

MEETING AGENDA
ROOM TAX COMMISSION OF THE
CITY OF PLYMOUTH, WISCONSIN
THURSDAY JUNE 20, 2023 9:00 A.M.
Plymouth City Hall
Room 305
128 Smith St
Plymouth, WI 53073

Members Present:

____ Kaushik Patel
____ Mary Hauser
____ Mayor Pohlman
____ Diane Gilson
____ Tim Blakeslee

Other:

Ann Voigt ____
Tim Blakeslee ____

1. Call to order and roll call.
2. Election of Chairperson.
3. Approve minutes from meeting held September 20, 2023
4. Discussion and Action on Hotel Feasibility Study
5. Adjournment.

It is likely a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City of Plymouth ADA Coordinator Leah Federwisch, located in the Plymouth Utilities office at 900 County Road PP, Plymouth, WI or call 920-893-3853.

**MINUTES
ROOM TAX COMMISSION
WEDNESDAY SEPTEMBER 20, 2023**

1. Call to order and roll call: The Room Tax Commission held a meeting on Wednesday, September 20 at 9:30 AM. Commission members present were Mayor Pohlman, Tim Blakeslee, Jessica Bumbard-Kinch, Mary Hauser, and Clerk/Deputy Treasurer Anna Voigt.

2. Election of Chairperson: Motion made by Hauser/Bumbard-Kinch to appoint Pohlman as the Chairperson. A unanimous aye vote was cast. Motion made by Pohlman/Bumbard-Kinch to appoint Blakeslee as the Vice Chairperson. A unanimous aye vote was cast. Motion carried.

3. Approve minutes from meeting held August 4, 2022: Motion was made by Pohlman/Hauser to approve the minutes from August 4, 2022. A unanimous aye vote was cast. Motion carried.

4. Discussion on Room Tax Revenue: Hauser passed out the Chamber of Commerce profit & loss budget. Pohlman asked if the Room Tax Rate is comparable to other communities. Hauser answered that yes, the 8% is similar to other communities. Blakeslee added that the City is maxed out at the 8%. Blakeslee also added that the Chamber can ask for additional funds through the Room Tax Commission if they have a special project. Hauser mentioned if they could ask for future money for new plaques on the new murals. Blakeslee stated that could be an option.

5. Approve Agreement for Tourism Promotion Services with Chamber of Commerce: Blakeslee explained the agreement is the same as the past. There is still additional chamber incentives that are in place and seem to be working. Motion was made by Pohlman/Blakeslee to approve the agreement. Upon the call of the roll, all voted aye. Motion carried.

6. Adjournment: Motion was made by Hauser/Bumbard-Kinch to adjourn the meeting. A unanimous aye vote was cast. Motion carried.



DATE: June 18, 2024
TO: Room Tax Commission
FROM: Tim Blakeslee, City Administrator/Utilities Manager
RE: **Hotel Feasibility Study – June 2024**

BACKGROUND:

In 2019, a hotel feasibility study was completed. At that time, the study noted the following: “that the development of the 65-room limited-service hotel is market justified and would be well suited for the Plymouth market.” A hotel project was almost completed as a result of that study, but due to the unknowns of COVID-19 in early 2020, the project was shelved by the developer.

It has been five years since the study was completed. A hotel chain and a local developer have recently expressed interest in a hotel in the Plymouth area. The hotel chain requires that a new study be conducted before moving forward with a project. This study would benefit not just the hotel chain, but any developer or hotel chain in the future looking to complete a project in Plymouth.

Proposals were received from the following:

- Patek Consulting (\$11,160)
- Core Distinction (\$15,000)

The interested hotel chain requires that a study provide a breakeven analysis, ROI projections from years one to five, and ROI projections for the first full year open in their proformas. Patek Consulting updated their proposal after receiving more information on the proposed hotel chain to meet this need.

The Room Tax fund has available dollars for this project.

RECOMMENDATION:

Move to approve a hotel study from Patek Consulting.

**Proposal for a Proposed Hotel Development
To be located in
Plymouth, Wisconsin**

**May 20, 2024
(Revised June 18, 2024)**

Prepared for:

**Mr. Tim Blakeslee
City Administrator/Utilities Manager
City of Plymouth**

Patek Hospitality Consultants, Inc.
N57 W27841 Walnut Grove Court
Sussex, Wisconsin 53089
(262) 538-0445

Patek Hospitality Consultants, Inc.
N57 W27841 Walnut Grove Court
Sussex, Wisconsin 53089
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May 20, 2024

(Revised June 18, 2024)

Mr. Tim Blakeslee
City Administrator/Utilities Manager
128 Smith Street
P.O. Box 107
Plymouth, Wisconsin 53073

Dear Mr. Blakeslee:

We have revised this proposal today, which now supersedes any previous proposals issued to you and the City of Plymouth. This revision reflects the additional tasks of preparing a Breakeven Analysis and an Economic Feasibility Analysis for a proposed Cobblestone Hotel & Suites in Plymouth.

It was a pleasure to hear from you last week and we are pleased to submit this proposal to conduct a study of potential market demand for a proposed hotel in Plymouth, Wisconsin. We understand that discussions with a developer are gaining some momentum, and that the City may be interested in moving forward with a feasibility study. This proposal supersedes the proposal that we prepared for you in August 2023.

To assist you in evaluating the potential demand for the project and to provide critical planning parameters for you and other interested parties, we have provided the following proposal. This document would identify potential market demand for the subject hotel including a discussion on the market and potential sites, recommendations on the type of property best suited for the market, a supply and demand analysis, a five-year estimate of occupancy and average daily rate, and a statement of estimated annual operating results that could be used to obtain financing, a franchise or management agreement. We intend to conduct a study as detailed below.

APPROACH TO THE STUDY

The study would be concerned with the determination of current and potential future demand for hotel accommodations in the market area; assessment of existing and potential future competitive supply; and the share of the market that could reasonably be attained by the proposed hotel. We would visit Plymouth and Sheboygan County and meet with you, other local officials and interested parties to gather information about the community and the

potential need for a hotel. We would tour the community and conduct our research and analysis. Our approach to such a study would be as follows:

Site Analysis: The following attributes of up to three sites (areas) will be evaluated: access, visibility, surrounding area, present use, relationship to demand generators, relationship to area amenities, and advantages/disadvantages of the site versus the competition. Based on these factors, we will recommend the most appropriate site for hotel development.

Area Review: Based on economic data gathered during the fieldwork, it will be determined whether the market area appears to be economically viable to support hotel development. Economic data is also assembled using local, city, and county websites, state agency websites, U.S. Census Bureau, U.S. Bureau of Labor Statistics, and other sources deemed relevant.

Primary Research: Primary research would consist of interviews with key demand generators and those persons knowledgeable with the local economic development situation and local hotel market. These interviews could be done in person or by telephone and include, but not be limited to city officials in economic development and planning, Chamber of Commerce, Convention & Visitors Bureau, competitive hotels including an inspection of the hotel properties, and potential demand generators.

During our fieldwork, we will discuss with you the potential demand generators (corporate, leisure, and group) located in Plymouth. We would need to call on these demand generators and would ask for your assistance in this process. We have found that we have more success when we receive contact names and phone numbers from local officials and in many cases, an introduction will be made that our company would be calling on them. We usually ask to speak with the person within the organization that is making hotel reservations. The survey that we would conduct would be to garner information on that company's needs for hotel rooms, rates they are willing to pay, and the type of amenities and facilities they would like to see developed. This task is something that we could discuss further during our fieldwork. The information obtained through this telephone survey would be summarized and presented in our report.

Competitive Market - The present supply of hotel rooms in the market area, the potential additions to supply and the markets served or to be served by those properties will be reviewed. An inspection of the competitive hotels will be conducted during our fieldwork. A competitive property profile and projections of growth in supply will be prepared. Through interviews, file data, and a STR* report, an estimate of market occupancy and average daily rate (ADR) will be provided.

Demand - We will determine the major segments of demand and discuss the growth in demand for each of those segments, based on historical data. Based on our research, we will estimate demand for hotel rooms over a five- to seven-year period.

Recommended Facilities: Recommendations for appropriate facilities will be provided for the proposed hotel, based on our market findings which will best meet demonstrated market demand. These facilities could include type of hotel (i.e. limited-service, extended-stay, all-

suite), number and type of guest rooms, meeting rooms, and other amenities and facilities deemed appropriate such as food and beverage outlets and recreational features. These recommendations could assist an architect and planner with the basis for a design program for the subject hotel and will provide the basis for our estimate of occupancy and ADR.

As of the date of this proposal, we understand the developer is interested in developing a Cobblestone Hotel & Suites. We will keep this brand in mind as we conduct our research.

Should we determine there may be more than one hotel company that would be appropriate for Plymouth, we will provide contact information to you in a separate letter at the completion of the study. We will also provide introductions in an email between you and the hotel franchise rep to help facilitate a discussion. Unless a hotel brand is identified prior to our report writing, we would address the report as a "generic" limited-service hotel.

Market Position of the Subject Property (Occupancy and Average Daily Rate): After completing the estimate of the future supply and demand for rooms in the market area, we will estimate the share of the market that the subject property should reasonably be expected to capture, by market segment, for the first five years of operation. Occupancy and average daily rate for the subject hotel for each of those five years will be estimated. This is intended to be representative of potential results that may be achieved assuming efficient and competent management and an effective marketing program. Our analysis will include an evaluation of the future market position of the subject hotel versus the existing competition.

Statement of Estimated Annual Operating Results: Using the market research as a basis, we would prepare a statement of estimated annual operating results that would include occupancy, average daily rate, sales, and operating expenses for each of the first five years of operation. This statement would include all revenues and expenses and result in a "bottom line" of Income Before Rent, Depreciation, Interest and Taxes on Income. Since the estimated operating results would be based on estimates and assumptions that are subject to uncertainty and variation, we would not represent them as results that will be achieved. The report that includes the statement of estimated annual operating results could be used in obtaining mortgage financing, or in negotiating a lease, franchise, or management agreement.

Breakeven Analysis: Included in this financial assessment, we will provide you with a break-even analysis to determine the margin of safety for the proposed hotel based on the revenues collected and the associated fixed costs.

Economic Feasibility Analysis: A development budget will be provided based on the number of rooms and facilities recommended (provided by Cobblestone Hotels) and assumptions will be made regarding debt and equity for the project to determine the economic feasibility of the hotel development and the return on investment.

REPORT

The information will be presented in a report for your internal use and guidance to determine whether to proceed with development of this hotel. The report will also be appropriate to share with hotel companies, developers, management companies, and lenders/investors. The report will include a discussion of the market area, the site, the competitive hotel market, recommendations on the type of property best suited for the market, estimates of occupancy and average daily rate for the first five years of operation, a statement of estimated annual operating results, breakeven analysis, and economic feasibility analysis.

One copy of the report will be delivered to you at the completion of the assignment as well as an electronic copy. The following section headings will appear in the final report:

- Executive Summary
- Site Analysis
- Market Area Overview
- Hotel Supply and Demand Analysis
- Market Position and Penetration of the Subject Hotel
- Statement of Estimated Annual Operating Results
- Breakeven Analysis
- Economic Feasibility Analysis

ASSUMPTIONS AND LIMITATIONS OF THE STUDY

The report will be subject to the following limitations.

1. The conclusions reached are based upon our present knowledge of the lodging market in the competitive area as of the completion of fieldwork.
2. As in all studies of this type, the estimated annual operating results are based upon competent and efficient management and assume no significant change in the competitive position of the lodging industry in the immediate area from that set forth in the study.
3. Estimated operating results are also based on an evaluation of the present general economy of the area and do not take into account, or make provision for the effect of any sharp rise or decline in local or general economic conditions which may occur.
4. The estimates of operating results, to the best of our knowledge and belief, will reflect our best judgment, based on present circumstances of the expected conditions and the expected course of action for the operation of the hotel. There will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

5. We do not warrant that our estimates will be attained; they will be developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel developer/investor as of the report date.
6. It is understood that the report will be prepared primarily for your internal use and guidance as well as that of developers, hotel companies, and lenders/investors. The report and material submitted may not be used in any prospectus or printed material used in connection with the sale of real estate, securities, or participation interests to the public or through advertising, public relations, news, sales, or other media without our prior written consent.
7. The scope of the study would not include the possible impact of zoning or environmental regulations, licensing requirements or other such matters unless they have been brought to our attention and are disclosed in the report.
8. We have no obligation to update the findings regarding changes in market conditions that occur after the completion of fieldwork.
9. Any drafts or preliminary information communicated to you during the assignment are for internal management use only and may not be disclosed to any outside third parties without our prior written consent.
10. The Client (City of Plymouth, Wisconsin) will disclose to Patek Hospitality Consultants, Inc. (PHC) all relevant information, conditions, data, and other information that Client deems relevant to PHC's production of the Report. Unless specifically brought to the attention of PHC, PHC will assume that there are no hidden or unexpected conditions or information that would adversely or otherwise affect the study and analysis leading to the Report. PHC expresses no opinion and gives no advice concerning matters that require legal or specialized expertise, investigation or knowledge such as, without limitation, engineering, tax, accounting, zoning, signage, hazardous substance/waste, wetlands, franchise or other technical or developmental matters. Market studies involve the interpretation of evolving events and the research and review of highly confidential information, the accuracy of which cannot be assured. The risk of unknown or unanticipated events or conditions is an additional variable for which there is no remedy. Client understands these limitations and interprets all research, analysis, and projections accordingly.
11. Our liability with respect to this report is limited to the total fees as set forth herein. Our responsibility is limited to the Client and use of this report by third parties shall be solely at the risk of the Client and/or third parties.
12. Payment of our fees and expenses billed to your company to conduct this assignment are payable within 30 days. Fees and expenses are due and payable regardless of whether or not conclusions reached by PHC coincide with Client's expectations. Fees

and expenses are in no way related to conclusions reached or projections provided by PHC.

FEES AND STUDY TIMETABLE

At the beginning of this study, we will plan to meet with you to discuss your plans for the proposed hotel and how to proceed with the project. We will keep you informed of the progress of our work by telephone. If at any time during the study, we form an initial opinion that there is insufficient demand for the project, all work will be stopped at that point and the findings will be discussed with you. If you would like the assignment to be terminated at that time, you will be billed only for the time incurred to date at a fee not to exceed \$5,000 plus the actual expenses incurred.

Our fee for this project will be **\$10,500** inclusive of out-of-pocket expenses such as travel, meals, telephone, postage, and report production (this fee does **not** include the cost of the STR report. A Smith Travel Research (STR*) historical trend report is an outside resource that we commission to supplement our research and analysis regarding occupancy and average daily rate trends for hotels in a market area. The cost of this report is \$660, which will be billed to you in our final invoice and is not included in the all-inclusive fee stated above.

*STR is a research company based in Hendersonville, Tennessee that began collecting data in the 1980s and today 68,000 hotels with 9.1 million rooms globally submit monthly data to the STR program. STR reports are specific to a market, and we would include those hotels, which would be determined by the demand interviews, of where demand from Plymouth is currently staying. The report would provide historical performance for a competitive set including occupancy, average daily rate, supply and demand changes, revenue, and weekday versus weekend demand. We believe this would be beneficial for this hotel project to have a better understanding of the historical competitive market performance and to prepare estimates of future performance for the proposed hotel. The report presents the information as an aggregate and does not provide individual property data.

Our fees include meetings with city officials that are conducted during our fieldwork. Our fees **do not** include attending additional meetings requested such as city council, economic development, or similar such meetings to discuss/present our findings and recommendations. Should you require our attendance at such meetings, you would be billed for our time and travel at our regular per diem rate of \$150 per hour.

A retainer of \$5,000 is requested at the start of the assignment. The remaining fees and expenses will be billed at the completion of the assignment and will be payable within 30 days. A draft of the report will be sent to you for your review. If you do not respond to the draft report within 30 days, we may be required to update our findings at an additional fee.

Based on our present scheduling, we could begin the assignment in late July to mid-August pending receipt of the requested retainer and signed proposal. We anticipate discussing our

preliminary findings within two to three weeks from the start of the assignment with a draft report to follow within two to three weeks from our preliminary results, barring unforeseen circumstances. Upon receiving your approval of the draft report, an additional week would be required for printing the final report.

ACCEPTANCE

If this proposal, valid until **September 30, 2024**, is correct in stating the type of work you are requesting and if the arrangements are satisfactory, please sign a copy of this proposal and return it to us, together with the retainer, as our authorization to schedule the assignment. If you have any questions, please call us at (262) 538-0445. We appreciate the opportunity to submit this proposal and look forward to working with you and the City of Plymouth again.

Sincerely,

Patek Hospitality Consultants, Inc.

Patek Hospitality Consultants, Inc.

ACCEPTED:

BY: _____

DATE: _____

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY PROPOSAL AND SAMPLES



PREPARED BY

Jessica Junker - Managing Partner
j.junker@coredistinctiongroup.com
Offices in Wisconsin



TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

HOW CAN A NEW HOTEL IMPACT YOUR COMMUNITY?

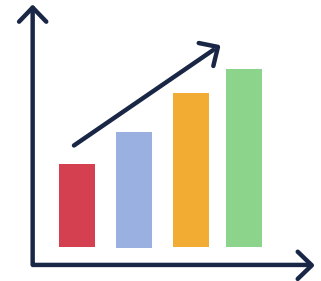
ESTIMATED ECONOMIC IMPACT

A new hotel in your community can have a very large Direct Economic Impact and an even larger Indirect Economic Impact. To help you understand this impact, Core Distinction Group compiles Estimated Economic Impact within our reporting. These estimates help community leaders understand the impact to the local economy and economic development. Below is a sample of what a new hotel can bring to your community:

DIRECT REVENUE

When considering the potential Direct Economic Impact of a new hotel in the community, look at the direct tax revenue the community is gaining from the project. This takes into consideration lodging/bed taxes (when applicable), sales taxes, and real estate taxes. Below you will find the estimated tax revenue* of this project broken out into each category (First Full Year Open):

NEW HOTEL REVENUE	\$2,277,283
NEW SALES TAX REVENUE	\$125,251
NEW LODGING/BED TAX REVENUE	\$159,410
NEW REAL ESTATE TAX REVENUE	\$110,291



*All taxes based on a new 62 room, upper mid-scale hotel, with an average daily rate of \$160.67 at 60.6% occupancy in the first full year of being open. Sales tax estimates based on 5.5% Sales Tax. Lodging tax estimates based on 7% Lodging Tax. Real Estate Taxes also an estimate based on Real Estate/Property Taxes from a past project of Core Distinction Group in Wisconsin.

FIRST FIVE YEARS OF INDIRECT REVENUE

When considering the potential Indirect Economic Impact of a new hotel in the community, look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining, entertainment/activities and alcoholic beverages (if applicable). Below you will find the estimated revenue** brought into your community directly and indirectly by a new hotel broken down into each category (First Five Full Years Open):

ESTIMATED SALES TAX (HOTEL, RESTAURANT, ENTERTAINMENT, AND ALCOHOL SALES)	\$1,260,313
ESTIMATED NEW BED/LODGING/HOTEL TAX	\$891,003
ESTIMATED NEW REAL ESTATE TAX REVENUE	\$551,457
ESTIMATED NEW FOOD/DINING REVENUE	\$4,219,983
ESTIMATED NEW ENTERTAINMENT/ACTIVITIES REVENUE	\$4,001,708
ESTIMATED NEW ALCOHOLIC BEVERAGE REVENUE	\$1,964,475
ESTIMATED NEW INDIRECT FULL-TIME EQUIVALENT JOBS CREATED	36.6
ESTIMATED ECONOMIC IMPACT TO COMMUNITY	\$15,289,964

** Indirect revenue based on the "First Full Five Years" of a new 62 room, upper mid-scale hotel at 60.6% occupancy. New estimated revenues in Food/Dining, Entertainment/Activities, and Alcoholic Beverages based on one person per room sold at the current average amount spent per traveler according to budgetyourtravel.com. Estimated indirect job creation based on industry standard labor percentage of revenue and current wages collected from salary.com. Estimated additional sales taxes from indirect revenue based on 5.5% Sales Taxes.

ABOUT US

LEADERSHIP

LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.

JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.



ABOUT US

TESTIMONIALS AND REFERENCES

URBANA, OH/CHAMPAIGN ECONOMIC PARTNERSHIP MARCIA BAILEY

“For quite some time we had been looking at the possibility of a new hotel in our community. We hired Core Distinction Group to perform a hotel feasibility study for us. Jessica did a great job in answering questions, touring the city and conducting demand generator interviews. The analysis that was completed gave us the information we needed to begin the process of working on the project. We would highly recommend using their services.”

FAIRFIELD BAY, AR MAYOR PAUL WELLENBERGER

“I called Core Distinction Group with a need for a new Feasibility study and a pretty unrealistic time frame. We had interested investors and interested bankers, but they wanted an updated study reflecting the hotel specifics. Not only was Ms. Junker responsive, she and her team worked over the July 4th weekend to get us what we needed, when we needed it. I highly recommend this company. We had a study done two years earlier. That study cost twice as much, took twice as long and the product was not nearly as thorough and complete as what we received from Core Distinction Group.”

METAMORA, IL KEN MAURER

"Core Distinction Group did a great job for the Village of Metamora. The study was a quality study accepted by all of the hotel chains I contacted."

ADDITIONAL REFERENCES

HUTCHINSON, MN - BRIAN FORCIER
PHONE: 218-590-8205

MILLBROOK, ALABAMA - ANN HARPER
PHONE: 334-285-0330

WOODSTOCK, IL - GARRETT ANDERSON
PHONE: 608-643-3932

MULTIPLE LOCATIONS - NICOLE LEMENS
PHONE: 920-422-1471

MULTIPLE LOCATIONS - ANDREW SCARLETT
PHONE: 773-842-4976

GLADSTONE, MO - ROBERT BAER
PHONE: 816-436-2200

URBANA, OH - MARCIA BAILEY
PHONE: 937-653-7200

MULTIPLE LOCATIONS - MARK GUTTETER
PHONE: 715-292-1369



SCOPE OF WORK



Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thought out and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

KICKOFF MEETING, RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. This phase is conducted within the first one to two weeks following receipt of the retainer.

SITE VISIT/COMMUNITY TOUR

This phase involves an in-depth local tour of the community highlighting sites and demand generators to help Core Distinction understand the community and the need for lodging.

DEMAND GENERATOR SURVEYS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process. In some cases, surveys are done prior to visit.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

***DATA RECEIVING & REPORTING**

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

FINAL












After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

**If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.*

ALL-INCLUSIVE PRICING

The cost to complete your community's Comprehensive Hotel Market Feasibility Study would be \$15,000. This fee is all-inclusive and will give you every tool you would need to bring a hotel to your community. Once your organization has decided to move forward in hiring Core Distinction Group, LLC to conduct your study, we will require a signed contract and 50% (\$7,500) non-refundable retainer. The remaining 50% (\$7,500) will be required prior to your organization receiving the Final Draft. If at any given point after the Site Visit and Community Tour, our company believes that a new hotel project in your community does not make good business sense, we will reach out to you to discuss. If after the discussion of all data with your organization, all parties believe that we have come to the proper determination, we will cease all project work and you will not be responsible for the remainder of the fee/cost. In addition, Core Distinction Group, LLC does not charge for additional time spend on the project after questions from investors, bankers, brands and so on are complete. Core Distinction Group, LLC will also include one additional Pro Forma update with-in a year of the project completion at no additional charge of changes in fees or costs.

Below you will find a breakdown of what is included in our pricing:

Travel - Airfare, Accommodations, Rental Car, Meals and any Out of Pocket Expenses	
Industry Reports	
Community Visit and Site Analysis	
Data Compilation/Gathering	
Hotel Market Feasibility Study Completion	
	Introduction/Objective
	Market Overview
	Site Analysis
	Economic Overview
	Lodging Demand Overview
	Community Interview/Survey Details
	Lodging Supply Overview
	Conclusion/Scale, Size and Amenity Recommendations
	Room Share Overview
	Economic Impact
	Project Marketing Piece
Financial Projections/Proforma (2 Separate Brand Specific Proformas)	
Total All-In Project Cost	\$ 15,000

SUMMARY AND SAMPLES

SUMMARY

With over 600 Hotel Market Feasibility Studies complete for municipalities and organizations across the United States, Core Distinction Group has developed a wonderful reputation for our professionalism, knowledge, and customer service. Our completed reports offer each person involved a complete understanding and detailed description of what makes the most business sense in your community. Once your study is complete, you will have the pieces you need to develop a new hotel including but not limited to the following:

- Introduction/Objective
- Executive Summary
- Community Overview
- Market Demand Area
- Site Analysis
- Economic Overview
- Lodging Demand Overview
- Demand Generator Survey Details
- Lodging Supply Overview
- Industry Trend Data
- Conclusion/Recommendations
- Estimated Economic Impact
- Development Cost Breakdown
- Complete Financial Projections/Pro Forma



SAMPLES

Please review the samples provided following this page. We have included a sample of our Hotel Market Feasibility Study and our Financial Projections.

CONTACT US TODAY TO SCHEDULE YOUR FIRST STEP TO DEVELOP A NEW HOTEL!
JESSICA JUNKER - MANAGING PARTNER
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COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY FINANCIAL PROFORMA



PREPARED FOR

SAMPLE

PREPARED BY

Core Distinction Group, LLC

Lisa Pennau - Founding Partner

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Offices in Wisconsin

INCLUDES

Projected Land Costs

Projected Building Costs

Projected Fixture, Furnishings, and Equipment Costs

Projected Soft Costs

Projected Investment

Projected Revenue

Projected Expenses

Projected Return on Investment



TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL



Date Tuesday, October 31, 2023

Attn: Karin Tepley

Address 450 South Main Street

City, State, Zip Richland Center, WI 53581

In accordance with our agreement, Core Distinction Group, LLC. has completed a Comprehensive Hotel Market Feasibility Study to determine if Richland Center, WI has the potential to support a new hotel. In addition, the aforementioned study includes a complete Pro Forma based on construction costs and operating costs provided by the brand(s) requested by you.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in October 2023. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether hotel development should be pursued in your community and to share with developers, hotel franchise companies, and potential lenders/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

Please do not hesitate to call if Core Distinction Group can be of any further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during the course of our agreement and look forward to working with you again in the future.

Sincerely,

Jessica Junker
Partner



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Introduction

The following Comprehensive Lodging Feasibility Study Report will review the potential development of a hotel in Richland Center, WI.

Intended Use - This report is to be used by the Client for determining feasibility and attracting a new hotel.

Intended User - Richland Center, WI is the only intended user for this report.

Core Distinction Group LLC (CDG) has been engaged to provide this Comprehensive Lodging Feasibility Study Report for the Richland Center, WI market area. This Lodging Feasibility Study provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

The consultant from Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. Comprehensive research was performed and reviewed regarding the community's economic indicators, competitive lodging supply, and lodging demand generators. CDG performed field research to determine the relationship between the community and its lodging need. Economic indicators were studied to determine the stability and future growth potential of the general market. The research was conducted as a macro and micro market analysis of the Richland Center, WI and the areas immediately surrounding area to determine their viability to support the potential of a hotel development.

This report will present projections for stabilized hotel operation based upon current operating performance in the market area. Occupancy, Average Daily Room Rate, and Sales Revenue projections for the hotel were based upon a detailed review of the field research data. Also, recommendations as to the property type, suggested property size, services, and amenities were included. These projections and recommendations were based upon the market demand research for a potential lodging facility.

This report provides statistical and highlighted narratives to support the conclusions regarding the market area and its ability to support potential hotel development.

General Assumptions - For the purpose of this assignment, we assumed the proposed property will be operated as an upper-mid scaled to upper scaled, franchised hotel with a central reservations system that is fully-integrated with a recognized marketing platform. If this or any of the following are not followed, it could affect the overall feasibility of subject property.

Introduction (continued)

Operational Assumptions - For the purpose of this assignment, we assume the subject property would be managed by a professional hotel management company at an industry standard fee between five and seven percent.

Franchise Fees - For the purpose of this assignment, we assume the subject property would pay franchise fees quoted to Core Distinction Group, LLC by either the developer or franchise representative. In the event that Core Distinction Group is not able to receive a quote, fees will be based on the franchise's registered Franchise Disclosure Document.

SAMPLE

COMMUNITY OVERVIEW

For the purpose of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC representatives gathered information and history about the market to give users of this report a brief summary of the community. This section offers that Community Overview.

SAMPLE

Community Overview and History

Nestled in the heart of southwestern Wisconsin, Richland Center is a town that seamlessly marries its rich history with the vibrancy of modern life. This charming community of approximately 5,000 residents is known for its picturesque landscapes, friendly atmosphere, and a history deeply intertwined with one of America's most renowned architects, Frank Lloyd Wright.

Richland Center was officially founded in 1851 and named after the "rich land" it offered to farmers. The town quickly developed as an agricultural hub, with farming and dairy production playing pivotal roles in its economy. Today, remnants of this agrarian past can still be seen in the rolling fields and farms that surround the town.

One of Richland Center's claims to fame is its association with Frank Lloyd Wright, one of the most influential architects of the 20th century. Wright was born in Richland Center in 1867, and his childhood home, now known as the A.D. German Warehouse, stands as a testament to his early influences and architectural genius. Visitors can explore this historic landmark, which has been meticulously restored to showcase Wright's early design concepts.

While Richland Center proudly preserves its historical roots, it has also embraced the modern era with open arms. The town's charming downtown area features a mix of locally-owned shops, restaurants, and businesses. It's a place where you can stroll down the main street and experience a sense of community and warmth that's often missing in larger urban centers. The town hosts a variety of events throughout the year, such as farmers' markets, arts and crafts fairs, and music festivals, fostering a sense of togetherness among residents and visitors alike.

In terms of recreational opportunities, Richland Center offers something for everyone. The surrounding natural beauty provides ample opportunities for outdoor enthusiasts, including snowmobiling, horse back-riding, kayaking and canoeing, trout fishing, golfing, hiking, and hunting. The Pine River, which meanders through the area, offers excellent trout fishing and kayaking. For those who prefer indoor activities, the town has a community center, libraries, and cultural organizations that host events and activities year-round.

In conclusion, Richland Center, Wisconsin, beautifully combines its rich history with the conveniences of modern life. With its strong sense of community, historical landmarks, and diverse recreational opportunities, it's a place where residents and visitors can appreciate the past while looking forward to a promising future. Whether you're interested in exploring architectural heritage, enjoying outdoor adventures, or simply seeking a welcoming and close-knit community, Richland Center has something to offer everyone who seeks to experience the best of small-town America.

EXECUTIVE SUMMARY

For the purpose of this Comprehensive Hotel Market Feasibility Study, an executive summary will provide an overview of the document to follow. The Executive Summary will contain the following information:

- Methodology
- Current Hotel Segment Recommendations for Market Studied
- Current Hotel Size Recommendations for Market Studied
- Current Hotel Room Configuration Recommendations for Market Studied
- Current Economic Impact of Hotel in Market Studied

Further detailed information on findings from research analysis conducted will be highlighted throughout this report. Further detail on the projections and conclusions can be found in the Projections section of this report.

