



Public Project Profile

Host Country:	GEORGIA
Name of Borrower:	GMT Hotels LLC
Project Description:	Expansion of existing operations of GMT Hotels. The Moxy Hotel project is the newest budget segment hotel for Marriott focused on the rapidly emerging millennial travelers. This new brand combines contemporary stylish design with an affordable price for today's savvy travelers who embrace new technology. The Project will also involve construction of a restaurant as well as 3,000 sq. m. of B class office space.
Proposed OPIC Loan:	\$18,000,000.00
Total Project Cost:	\$24,265,000.00
U.S. Sponsor:	Silk Road Partners, Inc. (State Of Washington); Geostar, Inc. (Nevis) (beneficial owners are U.S. Citizens);
Foreign Sponsor:	George Tavadze and Kakha Gvelesiani (citizens of Georgia)
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy. The U.S. economy will benefit from the project's expected initial procurement of legal services, which will have a small but positive effect on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This project will have a positive developmental impact on Georgia's tourism sector. The loan will result in the construction of a new budget hotel in Tbilisi. At present, there is only one internationally managed budget hotel in Tbilisi, which offers 66 hotel rooms, far less than the 886 rooms available in the four- and five-star segment. The number of international visitors to Georgia has been growing steadily for the past ten years reaching more than 5 million visitors in 2013 compared to about half a million in 2005. Tbilisi has been hosting about 45 percent of these visitors. Moreover, the Government of Georgia has identified tourism as one of the strategic industries for local economic development. Thus, the project responds to market demand for more affordable lodging and supports growth of the tourism sector in Georgia.
Environment:	<p>Screening: The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Projects involving construction and operation of hotels are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and social issues associated with the Project include the need for appropriate occupational health and safety measures for workers involved in construction and maintenance activities, availability of potable water, wastewater and solid waste disposal services, and the adequacy of life safety and fire protection measures.</p> <p>Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (P.S.):</p> <ul style="list-style-type: none"> •P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts; •P.S. 2: Labor and Working Conditions; •P.S. 3: Resource Efficiency and Pollution Prevention; and •P.S. 4: Community Health, Safety, and Security. <p>The Borrower has acquired the site through negotiated transactions at market rates. The Borrower has confirmed that there are no occupants of the Project property. A desk-review due diligence assessment indicates that the Project involves construction of a hotel which will not involve any impacts to biodiversity, Indigenous Peoples, and cultural heritage. An IBAT search indicates that the Project site is not in proximity to any sensitive ecosystem. Therefore, Performance Standards 5, 6, 7, and 8 are not triggered by the Project at this time.</p> <p>The Project will be required to comply with the applicable provisions of IFC's General Environmental Health and Safety (EHS) Guidelines and EHS Guidelines on Tourism and Hospitality.</p> <p>Greenhouse gas (carbon dioxide equivalent) emissions from the Project are estimated to be approximately 7,400 tons per year.</p> <p>Environmental and Social Risks and Mitigation: The Project involves the construction and operation of a hotel as a franchise of Marriott Worldwide in a commercial area of downtown Tbilisi. The Borrower will hire licensed and trained contractors to perform construction. All employees will be trained on safety policies and procedures. The Borrower's Safety Officer will supervise the construction activities. The Borrower will require construction personnel to use personal protective equipment and follow the required safety procedures. The local municipality will provide: (a) potable water; (b) electricity; and (c) sewage and solid waste disposal services.</p>
Worker Rights:	OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, hours of work, payment of wages, and hazardous work situations. The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.
Human Rights:	OPIC issued a human rights clearance for this project on March 14, 2014.