PALIHOUSE

Monteagle

An icon reimagined. A mountain escape redefined.

OPERATED BY PALISOCIETY | MARRIOTT BONVOY | A DESIGN HOTELS MEMBER

133	**$96.8M**	**24.4%**	**3.04x**
KEYS	TOTAL COST	LP IRR	LP EQUITY MULTIPLE
68 casitas + 65 lodge	153-year-old campus	with CDD + Option 5 waterfall	$1 in → $3.04 out

EXECUTIVE SUMMARY

College Street Partners, in partnership with Palisociety, is transforming the historic 153-year-old DuBose Conference Center campus in Monteagle, Tennessee into a 133-key Palihouse mountain resort. Adaptive reuse of the National Register-listed Claiborne Hall is paired with 68 new-build casitas targeting the highest ADR tier, in a market with virtually no direct competition. Financed with senior debt, LP/GP equity, and $10.65M of sales-tax-backed CDD proceeds — plus $3.96M Federal HTC and $2.23M TIF.

RETURN METRICS — LP

	WITHOUT CDD	WITH CDD
LP IRR	17.9%	**24.4%**
LP Equity Multiple	2.57x	**3.04x**
Levered IRR	18.7%	**30.8%**
Unlevered IRR	13.8%	**16.5%**
Project Equity Multiple	2.85x	**3.92x**
LP Equity Required	$34.7M	**$27.1M**

SOURCES & USES · $96.37M

SOURCES

Senior Construction Loan	**$56.00M**	58%
LP + GP Equity (90/10)	**$30.15M**	31%
CDD Net Proceeds	**$10.65M**	11%

TAX CREDITS & INCENTIVES (MEMO)

Federal HTC	$3.96M	operating-period
TIF distributions	$2.23M	Years 4-8

SENIOR DEBT · WILSON BANK & TRUST (EXECUTED AUG 2026)

$51.43M drawn · up to $62.66M capacity (65% LTC)
7.25% locked, 60-mo initial term · 25-yr amortization

STABILIZED ECONOMICS · YEAR 3

Total Revenue	**$22.5M**	
Gross Operating Income	**$15.0M**	66.7%
Net Operating Income	**$11.3M**	Yr 3 run-rate
Sale Valuation (Yr 8)	**$150.8M**	7.5% cap
Yield on Cost	**11.7%**	untrended

PARTNERS

OPERATOR	Palisociety — 20+ boutique properties
DISTRIBUTION	Design Hotels + Marriott Bonvoy (signed)
SENIOR DEBT	Wilson Bank & Trust (executed)
DESIGN	Pfeffer Torode + LandDesign
SPONSOR	College Street Partners (CSP)

TIMELINE

- **Sep 2025** — Predevelopment
- **Sep 2026** — Capitalization close
- **2026-2028** — Design, permitting, construction
- **Q2 2029** — Grand opening
- **Year 3** — Stabilization · $11.3M NOI
- **Aug 2032** — Sale event · $150.8M @ 7.5% cap

WHY PALIHOUSE MONTEAGLE

NO DIRECT COMP

The Tennessee Cumberlands have no comparable boutique resort. Existing hospitality is dated motels and independent inns — Palihouse Monteagle enters uncontested at the top of the market.

TAX CREDIT STACK

CDD ($10.65M net), federal HTC ($3.96M), and TIF ($2.23M) reduce LP equity requirement and lift returns without adding leverage — three layers of public-finance support.

PROVEN OPERATOR

Palisociety operates 20+ boutique properties. Design Hotels + Marriott Bonvoy affiliation is signed — proven distribution and rate premium out of the gate, not aspirational.

HERITAGE + YIELD

Adaptive reuse of the National Register 1924 Claiborne Hall, paired with 68 new casitas at the top of the ADR stack ($875/night). Rare combination of story and yield.

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