Executive Summary

It is the opinion of Core Distinction Group, that at the time of this study, the community of Richland Center, Wisconsin and the immediate surrounding areas within Richland County, WI offers the current and future demand to support the proposed hotel development in this Comprehensive Hotel Market Feasibility Study . The conclusion and recommendations within this Comprehensive Hotel Market Feasibility Study was based on but not limited to the following criteria:

-  Overall Economic Condition of Community
-  Overall Market Demand Areas
-  Location of Proposed Property
-  Local Demand Generator Need
-  Lodging Demand in Community
-  Lodging Supply in Community
-  Trending Lodging Data of Current Lodging Supply
-  Impact of New Hotel Development on Current Lodging Supply
-  Cost of Construction of New Hotel Development
-  Potential Revenue of New Hotel Development
-  Cost of Operation of New Hotel Development

Executive Summary (continued)

Based on the information provided to Core Distinction Group at the time of researching the subject community, the following recommendations are made:

Property segment recommended for the potential development of a hotel is an Upper Midscale to Upscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Richland Center, WI. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Richland Center and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

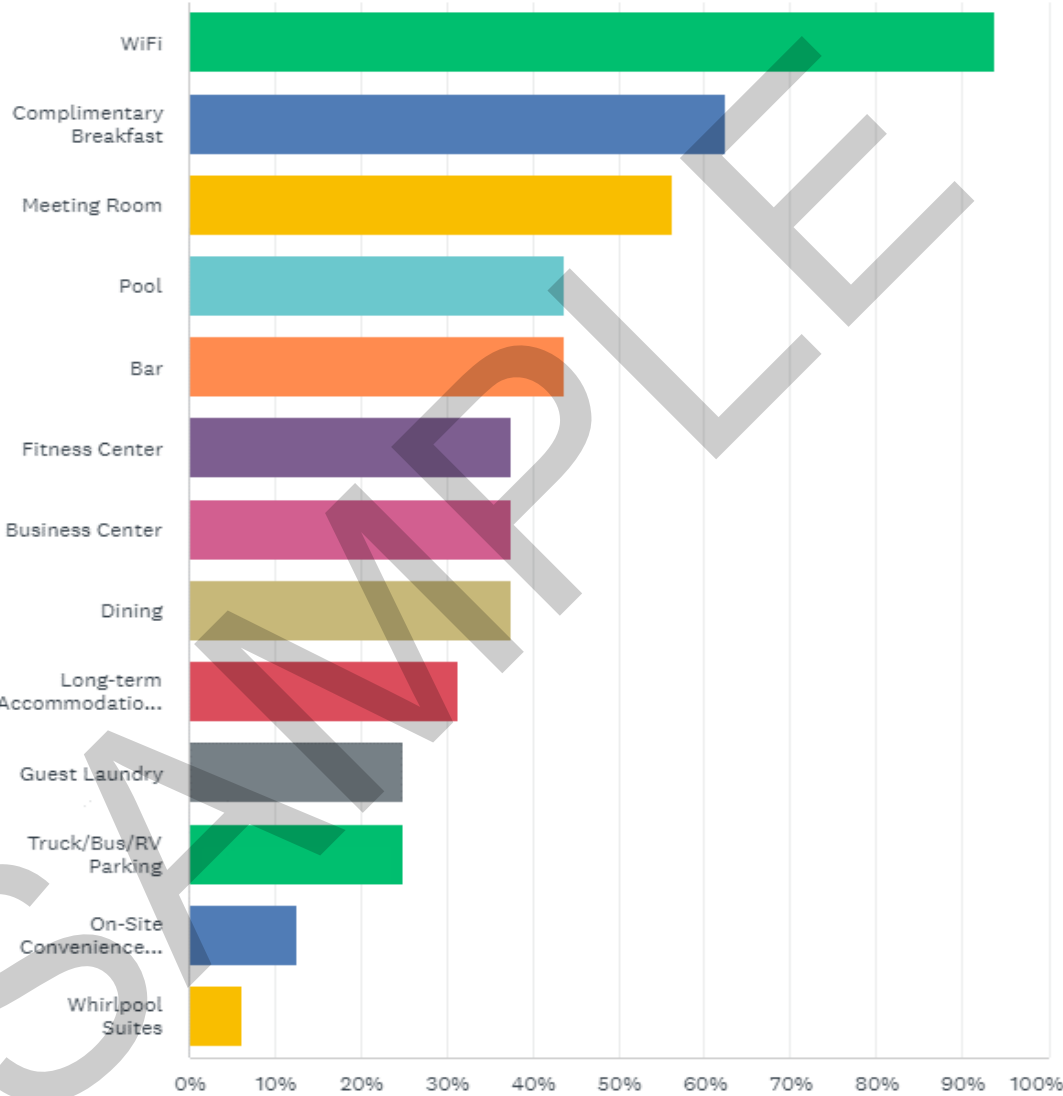
Property size recommendation of a newly developed hotel was researched to be between 45-55 guestrooms in this report. This would position it to be smaller in size to the average room size of 99-110 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 8-12 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

Executive Summary

Property features, amenities, and services of the hotel should satisfy the market it is attempting to attract. Standard features and amenities required for a proposed hotel in this market should include:



ECONOMIC OVERVIEW

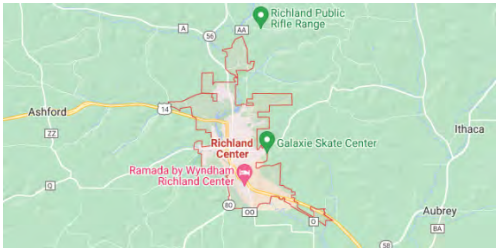
For the purpose of this Comprehensive Hotel Market Feasibility Study, an Economic Overview will provide an overview of the economic condition of the market studied. In most cases, the data shown in this section of the report is not pertinent to the overall demand for lodging but can be taken into consideration. The Economic Overview will contain the following information:

- Daytime Employment
 - Business Employment by Type
- Demographic Detail Report
 - Population by Radius
 - Population by Age
 - Population by Race
 - Population by Occupation
 - Households by Marital Status
 - Population by Education
 - Population by Occupation
 - Worker Travel Time to Job
 - Households
 - Households by Income
 - Occupied Housing
 - Housing Units
 - Housing Value
 - Housing Units

Daytime Employment Report

1 Mile Radius

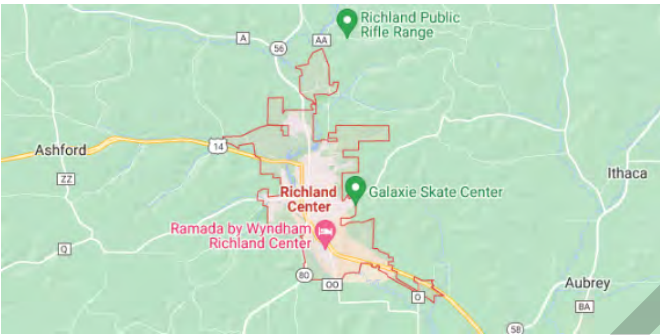
Richland Center, WI 53581



Business Employment by Type	# of Businesses	# Employees	#Emp/Bus
Total Businesses	410	3,600	9
Retail & Wholesale Trade	51	392	8
Hospitality & Food Service	15	248	17
Real Estate, Renting, Leasing	13	39	3
Finance & Insurance	29	156	5
Information	10	98	10
Scientific & Technology Services	32	132	4
Management of Companies	0	0	0
Health Care & Social Assistance	137	793	6
Educational Services	3	25	8
Public Administration & Sales	40	473	12
Arts, Entertainment, Recreation	5	28	6
Utilities & Waste Management	8	50	6
Construction	8	46	6
Manufacturing	9	857	95
Agriculture, Mining, Fishing	3	107	36
Other Services	47	156	3

Demographic Detail Report

Richland Center, WI 53581



Radius	1 Mile		5 Mile		10 Mile	
Population						
2028 Projection	4,292		7,377		12,018	
2023 Estimate	4,311		7,440		12,184	
2010 Census	4,300		7,558		12,701	
Growth 2023 - 2028	-0.44%		-0.85%		-1.36%	
Growth 2010 - 2023	0.26%		-1.56%		-4.07%	
2023 Population by Age						
	4,311		7,440		12,184	
Age 0 - 4	233	5.40%	387	5.20%	591	4.85%
Age 5 - 9	255	5.92%	420	5.65%	647	5.31%
Age 10 - 14	292	6.77%	482	6.48%	761	6.25%
Age 15 - 19	291	6.75%	491	6.60%	795	6.52%
Age 20 - 24	243	5.64%	418	5.62%	681	5.59%
Age 25 - 29	222	5.15%	382	5.13%	609	5.00%
Age 30 - 34	233	5.40%	387	5.20%	600	4.92%
Age 35 - 39	254	5.89%	411	5.52%	632	5.19%
Age 40 - 44	261	6.05%	424	5.70%	662	5.43%
Age 45 - 49	255	5.92%	424	5.70%	683	5.61%
Age 50 - 54	249	5.78%	428	5.75%	722	5.93%
Age 55 - 59	258	5.98%	457	6.14%	798	6.55%
Age 60 - 64	282	6.54%	510	6.85%	900	7.39%
Age 65 - 69	291	6.75%	534	7.18%	942	7.73%
Age 70 - 74	247	5.73%	461	6.20%	807	6.62%
Age 75 - 79	172	3.99%	323	4.34%	556	4.56%
Age 80 - 84	117	2.71%	219	2.94%	369	3.03%
Age 85+	157	3.64%	282	3.79%	428	3.51%
Age 65+	984	22.83%	1,819	24.45%	3,102	25.46%
Median Age	42.50		44.00		45.80	
Average Age	42.00		42.90		43.80	

Demographic Detail Report

Richland Center, WI 53581						
Radius	1 Mile		5 Mile		10 Mile	
2023 Population By Race	4,311		7,440		12,184	
White	4,135	95.92%	7,134	95.89%	11,742	96.37%
Black	54	1.25%	89	1.20%	111	0.91%
Am. Indian & Alaskan	7	0.16%	20	0.27%	53	0.43%
Asian	45	1.04%	86	1.16%	113	0.93%
Hawaiian & Pacific Island	2	0.05%	3	0.04%	8	0.07%
Other	68	1.58%	107	1.44%	157	1.29%
Population by Hispanic Origin	4,311		7,440		12,184	
Non-Hispanic Origin	4,086	94.78%	7,130	95.83%	11,785	96.73%
Hispanic Origin	225	5.22%	310	4.17%	399	3.27%
2023 Median Age, Male	41.30		42.90		44.80	
2023 Average Age, Male	40.70		41.90		43.00	
2023 Median Age, Female	43.90		45.30		47.00	
2023 Average Age, Female	43.20		44.00		44.60	
2023 Population by Occupation Classification	3,476		6,053		10,025	
Civilian Employed	1,991	57.28%	3,503	57.87%	5,849	58.34%
Civilian Unemployed	45	1.29%	86	1.42%	160	1.60%
Civilian Non-Labor Force	1,440	41.43%	2,464	40.71%	4,016	40.06%
Armed Forces	0	0.00%	0	0.00%	0	0.00%
Households by Marital Status	753		1,400		2,516	
Married	753		1,400		2,516	
Married No Children	467		903		1,642	
Married w/Children	286		497		874	
2023 Population by Education	3,144		5,548		9,162	
Some High School, No Diploma	300	9.54%	471	8.49%	782	8.54%
High School Grad (Incl Equivalency)	1,162	36.96%	2,037	36.72%	3,496	38.16%
Some College, No Degree	896	28.50%	1,608	28.98%	2,672	29.16%
Associate Degree	146	4.64%	306	5.52%	453	4.94%
Bachelor Degree	364	11.58%	645	11.63%	1,064	11.61%
Advanced Degree	276	8.78%	481	8.67%	695	7.59%

Demographic Detail Report

Richland Center, WI 53581						
Radius	1 Mile		5 Mile		10 Mile	
2023 Population by Occupation	3,750		6,547		10,926	
Real Estate & Finance	58	1.55%	117	1.79%	181	1.66%
Professional & Management	632	16.85%	1,135	17.34%	1,864	17.06%
Public Administration	49	1.31%	93	1.42%	181	1.66%
Education & Health	517	13.79%	884	13.50%	1,352	12.37%
Services	329	8.77%	540	8.25%	870	7.96%
Information	74	1.97%	90	1.37%	109	1.00%
Sales	405	10.80%	702	10.72%	1,121	10.26%
Transportation	24	0.64%	40	0.61%	49	0.45%
Retail	283	7.55%	471	7.19%	777	7.11%
Wholesale	20	0.53%	58	0.89%	124	1.13%
Manufacturing	417	11.12%	732	11.18%	1,280	11.72%
Production	485	12.93%	857	13.09%	1,452	13.29%
Construction	179	4.77%	320	4.89%	594	5.44%
Utilities	80	2.13%	134	2.05%	223	2.04%
Agriculture & Mining	108	2.88%	187	2.86%	364	3.33%
Farming, Fishing, Forestry	38	1.01%	87	1.33%	173	1.58%
Other Services	52	1.39%	100	1.53%	212	1.94%
2023 Worker Travel Time to Job	1,871		3,317		5,549	
<30 Minutes	1,366	73.01%	2,415	72.81%	3,886	70.03%
30-60 Minutes	360	19.24%	621	18.72%	1,081	19.48%
60+ Minutes	145	7.75%	281	8.47%	582	10.49%
2010 Households by HH Size	1,914		3,271		5,256	
1-Person Households	732	38.24%	1,163	35.55%	1,593	30.31%
2-Person Households	627	32.76%	1,140	34.85%	1,984	37.75%
3-Person Households	227	11.86%	385	11.77%	640	12.18%
4-Person Households	198	10.34%	341	10.42%	611	11.62%
5-Person Households	78	4.08%	144	4.40%	242	4.60%
6-Person Households	31	1.62%	60	1.83%	111	2.11%
7 or more Person Households	21	1.10%	38	1.16%	75	1.43%
2023 Average Household Size	2.20		2.20		2.30	
Households						
2028 Projection	1,884		3,165		4,952	
2023 Estimate	1,896		3,195		5,022	
2010 Census	1,913		3,270		5,256	
Growth 2023 - 2028	-0.63%		-0.94%		-1.39%	
Growth 2010 - 2023	-0.89%		-2.29%		-4.45%	

Demographic Detail Report

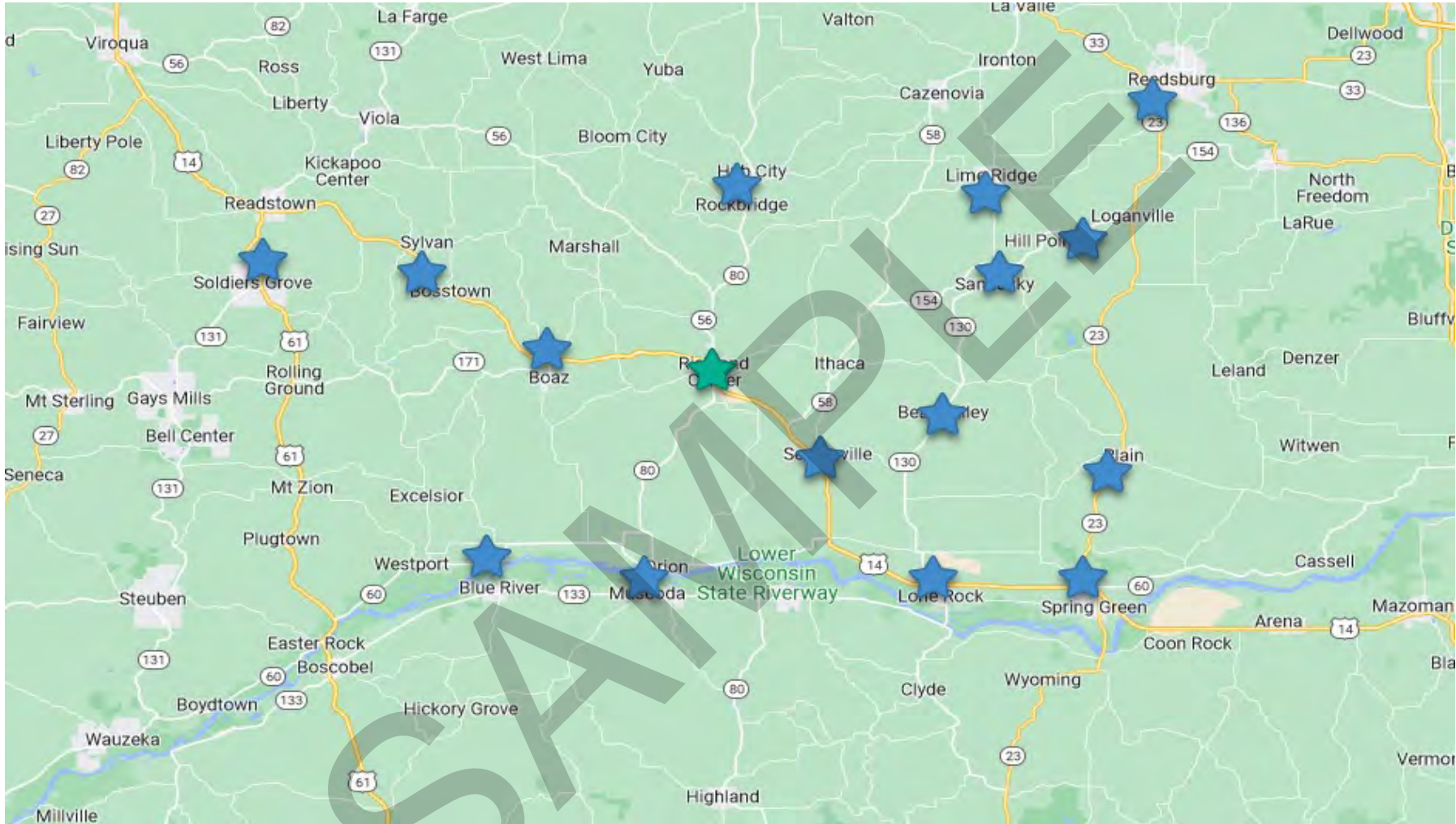
Richland Center, WI 53581				
Radius	1 Mile	5 Mile	10 Mile	
2023 Households by HH Income	1,897	3,196	5,020	
<\$25,000	456 24.04%	720 22.53%	1,001 19.94%	
\$25,000 - \$50,000	485 25.57%	804 25.16%	1,219 24.28%	
\$50,000 - \$75,000	362 19.08%	592 18.52%	1,000 19.92%	
\$75,000 - \$100,000	275 14.50%	471 14.74%	745 14.84%	
\$100,000 - \$125,000	92 4.85%	220 6.88%	405 8.07%	
\$125,000 - \$150,000	138 7.27%	200 6.26%	312 6.22%	
\$150,000 - \$200,000	24 1.27%	93 2.91%	194 3.86%	
\$200,000+	65 3.43%	96 3.00%	144 2.87%	
2023 Avg Household Income	\$65,580	\$67,739	\$70,515	
2023 Med Household Income	\$50,429	\$52,730	\$56,666	
2023 Occupied Housing	1,896	3,196	5,022	
Owner Occupied	1,106 58.33%	1,997 62.48%	3,561 70.91%	
Renter Occupied	790 41.67%	1,199 37.52%	1,461 29.09%	
2010 Housing Units	2,075	3,502	5,583	
1 Unit	1,420 68.43%	2,504 71.50%	4,531 81.16%	
2 - 4 Units	304 14.65%	462 13.19%	510 9.13%	
5 - 19 Units	278 13.40%	375 10.71%	379 6.79%	
20+ Units	73 3.52%	161 4.60%	163 2.92%	
2023 Housing Value	1,107	1,996	3,561	
<\$100,000	408 36.86%	583 29.21%	884 24.82%	
\$100,000 - \$200,000	409 36.95%	699 35.02%	1,154 32.41%	
\$200,000 - \$300,000	108 9.76%	302 15.13%	682 19.15%	
\$300,000 - \$400,000	145 13.10%	262 13.13%	481 13.51%	
\$400,000 - \$500,000	20 1.81%	61 3.06%	142 3.99%	
\$500,000 - \$1,000,000	8 0.72%	55 2.76%	156 4.38%	
\$1,000,000+	9 0.81%	34 1.70%	62 1.74%	
2023 Median Home Value	\$135,574	\$159,370	\$177,686	
2023 Housing Units by Yr Built	2,146	3,682	6,021	
Built 2010+	54 2.52%	79 2.15%	121 2.01%	
Built 2000 - 2010	119 5.55%	257 6.98%	486 8.07%	
Built 1990 - 1999	138 6.43%	320 8.69%	699 11.61%	
Built 1980 - 1989	103 4.80%	243 6.60%	468 7.77%	
Built 1970 - 1979	224 10.44%	508 13.80%	840 13.95%	
Built 1960 - 1969	172 8.01%	336 9.13%	489 8.12%	
Built 1950 - 1959	297 13.84%	414 11.24%	526 8.74%	
Built <1949	1,039 48.42%	1,525 41.42%	2,392 39.73%	
2023 Median Year Built	1950	1957	1961	

MARKET DEMAND AREAS

The economic vitality of the market and the surrounding markets or feeder markets, is an important consideration in forecasting lodging demand and future revenue potential. The market lodging demand area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. In the following document you will find a map of the estimated market lodging demand area for the subject market.

- Market Demand Area Map
- Feeder Market Community Overviews

Market Lodging Demand Area: (Focus Area of Sales Efforts of Additional Lodging)



★ Immediate Feeder Market ★ Secondary Feeder Market
** Feeder Market = Outlying Community that feeds travelers into desired market (Sales Focus Area)
Source: Google Maps; Core Distinction Group, LLC.

SITE/S ANALYSIS

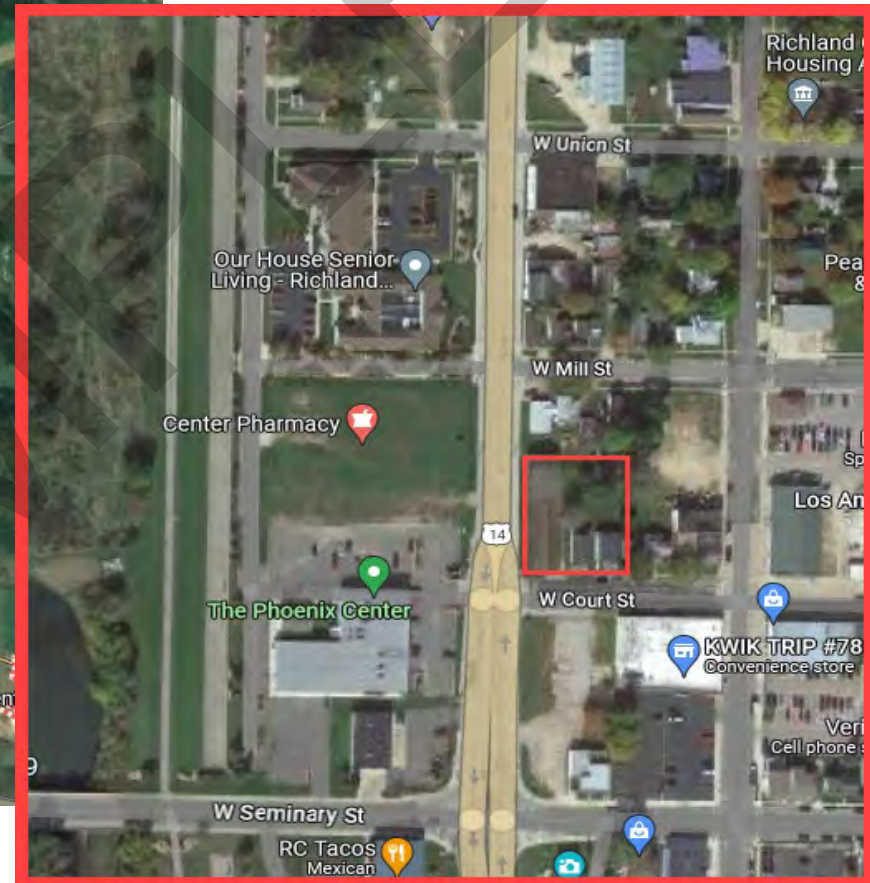
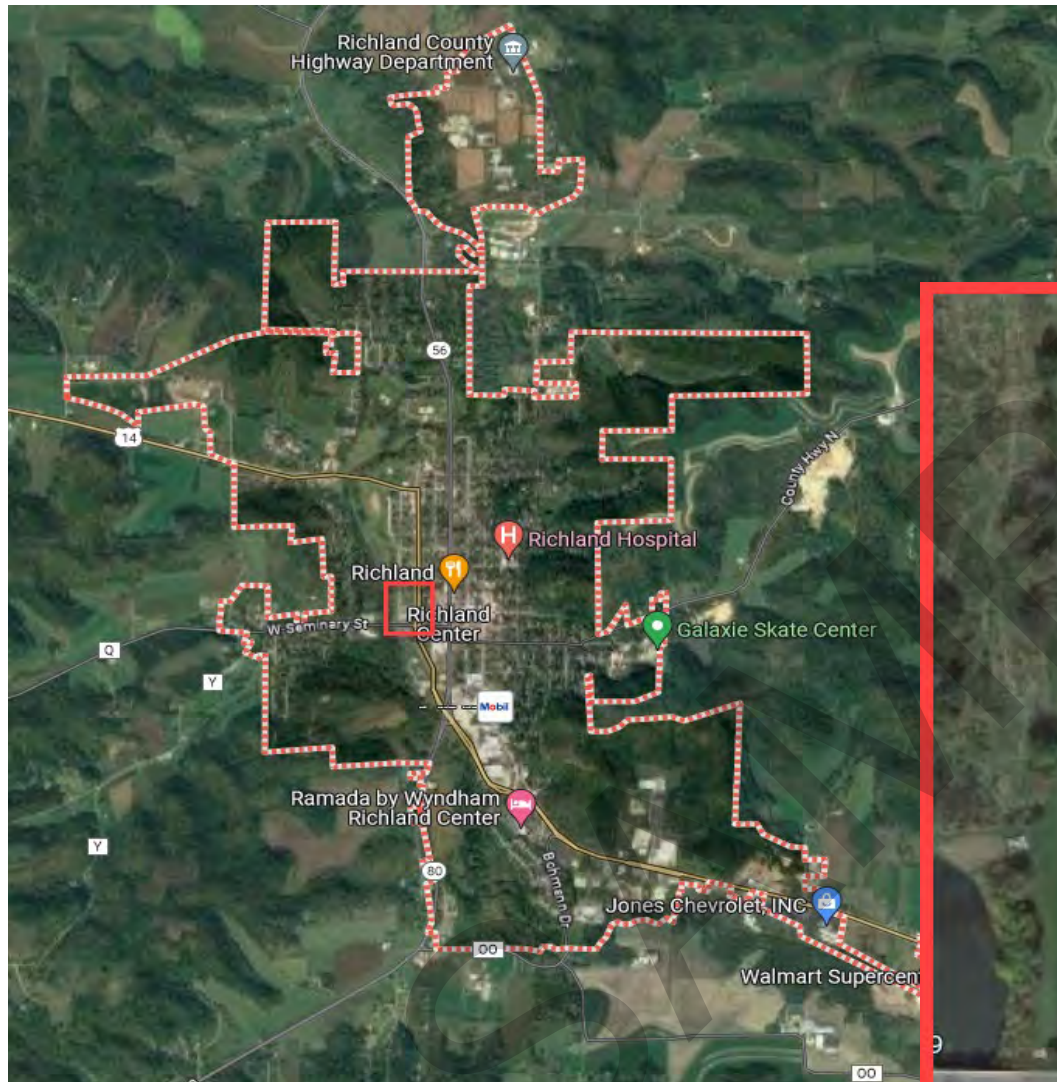
For the purposes of this Comprehensive Hotel Market Feasibility Study, a representative with Core Distinction Group LLC evaluated all sites requested by the client. The potential location/s are detailed in the following pages including analysis of each site.

- Site Rating
 - Visibility
 - Accessibility
 - Traffic Counts
 - Site Prep
 - Major Utilities
 - Zoning
 - Area Support Services
 - Demand
 - Generators
 - Competition Position
- Location
- Land Area
- Frontage
- Drainage
- Environmental Hazards
- Ground Stability
- Utilities
- Parking
- Easement, Encroachments, Restrictions

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. A detail of traffic information will follow the individual site information in this report.

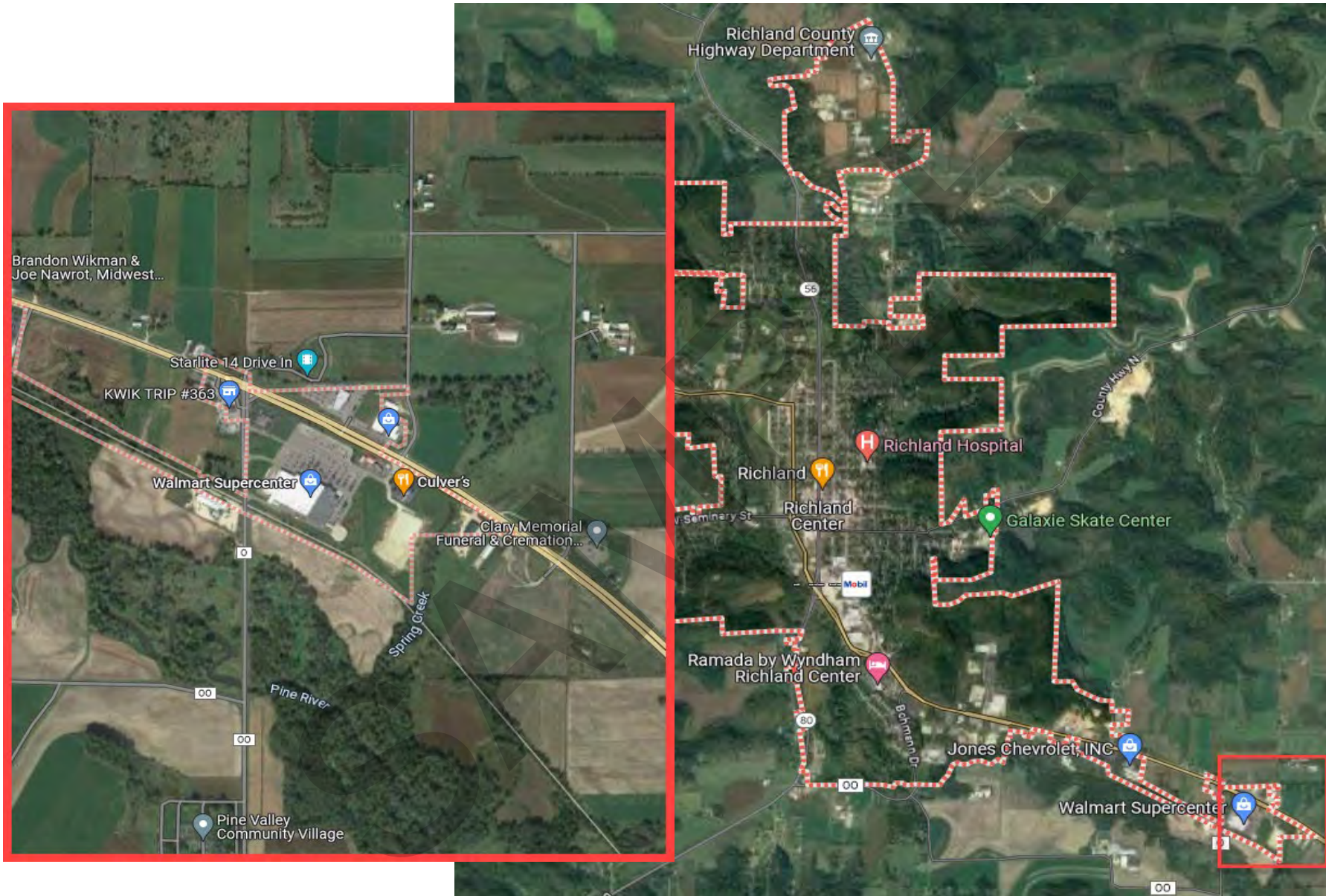
Downtown Richland Center on Corner of Highway 14 and Court Street					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			89%	40	45

Location	Located on the corner of Highway 14 and Court Street, near the downtown in Richland Center, Wisconsin.
Land Area	The site size for proposed location would be two acres.
Frontage	This proposed location should offer frontage or high visibility to Highway 14 in Richland Center, Wisconsin.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group’s scope of work and expertise. It is assumed that property is not adversely affected by these hazards.
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group’s scope of work and expertise. It is assumed that property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affect this site.

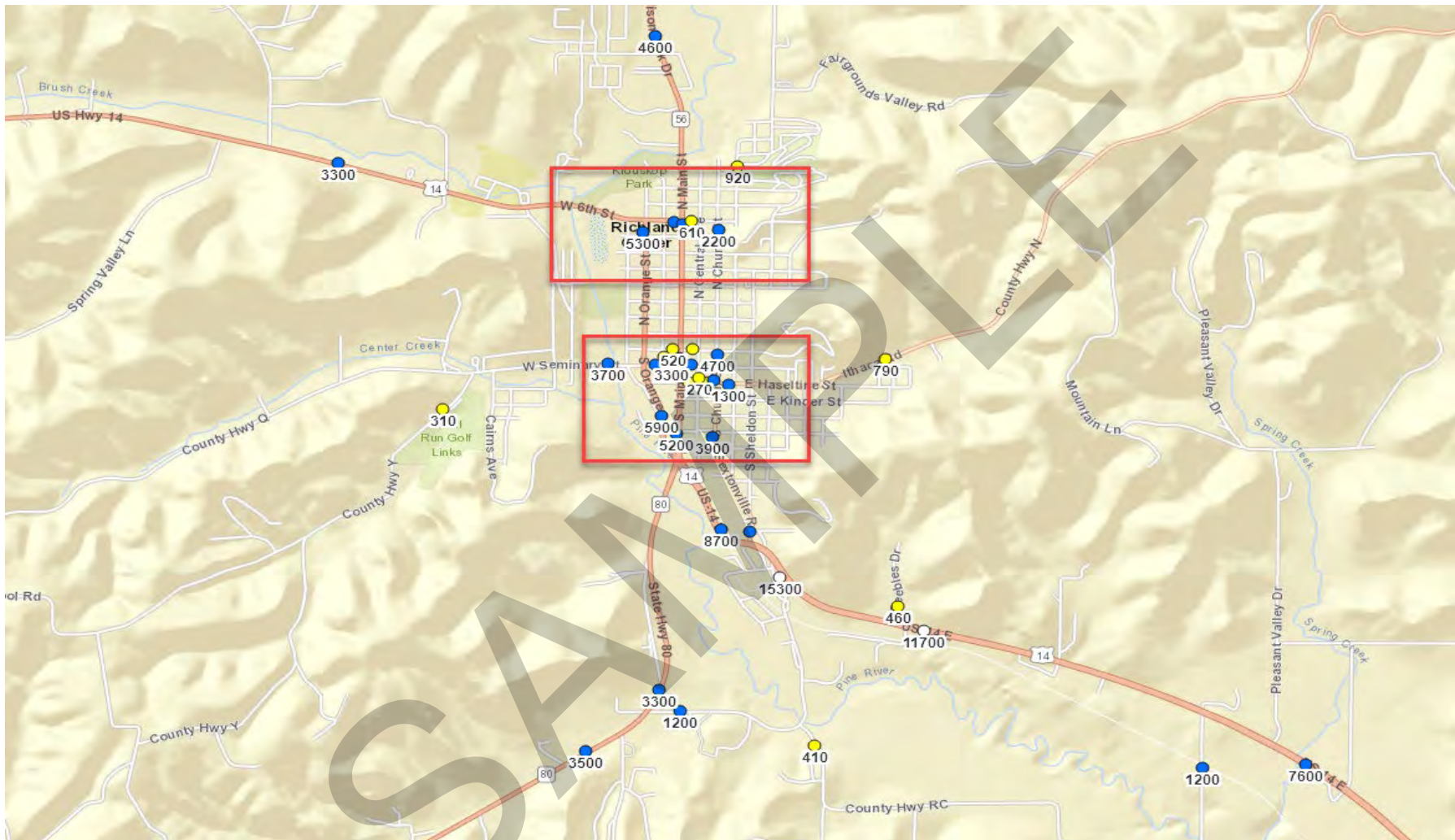


Vicinity of Walmart and the Southern Commerce Entrance of Richland Center						
Visibility	1	2	3	4	5	
Accessibility	1	2	3	4	5	
Traffic Counts	1	2	3	4	5	
Site Prep	1	2	3	4	5	
Major Utilities	1	2	3	4	5	
Zoning	1	2	3	4	5	
Area Support Services	1	2	3	4	5	
Demand Generator Position	1	2	3	4	5	
Competition Position	1	2	3	4	5	
Overall Result				91%	41	45

Location	Located in the vicinity of Walmart and the southern entrance via Highway 14/Frank Lloyd Wright Highway in Richland Center Wisconsin.
Land Area	The recommended site size for proposed property is two to three acres.
Frontage	This proposed property should offer high visibility from Highway 14.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group’s scope of work and expertise. It is assumed that property is not adversely affected by these hazards.
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group’s scope of work and expertise. It is assumed that property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affect this site.



Traffic Counts



Source: WIDOT

COMMUNITY INTERVIEWS

A representative with Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. In addition, Core Distinction Group, LLC conducted an online survey to better understand the overall market need. The research was conducted as a macro and micro market analysis of the market and areas immediately surrounding the area to determine their viability to support the potential of a hotel development. The following key points were discussed and analyzed for the purpose of this Comprehensive Hotel Market Feasibility Study:

- Current and Potential Future Need for Lodging in the Market Studied
- Current Hotel Being Utilized by Interviewee
- Current Essential Amenities Being Utilized by Interviewee
- Scale or Quality Preferences of Interviewee

Community Interview Question Summary

During the research phase of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group asked demand generators and leaders within the community all or some of the following *questions:



Does your business or organization have a need for overnight accommodations?



