

Success Story

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SBA 504 Loan Helps Two Entrepreneurs Renovate Thunderbird Inn in Heart of Old Savannah --Over 50 percent of Bookings Are from the Inn's new Web Site--

Savannah continues to attract flocks of visitors to its historic downtown even years after the best seller, "Midnight in the Garden of Good & Evil," established the city as a major tourist destination. Scores of new hotels and growth downtown by the Savannah College of Art & Design (SCAD) have recently been joined by another attraction--Food Channel Chef Paula Deen and her three-story restaurant a block from the City Market.

A short walk from all of this is the downtown Thunderbird Inn. This totally rebuilt 50's style motel features 42 near-luxury rooms located on West Oglethorpe Avenue at the base of the huge Talmadge Bridge. The inn is the first lodging motorists see coming off the bridge into Savannah's historic district from South Carolina and its coastal attractions in Charleston and nearby Beaufort.

"You might call us the hip hotel in historic Savannah," says co-owner Bill O'Brien. "After spending nine months renovating the inn, we are slowly achieving our share of this market."

O'Brien and his business partner, David Gardner, bought the Thunderbird Inn in late 2004, using funds from an SBA 504 Economic Development Loan. The 504 program provides fixed-rate financing for small businesses to acquire real estate, machinery or equipment for expansion or modernization.

Using a standard formula, Darby Bank & Trust in Savannah provided about 50 percent of the 504 Loan, and the Small Business Assistance Corporation (SBAC) made up another 40 percent of the Thunderbird financing as an SBA Certified Development Company. The Savannah-based CDC's funds are covered by an SBA guaranteed debenture. The SBA debenture generally can go up to \$1.5 million, and to \$4 million for small manufacturers. Depending on how the loan is structured, the final 10 to 15 percent equity in a 504 project generally comes from the borrower.

It's questionable that we could have made the deal without the 504 Loan," said O'Brien.

Owners O'Brien and Gardner are also serious when they talk about the "total renovation"



of the Thunderbird Inn which was built in 1964 as a classic roadside motel. “The only thing we left in the rooms were the bathtubs,” said Gardner, a native of Maine who moved to Savannah 11 years ago. The renovated rooms feature new tiled baths, new plumbing with heavy chrome fixtures, built in hair dryers, and large bedrooms with wall-to-wall carpet and beds covered with Simmons pillow-top mattresses.

Other amenities at the renovated facility include individually controlled heating & air conditioning, 25-inch TVs with cable channels and HBO, free local and toll-free phone calls, and writing desk with high-speed internet connection.

The area around the inn continues to be upgraded and as the owners explained, “we are right around the corner from everything.” A new 130-room Hampton Inn has opened a half block away and the City Market is only two blocks away. SCAD dorms occupy much of the land south and west of the Thunderbird Inn, and directly across the street is a full-size bakery that opens before 7 a.m. every morning.

Co-owner Gardner has been in the hospitality industry for some time. He used a 504 Loan in 1990 to acquire the Paradise Inn in Savannah. He sold that property two years ago. O’Brien is a native of Massachusetts and moved to Savannah six and a half years ago. Prior to coming to the Port City, he spent several years in the Caribbean on a sailing vessel.

Bill O’Brien & David Gardner, Co-owners
The Thunderbird Inn
611 W. Oglethorpe Avenue
Savannah, GA 31401
912/232-2661