction of the proposed location site is functioning. High level jobs, as well as skilled and semi-skilled type's job will be created. Training and other educational programs will be rolled out to all staff of TIFOMELO Hotel. The Owner believes in the development of human resources, and social development of the Guyana economy.

Social Corporate Responsibility

The proprietor of TIFOMELO hotel believes in giving back to communities. The financial assistance from TIFOMELO Hotel will boost the efforts of "giving back" to by supporting charities that enhances the livelihood of marginal communities. TIFOMELO hotel will continue to honor its Social Corporate Responsibility to Guyana by investing in events, activities and projects that benefits everyone in society.

Financial Plan:

The Financial Plan for TIFOMELO hotel is to expand the business so that the company can generate higher sales and achieve higher net profits for the company. In addition to purchasing new equipment, additional land (to expand business to have room to operate), upgrade the office equipment, hire new employees and increase advertising.

Capital Cost included all raw materials needed for the first phase of the project which included purchasing equipment.

Promotion cost includes all marketing strategies and programs planned by the company including advertising and sponsorship. In addition to the social media and website maintenance.

Merchant cost contains the cost to acquire and purchase the necessary inputs from local suppliers.

Employment cost captures the cost of managerial and operational cost by staffing for the company over the years.

Future Developments

- Continue to be innovative leveraging technology and recognizing niche markets that would benefit on a national level.
- Explore new ways of meeting old needs.
- A commitment to ensure quality customer satisfaction with effective training thus resulting in service beyond expectation.
- Further enhancement of skills and the ability to attract innovative thinkers who can contribute to the challenges faced in the service industry.

- Further enhance growth built around training.
- A true commitment to finding and supplying a new generation of service providers.
- Continue to set high standards to affect change on a nationwide level.
- Creatively developing new value added products and services for our customers.
- Providing cutting edge communications and project management tools.

Environmental Impacts and Mitigation Measures during Construction and Operation

All impacts of this project will be during the pre-construction and construction phases and to a lesser extent during operation are addressed as follows.

Air Quality Management

Fugitive dust can be generated from earthmoving/cutting activities, from soil stockpiles that may be exposed to wind, transport of dusty materials by vehicles on-site and other associated activities. Dust can also be generated from offsite activities such as disposal of surplus fill and borrow areas. The project has the potential to generate dust at a medium level which will not significantly impact the air quality within the project area.

Impacts associated with Fugitive Dust

Dust can also be generated from construction material stockpiles as a result of wind, especially during dry conditions.

Mitigation measures to reduce potential impacts associated with Fugitive Dust

The following measures would be implemented to reduce the impact of dust within the project environment:

- Equipment that produces significant quantities of dust to be sited away and downwind from homes and working environments.
- Loaded trucks tray are to be covered when transporting material to minimize dust emission.
- All material stockpiles will be properly covered, preventing any loose material to be carried away from wind or rain.

Exhaust/ Gaseous Emissions

The primary pollutants that will be generated during construction from the equipment include nitrogen oxides (NO_x), sulfur dioxide (SO₂), carbon monoxide (CO) and Photochemical Oxidants (generally measured as ozone (O₃)). Construction works will result in combustion emissions from the use of diesel and/or gasoline-fired heavy-duty equipment. Combustion emissions will be minimal, short-term and localized to the area of the vicinity of construction activities. Emission impacts are also expected to be unavoidable.

Mitigation measures to reduce potential impacts associated with exhaust/gaseous emissions

- Maintaining construction equipment following manufacturer's specifications to operate at optimal efficiency to reduce excessive emissions.
- All equipment and machinery to be turned off once inactive.

Noise and Vibration Management

Noise and vibration will be generated mainly from the use of heavy-duty construction and pile driving equipment and fuel-powered generators during the construction phase.

Impacts associated with Noise

Exposure to noise levels above the internationally accepted level of 90 decibels can cause noise-induced hearing loss. Noise levels above the tolerable threshold of 72 decibels can result in fatigue, tiredness, low morale and decreased productivity.

Mitigation measures to reduce potential impacts associated with noise

During the construction and operation phase, the developer will mitigate the potential impacts from noise by:

- Use of electric-powered equipment where applicable instead of diesel-powered or pneumatic-powered equipment;
- Noise levels will be kept within the EPA's established limit of 90 decibels during the day and 75 decibels at night.

Water Quality Management

With regard to water quality and wastewater, primary sources of impact during construction include:

- Wastewater generated from construction equipment.
- Wastewater from foundation excavation and concrete placement.

Mitigation measures to reduce potential impacts on water quality and associated surface water pollution

Adopting good working practices can considerably reduce water pollution on site. These include basic measures such as providing an appropriate drainage system, using sandbags barriers or retaining walls, minimizing stockpile and concrete paving during the different construction periods.

Waste Management (Construction and Operation)

The project will generate waste during the construction and operation. If not managed properly, can result in soil and water contamination, contribute to ill health, and affect the aesthetic of the area. Waste generated will be handled and mitigated appropriately and according to the guidelines of the EPA.

Mitigation measures to reduce potential impacts associated with improper waste disposal

- Waste generated will be segregated into organic wastes (vegetation, top-soil); inert waste such as plastics, food boxes, rubber, etc.; and hazardous waste. Inert and hazardous wastes will be stored in covered bins.
- Waste generated will be collected and transported to a designated landfill by the developer.

Landscape and Visual

Upon completion of the construction, the affected areas will be immediately restored to their original condition, including but not limited to the restoration of disturbed vegetation.

Cultural Aspects

Potential impacts to cultural sites and heritage may include:

- Loss of cultural sites due to the project;
- The potential damage of the project site during construction of the project;
- Damage to the cultural site due to vibration during the operation of the project.

It should be noted that the existing site is not deemed a cultural or heritage site.

Environmental Compliance and Monitoring

TIFOMELO seeks to achieve environmental authorization and compliance while delivering a project that has little impact on the environment during construction and operation with a focus on complying with all EPA's requirements. The high degree of compliance must be maintained and improved upon in order to avoid environmental non-compliance incidents during construction and operation. Additionally, according to EPA requirements and global best practices, noise and vibration, air quality, water quality, waste management, and ecology will be effectively monitored throughout construction and operating operations.