If yes, what is the approximate weekly or monthly need?



Does your business or organization have a need for long-term or extended stay overnight accommodations?



If yes, what is the approximate length of stay and how many guests per month/year?



Where do you currently recommend these individuals to stay?



In your opinion, do you believe the community in question would benefit from a new, branded hotel?



If yes or no, please help us understand your stance on a new hotel. Why you do or do not feel it would benefit the community.



In your opinion, what amenities does this hotel offer that are important to your clients?

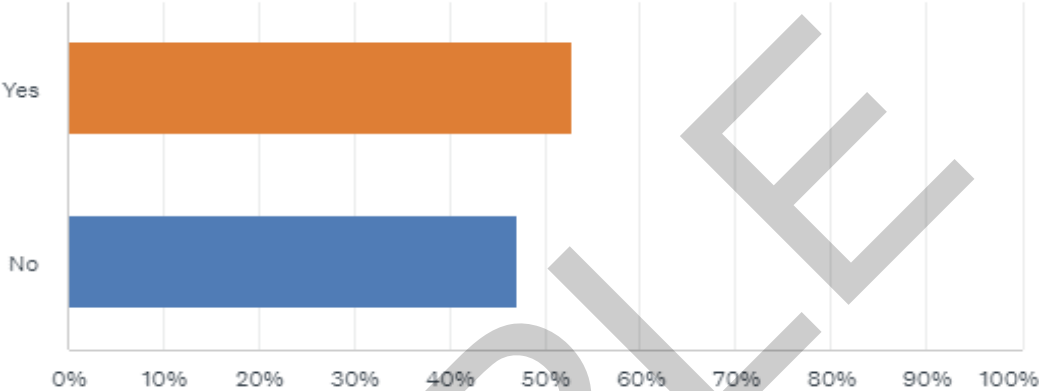


Do you have additional comments or contacts you would recommend we speak to?

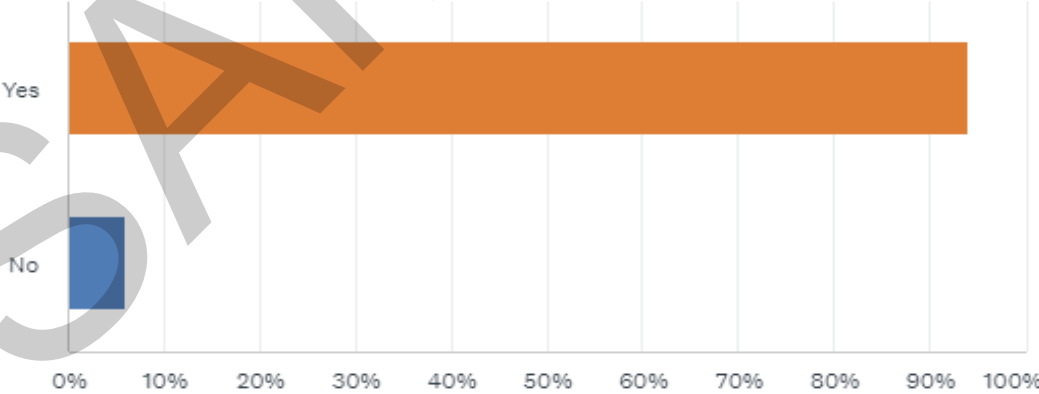
**Questions are not limited to the above questions. Representatives from Core Distinction Group look to expand on each question, if needed, to identify all lodging needs in the community.*

Community Interviews Overall Key Responses

When Core Distinction Group asked individual businesses in the area if they had a need for new, quality accommodations in the community, 53% identified a specific need:



When Core Distinction Group asked individuals and businesses in the area if there is a need in Richland Center, WI for a new hotel, nearly 94% stated yes:



LODGING DEMAND OVERVIEW

For the purposes of this Comprehensive Hotel Market Feasibility Study, it is important to understand the overall demand of lodging in the market as well as surrounding markets. This section reviews need in the areas based on the following market segments:

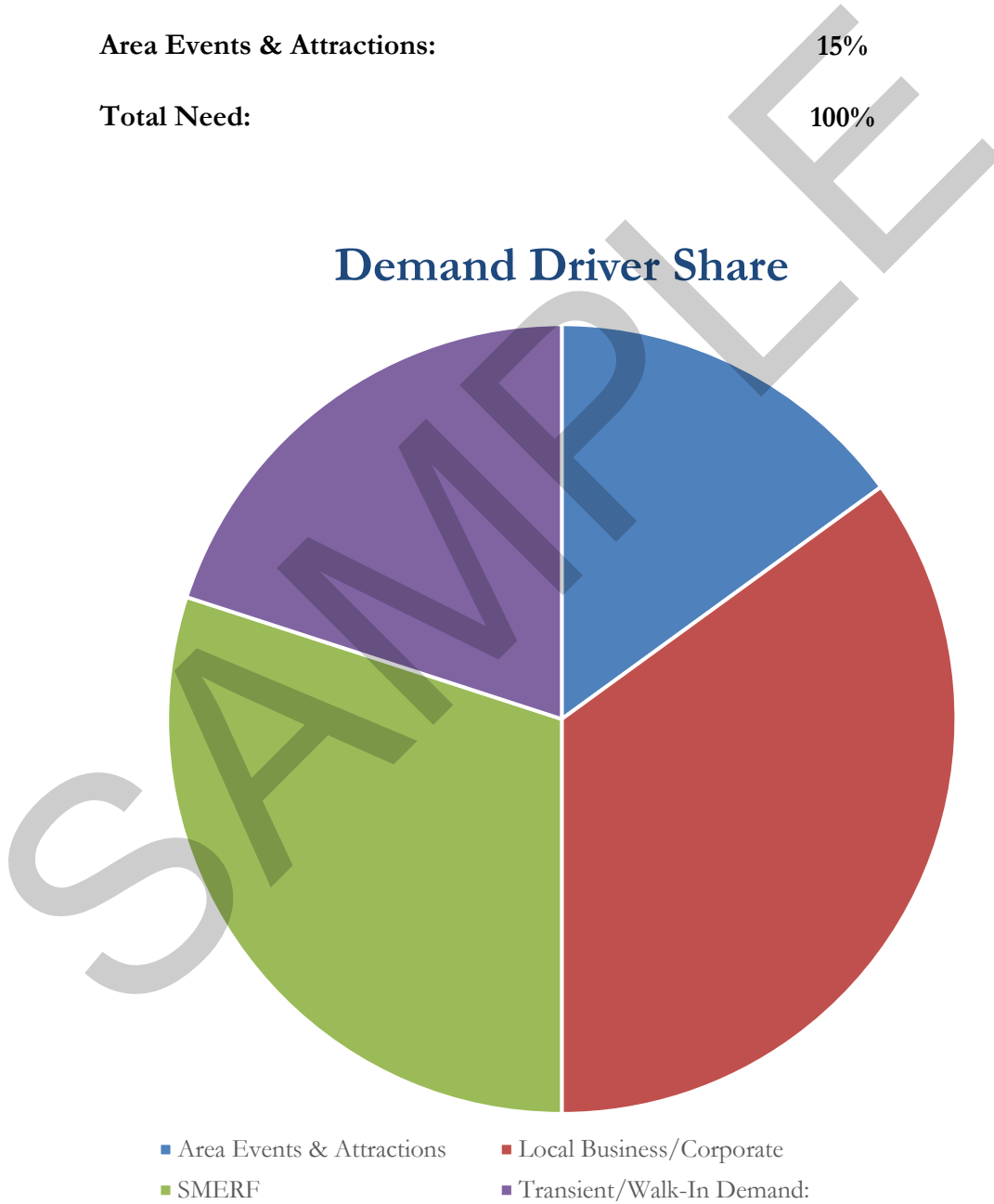
- Market Segmentation Projections
 - SMERF Demand
 - Corporate Demand
 - Area Events & Attractions
 - Transient/Walk-In Demand
- Employer/Local Economy Overview
- Demand Generators and Attractions

In addition to a breakdown and overview of the market's lodging demand segmentation, this sections also details the sources of said lodging demand and in some cases, identifies when the demand peaks.

Market Segmentation Projection for Richland Center, WI are as follows:

Local Business / Corporate Demand:	35%
SMERF Demand:	30%
Transient/Walk-In Demand:	20%
Area Events & Attractions:	15%
Total Need:	100%

Demand Driver Share



SMERF Demand - SMERF stands for social, military, education, religious and fraternal meetings. In communities where corporate meetings and business travelers keep hotels occupied on weekdays, SMERF business, which is predominantly weekend business, can fill rooms Friday through Sunday.

Corporate Demand - Corporate demand consists mainly of individual businesspeople passing through the subject market or visiting area businesses, in addition to high-volume corporate accounts generated by local firms. Brand loyalty (particularly frequent-traveler programs), as well as location and convenience with respect to businesses and amenities, influence lodging choices in this segment. Companies typically designate hotels as “preferred” accommodations in return for more favorable rates, which are discounted in proportion to the number of room nights produced by a commercial client. Corporate demand is strongest Monday through Thursday nights, declines significantly on Friday and Saturday, and increases somewhat on Sunday night. It is relatively constant throughout the year, with marginal declines in late December and during other holiday periods.

Area Events & Attractions/Leisure Demand: Leisure demand consists of individuals and families spending time in an area or passing through en route to other destinations. Travel purposes include sightseeing, recreation, or visiting friends and relatives. Leisure demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, leisure may not be the purpose of the stay. This demand may also include business travelers and group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. Leisure demand is strongest on Friday and Saturday nights and all week during holiday periods and the summer months. These peak periods represent the inverse of commercial visitation trends, underscoring the stabilizing effect of capturing weekend and summer tourist travel.

Transient/Walk-In Demand: This demand can peak during any day of the week depending on the market. transient/walk-in demand is based on many factors including traffic through the area and potential overflow from feeder markets. This demand may include business and leisure travelers.

Identifying which segments have the potential to produce 80 percent of your hotel’s revenue is imperative to the success of developing these segments to ensure hotel is achieving fair market share. This starts with understanding the market in which any given hotel operates. A fundamental understanding of the competitive environment, key economic drivers and historical trends are essential to understanding which market segments are relevant. At this time, the proposed hotel should experience the same Market Segmentation as the overall market. The proposed hotel in Richland Center, WI would be the newest hotel in the immediate regional area and would be positioned to serve a wide variety of Lodging Demand. Also, as a proposed upper midscale hotel, it would be able to flex rates and services to accommodate a full range of Lodging Demand.

Employer/Economy Overview:

Richland Center, Wisconsin, may be a small town, but its local economy is robust and diverse, offering a range of employment opportunities to its residents. While the town has a deep agricultural heritage, it has evolved over the years to include a variety of industries and employers that contribute to its economic stability and growth.

Agriculture has long been a cornerstone of Richland Center's economy. The surrounding fertile lands are conducive to farming, and the town remains a hub for dairy production, crop cultivation, and livestock farming. Numerous family-owned farms and agricultural businesses operate in the region, providing jobs and sustaining the town's agricultural legacy. These enterprises not only contribute to the local economy but also play a vital role in providing food and agricultural products to a broader region.

In addition to agriculture, manufacturing plays a significant role in Richland Center's economy. The town is home to several manufacturing companies that produce a variety of products, from industrial machinery and metal fabrication to plastic and rubber products. These manufacturers provide stable employment opportunities and contribute to the overall economic vitality of the community. Many of these companies have a history of longevity and a strong commitment to the town and its residents.

Another noteworthy sector of Richland Center's economy is healthcare. The town is served by a modern hospital and a network of medical clinics, providing essential healthcare services to the community and the surrounding region. These healthcare facilities not only offer quality medical care but also serve as major employers, creating jobs in healthcare administration, nursing, and allied health professions.

Retail and commerce also play a crucial role in Richland Center's economic landscape. The town's downtown area boasts a variety of small businesses, including shops, restaurants, and service providers. These local businesses are essential to the community's character and vitality, providing goods and services while generating jobs and contributing to the local tax base.

In conclusion, Richland Center, Wisconsin, boasts a diversified and resilient local economy that draws strength from its agricultural heritage, manufacturing base, healthcare sector, and small businesses. Large employers, along with the dedication of the local workforce, play a crucial role in sustaining the town's economic stability and ensuring its growth. Richland Center's unique blend of rural charm and economic opportunities makes it an attractive place to live and work for those who appreciate the benefits of a close-knit community with a thriving economy.

Attractions & Demand Generators:

Symons Recreation Complex (SRC): Open to the public. SRC features an indoor pool, whirlpool, sauna, 2 racquetball courts, and 2 exercise rooms with cardiovascular and weight lifting equipment.

Ash Creek Community Forest: Richland County's largest park at 354-acres. It is located two miles south of Richland Center on State Highway 80. Ash Creek, a Class One brook trout stream, runs through the middle of this recreational property. The Community Forest allows public hunting in season. There are four miles of primitive hiking, biking, and horseback riding trails. No unauthorized, motorized vehicles are allowed in the forest. The site does not allow camping or fires of any sort. There are two parking lots with a capacity of fifteen vehicles each.

Pine River: The Pine River originates from springs in southern Vernon County. It is classified as a Class II trout stream for seventeen miles. The remaining portion of the river is considered a warm water sport fishery. The Pine River has been hydrologically modified as a part of a flood control project. Canoeing, kayaking and fishing are great fun on the Pine River as it winds through valleys, under a natural bridge and boasts scenic views of bluffs and lowlands.

Pine River Recreational Trail: This 14.3-mile trail is laid on an abandoned rail bed, and gives riders a chance to enjoy the beauty of 250-foot river bluffs without having to ride over them. It gives access to the restored Railroad Depot at the corner of Seminary Street and Orange Street (US Hwy 14). It also allows passage through an arboretum and the restored savannah prairies at the site of the old mill dam. The dam, removed to allow a free flowing river, now is the site of riffels where anglers fish and canoeists can continue their down river journey. The arboretum is part of the bike trail enhancement. The site has nearly 200 varieties of trees and shrubbery nestled along the Pine River just south of the Seminary Street Bridge. Above the Seminary Street Bridge, the remnant bed of the Mill Pond has dried and is planted in tall prairie grass. Comprising of nearly 60 acres, the area is intersected by a historic suspended footbridge accessible from the dike bike trail. For a challenge you can take on several bluff-top climbs on a 15-mile on-road option which, while mostly on paved roads, features 1.7 miles of primitive gravel on Cardinal Crest Road through a tunnel of trees.

Old Mill Pond Park: A 3.5 acre park at the site of the original Community Center. A picnic shelter, graciously donated and built by the RCHS Class of 68, Mill Pond Community Gardens, five RV campsites with water/electric as well as primitive campsites are available. Newly installed playground equipment and picnic benches are available. The Pine River is ADA Accessible for fishing. Canoe/kayak port number four of five is located at Old Mill Pond Park. A port-a-potty is on site and parking is available.

Attractions & Demand Generators:

Ocooch Living History Gardens: The Ocooch Living History Gardens are composed of low maintenance plants including hostas, iris, tree peonies, poppies, tulips, daffodils and day lilies, creating a long blooming season. This was created to be a botany garden of the highest aesthetic value, including two water features. Interpretive signage is included to educate visitors on the natural and Native American culture of the area.

Miner Hill Trails Park: Offering walking and hiking trails that encompass 50 acres of scenic wonder revealed along a trail that wanders past five overlooks, through woods and open meadows, and past an old quarry site, to the top of a bluff with a panoramic view of the city and countryside spreading out in the valley below. All trail overlooks are railed. The trails are complete with signs & areas for picnicking. There are six trails to choose from, ranging from 1/5 mile to 4/5 mile distances. Strickland Trail (1/5 mile) begins at the base of Strickland Park, with parking and playground equipment. You can also park and connect with Tower Drive Trail if you follow Court Street East. Here and there along the way, hikers will find resting and picnic spots for a leisurely pause on the trail.

Lions Park: The Carl Chellevold shelter is located in Lions Park just off Highway 80, near Industrial Park Road. There is a sand volleyball court, horseshoe pits, 2 campsites, and a port-a-potty available. It borders the Pine River and has a canoe port, number two of five, if starting at Bowen's Mill. The shelter is equipped with electric, but does not have water. Future plans are to have playground equipment for the kids. It is home to the Pine River Raceway, a new course built for radio controlled cars & trucks. Track is open to the public from 10am until dusk. Raceway was built and maintained by Main Street Hobby & Bike Shop.

North Park: The second largest of the city parks spanning 12.5 acres on the north side of the Pine River. The park is equipped with two shelters that may be reserved (one has a concession stand), port-a-potties, and has handicap accessible picnic tables. It has one softball diamond, one baseball diamond (both are lighted), five soccer fields (two are lighted) and a variety of playground equipment for all ages. There are vast open spaces available for large family gatherings or weddings. The local churches hold an annual worship service in the park. There is a walk-bridge that links to Krouskop Park and all of its amenities. Upon availability and for an additional fee, Softball & Soccer fields may be reserved up to two weeks in advance. Picnic Kits are available for rent.

Attractions & Demand Generators:

A.D. German Warehouse: Explore the birthplace of architectural genius Frank Lloyd Wright at the A.D. German Warehouse. This historic site showcases the early design concepts of Wright and offers guided tours to learn about his formative years.

Krouskop Park: The largest of the city parks spanning 37.5 acres. As of 2012, the park is home to the new Community & Senior Center that is available for reservations. The park is equipped with seven shelter that may be reserved, two with enclosed restrooms, and has handicap accessible picnic tables. It has two lighted softball fields, one lighted tennis court, six pickleball courts, two sand volleyball courts, one basketball court, an 18-hole frisbee golf course, soccer and football fields, two Gazebos, horseshoe pits, a variety of playground equipment for all ages and vast open areas for picnicking or events. There are five RV campsites with electric/water hookups available. Upon availability and for an additional fee, ball fields may be reserved up to two weeks in advance. Picnic Kits & Volleyball Kits are available for rent. The Pine River dike provides a paved, handicapped accessible, multi-use recreational path through the park extending more than two miles through the community that hooks up to the Pine River Recreation Trail, where you can walk, ride or snowmobile approximately 15 miles to Lone Rock on an old railroad bed. The Pine River borders the park and has several canoe access ports, as well as fishing spots. Take a walk along the river on the trails that border each side, through the prairie grasses. It's a nature lover's delight! Snowshoes & Poles are available for rent. Krouskop Park is also home to several large events, including RC Thunderfest Independence Day Celebration, the annual Walk With GRACE and Rotary Lights in the Park. The Joan Woodman Orton McCollum Veteran's Memorial Pavilion was recently built by some of our amazing community members to have a gathering place/performance venue in a park setting, where families could come to be entertained by their neighbors.

Frank Lloyd Wright Trail: In addition to the A.D. German Warehouse, the Frank Lloyd Wright Trail invites visitors to explore other Wright-designed structures, providing a comprehensive view of his architectural influence in the area.

Akey School Museum: The museum contains hundreds of artifacts gathered from many of the 110 one-room schools that operated in Richland County in the 1930s. All of the documents have been matted and framed, thanks to a bequest from the estate of Thelma Cooper. The Museum also contains many styles of the desks that were used in these unique centers of education.

Attractions & Demand Generators:

Richland County Courthouse: Admire the grandeur of the Richland County Courthouse, a historic architectural gem located in the heart of the town. Its impressive design and well-maintained gardens make it a notable landmark.

Quail Run Golf Links: The Richland Country Club, now known as Quail Run Golf Links, was established in 1927. It's known as a beautiful and sporty nine-hole golf course located just west of the city of Richland Center on what has long been called "Honey Creek," a winding stream fed by a group of six springs. The "Quail Run" course at the Quail Run Golf Links facility features 2,662 yards of golf from the longest tees for a par of 35. The course rating is 35.0 and it has a slope rating of 113 on Blue Grass.

Wild Hills Winery: A premier artisanal winery, vineyard, farm, and orchard nestled among the rugged beauty of the Driftless region of Wisconsin. Just 7 miles from Richland Center. Located on 80 acres of forest, fields, and meticulously cultivated vineyards, Wild Hills Winery provides a breathtaking backdrop for family, friends, and wine enthusiasts to gather and enjoy the finest wines and local flavors our region has to offer.

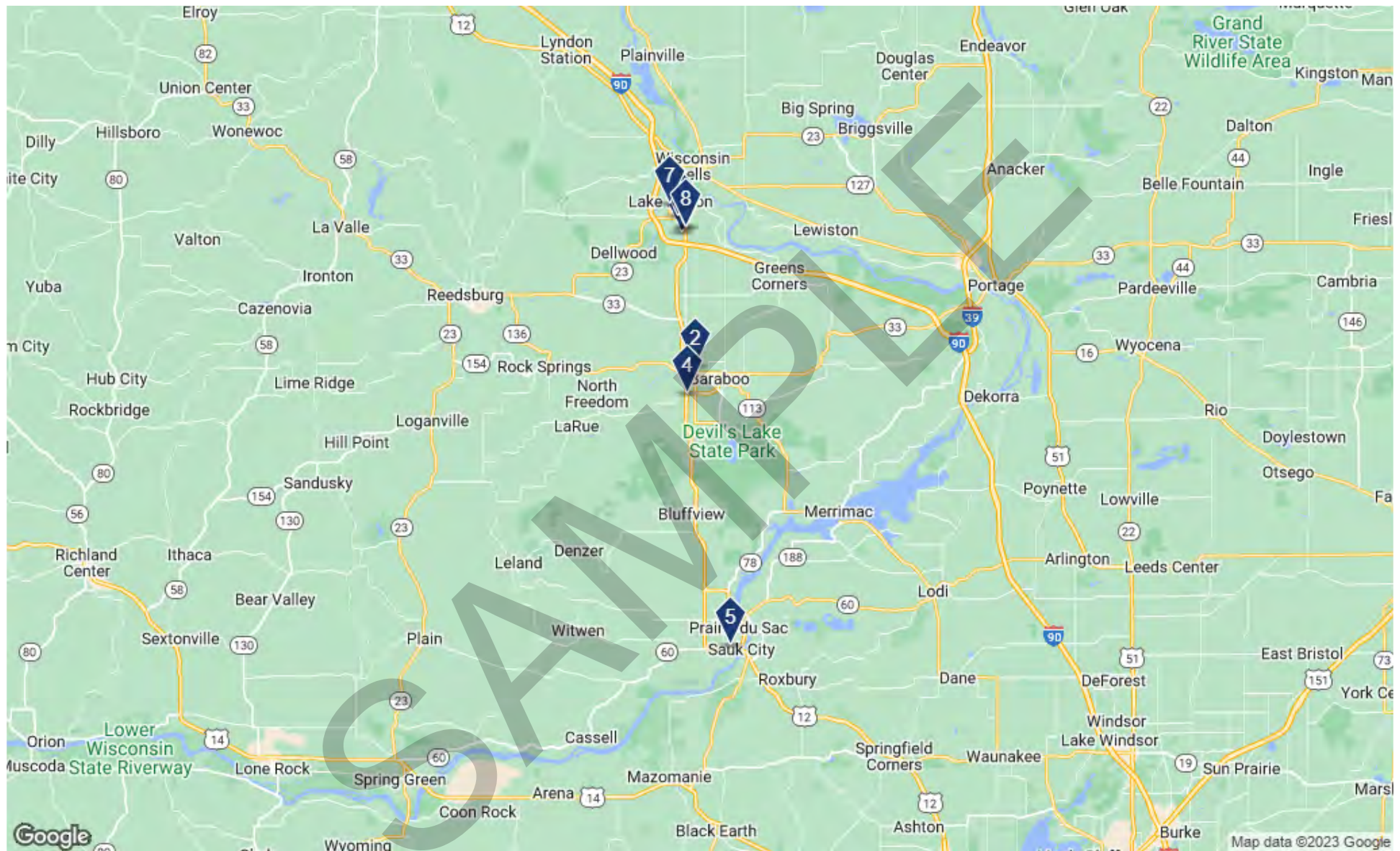
LODGING SUMMARY-PRIMARY

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:

- Competitive Set Property Map
- Smith Travel Research (STR)/CoStar Data by Measure
- Smith Travel Research (STR)/CoStar Data 12 Month Average
- Primary Competitive Set Listed Rates
- Primary Competitive Set Listed Hotel Trends and Projections

Property Map Overview



Property Summary Report

Clarion Hotel & Suites Wisconsin Dells

Upper Midscale
 Class

60 Gasser Rd
 Lake Delton, WI 53940 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Clarion
Hotel Opened	Sep 1991
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Sep 1991
Rooms	113
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	13,390 SF

LAND

Land Acres	6.50 AC
Zoning	GC
Parcels	146-0382-21000

EXPENSES

Taxes	\$905.69/Room (2021)
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PARKING

Spaces	242 Surface
Ratio	2.14/Room

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- On-Site Retail
- Restaurant
- Waterpark
- Fitness Center
- On-Site Bar
- Pool
- Room Service

TRANSPORTATION

Parking	242 available (Surface);Ratio of 2.14/Room
Walk Score	Somewhat Walkable (51)

PROPERTY CONTACTS

True Owner	Wintergreen Resort and Conference Center 60 Gasser Rd Wisconsin Dells, WI 53965 (608) 254-2285 (p)	Recorded Owner	J & T Properties LLC 28 Forest Dale Rd Minneapolis, MN 55410
Parent Company	Choice Hotels International, Inc.		

Property Summary Report

Clarion Hotel & Convention Center Baraboo

Upper Midscale
 Class

626 W Pine St
 Baraboo, WI 53913 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Clarion
Hotel Opened	Aug 1991
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	1991
Rooms	84
Location	Suburban
Stories	5
Primary Corridors	Interior
Meeting Space	7,080 SF

LAND

Land Acres	1.48 AC
Zoning	G2
Parcels	191-0021-10000

EXPENSES

Taxes	\$674.44/Room (2021)
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BUILDING AMENITIES

- Business Center
- On-Site Bar
- Restaurant
- Fitness Center
- Pool

TRANSPORTATION

Walk Score	Somewhat Walkable (64)
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PROPERTY CONTACTS

True Owner	Jai Shree Swaminarayan LLC 4423 55th St Kenosha, WI 53144 (262) 654-2204 (p)
Parent Company	Choice Hotels International, Inc.

Recorded Owner	Shree Swaminarayan Two, LLC
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Property Summary Report

Holiday Inn Express Wisconsin Dells

Upper Midscale
 Class

1033 Wisconsin Dells Pky S
 Wisconsin Dells, WI 53965 - Wisconsin South Area Submarket



HOSPITALITY	
Brand	Holiday Inn Express
Hotel Opened	Jun 1998
Operation Type	Franchise
Operation Status	Open

BUILDING	
Type	Hotel
Year Built	1998
Year Renov	2018
Rooms	114
Location	Suburban
Stories	3
Primary Corridors	Interior
Meeting Space	582 SF

LAND	
Land Acres	4.76 AC
Zoning	2
Parcels	146-0350-11000

EXPENSES	
Taxes	\$652.45/Room (2021)

PARKING	
Spaces	128 Surface
Ratio	1.12/Room

- | BUILDING AMENITIES | |
|--|---|
| <ul style="list-style-type: none"> • Business Center • Hot Tub • Pool • Smoke-Free | <ul style="list-style-type: none"> • Fitness Center • Meeting Event Space • Public Access Wifi |

SALE	
Sold Price	\$6,901,875 (\$60,543/Room)
Date	Dec 2021
Sale Type	Investment

TRANSPORTATION	
Parking	128 available (Surface);Ratio of 1.12/Room
Walk Score	Car-Dependent (47)

Property Summary Report

Fairfield Inn & Suites Baraboo

Upper Midscale
 Class

932 Gateway Dr
 Baraboo, WI 53913 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Fairfield Inn
Hotel Opened	Aug 2023
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Aug 2023
Rooms	97
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	1,177 SF

LAND

Land Acres	9.32 AC
Zoning	C
Parcels	206 2119-40600

EXPENSES

Taxes	\$253.53/Room (2021)
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BUILDING AMENITIES

- Business Center
- Hot Tub
- Pool
- Smoke-Free
- Fitness Center
- Meeting Event Space
- Public Access Wifi

TRANSPORTATION

Walk Score	Car-Dependent (30)
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PROPERTY CONTACTS

True Owner	S&L Hospitality 230 Horizon Dr Verona, WI 53593 (608) 845-9999 (p) (608) 273-0077 (f)	Developer	S&L Hospitality 230 Horizon Dr Verona, WI 53593 (608) 845-9999 (p) (608) 273-0077 (f)
Architect	Architectural Design Consultants, Inc. 30 Wisconsin Dells Pky Lake Delton, WI 53940 (608) 254-6181 (p)	Parent Company	Marriott International



Property Summary Report

Holiday Inn Express Sauk City

Upper Midscale
 Class

747 Phillips Blvd
 Sauk City, WI 53583 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Holiday Inn Express
Hotel Opened	Nov 2022
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Nov 2022
Rooms	72
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	364 SF

LAND

Land Acres	1.79 AC
Zoning	TIF
Parcels	181-0127-00000

EXPENSES

Taxes	\$38.84/Room (2021)
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PARKING

Spaces	21 Surface
Ratio	0.29/Room

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Pool
- Public Access Wifi
- Smoke-Free

TRANSPORTATION

Parking	21 available (Surface);Ratio of 0.29/Room
Airport	37 min drive to Dane County Regional Airport
Walk Score	Somewhat Walkable (69)

PROPERTY CONTACTS

True Owner	Roger Brian Brandstetter
Previous True Owner	Cornerstone Hotel Management 5008 Linde Ln De Forest, WI 53532 (608) 846-2631 (p) (608) 846-2637 (f)

Recorded Owner	Sauk Hotel Group, LLC 5008 Linde Ln Deforest, WI 53532
Parent Company	IHG Hotels & Resorts

Property Summary Report

La Quinta Inns & Suites Wisconsin Dells

444 Wisconsin Dells Pky
 Lake Delton, WI 53940 - Wisconsin South Area Submarket

Upper Midscale
 Class



HOSPITALITY

Brand	La Quinta Inns & Suites
Hotel Opened	Mar 2020
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Mar 2020
Rooms	104
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	840 SF

LAND

Land Acres	1.74 AC
Zoning	G2
Parcels	146-0274-0000, 146-0274-10000

EXPENSES

Taxes	\$62.25/Room (2021)
-------	---------------------

BUILDING AMENITIES

- Business Center
- Fitness Center
- Hot Tub
- Meeting Event Space
- Pool
- Public Access Wifi

TRANSPORTATION

Walk Score	Car-Dependent (31)
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PROPERTY CONTACTS

True Owner	Waterman Log Crafters 10785 Commercial Ave Wisconsin Dells, WI 53965 (608) 963-1441 (p)	Recorded Owner	Lake Delton Development Llc
Parent Company	Wyndham Hotels & Resorts		

Property Summary Report

Fairfield Inn & Suites Wisconsin Dells

Upper Midscale
 Class

511 Wisconsin Dells Pky
 Wisconsin Dells, WI 53965 - Wisconsin South Area Submarket



HOSPITALITY	
Brand	Fairfield Inn
Hotel Opened	Aug 2017
Operation Type	Franchise
Operation Status	Open

BUILDING	
Type	Hotel
Year Built	Aug 2017
Rooms	105
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	873 SF

LAND	
Land Acres	3.79 AC
Zoning	Commercial
Parcels	146-0195-20000

EXPENSES	
Taxes	\$1,003.41/Room (2021)

BUILDING AMENITIES	
<ul style="list-style-type: none"> • Business Center • Meeting Event Space 	<ul style="list-style-type: none"> • Fitness Center • Pool

TRANSPORTATION	
Walk Score	Somewhat Walkable (53)

PROPERTY CONTACTS	
True Owner	Dells Parkway Hotel Group, LLC
Previous True Owner	Robert C Rehm N6522 Shorewood Hills Rd Lake Mills, WI 53551 (920) 478-9557 (p)

Recorded Owner	DELLS PARKWAY HOTEL GROUP, LLC
Parent Company	Marriott International

Property Summary Report

Hampton by Hilton Inn & Suites at Wisconsin Dells Lake Delton

Upper Midscale
 Class

921 Wisconsin Dells Pky
 Lake Delton, WI 53940 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Hampton by Hilton
Hotel Opened	Jun 2017
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	Jun 2017
Rooms	100
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	350 SF

LAND

Land Acres	2.32 AC
Zoning	C
Parcels	146 0347-00000

EXPENSES

Taxes	\$1,264.39/Room (2021)
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PARKING

Spaces	127 Surface
Ratio	1.27/Room

BUILDING AMENITIES

- Business Center
- Meeting Event Space
- Public Access Wifi
- Fitness Center
- Pool
- Smoke-Free

TRANSPORTATION

Parking	127 available (Surface);Ratio of 1.27/Room
Walk Score	Car-Dependent (38)

PROPERTY CONTACTS

True Owner	Keating/Severson Hospitality 1414 6th St Charleston, IL 61920 (217) 348-5851 (p)	Recorded Owner	Kkjs Llc 1414 6th St Charleston, IL 61920
Parent Company	Hilton Worldwide		

STR Global - CoStar - Data by Measure - Primary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	43.5%	51.7%	55.2%	55.0%	57.7%	65.8%	68.4%	68.6%	58.0%	53.6%	39.7%	37.0%	54.5%
2020	39.0%	45.9%	26.1%	14.2%	20.7%	35.8%	49.0%	45.7%	40.9%	39.7%	26.7%	28.5%	34.4%
2021	33.0%	37.4%	42.1%	42.6%	45.0%	61.5%	71.8%	65.4%	58.2%	57.8%	42.7%	39.2%	50.5%
2022	38.8%	44.7%	50.5%	49.3%	52.6%	66.7%	71.2%	67.6%	59.4%	58.1%	43.8%	39.2%	53.3%
2023	39.9%	43.8%	48.6%	45.8%	50.7%	61.8%	69.3%	62.7%	57.5%				53.6%
Avg	38.6%	44.9%	43.5%	40.3%	44.0%	57.5%	65.1%	61.8%	54.1%	52.3%	38.2%	36.0%	48.2%

ADR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	\$92.64	\$98.36	\$97.24	\$95.94	\$103.84	\$113.07	\$125.04	\$116.47	\$106.45	\$104.89	\$99.46	\$101.09	\$104.54
2020	\$102.92	\$106.90	\$100.12	\$80.14	\$82.03	\$105.84	\$126.91	\$109.95	\$101.05	\$94.01	\$86.96	\$88.79	\$98.80
2021	\$95.57	\$102.22	\$109.88	\$106.57	\$114.14	\$132.77	\$159.45	\$143.97	\$148.04	\$114.52	\$103.58	\$109.66	\$126.70
2022	\$109.86	\$116.01	\$121.44	\$117.02	\$122.70	\$142.55	\$169.48	\$146.39	\$126.43	\$122.72	\$113.17	\$118.79	\$130.05
2023	\$114.07	\$118.76	\$125.54	\$118.68	\$121.15	\$135.45	\$166.36	\$137.32	\$125.65				\$131.73
Avg	\$100.25	\$105.87	\$107.17	\$99.92	\$105.68	\$123.56	\$145.22	\$129.20	\$120.49	\$109.04	\$100.79	\$104.58	\$115.02

RevPAR (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	\$40.27	\$50.87	\$53.66	\$52.76	\$59.87	\$74.36	\$85.54	\$79.87	\$61.75	\$56.27	\$39.50	\$37.39	\$57.68
2020	\$40.09	\$49.09	\$26.18	\$11.35	\$17.02	\$37.87	\$62.19	\$50.27	\$41.36	\$37.30	\$23.24	\$25.33	\$35.11
2021	\$31.55	\$38.26	\$46.26	\$45.44	\$51.33	\$81.63	\$114.44	\$94.20	\$86.22	\$66.21	\$44.20	\$42.96	\$65.35
2022	\$42.64	\$51.84	\$61.29	\$57.67	\$64.58	\$95.04	\$120.70	\$99.01	\$75.10	\$71.26	\$49.58	\$46.56	\$69.34
2023	\$45.52	\$52.01	\$61.07	\$54.39	\$61.38	\$83.74	\$115.21	\$86.12	\$72.29				\$70.66
Avg	\$38.64	\$47.52	\$46.85	\$41.81	\$48.20	\$72.23	\$95.72	\$80.84	\$66.11	\$57.76	\$39.13	\$38.06	\$56.87

Revenue (\$)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	\$641,704	\$732,089	\$855,056	\$813,531	\$953,898	\$1,151,017	\$1,368,274	\$1,277,662	\$955,903	\$900,042	\$611,393	\$598,135	\$10,858,704
2020	\$641,268	\$709,311	\$503,190	\$62,667	\$211,547	\$585,102	\$1,195,356	\$966,256	\$769,386	\$595,443	\$359,133	\$404,345	\$7,003,004
2021	\$503,639	\$551,689	\$738,471	\$702,071	\$986,480	\$1,518,252	\$2,199,463	\$1,810,539	\$1,603,770	\$1,272,510	\$822,042	\$825,757	\$13,534,683
2022	\$819,519	\$899,870	\$1,178,069	\$1,072,611	\$1,241,315	\$1,767,666	\$2,319,795	\$1,902,972	\$1,396,884	\$1,369,589	\$1,029,205	\$998,876	\$15,996,371
2023	\$976,405	\$1,007,805	\$1,310,041	\$1,129,041	\$1,316,700	\$1,738,345	\$2,471,392	\$2,106,340	\$1,711,165				\$13,767,234
Avg	\$595,537	\$664,363	\$698,906	\$526,090	\$717,308	\$1,084,790	\$1,587,698	\$1,351,486	\$1,109,686	\$922,665	\$597,523	\$609,412	\$10,465,464

STR Global - CoStar - 12 Month Moving Average - Primary Comp Set

Occupancy (%)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	59.8%	59.9%	59.9%	59.8%	59.5%	58.9%	58.6%	58.0%	57.2%	56.1%	55.2%	54.5%
2020	54.1%	53.7%	50.8%	49.3%	46.6%	44.0%	42.4%	40.5%	39.0%	37.9%	36.8%	36.1%
2021	35.6%	34.9%	36.4%	37.6%	39.3%	41.6%	43.8%	45.6%	47.2%	48.7%	49.8%	50.5%
2022	42.6%	51.1%	51.7%	52.1%	52.8%	53.2%	53.1%	53.3%	53.4%	53.5%	53.5%	53.3%
2023	53.3%	53.1%	52.9%	52.6%	52.4%	52.1%	52.1%	52.0%	52.0%			
Avg	49.8%	49.5%	49.0%	48.9%	48.5%	48.2%	48.3%	48.0%	47.8%	47.6%	47.3%	47.0%

ADR (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$104.72	\$104.87	\$105.01	\$105.02	\$105.08	\$104.75	\$104.83	\$104.69	\$104.35	\$104.60	\$105.20	\$105.89
2020	\$106.61	\$107.24	\$107.77	\$108.65	\$108.36	\$107.57	\$107.45	\$106.42	\$105.86	\$104.92	\$104.33	\$103.56
2021	\$102.99	\$102.53	\$103.45	\$103.98	\$105.81	\$109.44	\$115.32	\$119.70	\$124.37	\$125.19	\$125.06	\$125.51
2022	\$125.89	\$126.34	\$126.89	\$127.26	\$127.82	\$128.87	\$129.98	\$130.29	\$128.35	\$129.10	\$129.57	\$130.05
2023	\$130.16	\$130.27	\$130.56	\$130.65	\$130.47	\$129.79	\$129.79	\$129.02	\$128.89			
Avg	\$104.77	\$104.88	\$105.41	\$105.88	\$106.42	\$107.25	\$109.20	\$110.27	\$111.53	\$111.57	\$111.53	\$111.65

RevPAR (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$62.63	\$62.81	\$62.88	\$62.76	\$62.57	\$61.74	\$61.39	\$60.69	\$59.66	\$58.64	\$58.03	\$57.75
2020	\$57.73	\$57.59	\$54.76	\$53.61	\$50.50	\$47.33	\$45.53	\$43.05	\$41.34	\$39.72	\$38.38	\$37.35
2021	\$36.62	\$35.79	\$37.70	\$39.06	\$41.60	\$45.53	\$50.45	\$54.59	\$58.68	\$61.03	\$62.31	\$63.33
2022	\$63.84	\$64.57	\$65.60	\$66.32	\$67.45	\$68.55	\$69.08	\$69.49	\$68.58	\$69.01	\$69.26	\$69.34
2023	\$69.35	\$69.21	\$69.12	\$68.73	\$68.41	\$67.68	\$67.68	\$67.08	\$66.98			
Avg	\$52.33	\$52.06	\$51.78	\$51.81	\$51.56	\$51.53	\$52.46	\$52.78	\$53.23	\$53.13	\$52.91	\$52.81

Revenue (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$11,749,143	\$11,783,677	\$11,797,489	\$11,773,606	\$11,739,286	\$11,587,570	\$11,525,202	\$11,398,132	\$11,206,687	\$11,019,136	\$10,907,560	\$10,858,704
2020	\$10,858,268	\$10,835,490	\$10,483,623	\$9,732,760	\$8,990,409	\$8,424,495	\$8,251,577	\$7,940,171	\$7,753,654	\$7,449,055	\$7,196,794	\$7,003,004
2021	\$6,865,375	\$6,707,754	\$6,943,035	\$7,582,438	\$8,357,370	\$9,290,520	\$10,294,627	\$11,138,911	\$11,973,294	\$12,650,362	\$13,113,271	\$13,534,684
2022	\$13,850,564	\$14,198,745	\$14,638,343	\$15,008,883	\$15,263,718	\$15,513,132	\$15,633,464	\$15,725,897	\$15,519,011	\$15,616,090	\$15,823,253	\$15,996,372
2023	\$16,153,257	\$16,261,192	\$16,393,164	\$16,449,594	\$16,524,980	\$16,495,660	\$16,647,257	\$16,850,625	\$17,164,906			
Avg	\$9,824,262	\$9,775,640	\$9,741,382	\$9,696,268	\$9,695,688	\$9,767,528	\$10,023,802	\$10,159,071	\$10,311,212	\$10,372,851	\$10,405,875	\$10,465,464

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set			
Property Name	Industry Segment	Open Date	Room Count
Clarion Hotel & Suites Wisconsin Dells	Upper Midscale	1991	113
Clarion Hotel & Convention Center Baraboo	Upper Midscale	1991	84
Holiday Inn Express Wisconsin Dells	Upper Midscale	1998	114
Fairfield Inn & Suites Baraboo	Upper Midscale	2023	97
Holiday Inn Express Sauk City	Upper Midscale	2022	72
La Quinta Inns & Suites Wisconsin Dells	Upper Midscale	2020	104
Fairfield Inn & Suites Wisconsin Dells	Upper Midscale	2017	105
Hampton Inn & Suites @ Wisconsin Dells La	Upper Midscale	2017	100
Primary Competitive Set Room Count Average			99

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Set Current			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	53.6%	\$131.73	\$70.66
3 Month Average	63.0%	\$143.54	\$90.38
12 Month Average	52.0%	\$128.89	\$66.98

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Set Prior Year			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
12 Month Average	53.4%	\$129.00	\$69.00

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Set Year Over Year Percentage Change			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Percent of Change	-2.7%	0.0%	-2.7%

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Quoted Rates

Primary Competitive Set Listed Rates - Weekday				
Property Name	OCT	JAN	APR	JUL
Clarion Hotel & Suites Wisconsin Dells	\$95	\$75	\$85	\$85
Clarion Hotel & Convention Center Baraboo	\$80	\$80	\$100	\$135
Holiday Inn Express Wisconsin Dells	\$100	\$95	\$105	\$190
Fairfield Inn & Suites Baraboo	\$110	\$100	\$140	\$140
Holiday Inn Express Sauk City	\$105	\$100	\$105	\$140
La Quinta Inns & Suites Wisconsin Dells	\$90	\$90	\$90	\$165
Fairfield Inn & Suites Wisconsin Dells	\$115	\$115	\$140	\$150
Hampton Inn & Suites @ Wisconsin Dells Lake Delton	\$130	\$110	\$125	\$175
Primary Competitive Set Average	\$103	\$96	\$111	\$148
Primary Competitive Set Rate Average				\$114
<i>Source: CoStar/STR Core Distinction Group, LLC</i>				

Primary Competitive Set Listed Rates - Weekend				
Property Name	OCT	JAN	APR	JUL
Clarion Hotel & Suites Wisconsin Dells	\$120	\$115	\$115	\$145
Clarion Hotel & Convention Center Baraboo	\$110	\$125	\$145	\$215
Holiday Inn Express Wisconsin Dells	\$135	\$155	\$200	\$280
Fairfield Inn & Suites Baraboo	\$165	\$130	\$140	\$140
Holiday Inn Express Sauk City	\$160	\$110	\$125	\$165
La Quinta Inns & Suites Wisconsin Dells	\$130	\$140	\$155	\$240
Fairfield Inn & Suites Wisconsin Dells	\$160	\$140	\$225	\$240
Hampton Inn & Suites @ Wisconsin Dells Lake Delton	\$155	\$165	\$185	\$250
Primary Competitive Set Average	\$142	\$135	\$161	\$209
Primary Competitive Set Rate Average				\$162
<i>Source: CoStar/STR Core Distinction Group, LLC</i>				

Primary Competitive Hotel Quoted Rates

Primary Competitive Set Trend			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	53.6%	\$131.73	\$70.66
3 Month Average	63.0%	\$143.54	\$90.38
12 Month Average	52.0%	\$128.89	\$66.98

Source: CoStar/STR Core Distinction Group, LLC

Projected Primary Competitive Set Rates	
Time Frame	Average Daily Rate
3 Month Average	\$143.54
12 Month Average	\$128.89
Future Quoted Rate Average	\$127.95
Projected Average Daily Rates	\$133.46

Source: Google Travel/ CoStar/STR Core Distinction Group, LLC

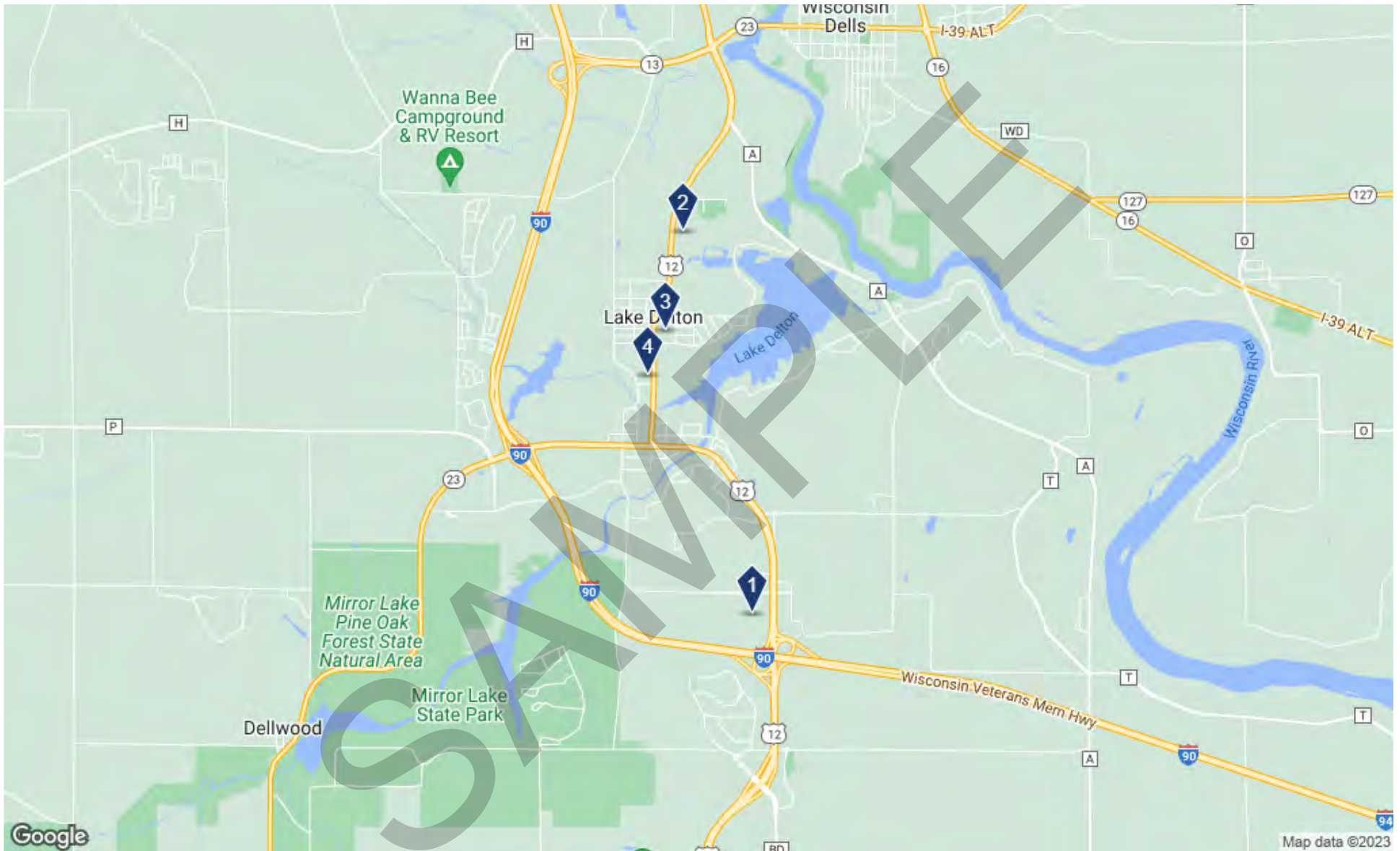
LODGING SUMMARY-SECONDARY

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:

- Competitive Set Property Map
- Smith Travel Research (STR)/CoStar Data by Measure
- Smith Travel Research (STR)/CoStar Data 12 Month Average
- Primary Competitive Set Listed Rates
- Primary Competitive Set Listed Hotel Trends and Projections

Property Map Overview



Property Summary Report

Staybridge Suites Wisconsin Dells - Lake Delton

Upscale
 Class

1345 Great Wolf Dr
 Baraboo, WI 53913 - Wisconsin South Area Submarket



HOSPITALITY	
Brand	Staybridge Suites
Hotel Opened	Jun 2019
Operation Type	Franchise
Operation Status	Open

BUILDING	
Type	Hotel
Year Built	Jun 2019
Rooms	122
Location	Suburban
Stories	4
Primary Corridors	Interior

LAND	
Land Acres	2.79 AC
Zoning	G2
Parcels	146-1626-00000

EXPENSES	
Taxes	\$1,946.55/Room (2021)

PARKING	
Spaces	100 Surface
Ratio	0.82/Room

BUILDING AMENITIES	
• Business Center	• Fitness Center
• On-Site Retail	• Pool

TRANSPORTATION	
Parking	100 available (Surface);Ratio of 0.82/Room
Walk Score	Car-Dependent (48)

PROPERTY CONTACTS	
True Owner	Del Boca Ventures LLC
Previous True Owner	Tall Pines Development Corporation 411 Alcan Dr Baraboo, WI 53913 (608) 254-5337 (p)

Recorded Owner	Tall Pines Realty Llc 411 Alcan Dr Baraboo, WI 53913
Parent Company	IHG Hotels & Resorts

Property Summary Report

Atlantis Family Waterpark Hotel, Ascend Hotel Collection

Upscale
Class

1570 Wisconsin Dells Pky
 Wisconsin Dells, WI 53965 - Wisconsin South Area Submarket



HOSPITALITY	
Brand	Ascend Collection
Operation Type	Franchise
Operation Status	Open

BUILDING	
Type	Hotel
Year Built	1999
Year Renov	2022
Rooms	96
Location	Suburban
Stories	4
Primary Corridors	Interior

LAND	
Land Acres	5.56 AC
Zoning	Commercial
Parcels	146-0076-00000

EXPENSES	
Taxes	\$557.94/Room (2021)

PARKING	
Spaces	135 Surface
Ratio	1.41/Room

BUILDING AMENITIES	
<ul style="list-style-type: none"> Hot Tub Pool Smoke-Free 	<ul style="list-style-type: none"> On-Site Retail Public Access Wifi Waterpark

SALE	
Sold Price	\$3,100,000 (\$32,292/Room)
Date	Jun 2022
Sale Type	Investment
Financing	1st Mortgage: (5.1%) Bal/Pmt: \$6,000,000/-

TRANSPORTATION	
Parking	135 available (Surface);Ratio of 1.41/Room
Walk Score	Car-Dependent (35)

Property Summary Report

Hilton Garden Inn Wisconsin Dells

Upscale
Class

101 E Hiawatha Dr
Wisconsin Dells, WI 53965 - Wisconsin South Area Submarket



HOSPITALITY

Brand	Hilton Garden Inn
Hotel Opened	May 2004
Operation Type	Franchise
Operation Status	Open

BUILDING

Type	Hotel
Year Built	2004
Year Renov	2012
Rooms	128
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	1,953 SF

LAND

Land Acres	4.53 AC
Zoning	Commercial, Lake Delton
Parcels	146-0114-10000

EXPENSES

Taxes	\$1,105.82/Room (2021)
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PARKING

Spaces	200 Surface
Ratio	1.56/Room

BUILDING AMENITIES

- Business Center
- On-Site Bar
- Pool
- Room Service
- Fitness Center
- On-Site Retail
- Restaurant

SALE

Sold Price	\$8,000,000 (\$62,500/Room)
Date	Aug 2019
Sale Type	Investment
Cap Rate	7.20%
Financing	1st Mortgage: Forrester State Bank Bal/Pmt: \$6,400,000/-

TRANSPORTATION

Parking	200 available (Surface);Ratio of 1.56/Room
Walk Score	Car-Dependent (47)

Property Summary Report

SpringHill Suites Wisconsin Dells

Upscale
Class

461 Wisconsin Dells Pky
 Wisconsin Dells, WI 53965 - Wisconsin South Area Submarket



HOSPITALITY	
Brand	SpringHill Suites
Hotel Opened	Feb 2016
Operation Type	Franchise
Operation Status	Open

BUILDING	
Type	Hotel
Year Built	Feb 2016
Rooms	95
Location	Suburban
Stories	4
Primary Corridors	Interior
Meeting Space	593 SF

LAND	
Land Acres	2.95 AC
Zoning	G2
Parcels	146-0195-10000

EXPENSES	
Taxes	\$1,075.90/Room (2021)

PARKING	
Spaces	110 Surface
Ratio	1.16/Room

BUILDING AMENITIES	
<ul style="list-style-type: none"> Business Center Meeting Event Space 	<ul style="list-style-type: none"> Fitness Center Pool

TRANSPORTATION	
Parking	110 available (Surface);Ratio of 1.16/Room
Walk Score	Somewhat Walkable (55)

PROPERTY CONTACTS	
True Owner	Dells Parkway Hotel Group, LLC
Previous True Owner	Badger Hotel Development 255 Jefferson St Waterloo, WI 53594 (920) 478-2200 (p)

Recorded Owner	Dells Parkway Hotel Group Llc
Parent Company	Marriott International

STR Global - CoStar - 12 Month Moving Average - Secondary Comp Set

Occupancy (%)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	54.6%	54.5%	54.7%	54.8%	55.1%	54.5%	54.9%	55.5%	56.0%	56.4%	56.4%	56.2%
2020	56.5%	56.9%	54.5%	53.0%	50.4%	48.0%	45.6%	42.8%	40.8%	38.6%	36.7%	35.0%
2021	33.6%	31.9%	33.0%	34.7%	36.8%	38.4%	40.2%	42.2%	43.6%	44.8%	45.8%	46.9%
2022	47.3%	47.5%	47.7%	47.7%	47.5%	47.6%	47.1%	47.2%	47.3%	47.7%	48.0%	47.9%
2023	47.9%	48.5%	48.9%	49.1%	49.5%	49.9%	50.8%	50.5%	51.5%			
Avg	48.2%	47.8%	47.4%	47.5%	47.4%	47.0%	46.9%	46.8%	46.8%	46.6%	46.3%	46.0%

ADR (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$121.29	\$120.83	\$119.39	\$118.84	\$118.39	\$117.87	\$118.40	\$118.63	\$118.00	\$117.51	\$116.92	\$116.33
2020	\$115.93	\$115.98	\$115.98	\$116.33	\$115.66	\$114.13	\$111.57	\$108.51	\$106.92	\$105.75	\$105.41	\$104.99
2021	\$104.77	\$103.75	\$103.71	\$104.05	\$105.43	\$108.47	\$113.65	\$117.52	\$121.47	\$123.21	\$123.75	\$124.33
2022	\$124.84	\$125.32	\$126.11	\$127.01	\$128.05	\$129.39	\$130.00	\$131.30	\$130.72	\$131.25	\$131.43	\$131.98
2023	\$132.33	\$132.83	\$133.47	\$133.91	\$134.66	\$135.95	\$138.46	\$139.20	\$139.77			
Avg	\$114.00	\$113.52	\$113.03	\$113.07	\$113.16	\$113.49	\$114.54	\$114.89	\$115.46	\$115.49	\$115.36	\$115.22

RevPAR (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$66.22	\$65.88	\$65.36	\$65.11	\$65.24	\$64.28	\$64.98	\$65.90	\$66.05	\$66.27	\$65.89	\$65.40
2020	\$65.46	\$65.94	\$63.15	\$61.67	\$58.27	\$54.78	\$50.90	\$46.47	\$43.66	\$40.79	\$38.63	\$36.74
2021	\$35.25	\$33.09	\$34.27	\$36.12	\$38.80	\$41.69	\$45.71	\$49.57	\$52.93	\$55.24	\$56.73	\$58.29
2022	\$59.02	\$59.58	\$60.21	\$60.57	\$60.76	\$61.56	\$61.21	\$61.98	\$61.87	\$62.67	\$63.14	\$63.21
2023	\$63.41	\$64.41	\$65.32	\$65.77	\$66.64	\$67.90	\$70.27	\$70.34	\$71.98			
Avg	\$55.64	\$54.97	\$54.26	\$54.30	\$54.10	\$53.58	\$53.86	\$53.98	\$54.21	\$54.10	\$53.75	\$53.48

Revenue (\$)												
YR.	January	February	March	April	May	June	July	August	September	October	November	December
2019	\$7,710,330	\$7,670,535	\$7,610,412	\$7,581,627	\$7,596,594	\$7,720,172	\$8,049,958	\$8,412,369	\$8,674,074	\$8,953,443	\$9,142,564	\$9,322,103
2020	\$9,578,226	\$9,874,621	\$9,695,062	\$9,280,967	\$8,818,081	\$8,289,322	\$7,702,117	\$7,032,381	\$6,607,045	\$6,172,513	\$5,846,566	\$5,559,296
2021	\$5,334,134	\$5,007,546	\$5,186,452	\$5,707,235	\$6,245,537	\$6,711,426	\$7,358,340	\$7,978,861	\$8,519,726	\$8,891,757	\$9,131,701	\$9,381,857
2022	\$9,499,361	\$9,590,538	\$9,690,957	\$9,749,075	\$9,780,805	\$9,908,800	\$9,853,335	\$9,976,716	\$9,959,103	\$10,087,465	\$10,162,539	\$10,174,675
2023	\$10,206,533	\$10,367,929	\$10,514,972	\$10,587,427	\$10,727,186	\$10,928,731	\$11,310,436	\$11,322,709	\$11,586,418			
Avg	\$7,540,897	\$7,517,567	\$7,497,309	\$7,523,276	\$7,553,404	\$7,573,640	\$7,703,472	\$7,807,870	\$7,933,615	\$8,005,904	\$8,040,277	\$8,087,752

Secondary Competitive Hotel Properties Data Summary

Secondary Competitive Set			
Property Name	Industry Segment	Open Date	Room Count
Staybridge Suites Wisconsin Dells - Lake Delton	Upscale	2019	122
Atlantis Family Waterpark Hotel	Upscale	1999	96
Hilton Garden Inn Wisconsin Dells	Upscale	2004	128
SpringHill Suites Wisconsin Dells	Upscale	2016	95
Secondary Competitive Set Room Count Average			110
<i>Source: CoStar/STR Core Distinction Group, LLC</i>			

Secondary Competitive Set Current			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	53.7%	\$145.26	\$78.02
3 Month Average	68.7%	\$163.84	\$112.52
12 Month Average	51.5%	\$139.77	\$71.98
<i>Source: CoStar/STR Core Distinction Group, LLC</i>			

Secondary Competitive Set Prior Year			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
12 Month Average	47.3%	\$131.00	\$62.00
<i>Source: CoStar/STR Core Distinction Group, LLC</i>			

Secondary Competitive Set Year Over Year Percentage Change			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Percent of Change	8.9%	6.8%	16.3%
<i>Source: CoStar/STR Core Distinction Group, LLC</i>			

Secondary Competitive Hotel Quoted Rates

Secondary Competitive Set Listed Rates - Weekday				
Property Name	OCT	JAN	APR	JUL
Staybridge Suites Wisconsin Dells - Lake Delton	\$110	\$100	\$115	\$200
Atlantis Family Waterpark Hotel	\$75	\$75	\$100	\$195
Hilton Garden Inn Wisconsin Dells	\$110	\$95	\$110	\$170
SpringHill Suites Wisconsin Dells	\$100	\$130	\$140	\$160
Secondary Competitive Set Average	\$99	\$100	\$116	\$181
Secondary Competitive Set Rate Average				\$124

Source: Google Travel

Secondary Competitive Set Listed Rates - Weekend				
Property Name	OCT	JAN	APR	JUL
Staybridge Suites Wisconsin Dells - Lake Delton	\$150	\$155	\$200	\$300
Atlantis Family Waterpark Hotel	\$125	\$150	\$185	\$300
Hilton Garden Inn Wisconsin Dells	\$140	\$130	\$155	\$260
SpringHill Suites Wisconsin Dells	\$150	\$160	\$215	\$225
Secondary Competitive Set Average	\$141	\$149	\$189	\$271
Secondary Competitive Set Rate Average				\$188

Source: Google Travel

Secondary Competitive Set Trend			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	53.7%	\$145.26	\$78.02
3 Month Average	68.7%	\$163.84	\$112.52
12 Month Average	51.5%	\$139.77	\$71.98

Source: CoStar/STR Core Distinction Group, LLC

Projected Secondary Competitive Set Rates	
Time Frame	Average Daily Rate
3 Month Average	\$163.84
12 Month Average	\$139.77
Future Quoted Rate Average	\$151.25
Projected Average Daily Rates	\$151.62

Source: Google Travel/CoStar/STR Core Distinction Group, LLC

REGIONAL INDUSTRY DATA OVERVIEW

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Regional/Market/Submarket data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Regional Industry Overview Data:

- Regional Competitive Hotel Properties Data Summary
- Market Overview
- Performance Data
- Past Construction Data
- Under Construction Data
- Sales Data
- Economy Data
- Submarket Data

Regional Competitive Hotel Properties Data Summary

Wisconsin South Area

Regional Submarket Competitive Set Performance			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
YTD	54.0%	\$138.53	\$74.81
3 Month Average	64.0%	\$153.23	\$98.08
12 Month Average	52.3%	\$134.07	\$70.18

Source: CoStar/STR Core Distinction Group, LLC

Regional Submarket Performance by Class (Running 12 Months)			
Time Frame	Occupancy	Average Daily Rate	Revenue Per Available Room
Luxury & Upper Upscale	62.9%	\$277.85	\$174.83
Upscale & Upper Midscale	51.6%	\$133.37	\$68.77
Midscale & Economy	50.4%	\$90.75	\$45.74

Source: CoStar/STR Core Distinction Group, LLC

ROOM SHARE DATA OVERVIEW

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Room Share Market data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Room Share Data Overview:

- Occupancy Rate
- Average Daily Rate
- Monthly Revenue
- Unit Type
- Rental Growth
- Unit Amenities
- Market Overview

SAMPLE

Room Share Data Summary

Core Distinction Group pulled data in the Richland Center, Wisconsin Area order to gain an understanding the overall area room share market. The area had 40 active room share rental units.

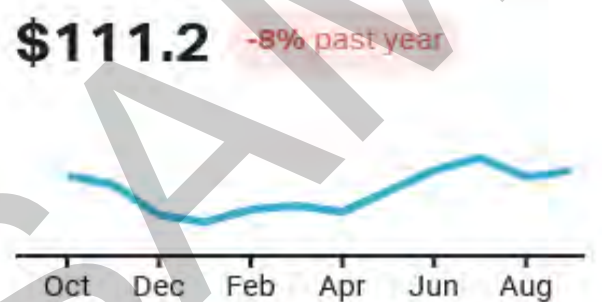
Room Share Occupancy in the Richland Center, Wisconsin Area:



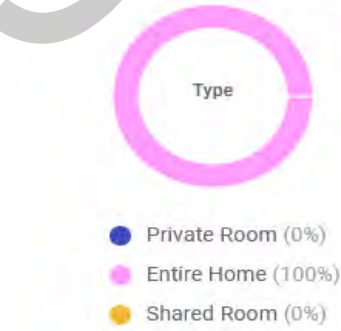
Room Share Average Daily Rate in the Richland Center, Wisconsin Area:



Revenue Per Available Room in the Richland Center, Wisconsin Area:



Room Share Rental Type in the Richland Center, Wisconsin Area:



Source: AirDNA.com

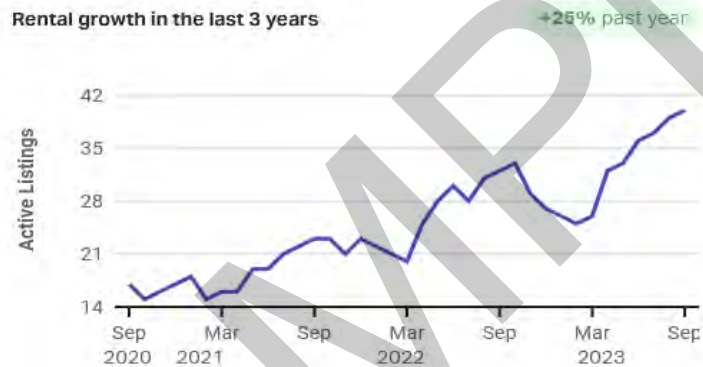
Room Share Data Summary (continued)

At the time of this report, the area units, 65% were listed in airbnb, 8% are listed on Vrbo, and 28% were listed on both.

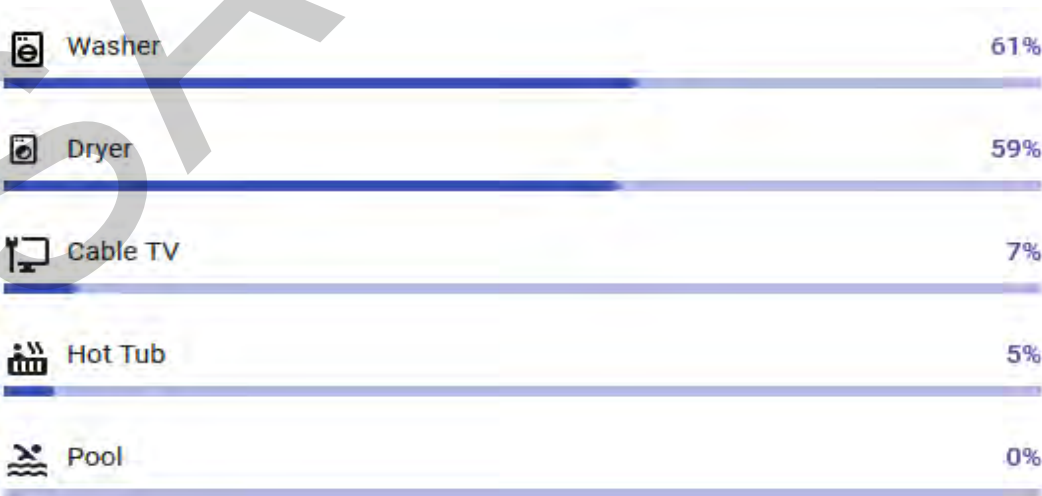
Room Share Rental Sizes in the Richland Center, Wisconsin Area:



Room Share Rental Growth in the Richland Center, Wisconsin Area:



Room Share Rental Amenities in the Richland Center, Wisconsin Area:



Source: AirDNA.co

ECONOMIC IMPACT SUMMARY

In this section of the report, Core Distinction Group has compiled a summary of what the potential direct and indirect economic impact could be for the proposed hotel development. This projection offers revenue and job creation information based on this hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected.

- Direct Economic Impact
 - City Sales Tax Revenue
 - Lodging/Bed Tax Revenue
 - Real Estate Tax Revenue
- Indirect Economic Impact
 - Rooms Sold
 - Average Indirect Food Revenue and Jobs Needed
 - Average Indirect Entertainment/Activities Revenue and Jobs Needed
 - Average Indirect Alcoholic Beverages Revenue and Jobs Needed

Direct Economic Impact

When considering the potential Direct Economic Impact of a new hotel in the community, you look at the direct tax revenue the community is gaining from the project. This takes into consideration Lodging/Bed Taxes when applicable, Sales Taxes and Real Estate Taxes. Below you will find the estimated tax revenue of this project broken down in each category:

Sales Tax Revenue Per Year	
Year	Sales Tax
Ramp Up Year	\$97,343
Year One	\$113,648
Year Two	\$119,280
Year Three	\$125,195
Year Four	\$131,407
Year Five	\$136,632

Based on the minimum combined 2023 sales tax rate for Richland Center, Wisconsin is 5.5%. This is the total of state, county and town sales tax rates. State of Wisconsin 5%, Richland County 0.5%, and city of Richland Center

Lodging/Bed Tax Revenue Per Year	
Year	Lodging/Bed Tax
Ramp Up Year	\$53,096
Year One	\$61,990
Year Two	\$65,062
Year Three	\$68,288
Year Four	\$71,676
Year Five	\$74,526

Based on a current minimum 3% Transient Lodging Tax in Richland County, WI.

Real Estate Tax Revenue Per Year (Based on Estimates)	
Year	Real Estate Tax
Ramp Up Year	\$153,371
Year One	\$153,371
Year Two	\$153,371
Year Three	\$153,371
Year Four	\$153,371
Year Five	\$153,371

This information does not account for the collateral economic impact as well. There are many collateral economic impacts that can be accounted for. Additional revenue (and usage) from your sewer, water, trash disposal, utilities and so on all noted in the Pro Forma. The construction period can also promote additional economic growth. All of these add up and vary.

Indirect Economic Impact Estimates

When considering the potential Indirect Economic Impact of a new hotel in the community, you look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining. This does not take into consideration any taxes increased by said purchases. Below you will find the average rooms sold each year for the potential hotel project:

Rooms Sold Per Year Average		
Year	Occupancy	Rooms Sold
Ramp Up Year	61.2%	12,065
Year One	68.0%	13,405
Year Two	69.4%	13,673
Year Three	70.8%	13,947
Year Four	72.2%	14,225
Year Five	73.6%	14,510

Taking this into consideration, the estimates of rooms sold each day can be found below:

Average Rooms Per Night Sold	
Ramp Up Year	33
Year One	37
Year Two	37
Year Three	38
Year Four	39
Year Five	40

Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is \$45 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around \$18 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated* to be around:

Average Indirect Food Revenue Per Day	
Ramp Up Year	\$1,487
Year One	\$1,653
Year Two	\$1,686
Year Three	\$1,719
Year Four	\$1,754
Year Five	\$1,789

Average Indirect Food Revenue Per Year	
Ramp Up Year	\$542,903
Year One	\$603,225
Year Two	\$615,290
Year Three	\$627,595
Year Four	\$640,147
Year Five	\$652,950

* Based on the assumption of one person per room night sold.

Based on this information, it can be assumed this additional revenue will also create indirect food service jobs. When considering the additional food revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Food Service Jobs Needed	
Ramp Up Year	8.8
Year One	9.8
Year Two	10.0
Year Three	10.2
Year Four	10.4
Year Five	10.6

* Based on 32 hours a week and the median average base hourly rate of Food Service Workers of \$11.12 per hour, at the time of this report according to www.payscale.com.

Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of \$45 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

Average Indirect Entertainment/Activities Revenue Per Day	
Ramp Up Year	\$1,487
Year One	\$1,653
Year Two	\$1,686
Year Three	\$1,719
Year Four	\$1,754
Year Five	\$1,789

Average Indirect Entertainment/Activities Revenue Per Year	
Ramp Up Year	\$542,903
Year One	\$603,225
Year Two	\$615,290
Year Three	\$627,595
Year Four	\$640,147
Year Five	\$652,950

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect tour guide or tourism industry jobs. When considering the additional food revenue into your community, industry standards states that around 25% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Entertainment/Activities Jobs Needed	
Ramp Up Year	5.4
Year One	6.0
Year Two	6.2
Year Three	6.3
Year Four	6.4
Year Five	6.5

** Based on 32 hours a week and the median average base hourly rate of Tour Guide of \$15 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average person spends about \$21 on alcoholic beverages in the United States of America per day.

Average Indirect Alcoholic Beverages Revenue Per Day	
Ramp Up Year	\$694
Year One	\$771
Year Two	\$787
Year Three	\$802
Year Four	\$818
Year Five	\$835

Average Indirect Alcoholic Beverages Revenue Per Year	
Ramp Up Year	\$253,355
Year One	\$281,505
Year Two	\$287,135
Year Three	\$292,878
Year Four	\$298,735
Year Five	\$304,710

* Based on the assumption of one person per room night sold.

Based on this information, it can be assumed this additional revenue will also create indirect bartender jobs. When considering the additional alcoholic beverage revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Bartender Jobs Needed	
Ramp Up Year	4.2
Year One	4.6
Year Two	4.7
Year Three	4.8
Year Four	4.9
Year Five	5.0

* Based on 32 hours a week and the median average base hourly rate of a bartender of \$11 per hour, at the time of this report according to www.salary.com.

Indirect Economic Impact Estimates (continued)

The average price for Tips and Handouts in the United States of America is \$12 per day. The usual amount for a tip in the United States of America is 10% - 20%.

Average Indirect Tips/Handouts Revenue Per Day	
Ramp Up Year	\$397
Year One	\$441
Year Two	\$450
Year Three	\$459
Year Four	\$468
Year Five	\$477

Average Indirect Tips/Handouts Revenue Per Year	
Ramp Up Year	\$144,774
Year One	\$160,860
Year Two	\$164,077
Year Three	\$167,359
Year Four	\$170,706
Year Five	\$174,120

* Based on the assumption of one person per room night sold.

Based on this additional revenue being paid, the increase in both food, beverage, and entertainment/activity, service worker's hourly wage would increase substantially in the market.

Source: BudgetYourTravel.com

CONCLUSION

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group LLC offers an overview and overall description of the conclusion and recommendations found through its research and analysis. This section will contain:

- Recommended Hotel Segment Recommendations for Market Studied
- Recommended Hotel Segment Recommendations for Market Studied
- Recommended Sleeping Room Configuration Recommendations for Market Studied
- Expected Economic Impact of Hotel in Market Studied

Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upper Midscale to Upscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Richland Center, WI. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Richland Center and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 45-55 guestrooms in this report. This would position it to be smaller in size to the average room size of 99-110 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 8-12 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

UNDERSTANDING THE TERMS

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC has taken the time to offer detailed definitions of words and terms highlighted throughout this report. This section contains the information to help readers navigate industry terms.

SAMPLE

Understanding Terms:

Below you will find definitions of industry terms used throughout this report to help the reader gain an understanding of certain phrases and indicators:

Average Daily Rate (ADR)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. $ADR = \text{Room Revenue} / \text{Rooms Sold}$

Chain Scale

Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Competitive Set (Comp Set)

A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

Date-To-Date Comparison

Comparison of daily performance by actual calendar date (1st of January this year vs. 1st of January last year).

Day-To-Day Comparison

Comparison of daily performance by day of week (Monday this year vs. Monday last year).

Demand

The number of rooms sold in a specified time period (excludes complimentary rooms).

Group Rooms

Typically defined as 10 or more rooms per night sold, pursuant to a signed agreement. Refer to Data Reporting Guidelines for more specific application.

Index

Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR. An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Occupancy (OCC)

Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

Revenue Per Available Room (RevPAR)

Total room revenue divided by the total number of available rooms. $\text{Room Revenue} / \text{Rooms Available} = \text{RevPAR}$

Total Revenue

Revenue from all hotel operations - including rooms, Food and Beverage, other revenue departments (i.e., spa, golf, parking) and miscellaneous revenue (i.e., rentals, leases, resort fees and cancellation fees).

Year to Date

Period starting at the beginning of the current year and ending on the current date.

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:

- All-Inclusive: Property with rooms sold only as a complete package, bundling overnight accommodations and value-added amenities and services (i.e., food, beverage, activities and gratuities, etc.)
- All-Suite: Property with guestroom inventory that exclusively consists of rooms offering more space and furniture than a typical hotel room, including a designated living area or multiple rooms.
- B&B/Inn: Independently owned and operated properties that typically include breakfast in the room rates, 20 rooms or fewer and a resident/owner innkeeper.
- Boutique: Hotel that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.
- Condo: Individually and wholly-owned condominium units. Inventory is included in a rental pool operated and serviced by a management company.
- Conference Center: Lodging hotel with a major focus on conference facilities.
- Convention Center: Property with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 square feet).
- Destination Resort: Property that appeals to leisure travelers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

**Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level.
(Continued)**

- Extended Stay: Properties typically focused on attracting guests for extended periods. These properties quote weekly rates. The typical length of stay average for guests is four to seven nights.
- Full Service Hotel: Typically Upscale, Upper Upscale and Luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas.
- Gaming/Casino: Property with a major focus on casino operations.
- Golf: Property that includes a golf course amenity as part of its operations. A property does not qualify if it only has privileges on a nearby course.
- Hotel/Motel: Standard hotel or motel operation.
- Limited Service: Property that offers limited facilities and amenities, typically without a full-service restaurant. These hotels are often in the Economy, Midscale or Upper Midscale class.
- Lifestyle Brand: Group of hotels operating under the same brand that is adapted to reflect current trends.
- New Build: Property built from the ground up, not a conversion of a building that was not previously a hotel.
- Ski: Property with onsite access to ski slopes.
- Soft Brand: Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation.
- Spa: Property with an onsite spa facility and full-time staff offering spa treatments.
- Timeshare: Property that typically is a resort condominium unit, in which multiple parties hold property use rights, and each timeshare owner is allotted a period of time when the property may be used.
- Waterpark: An indoor or outdoor waterpark resort with a lodging establishment containing an aquatic facility.

DISCLAIMER

Thank you for the opportunity to complete this market and feasibility study for the proposed hotel project located in Richland Center, WI. We have studied the market area for additional demand for a lodging facility and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the scope of the proposed project, including general site location, size of hotel, and brand segment.

We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

The conclusions presented in this report are based upon the information available and received at the time the report was filed. Core Distinction Group, LLC (CDG) has taken every possible precaution to evaluate this information for its complete accuracy and reliability. Parts of this report were prepared or arranged by third-party contributors, as indicated throughout the document. While third-party contributions have been reviewed by CDG for reasonableness and consistency to be included in this report, third-party information has not been fully audited or sought to be verified by CDG. CDG does not provide financial advice.

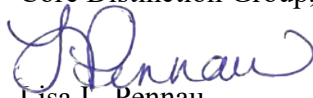
It should be understood that economic and marketplace conditions are in constant change. The results presented in this report are the professional opinion of CDG and are based on information available at the time of the report preparation. These opinions infer that market conditions do not change the information received upon which those opinions have been based. CDG assumes no responsibility for changes in the marketplace. CDG assumes no responsibility for information that becomes outdated once this report is written; nor are we responsible for keeping this information current after the date of the final document presentation.

CDG makes no express or implied representation or warranty that the contents of this report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Those who rely on this report do so at their own risk and CDG disclaims all liability, damages or loss with respect to such reliance.

It is presumed that those reading this report understand the contents and recommendations. If this reader is unclear of understanding the contents, clarification can be received directly from a representative of CDG. While the terms of CDG's engagement do not require that revisions be made to this report to reflect events or conditions which occur subsequent to the date of completion of fieldwork, we are available to discuss the necessity for revisions in view of changes in the economic climate or market factors affecting the proposed hotel project.

Please do not hesitate to call should you have any comments or questions.

Sincerely,
Core Distinction Group, LLC



Lisa L. Pennau
Owner

APPENDICES

For the purpose of this Comprehensive Hotel Market Feasibility Study, large amounts of data was collected. The Appendices hold the detailed information of each data set collected. This section contains the following information:

- Detailed Community Survey Responses
- Primary Competitive Set Analytics
- Secondary Competitive Set Analytics
- Regional Lodging Industry Submarket Report

SAMPLE

APPENDIX ONE

COMMUNITY INTERVIEWS DETAIL REPORT

SAMPLE

Q1 Please enter the name of your organization/business.

#	RESPONSES	DATE
1	Schmitt Woodland Hills, Inc.	10/30/2023 10:59 AM
2	Noah Krachtt - Plant Manager Rockwell Automation Richland Center & Middleton Operations	10/25/2023 7:21 AM
3	Schreiber Foods	10/23/2023 3:00 PM
4	ADGWC	10/20/2023 8:07 AM
5	The Richland Hospital and Clinics	10/20/2023 7:26 AM
6	Richland County Bank	10/19/2023 3:13 PM
7	Richland School District	10/19/2023 3:09 PM
8	City of Richland Center WI 53581	10/19/2023 2:33 PM
9	Clary Memorial Funeral Home	10/19/2023 10:35 AM
10	Pratt Funeral and Cremation Service	10/19/2023 10:25 AM
11	Dairyland Transportation LLC	10/19/2023 10:16 AM
12	Richland Center Outreach Center - Southwest Technical College	10/19/2023 9:00 AM
13	Pine Valley Community Village	10/17/2023 10:43 AM
14	Fillback	10/17/2023 9:53 AM
15	The Peoples Community Bank	10/16/2023 2:45 PM
16	Quail Run Golf Course	10/16/2023 12:40 PM
17	Community First Bank	10/15/2023 7:15 PM

SAMPLE

Q3 What do you expect your organization's lodging need will be in 2024 and beyond? PLEASE KEEP IN MIND, A NEW HOTEL MAY TAKE TWO OR MORE YEARS TO DEVELOP AND BUILD. Please be as specific as possible. Example 1: My company typically has 5 rooms a month. The guest usually stays Tuesday or Wednesday night for 2 nights. Example 2: We have soccer tournaments three times during the Summer Months. These tournaments are held Friday and Saturday and have 10 to 25 teams of 10.

#	RESPONSES	DATE
1	Very minimal if any.	10/30/2023 10:59 AM
2	We have visitors nearly every week, as well as contract manufacturing. At any given time, I would anticipate that Rockwell would need 3-4 rooms with spikes up to a dozen. In recent months, many visitors have had to stay in Reedsburg/Boscobel.	10/25/2023 7:21 AM
3	Typically 1-3 a month. Some months much higher than others- we use hotels in inclement weather for plant production partners unable to drive in the bad weather.	10/23/2023 3:00 PM
4	Individuals visit the ADGWC from May - October of each year. The number of visitors varies and most do not require an overnight stay to visit our location. However, there are many building locations like ours that are within a 60 mile radius so it's possible that visitors could choose to stay in in our community instead of one or the others.	10/20/2023 8:07 AM
5	Our needs vary but are typically weekdays mostly. - Some of our job applicants are coming from out of town for interviews. I would imagine this happens about 12 times per year. - We have consultants and vendors who visit the hospital for business purposes. They make their own lodging arrangements so we don't know their habits with precision but right now I would guess it may be up to 30 rooms per month. - We sometimes have agency or contracted workers. Most commonly they are seeking a short-term housing arrangement like a VRBO but I know periodically they have also stayed at Ramada.	10/20/2023 7:26 AM
6	None	10/19/2023 3:13 PM
7	Very rarely does the school district hold events which require lodging. However, we do rent our facilities to several organizations to hold events needing lodging. I, however, could not speculate as to what the exact needs are for those organizations.	10/19/2023 3:09 PM
8	People call the Airport monthly asking if Richland Center has lodging	10/19/2023 2:33 PM
9	I know I have a few families that need lodging, but none of them have complained they couldn't find any.	10/19/2023 10:35 AM
10	We have people come into town with very short notice and many times people struggle to find rooms with many of the former rooms being used for short term rentals.	10/19/2023 10:25 AM
11	3-5 rooms a month	10/19/2023 10:16 AM
12	There is potential for there to be a need at times, but in general I do not feel there would be much of a need for our situation most of the time.	10/19/2023 9:00 AM
13	We have travelers that commute, and they would like cheap hotel accommodations for the days that they are working for our facility. typically they come with a 13 week contract, some commute, so stay in the area for the entire time.	10/17/2023 10:43 AM
14	maybe a room or 2 every other month	10/17/2023 9:53 AM

15	N/A	10/16/2023 2:45 PM
16	My company has auditors/examiners that need to be onsite in our Richland Center office for a week. They typically bring a team of 4 to 5 auditors/examiners. It would be nice to have lodging for them in RC. We no longer recommend the current lodging that we have as they are from the metropolitan area and prefer a different level of accommodations.	10/15/2023 7:15 PM

SAMPLE

Q5 If yes, what is the approximate length of stay and how many guests per month/year? Please be as specific as possible. Example 1: We offer accommodation for new hire employees that can range from 2 weeks to 3 months.

#	RESPONSES	DATE
1	We sometimes use traveling nurses and nurse's aids who need motel accommodations but are trying to phase this out.	10/30/2023 10:59 AM
2	between 1-6 for 3-6 months for contracted workers	10/25/2023 7:21 AM
3	Up to one year. We use contract labor. The contractor provides the laborer housing for the 1st year. Total 5-15 a year depending on hiring conditions and market availability of rentals.	10/23/2023 3:00 PM
4	N/A	10/20/2023 8:07 AM
5	On average 4 guests staying for 3 weeks	10/19/2023 2:33 PM
6	We are in the process of trying to obtain foreign workers (caregivers and nurses) we will need temporary accommodations for them until they find permanent housing.	10/17/2023 10:43 AM
7	N/a	10/16/2023 2:45 PM

SAMPLE

Q6 Where do you currently recommend these individuals to stay? Please be as specific as possible.

#	RESPONSES	DATE
1	N/A	10/30/2023 10:59 AM
2	The Ramada Inn - This is the only real option for traveling professionals. We have had bad experiences with Center Lodge and shy away from recommending people stay there.	10/25/2023 7:21 AM
3	They have stayed everywhere available - hotels, refurbished hotels converted to rentals, the white house and capus housing.	10/23/2023 3:00 PM
4	N/A	10/20/2023 8:07 AM
5	Ramada, Airbnb, Marty Richards, various landlords who make known to us that they have houses or rooms.	10/20/2023 7:26 AM
6	probably Ramada Inn	10/19/2023 3:13 PM
7	Honestly, I have been a part of this community for 35 years. At this point, I would have a hard time recommending any of our establishments for someone to stay. The White House, perhaps.	10/19/2023 3:09 PM
8	Ramada Inn	10/19/2023 2:33 PM
9	I can't say I have any request from my customers on where to stay.	10/19/2023 10:35 AM
10	We recommend the White House as it is the only option we currently have.	10/19/2023 10:25 AM
11	Ramada if they have spots. Next would be Boscobel, Viroqua or Spring Green	10/19/2023 10:16 AM
12	Local hotels and Air B&B's	10/17/2023 10:43 AM
13	whitehouse	10/17/2023 9:53 AM
14	n/a	10/16/2023 2:45 PM
15	Middleton or Prairie du Chien and they drive to RC	10/15/2023 7:15 PM

Q7 Do you have a second choice?

#	RESPONSES	DATE
1	AmericInn - Boscobel, WI	10/25/2023 7:21 AM
2	-	10/23/2023 3:00 PM
3	N/A	10/20/2023 8:07 AM
4	local Air BnBs and motels (ex. Starlite)	10/19/2023 3:13 PM
5	Now that Center Lodge has changed hands, I would consider endorsing this place again.	10/19/2023 3:09 PM
6	No other choice	10/19/2023 2:33 PM
7	I send them out of the city and even the county as we do not have any other options.	10/19/2023 10:25 AM
8	there is not one anymore from what I understand	10/17/2023 9:53 AM
9	N/A	10/16/2023 2:45 PM
10	We have suggested short term rentals within the area.	10/15/2023 7:15 PM

SAMPLE

Q9 If yes or no, please help us understand your stance on a new hotel. Why you do or do not feel it would benefit the community.

#	RESPONSES	DATE
1	Just don't feel there is a need.	10/30/2023 10:59 AM
2	There is a clear business need for it; however, as a member of the community, I see a need for it as travel/tourism to the area increases. I travel often around small towns in Wisconsin (~40 nights a year) for both work and pleasure, and I only stay at branded hotels because I can have a reasonable expectation of the service I will get and cleanliness I can provide. Unfortunately, the hotels in Richland Center do not encourage travel or give a feeling of being in a vibrant, modern community...and in many ways the lackluster/outdated accommodations only fortify stereotypes of our community with potential visitors. I know this first-hand from a business perspective.	10/25/2023 7:21 AM
3	Yes - there have been several times the two hotels in town had no vacancies.	10/23/2023 3:00 PM
4	Hotels available in the area outdated. I do not think that a new hotel will attract more people into the area on its own, but in conjunction with other events, it will positively impact the experience people have in the community. Visitors will need a reason to stay at the hotel in the first place.	10/20/2023 8:07 AM
5	Center Lodge is devoted to transitional workers, I understand. Ramada is often sufficient but seems dated.	10/20/2023 7:26 AM
6	It appears our existing motels are being used for general housing (like rental property/apartments) due to the lack of housing available. So I believe the room availability is shrinking. As far as our bank, most meetings and training are done virtual or by phone vs. traditional meetings face to face which has cut down on business people coming here to stay.	10/19/2023 3:13 PM
7	We do not have a nice establishment that offers the "typical" hotel amenities such as breakfast, conference room, etc. There is certainly a need for this to have available.	10/19/2023 3:09 PM
8	At this time we only have one decent hotel we have many Tourist that travel to Richland Center and where is a good place to stay	10/19/2023 2:33 PM
9	I honestly don't know if our community needs a new hotel. I don't have anyone complain to me they couldn't find a place to stay.	10/19/2023 10:35 AM
10	We have a real need and I feel we are losing a significant amount of money not just for the rooms but the other businesses they would visit while in town. Mainly restaurants.	10/19/2023 10:25 AM
11	There are many other benefits for accommodation for many other events that are occurring in our community. But things special to the business where I work, I really don't see there being a huge need.	10/19/2023 9:00 AM
12	If reasonably priced, it would be beneficial for those that need temporary housing.	10/17/2023 10:43 AM
13	Many hotel rooms have recently been converted to apartments to help accommodate the city's manufacturer's workers, many of whom are coming from Mexico.	10/16/2023 2:45 PM
14	I have heard customers say they were driving home from an event held at golf course because no where to stay in town.	10/16/2023 12:40 PM
15	Absolutely our area can benefit from a new hotel. The few we have here do not offer the accommodations that our guests are expecting. By having our guests stay in RC, that increases the economic value they bring as they will also be spending money at local restaurants and stores.	10/15/2023 7:15 PM

ANSWER CHOICES	RESPONSES	
WiFi	93.75%	15
Complimentary Breakfast	62.50%	10
Meeting Room	56.25%	9
Pool	43.75%	7
Bar	43.75%	7
Fitness Center	37.50%	6
Business Center	37.50%	6
Dining	37.50%	6
Long-term Accommodations (rooms with kitchenettes)	31.25%	5
Guest Laundry	25.00%	4
Truck/Bus/RV Parking	25.00%	4
On-Site Convenience Store	12.50%	2
Whirlpool Suites	6.25%	1
Total Respondents: 16		

#	OTHER (PLEASE SPECIFY)	DATE
1	N/A	10/19/2023 2:33 PM
2	If a new hotel is coming is should have all those amenities. However, the White House had all those amenities. Was it full? Or did it close because not enough customers?	10/19/2023 10:35 AM
3	Clean, affordable housing.	10/17/2023 10:43 AM
4	I'm unsure if the city needs a branded hotel as I'm unsure of the current vacancy of the White House. A branded hotel owner must pay franchise fees and is also forced to remodel (cost) every so often. Depending on vacancy rates, this can make the facility less profitable. Maybe an unbranded hotel would be better suited and cost less and serve a different customer (construction workers, rate sensitive etc.). The White House is already branded as a Ramada and likely serves more business travelers, vacationers etc..	10/16/2023 2:45 PM

Q12 Please take a moment to tell us what you feel are the benefits of living or working in this community.

#	RESPONSES	DATE
1	Outdoor recreational opportunities.	10/30/2023 10:59 AM
2	Great Outdoors, close to recreation. (There are now 5 miles of very nicely done mountain bike trails behind the armory. I travel to other communities to mountain bike every other weekend, and these are worth a day trip for people from Madison....but nobody knows it) Sense of community and belonging, one feels you can make a difference professionally and personally. Fast commute....my peers in larger cities have 30-40 min commutes...mine is 3 mins from just outside city limits. Lots to do in the area IF you know where to look (APT, Music Gardens, Wineries, festivals, and so forth)	10/25/2023 7:21 AM
3	Rural, safe, clean, low cost of living, beautiful.	10/23/2023 3:00 PM
4	Neighborliness, easy access to destinations, beautiful natural area, strong work ethic. Good health care services!	10/20/2023 7:26 AM
5	Safe, stable community with a lot of caring and good people.	10/19/2023 3:13 PM
6	We have a beautiful community. However, the problem in moving this community forward has always been the lack of unity in our direction. We have had folks get on the Frank Lloyd Wright movement, or Orange Street, or round-about. We need to work together to create positive change moving forward. No one will want to come to our community if we don't start acting and looking like a community to be envious of.	10/19/2023 3:09 PM
7	Low crime and beautiful country side	10/19/2023 2:33 PM
8	My wife & I bike ride nearly daily when the weather allows. However, we never use the bike trail, because it's in horrible condition. We bike on the road. The benefits of this community is the rural atmosphere.	10/19/2023 10:35 AM
9	People look out for each other.	10/19/2023 10:25 AM
10	Decent people	10/19/2023 10:16 AM
11	Rural. Quiet neighborhoods. Safe neighborhoods.	10/19/2023 9:00 AM
12	Small community.	10/17/2023 10:43 AM
13	Rural and scenic with small town values.	10/16/2023 2:45 PM
14	It is a quiet, safe and a small.	10/16/2023 12:40 PM
15	Enjoy the rural area, small town feel. We know our neighbors and help each other. Smaller class sizes in our schools. Lower crime rates.	10/15/2023 7:15 PM

Q13 Please take a moment to tell us what you feel are the challenges of living or working in this community.

#	RESPONSES	DATE
1	Poor rural county in southwest Wisconsin.	10/30/2023 10:59 AM
2	Lack of growth and workforce in the community will eventually kill off some employers, as growing industrial and agricultural demand can not be met today. All businesses are struggling to hire enough people and there isn't much drawing people in or housing for people. If business can't hire, the jobs will go (and are) elsewhere. While it's hard to hire hourly workers, it's nearly impossible to attract professional level workers to the area due to lack of amenities and housing. I had a manager position on my team, this is a very well compensated position, that sat vacant for 9 months because I could not convince candidates to move to Richland Center. Personally, there isn't many dining options in RC to keep dollars in the community. My wife and I typically travel outside of the community for Steaks, Fine Dining, Drinks. Shopping for essentials is fine in RC.	10/25/2023 7:21 AM
3	lack of growth. lack of size to support a variety of restaurant and amenity options. lack of people to hire.	10/23/2023 3:00 PM
4	Fair amount of poverty. Lack of grocery store. RC school doesn't have strong reputation Shortage of housing across the spectrum, contributing to a workforce shortage	10/20/2023 7:26 AM
5	It's too bad we don't have any other options to shop for food other than Wal-Mart. Also concerned for many of our local non-profit organizations, as several of the volunteers are retiring/aging and I'm not see a lot of younger people willing to participate/volunteer their time	10/19/2023 3:13 PM
6	I think I stated this all in number 12.	10/19/2023 3:09 PM
7	None	10/19/2023 2:33 PM
8	Getting this community to use my business. Even though I am price competitive and have the nicest and newest facility in the area.	10/19/2023 10:35 AM
9	We struggle with potential change and the idea that someone who isn't 'one of us' might make money even if they are the one's willing to invest.	10/19/2023 10:25 AM
10	Housing	10/19/2023 10:16 AM
11	Employment opportunities and available housing.	10/19/2023 9:00 AM
12	limited options for food, clothing especially for those that lack reliable transportation, Elderly etc.	10/17/2023 10:43 AM
13	Size limits choices along with distance from a major interstate. Housing has always been an issue with the majority of new construction happening outside of the city where taxes are much cheaper. RC schools do not have a good reputation. The question of what comes first, economic development or housing has always been an issue. I think it has to be economic development first with the city assisting in drawing some major business's to the area. A bigger tax base means more development and housing will then come.	10/16/2023 2:45 PM
14	Shopping	10/16/2023 12:40 PM
15	Lack of shopping and restaurant options. Lack of good high speed internet in rural areas.	10/15/2023 7:15 PM

Q14 Please list the top three things you wish your community had to offer you or visitors. Examples would include but not be limited to; Recreations Center, Sit-down Restaurant, Fast Food Restaurant, Convenience Store, Community Pool, and so on.

#	RESPONSES	DATE
1	Grocery Store, Restaurant - supper club	10/30/2023 10:59 AM
2	1) Better Organization and Information of outdoor family activities (cycling, hiking, Kayaking, horse back riding, fly fishing) - As a local, I know this stuff and road cycling is starting to attract people from the Madison. However, there isn't much organized promotion. Moreover, targeted and well-promoted outdoor events would be nice. My family travels nearly weekly in the summer for running, cycling, mountain biking events....all of which happen in towns with less natural features or infrastructure than RC has. 2) Better Dining Options - Visitors who are Vegan or clean options are out of luck, this has made for more than a few odd executive lunches at RA. One also needs to travel for a steak, with Spring Green being the closest. The family restaurant is good for locals but way too loud and causal for business. A nice brew-pub would be a great option, many people travel to Hillsboro, Baraboo, or Sauk for this. At current, the only "dine-in" experience in RC that I'm comfortable taking an executive to is Los Amigo's for lunch, and there is no option to take an executive to dinner in RC that I would feel comfortable with, so we typically travel to Spring Green.	10/25/2023 7:21 AM
3	1) Food/Restaurants 2) ? 3) ?	10/23/2023 3:00 PM
4	Nightlife (not having streets look empty at 9 PM) Events (something to do for both families and friends) Cultural Programming	10/20/2023 8:07 AM
5	Grocery store with fresher produce; Restaurant similar to Driftless Cafe in Viroqua;	10/20/2023 7:26 AM
6	Grocery Store Supper Club more housing developments	10/19/2023 3:13 PM
7	Nice restaurant. It amazes me how many other communities have nice places to eat. Alternative to Walmart for groceries is number two. Finally, we need a better image as the best place around.	10/19/2023 3:09 PM
8	Lodging Grocery Store	10/19/2023 2:33 PM
9	Grocery store options, grocery store, grocery store. Upgraded bicycle trail.	10/19/2023 10:35 AM
10	Grocery store Restaurants open after 4 pm	10/19/2023 10:25 AM
11	Somewhere to eat besides a bar or mexican	10/19/2023 10:16 AM
12	Sit-down restaurant Grocery store	10/19/2023 9:00 AM
13	Another grocery store option Clothing or shoe store More sit down restaurants	10/17/2023 10:43 AM
14	hunting, fishing, pool	10/17/2023 9:53 AM
15	Decently maintained city streets, good schools and lower taxes	10/16/2023 2:45 PM
16	In door playgrounds, Arcade, mini golf, more activities for young children and families to do, in the winter months.	10/16/2023 12:40 PM
17	Sit down restaurants More fast food chains Grocery store high speed internet access throughout the county	10/15/2023 7:15 PM

Q16 Additional Comments or Contacts you'd recommend us speaking to?

#	RESPONSES	DATE
1	-	10/23/2023 3:00 PM
2	Could RC become more of a destination for events such as weddings with more lodging? probably. Talk to those event sites. American Players Theater?	10/20/2023 7:26 AM
3	I appreciate you exploring ways to enhance our community.	10/19/2023 3:09 PM
4	Marty Richards tourist guide	10/19/2023 2:33 PM
5	I would like to see a nicer grocery store, however, an Aldi's is one of the few grocery stores that could actually compete with Walmart. That would be the one I would suggest and I believe the one that could succeed.	10/19/2023 10:35 AM
6	Personally it seems that the city shouldn't be doing the research on whether a hotel is viable for the city. This is the responsibility of the private investor. If they are serious they will do this homework and not rely on information from the city.	10/16/2023 2:45 PM
7	At least 2 times a year we need a space for large gatherings for events such as Christmas parties. We've been meeting in areas such as Spring Green as we need meals provided. Will this hotel accommodate large gatherings such as weddings or school sponsored events like prom? On another note - affordable housing is still an issue that RC needs to address. We lack suitable homes for young families. Increase our population size should be a priority as not only does that have a direct impact on our tax base but for businesses to want to invest in RC, we need to increase our population to show growth and sustainability. Thank you for doing this survey!	10/15/2023 7:15 PM

APPENDIX TWO

PRIMARY COMPETITIVE SET ANALYTICS

SAMPLE

Search Analytics

INVENTORY ROOMS
789 +27.3%
Prior Period 620

UNDER CONSTRUCTION ROOMS
0 -100.0%
Prior Period 169

12 MO OCC RATE
52.0% -2.7%
Prior Period 53.4%

12 MO ADR
\$129 +0%
Prior Period \$129

12 MO REVPAR
\$67 -2.7%
Prior Period \$69

MARKET SALE PRICE/ROOM
\$62.8K +8.5%
Prior Period \$57.9K

MARKET CAP RATE
9.8% +0.3%
Prior Period 9.5%

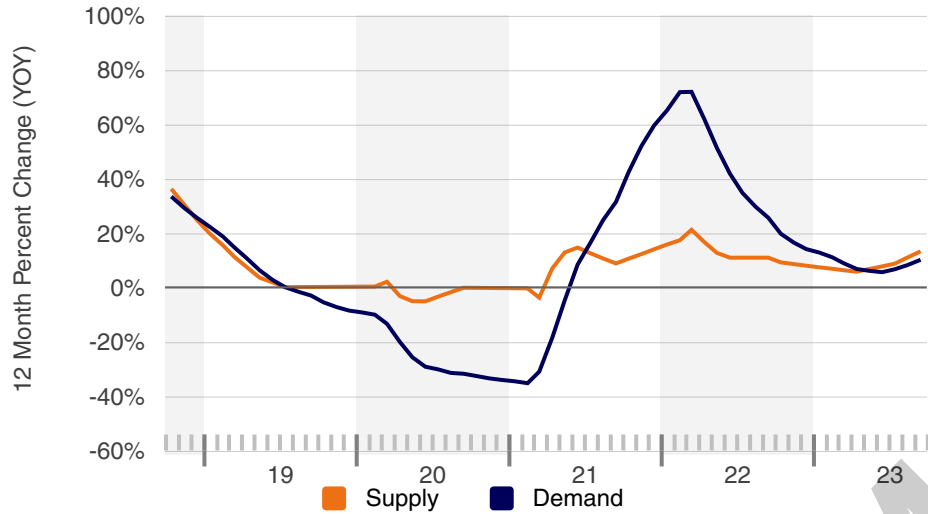
Key Metrics

Inventory		Sales Past Year	
Existing Properties	8 ↑	Sales Volume	\$0 ↓
12 Mo Delivered Rooms	169 ↑	Properties Sold	0 ↓
12 Mo Delivered Properties	2 ↑	Months to Sale	-
12 Mo Recently Opened Rooms	169 ↑	Average Price Per Building	-
12 Mo Recently Opened Properties	2 ↑	Market Price Per Room	\$62.8K ↑
Under Construction Properties	0 ↓	Market Cap Rate	9.8% ↑

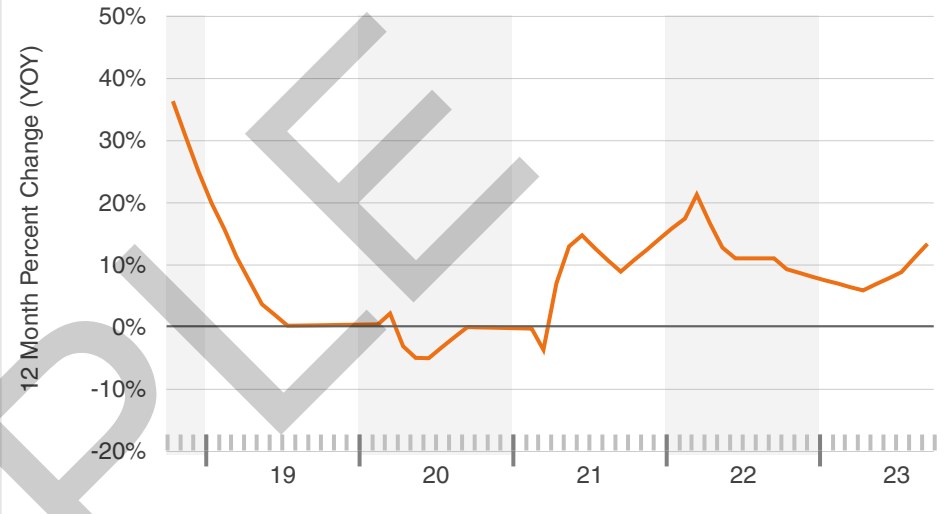
Performance Trend	
Occupancy Rate	57.5% ↓
Average Daily Rate	\$125.65 ↓
Revenue Per Available Room	\$72.29 ↓
YTD Occupancy Rate	53.6% ↓
YTD Average Daily Rate	\$131.73 ↓
YTD RevPAR	\$70.66 ↓
3 Mo Occupancy Rate	63.0% ↓
3 Mo Average Daily Rate	\$143.54 ↓
3 Mo RevPAR	\$90.38 ↓
12 Mo Occupancy Rate	52.0% ↓
12 Mo Average Daily Rate	\$128.89 ↑
12 Mo RevPAR	\$66.98 ↓

Search Analytics

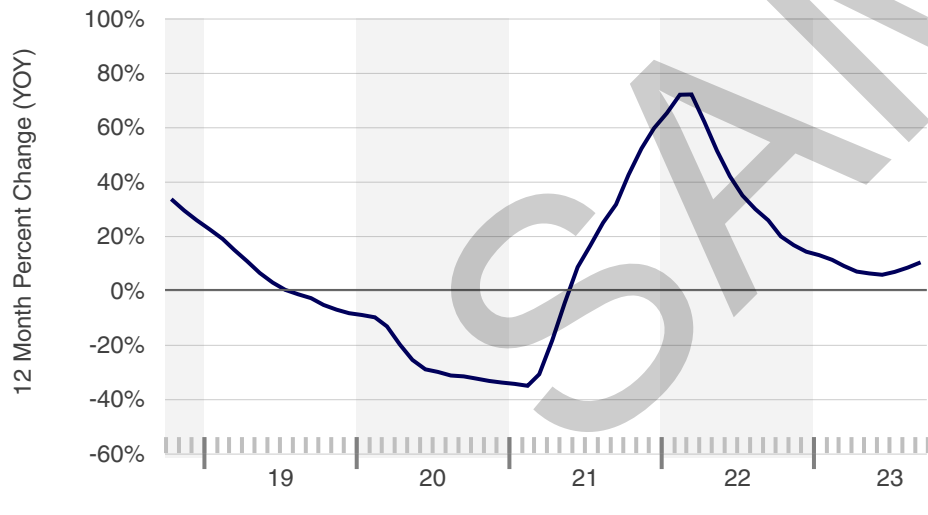
Supply & Demand Change



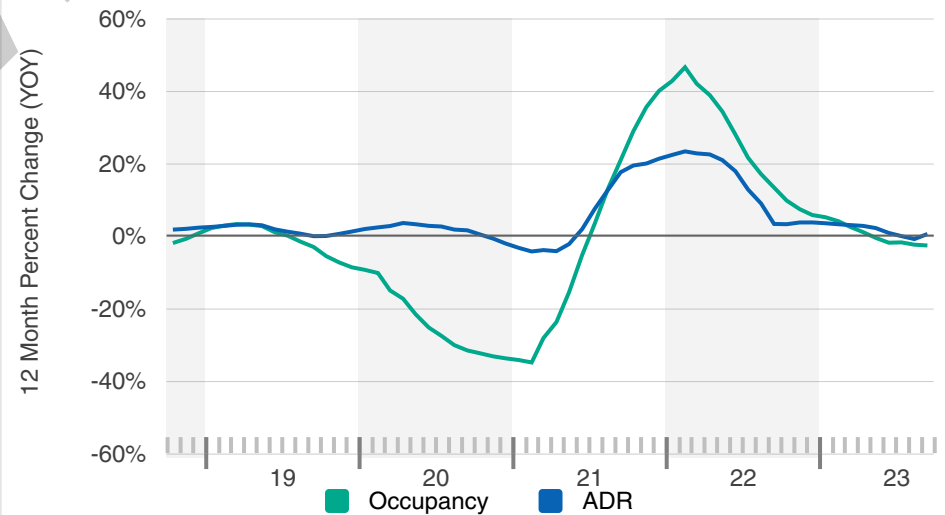
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Demand Change

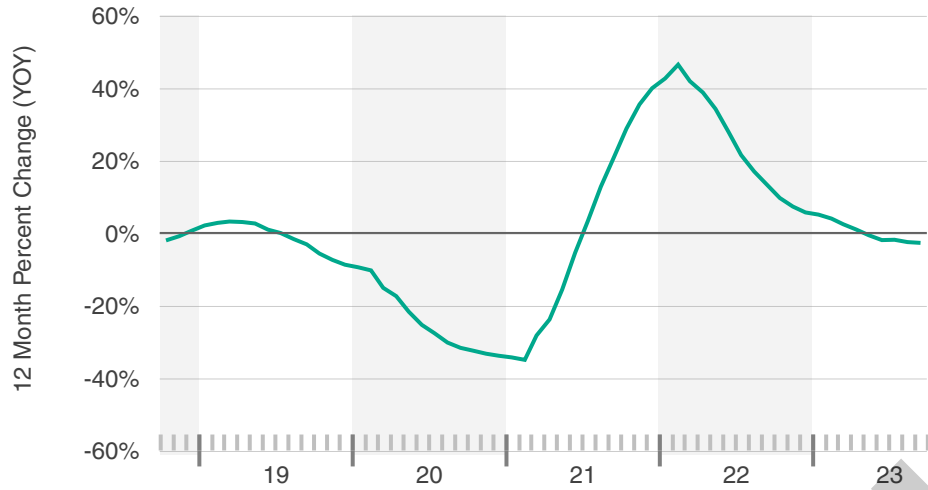


Occupancy & ADR Change

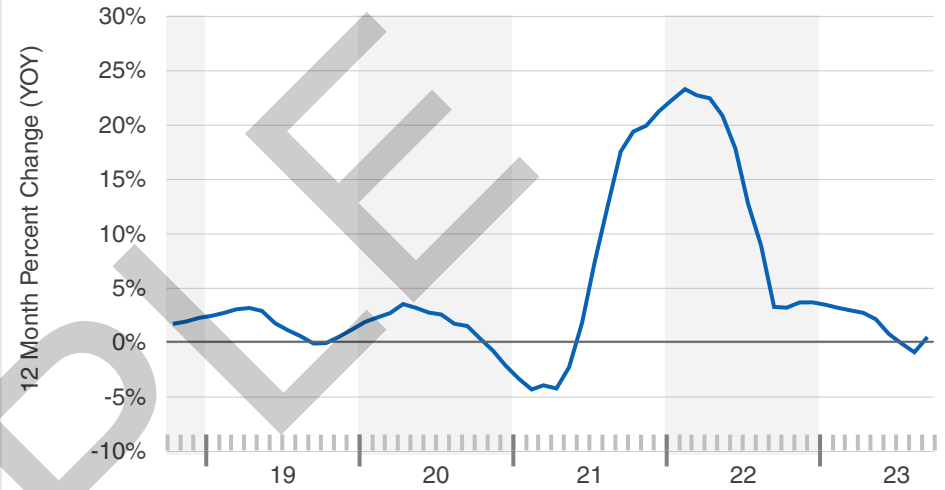


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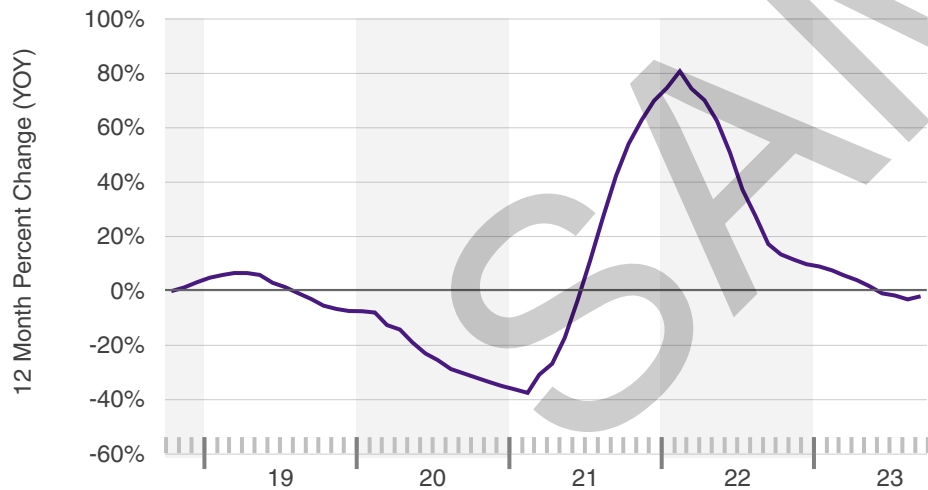
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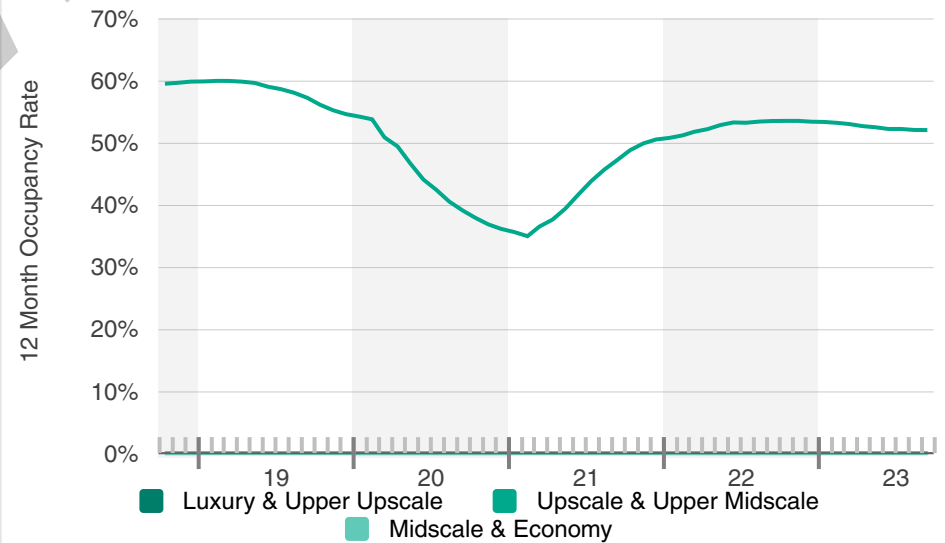
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RevPAR Change

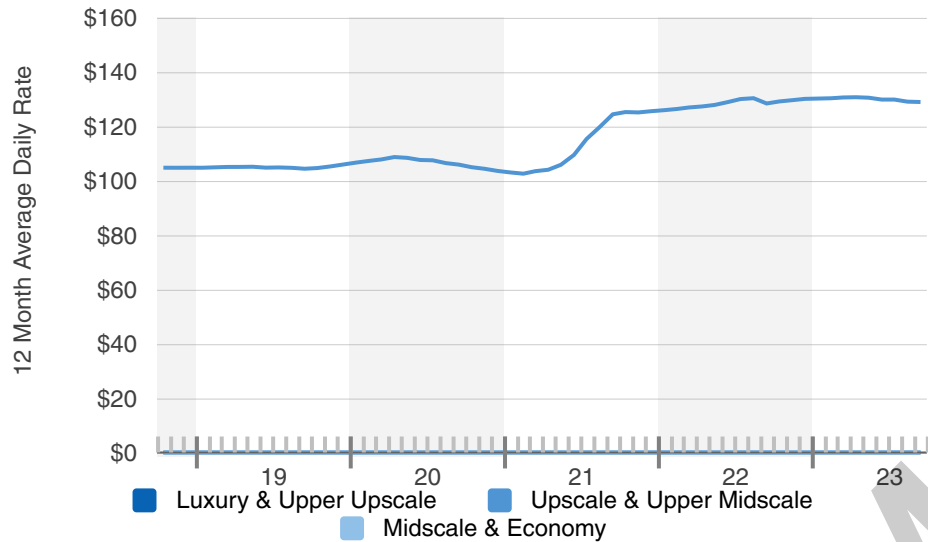


Occupancy By Class

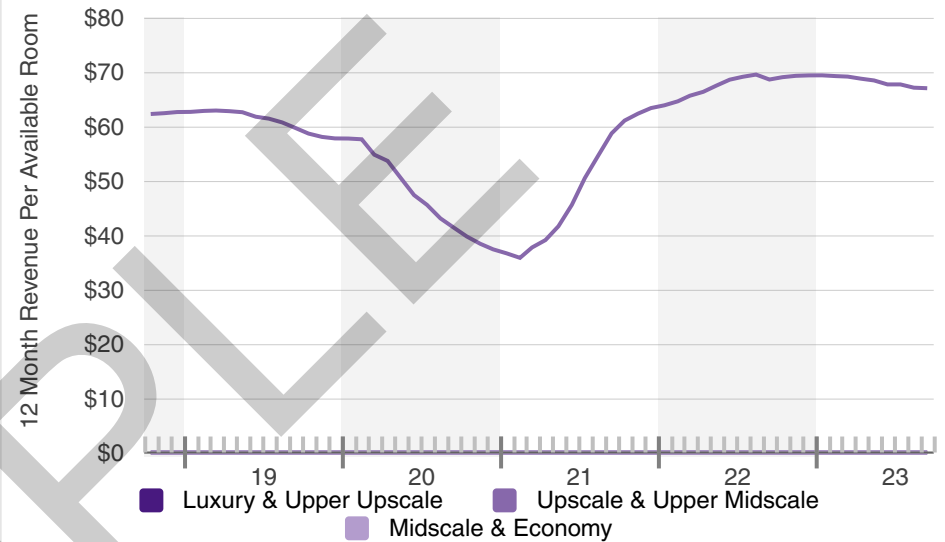


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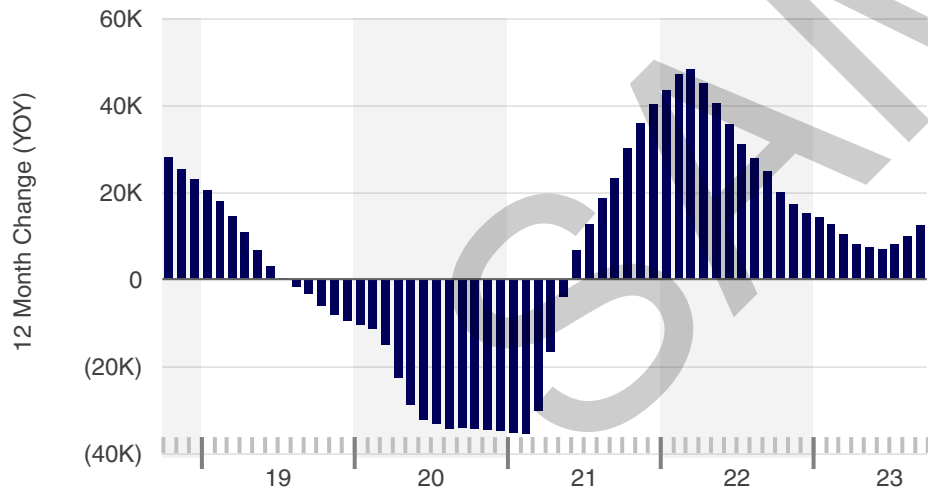
ADR By Class



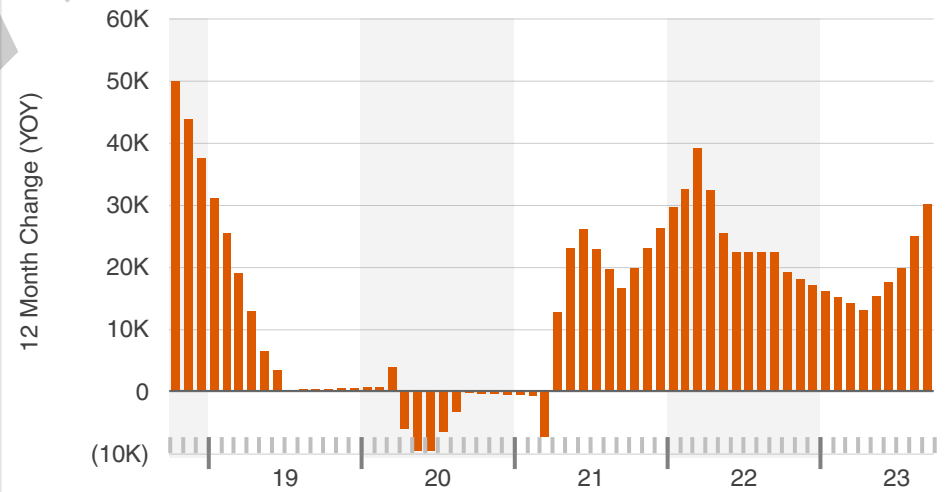
RevPAR By Class



Demand Change

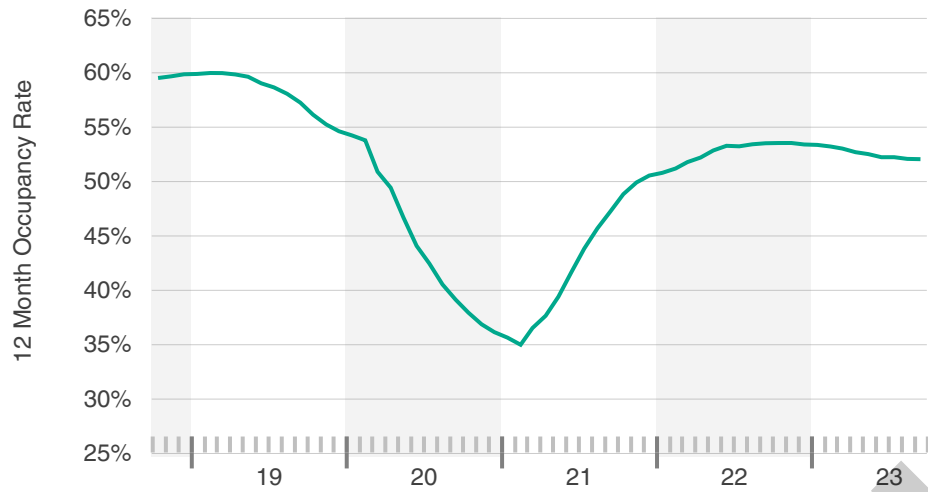


Supply Change

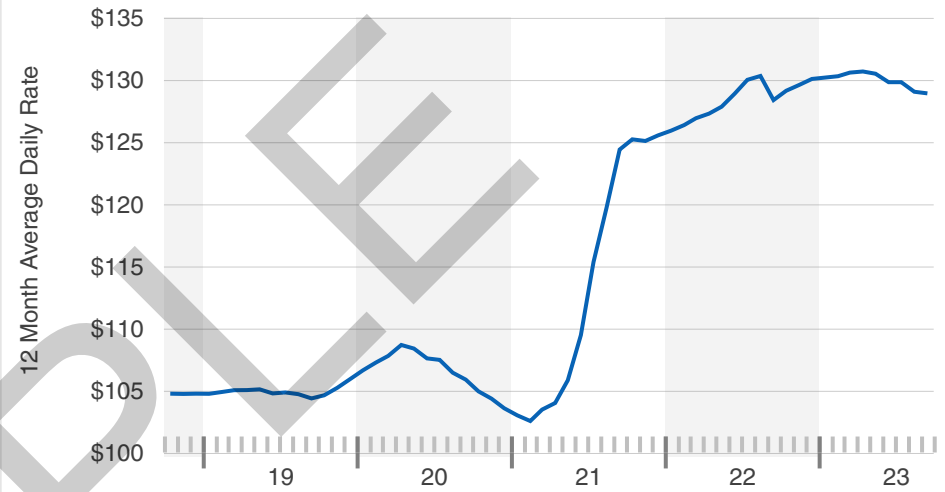


Search Analytics

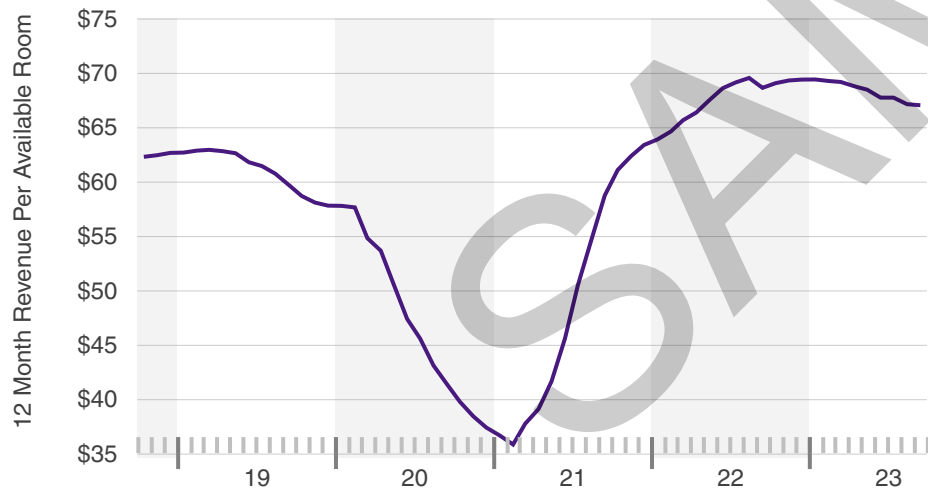
Occupancy



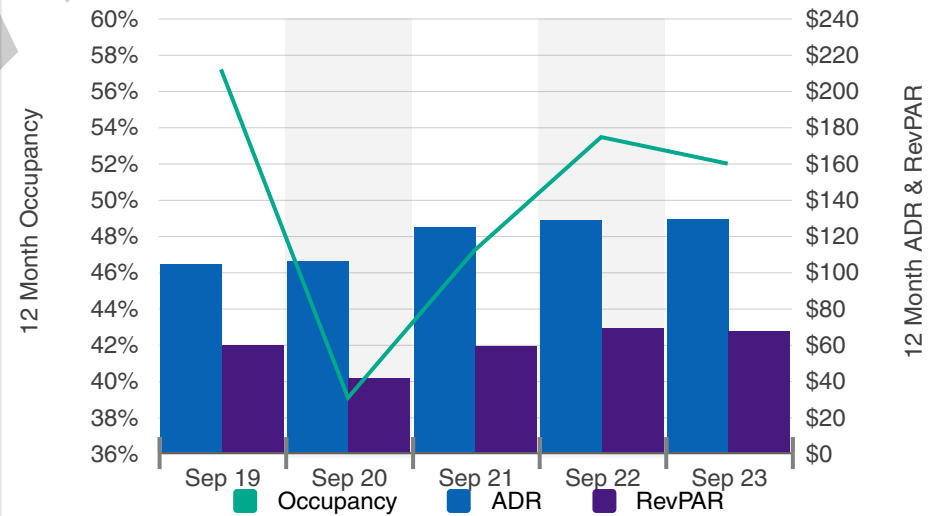
ADR



RevPAR

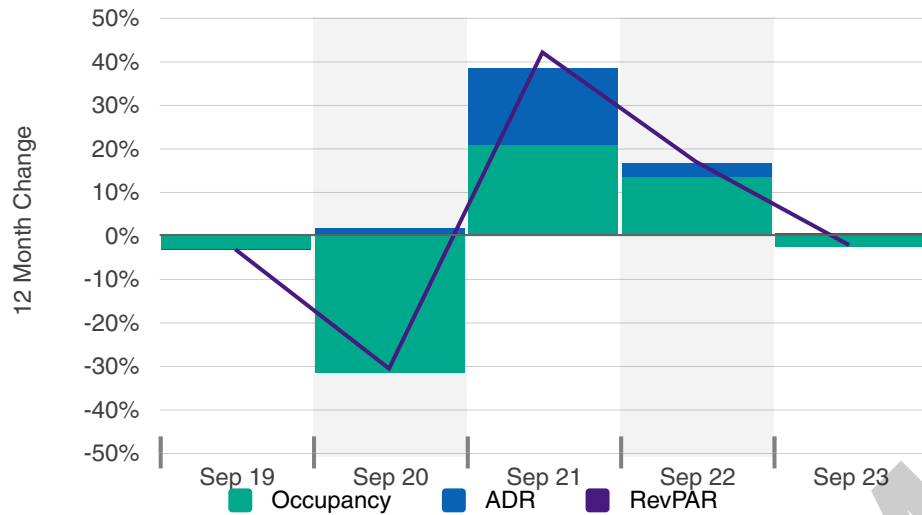


Occupancy, ADR & RevPAR

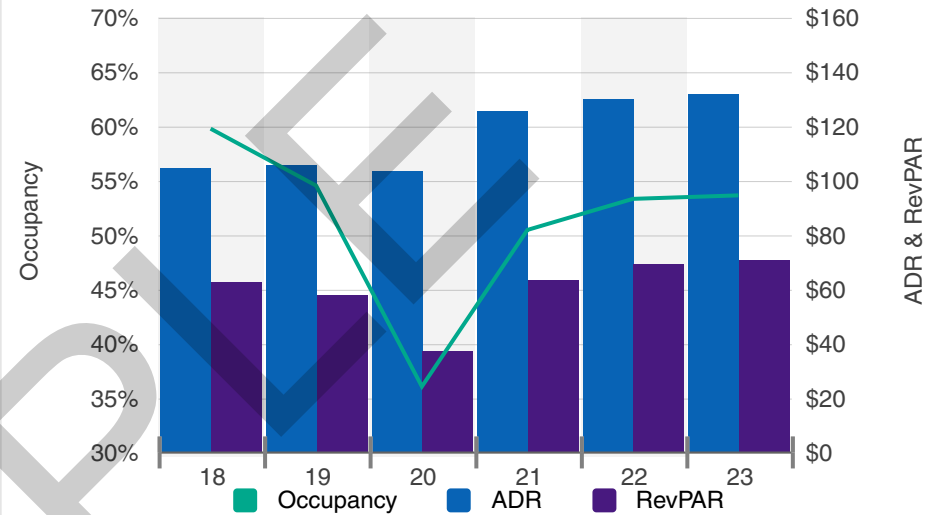


Search Analytics

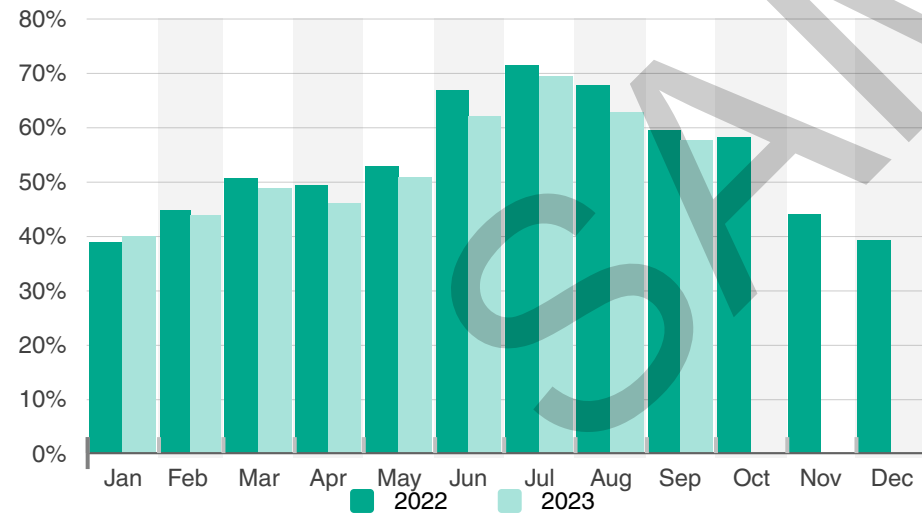
RevPAR Growth Composition



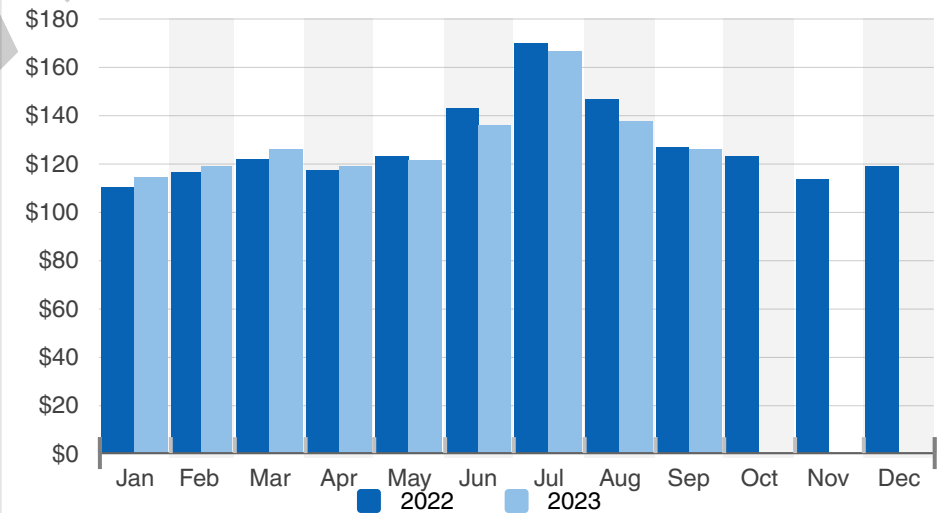
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

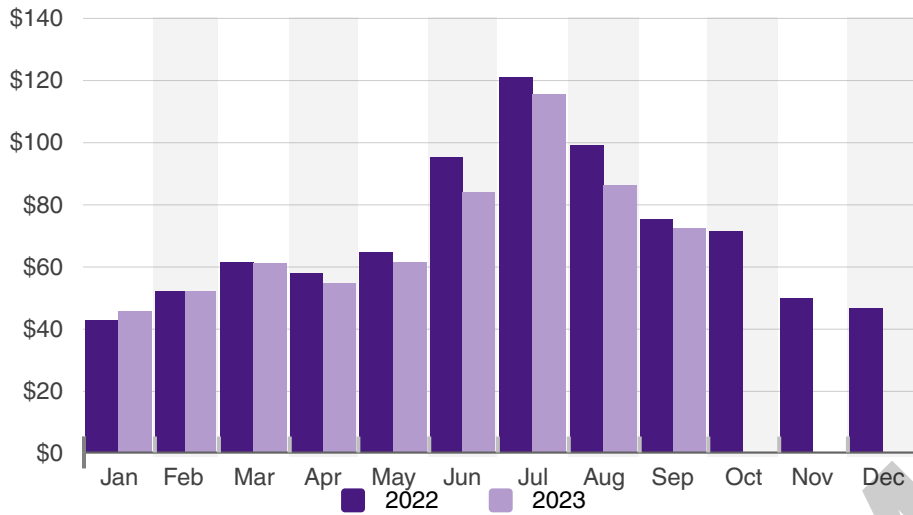


ADR Monthly

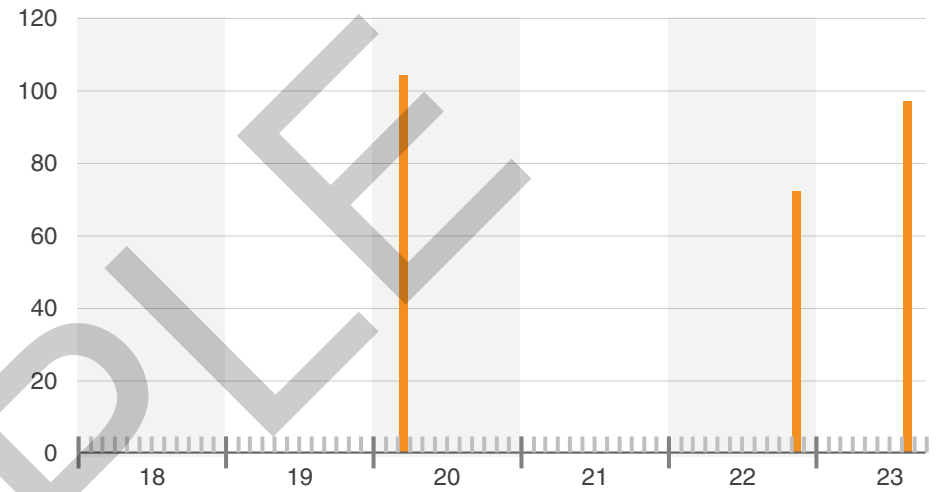


Search Analytics

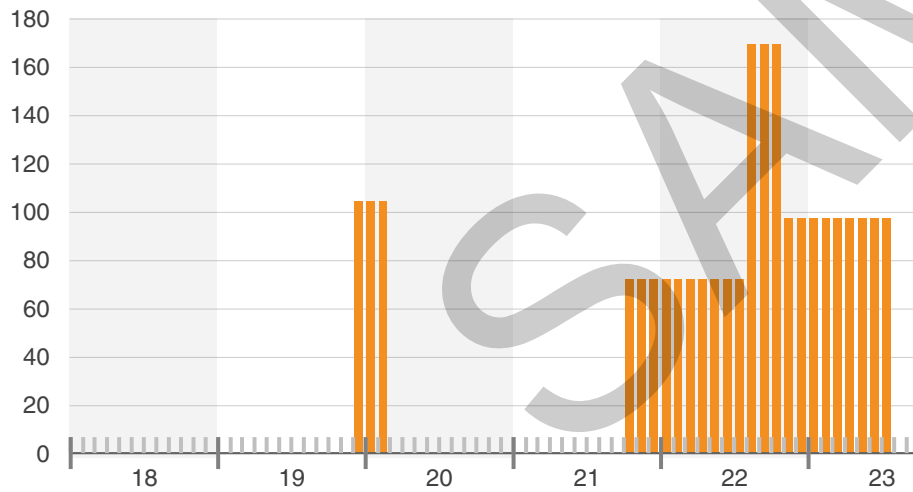
RevPAR Monthly



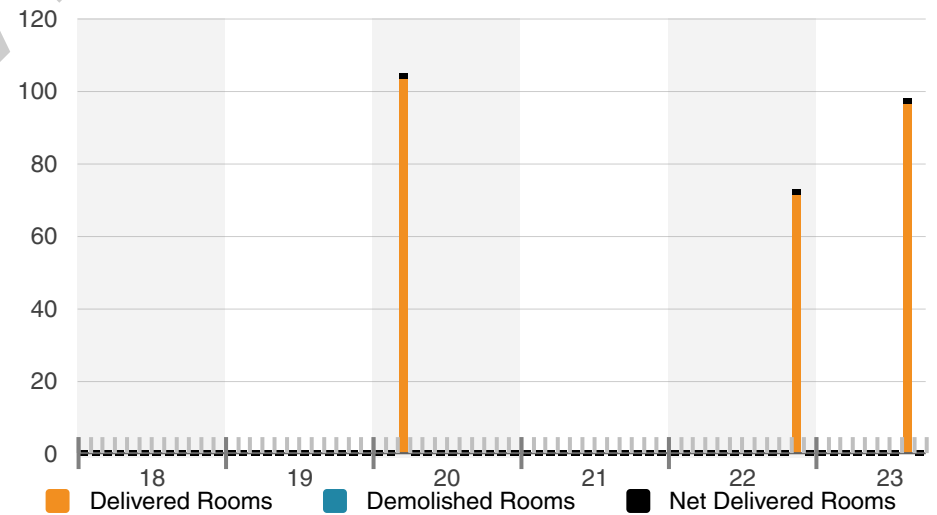
Rooms Delivered



Rooms Under Construction

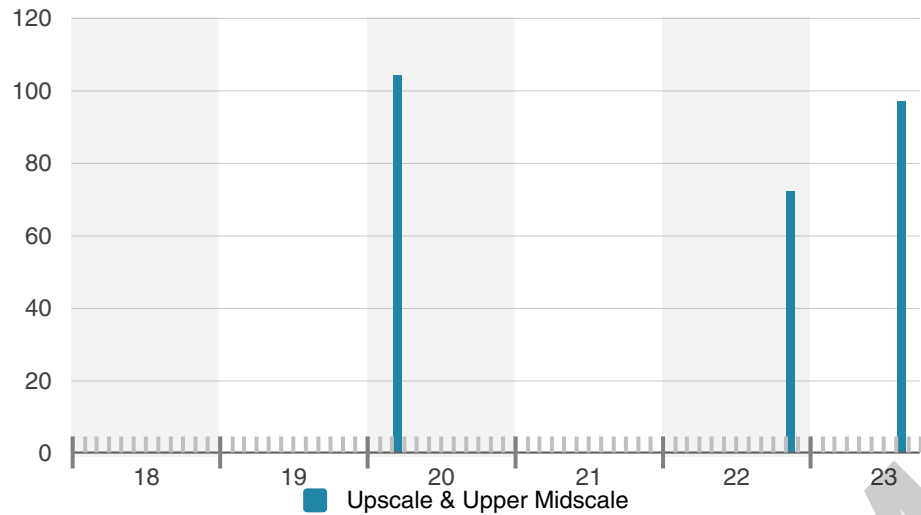


Delivered, Demolished & Net Delivered Rooms



Search Analytics

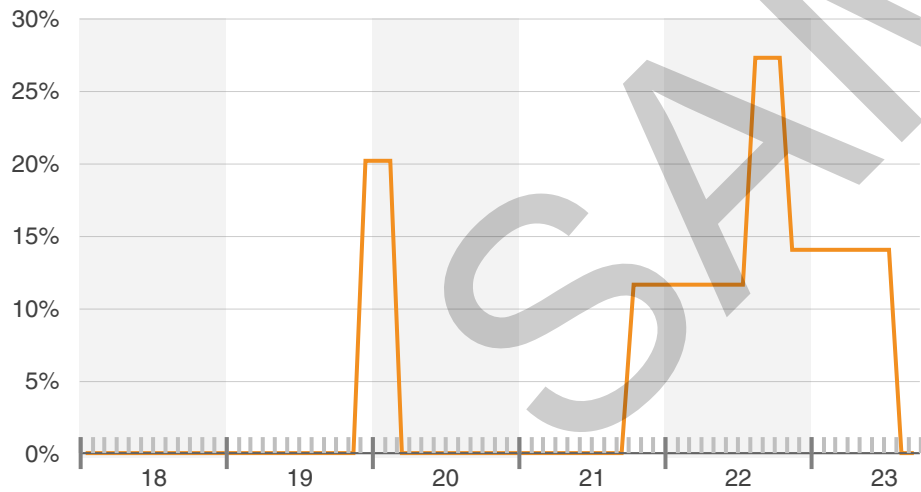
Rooms Delivered By Class



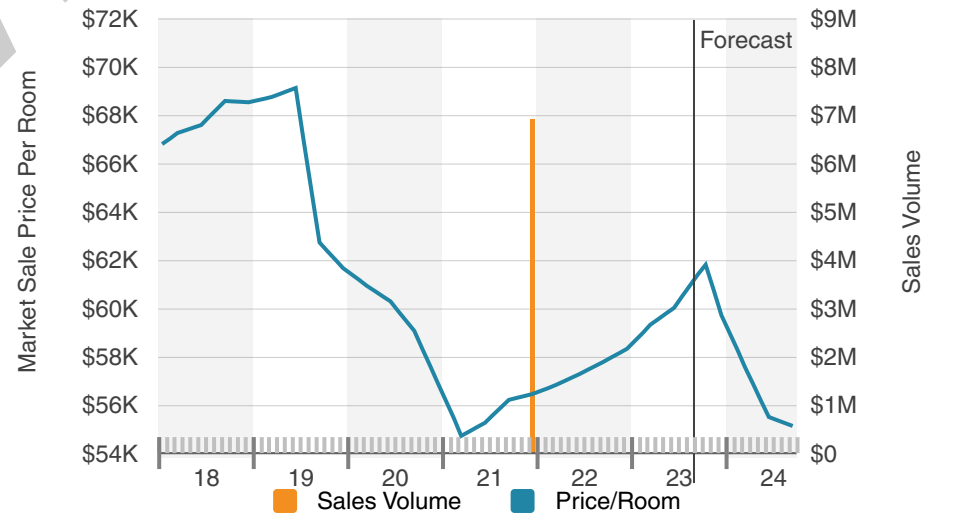
Demolished Rooms



Rooms Under Construction % of Inventory

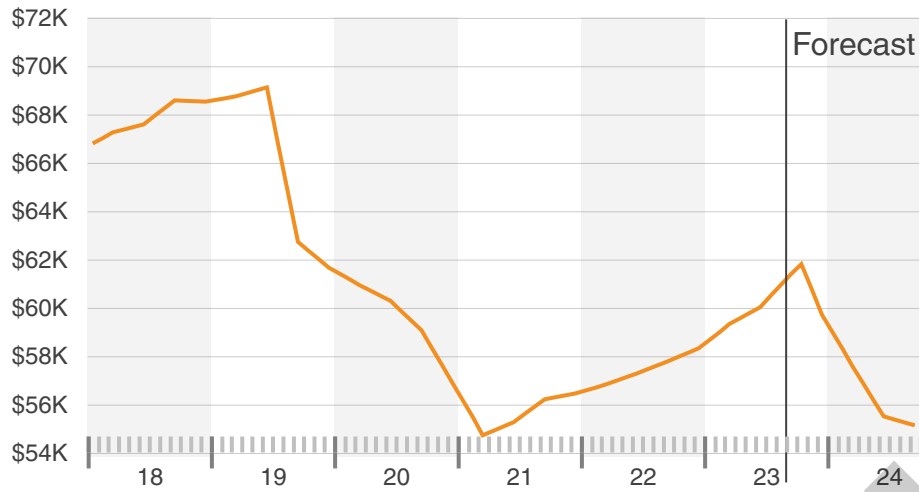


Sales Volume & Market Sale Price Per Room

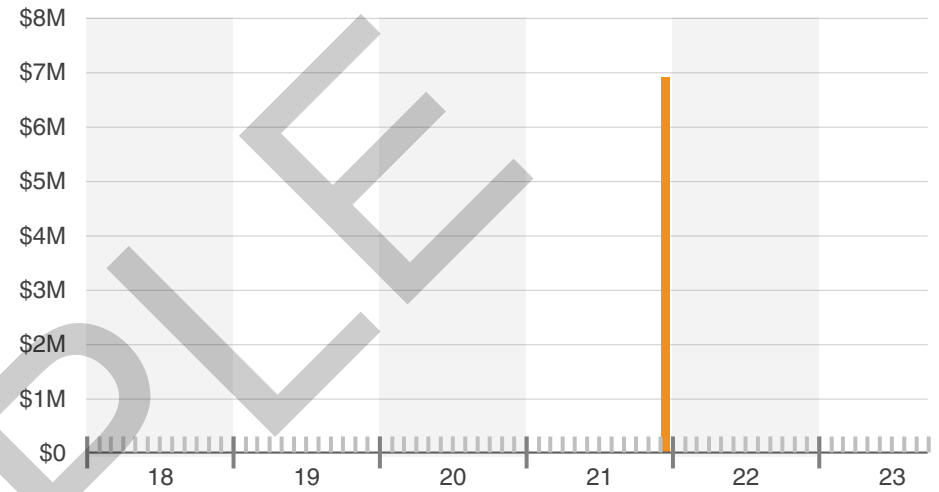


Search Analytics

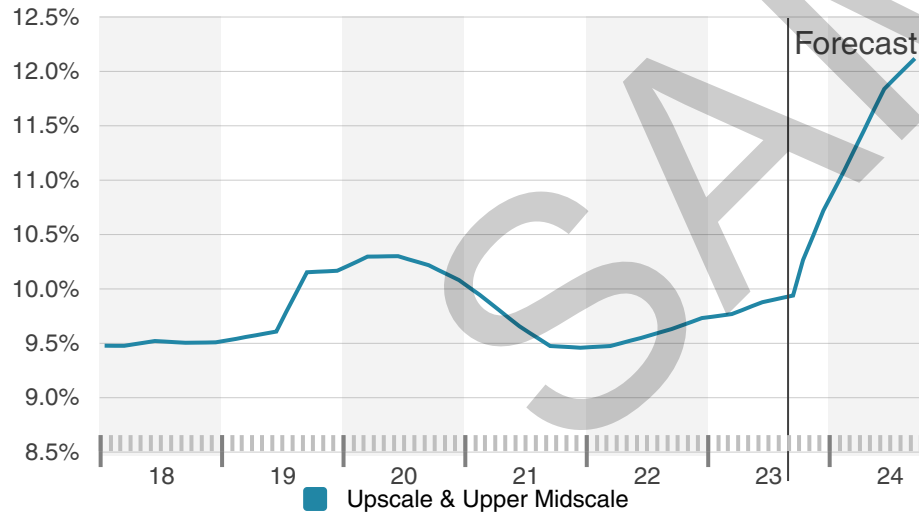
Market Sale Price Per Room



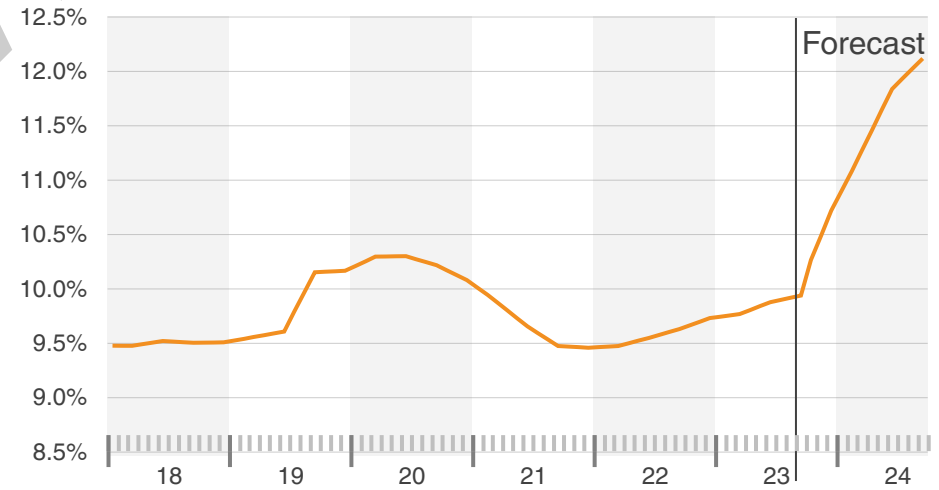
Sales Volume



Market Cap Rate By Class

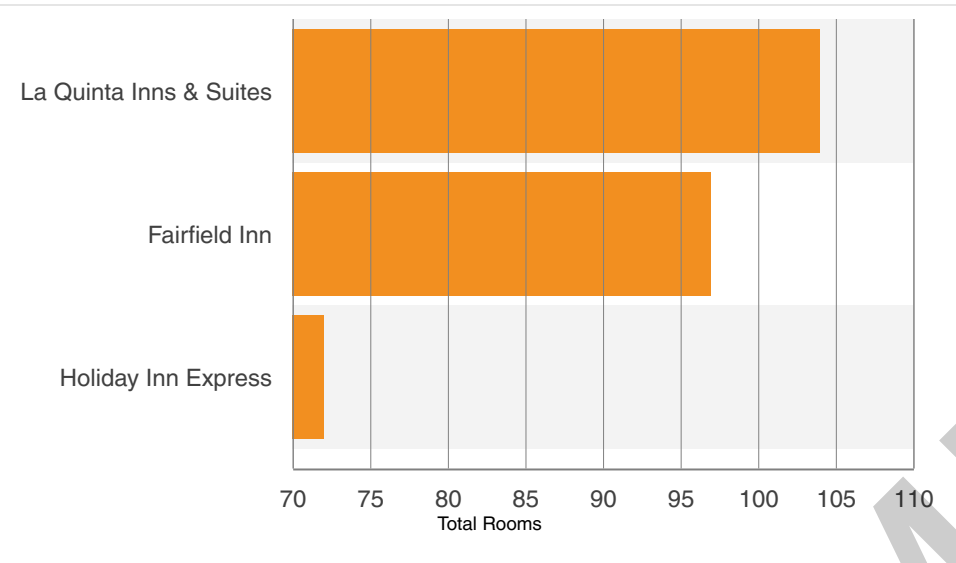


Market Cap Rate

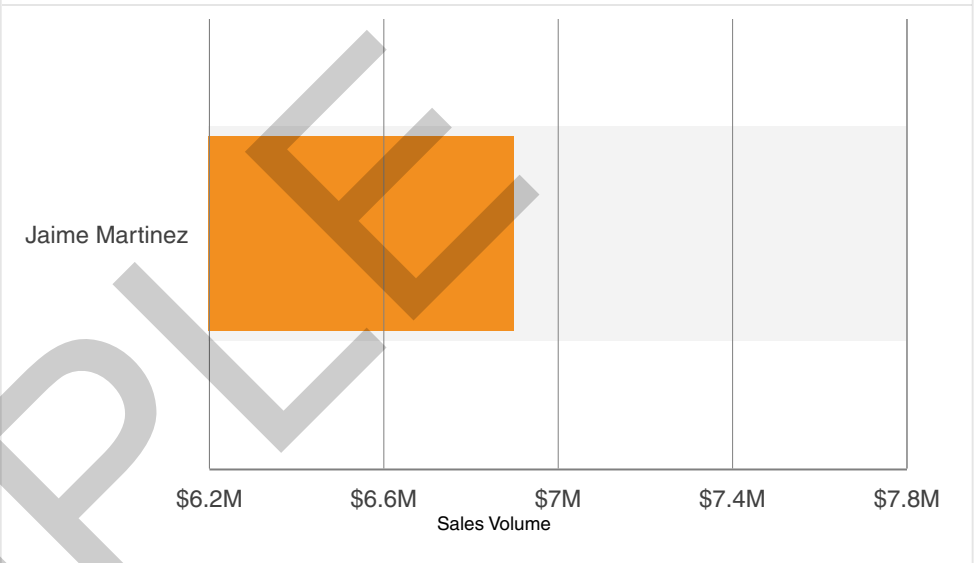


Search Analytics

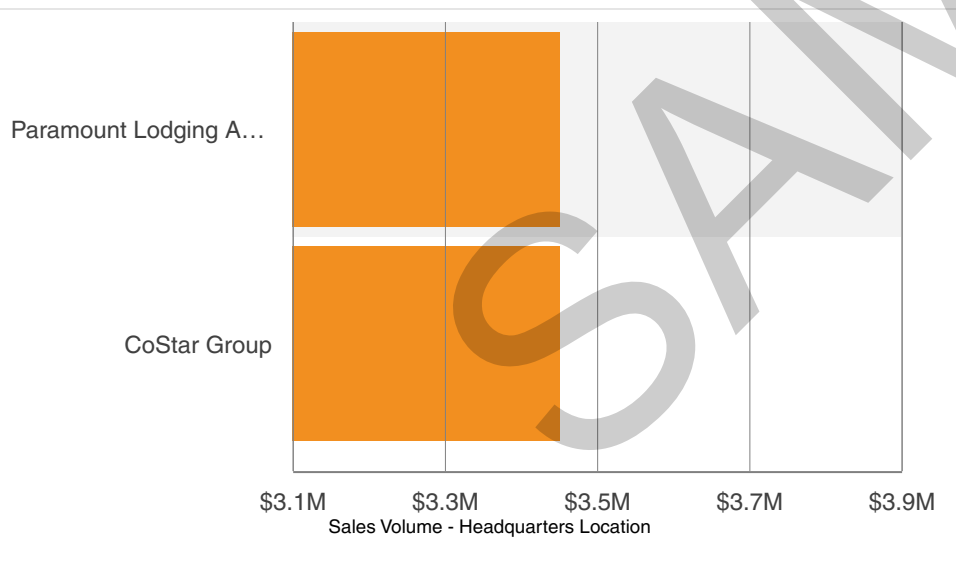
Top Brand Delivered



Top Sellers



Top Seller Brokers



Top Buyers



APPENDIX THREE

SECONDARY COMPETITIVE SET ANALYTICS

SAMPLE

Search Analytics

INVENTORY ROOMS 441 +0% Prior Period 441	UNDER CONSTRUCTION ROOMS 0 - Prior Period 0	12 MO OCC RATE 51.5% +8.9% Prior Period 47.3%	12 MO ADR \$140 +6.8% Prior Period \$131	12 MO REVPAR \$72 +16.3% Prior Period \$62	MARKET SALE PRICE/ROOM \$61.8K +11.1% Prior Period \$55.6K	MARKET CAP RATE 8.9% +0.2% Prior Period 8.7%
--	---	---	--	--	--	--

Key Metrics

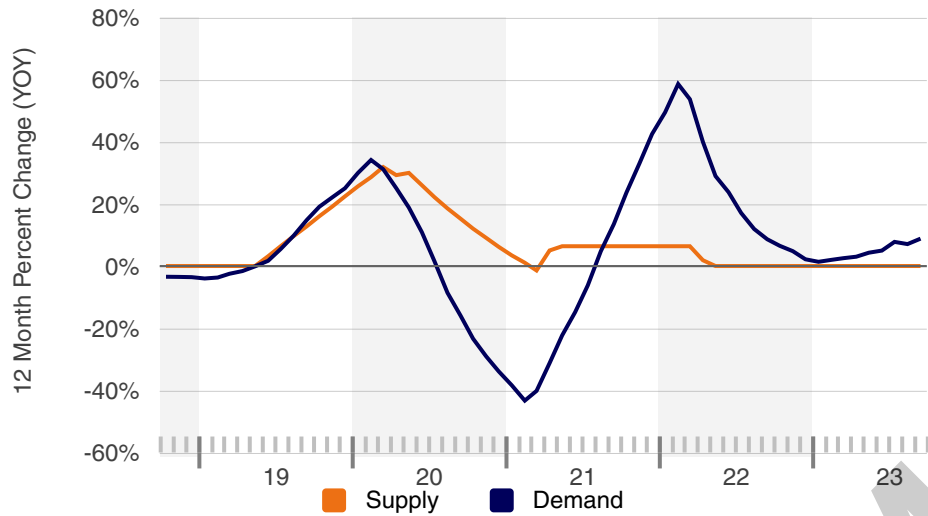
Inventory		Sales Past Year	
Existing Properties	4 ↕	Sales Volume	\$0 ↓
12 Mo Delivered Rooms	0 ↕	Properties Sold	0 ↓
12 Mo Delivered Properties	0 ↕	Months to Sale	-
12 Mo Recently Opened Rooms	0 ↕	Average Price Per Building	-
12 Mo Recently Opened Properties	0 ↕	Market Price Per Room	\$61.8K ↑
Under Construction Properties	0 ↕	Market Cap Rate	8.9% ↑

Performance Trend

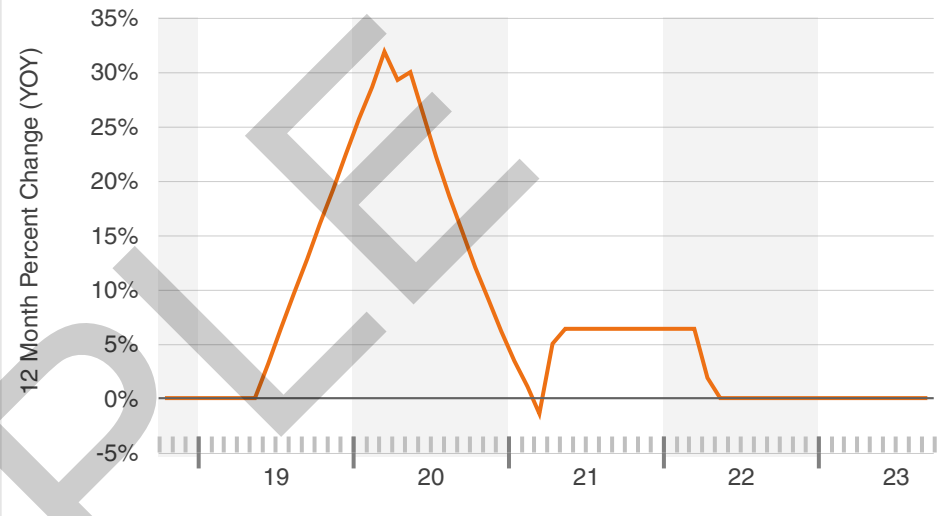
Occupancy Rate	70.7% ↑
Average Daily Rate	\$142.61 ↑
Revenue Per Available Room	\$100.88 ↑
YTD Occupancy Rate	53.7% ↑
YTD Average Daily Rate	\$145.26 ↑
YTD RevPAR	\$78.02 ↑
3 Mo Occupancy Rate	68.7% ↑
3 Mo Average Daily Rate	\$163.84 ↑
3 Mo RevPAR	\$112.52 ↑
12 Mo Occupancy Rate	51.5% ↑
12 Mo Average Daily Rate	\$139.77 ↑
12 Mo RevPAR	\$71.98 ↑

Search Analytics

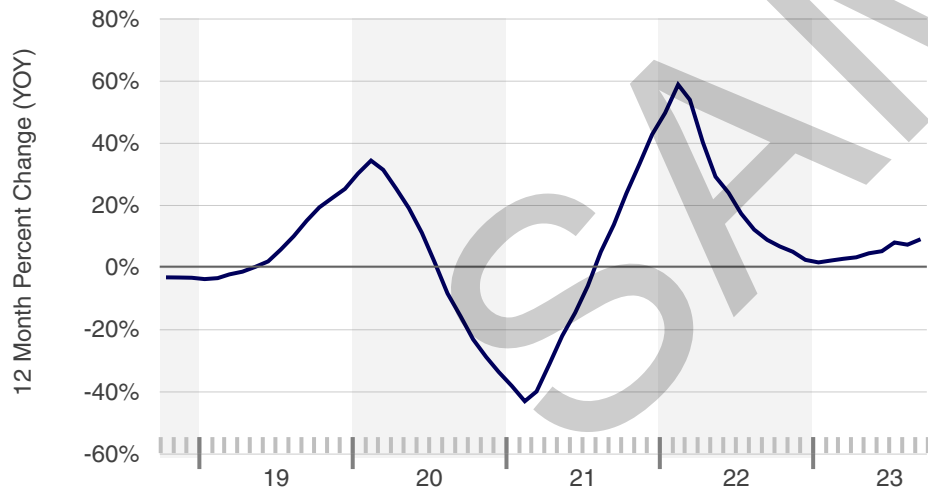
Supply & Demand Change



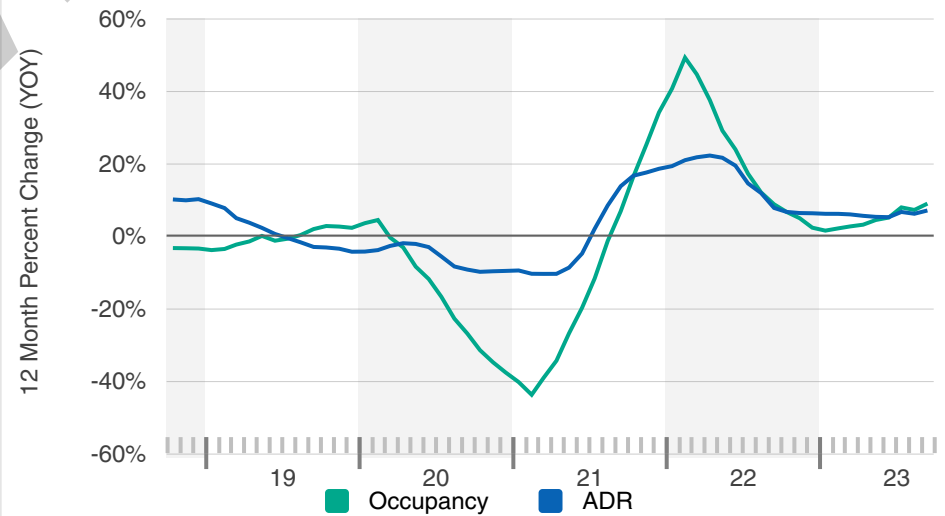
Supply Change



Demand Change

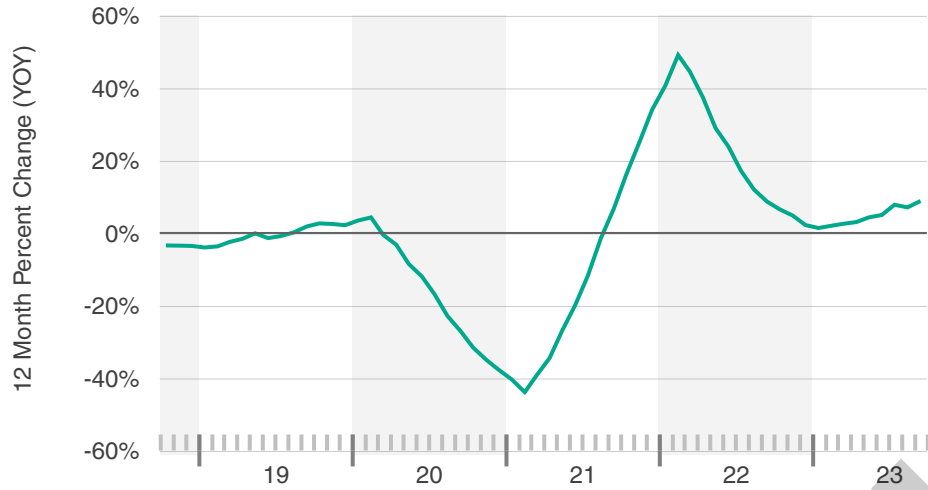


Occupancy & ADR Change

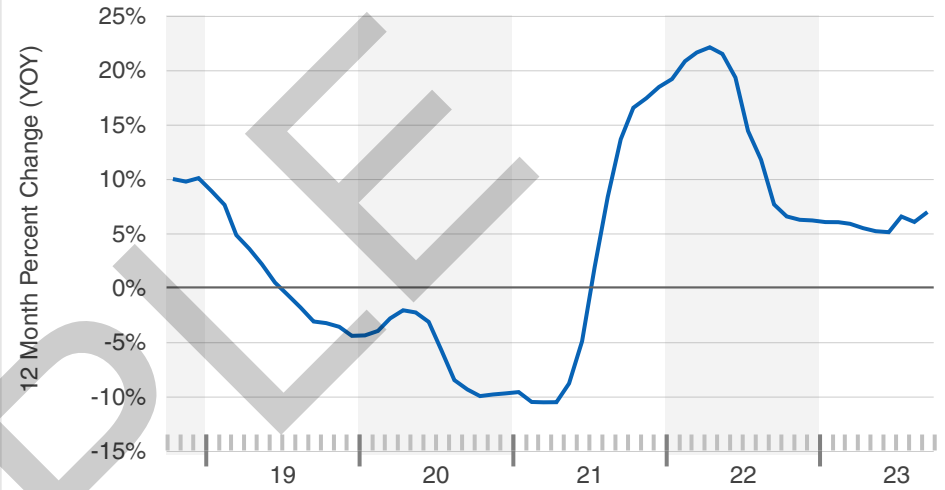


Search Analytics

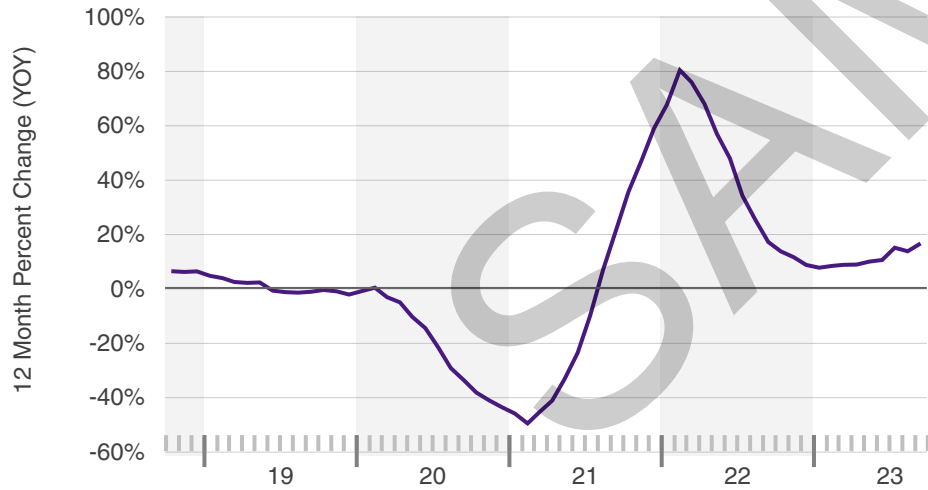
Occupancy Change



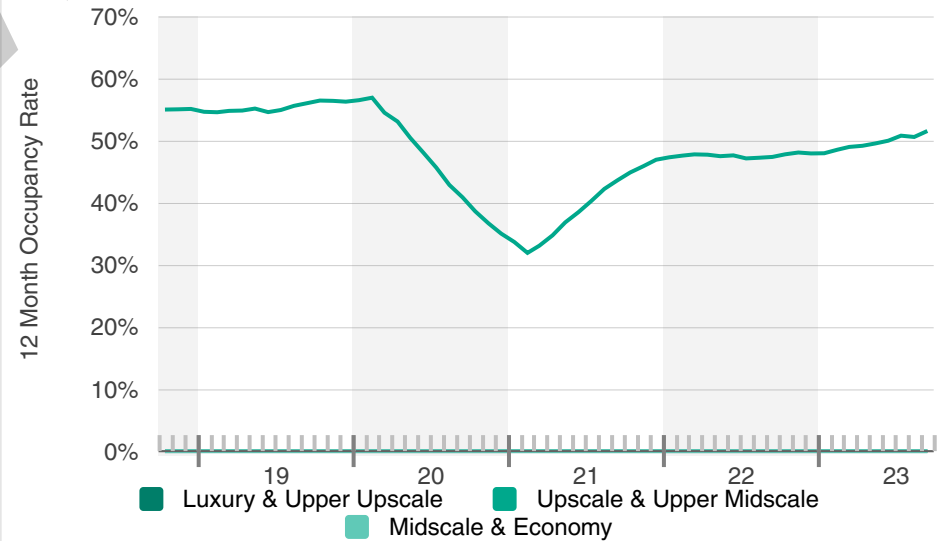
ADR Change



RevPAR Change

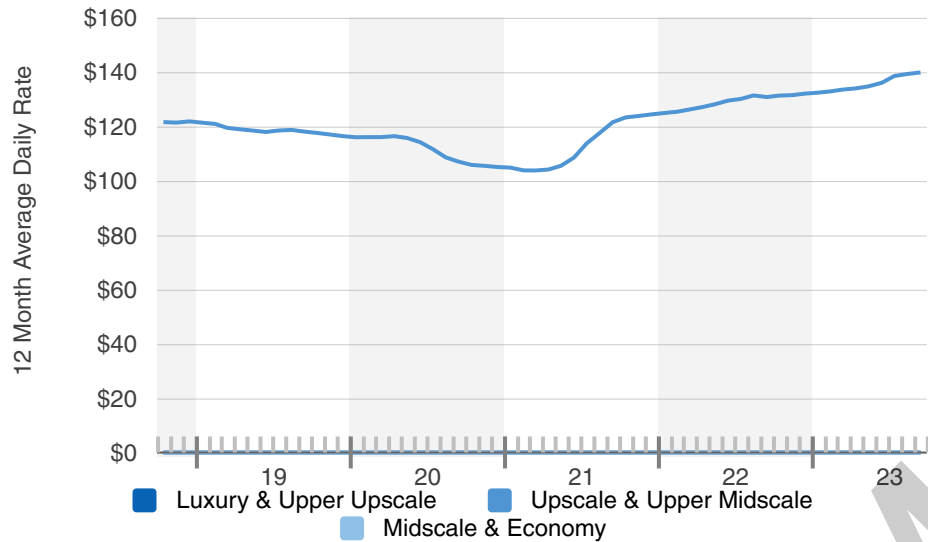


Occupancy By Class

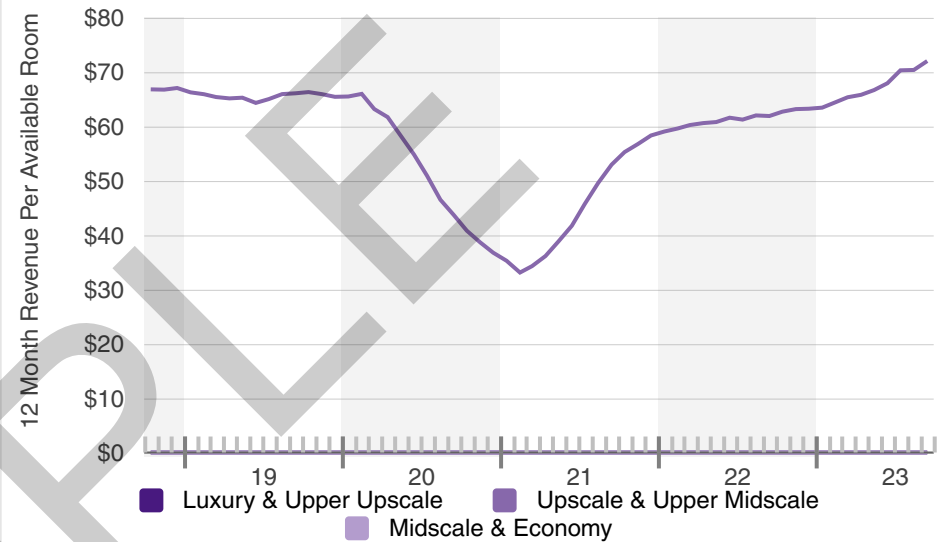


Search Analytics

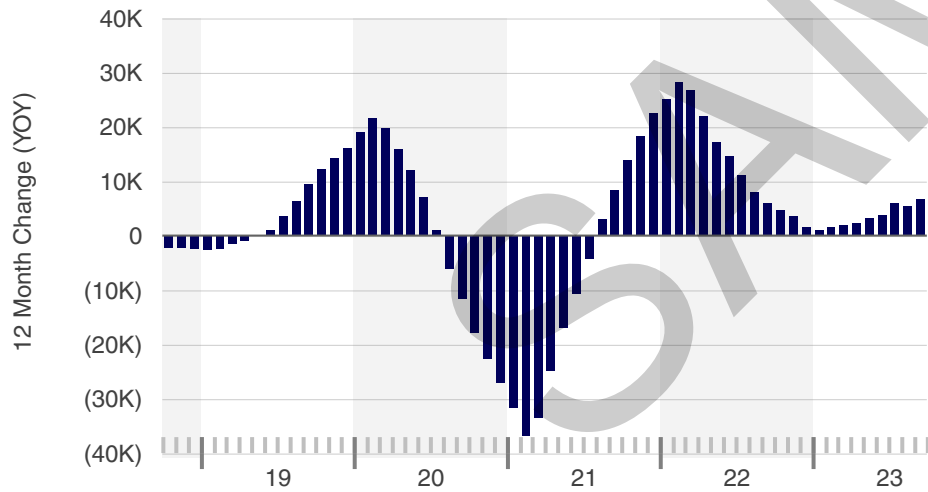
ADR By Class



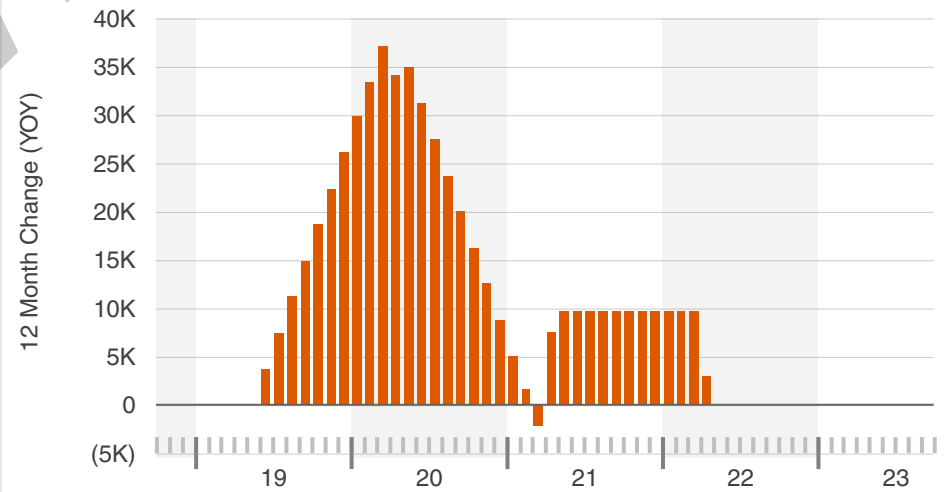
RevPAR By Class



Demand Change

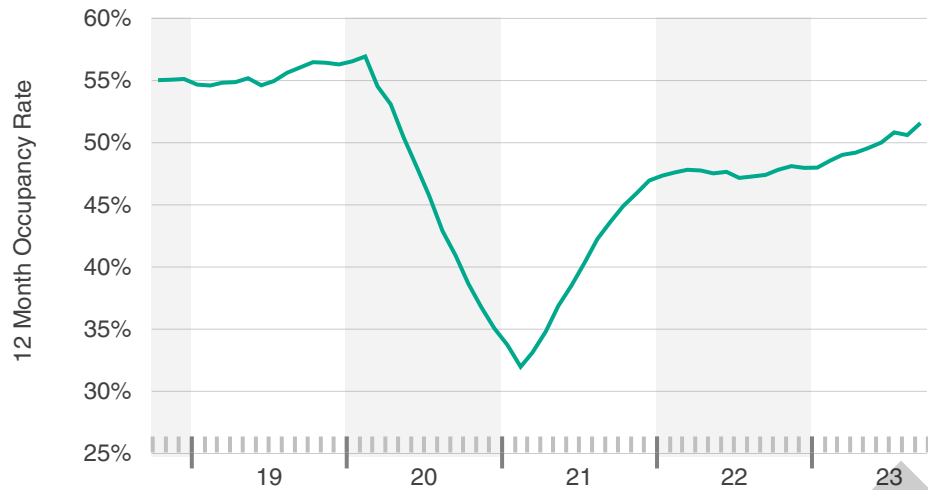


Supply Change

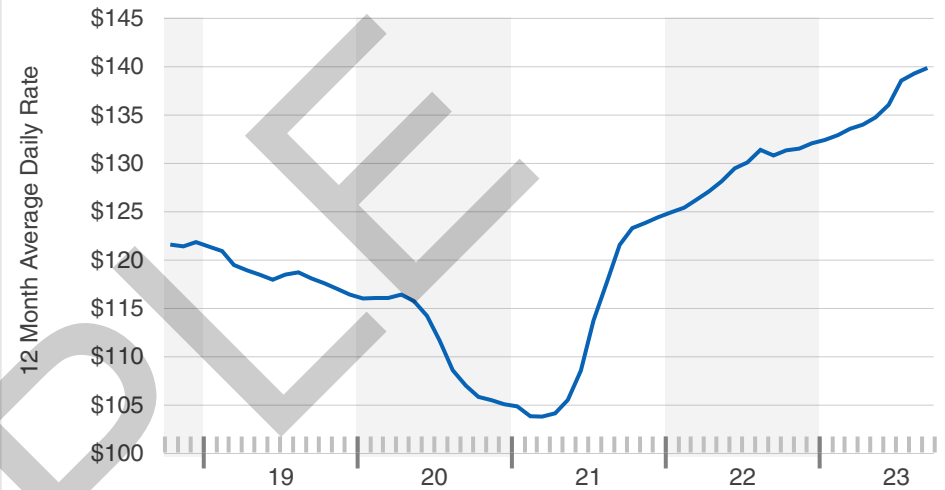


Search Analytics

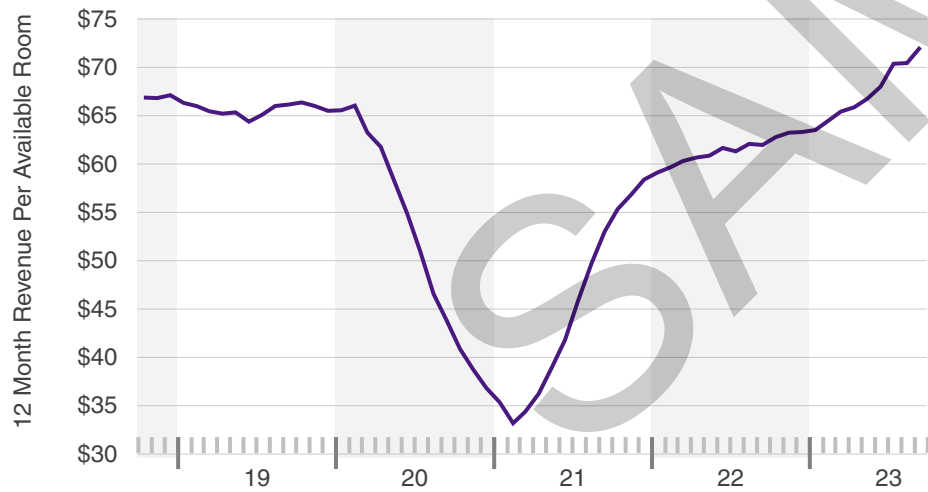
Occupancy



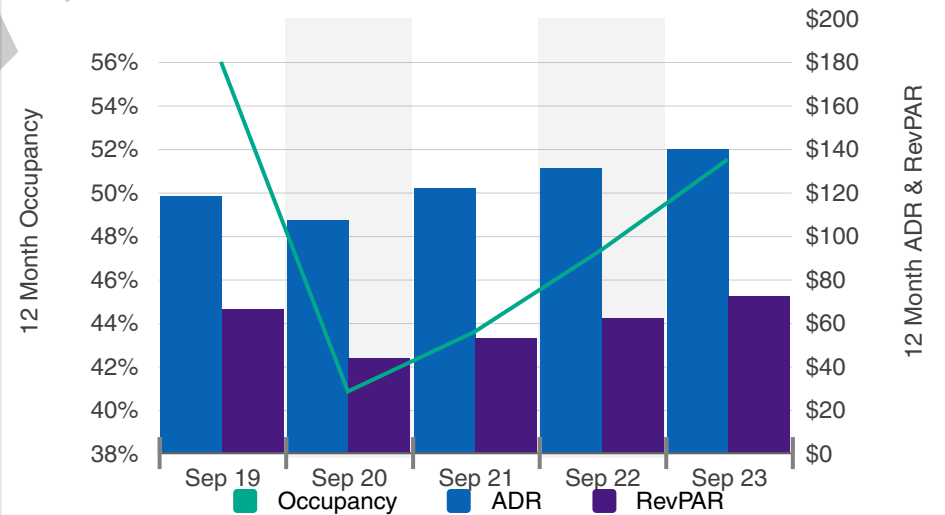
ADR



RevPAR

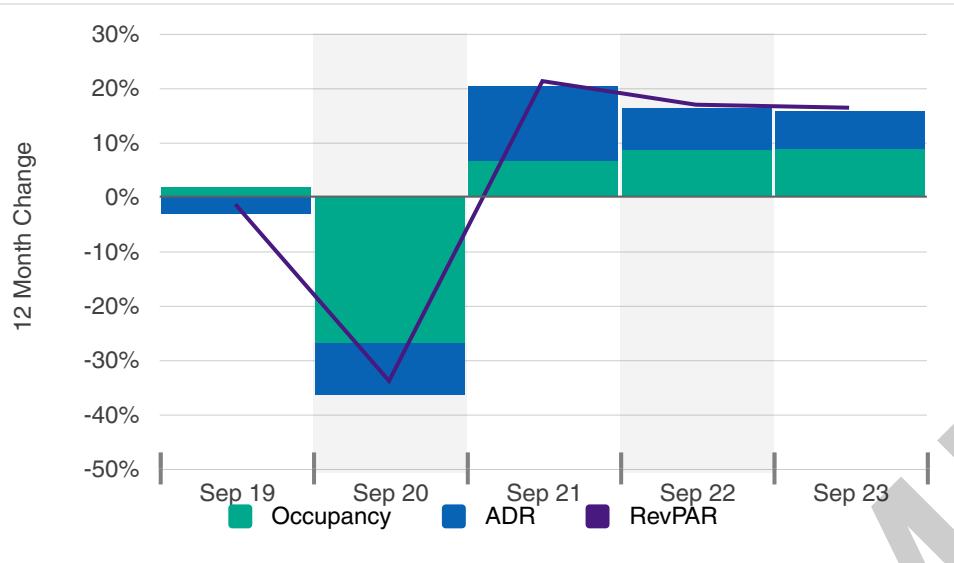


Occupancy, ADR & RevPAR

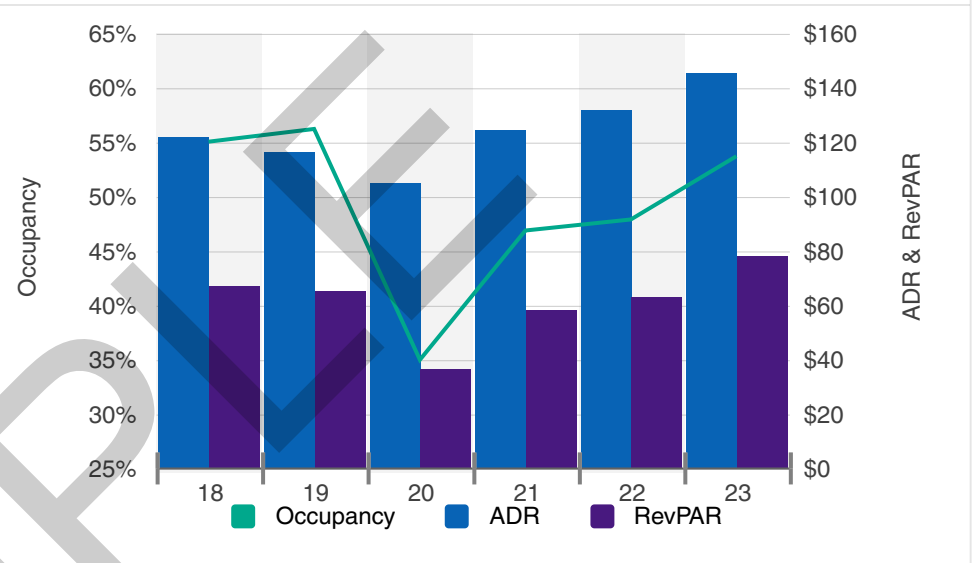


Search Analytics

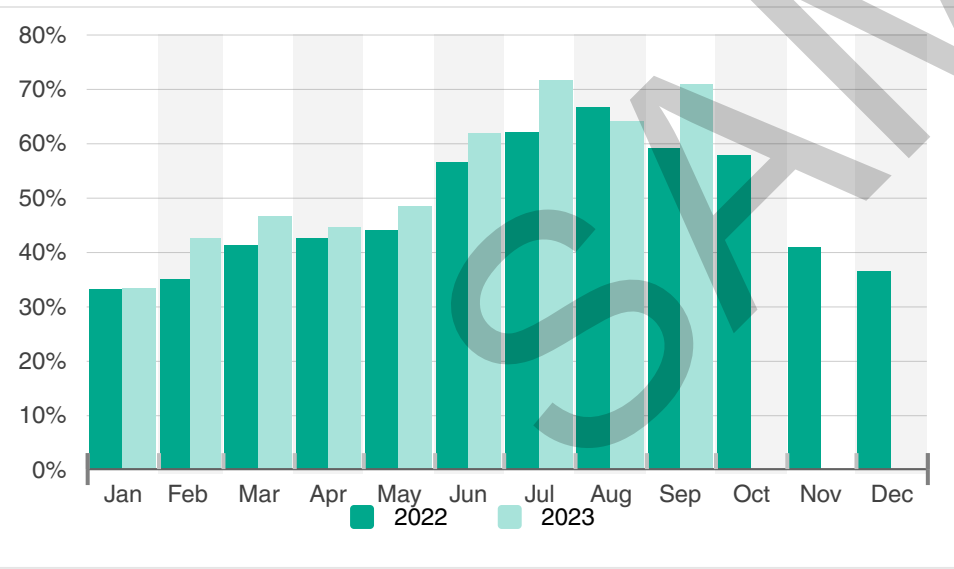
RevPAR Growth Composition



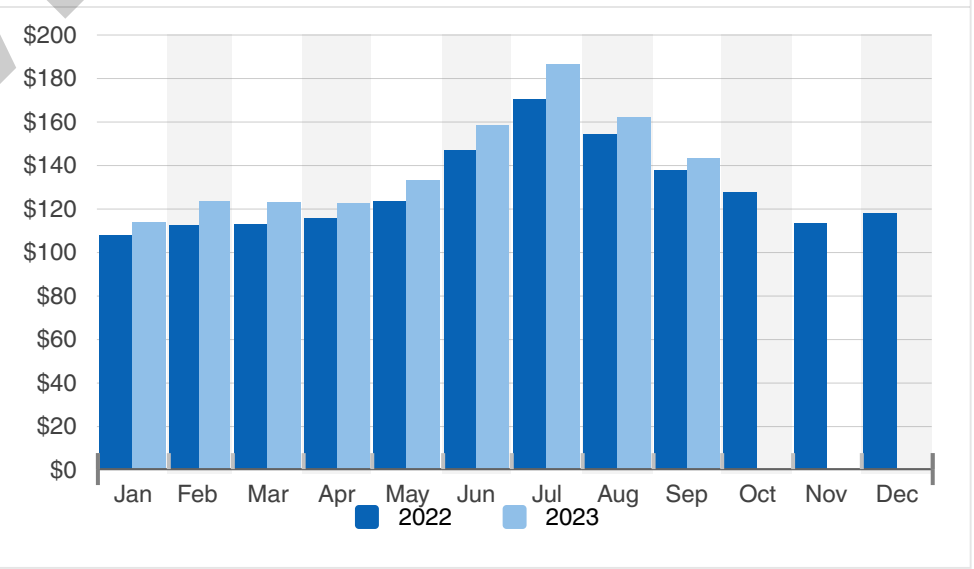
Occupancy, ADR & RevPAR Annualized vs YTD



Occupancy Monthly

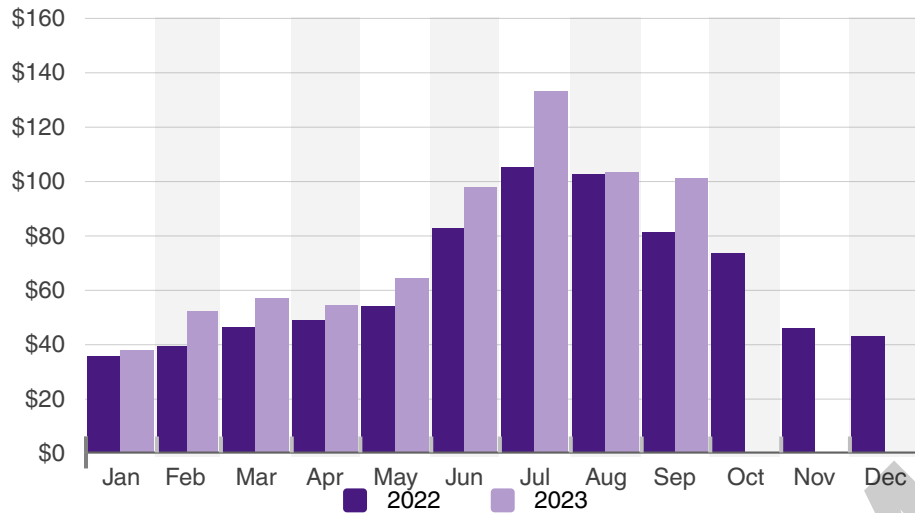


ADR Monthly

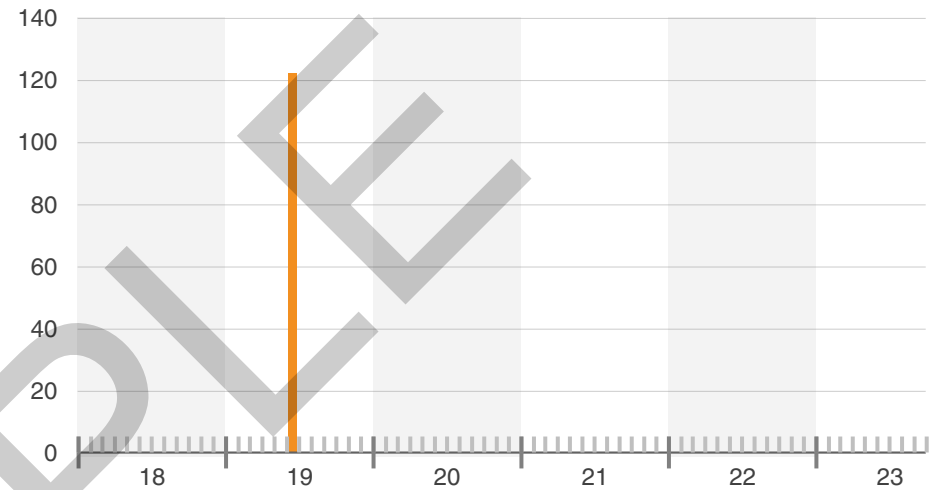


Search Analytics

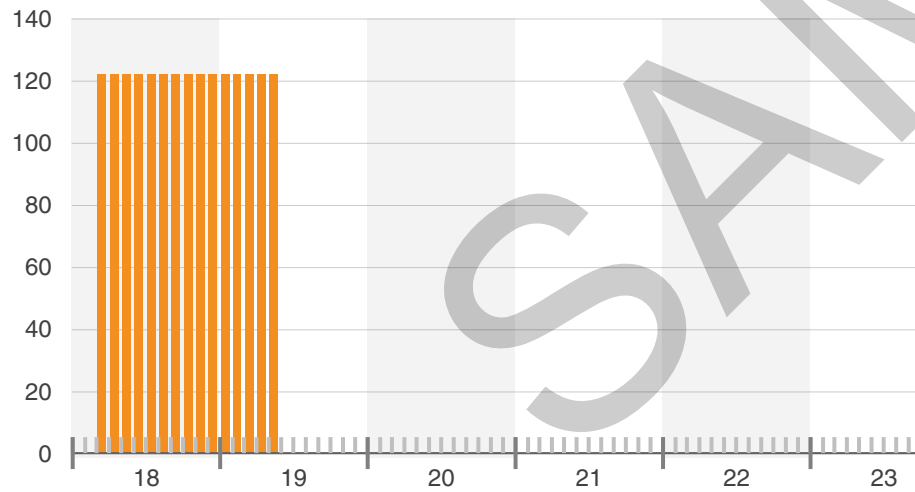
RevPAR Monthly



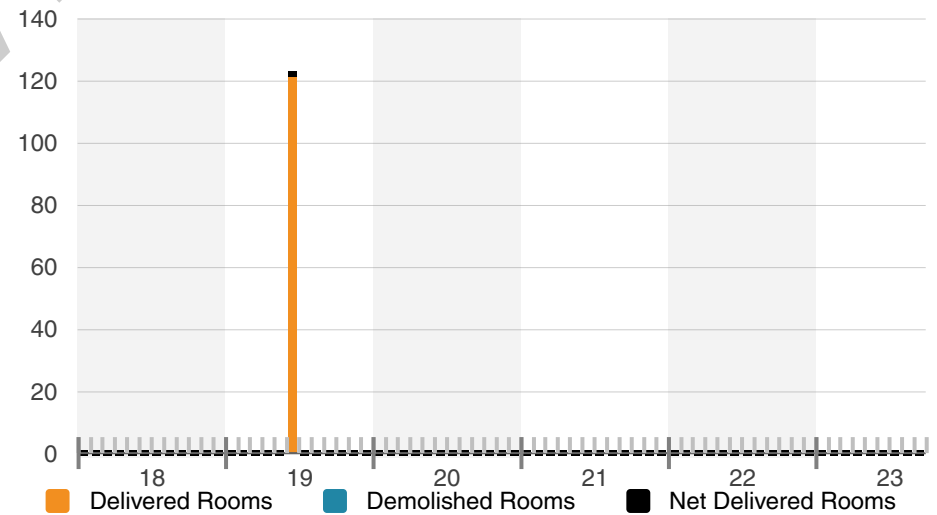
Rooms Delivered



Rooms Under Construction

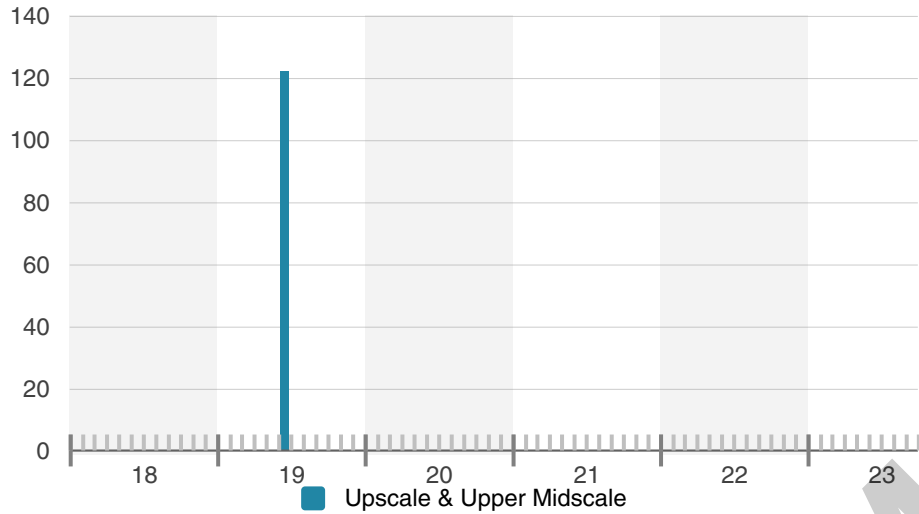


Delivered, Demolished & Net Delivered Rooms



Search Analytics

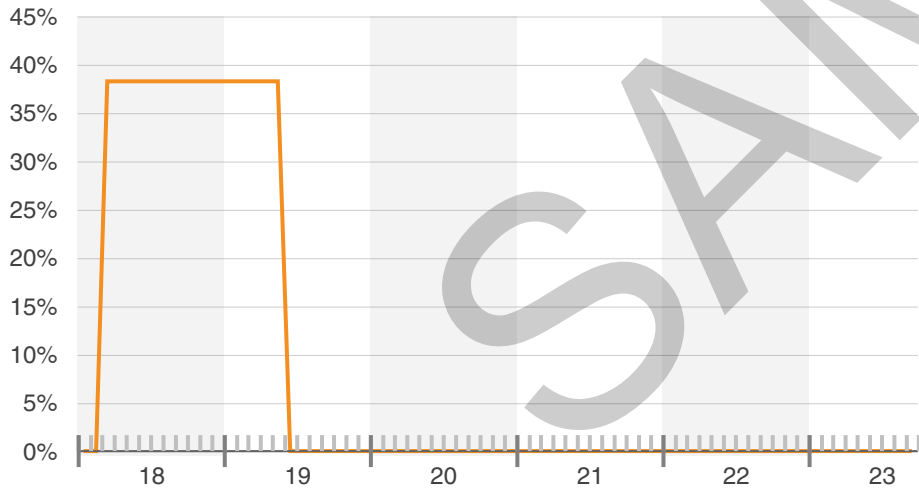
Rooms Delivered By Class



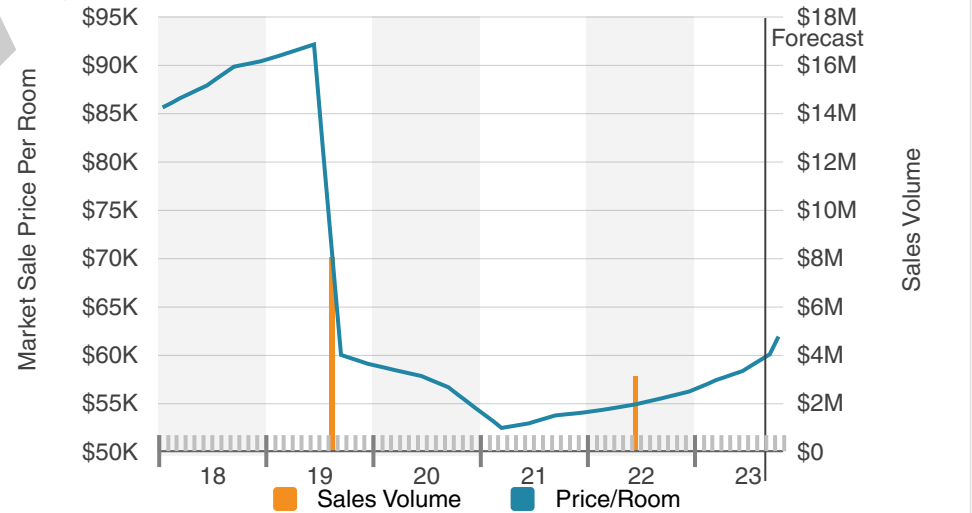
Demolished Rooms



Rooms Under Construction % of Inventory

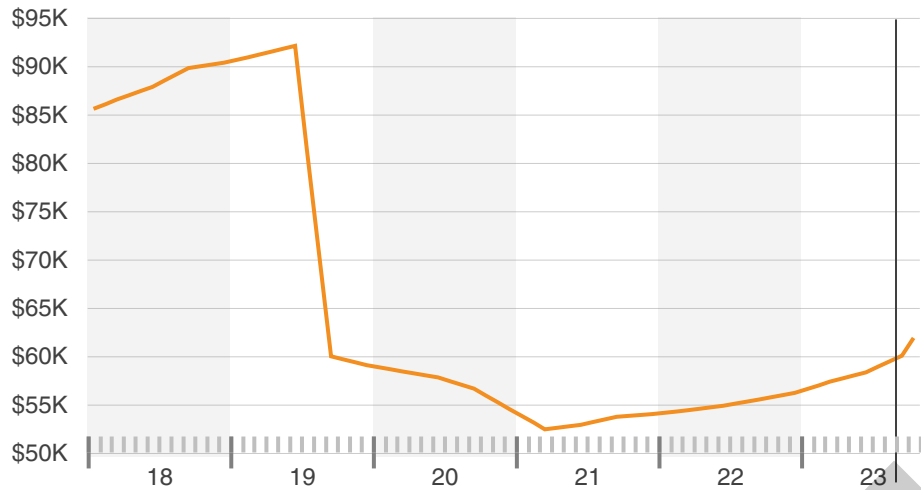


Sales Volume & Market Sale Price Per Room

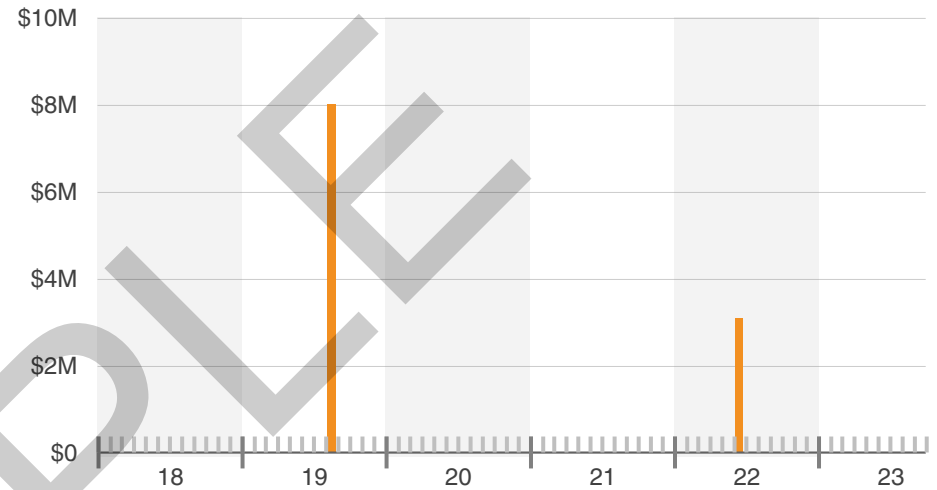


Search Analytics

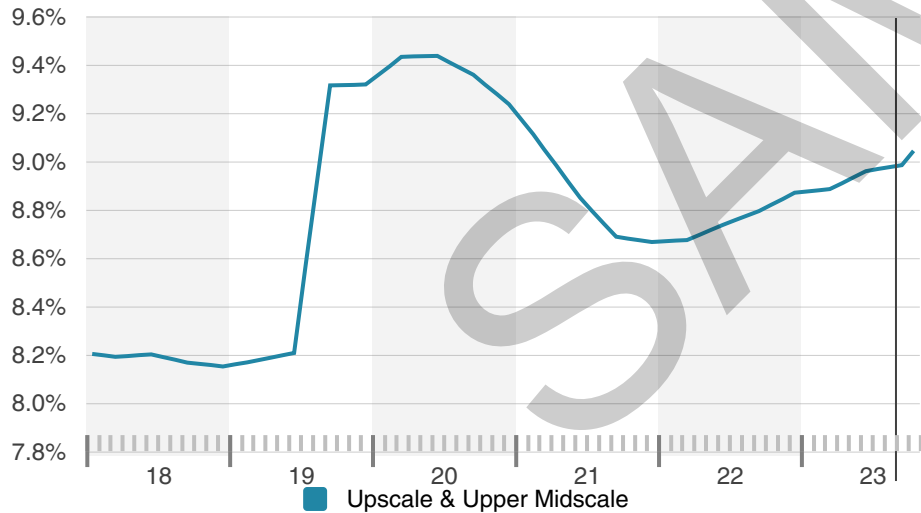
Market Sale Price Per Room



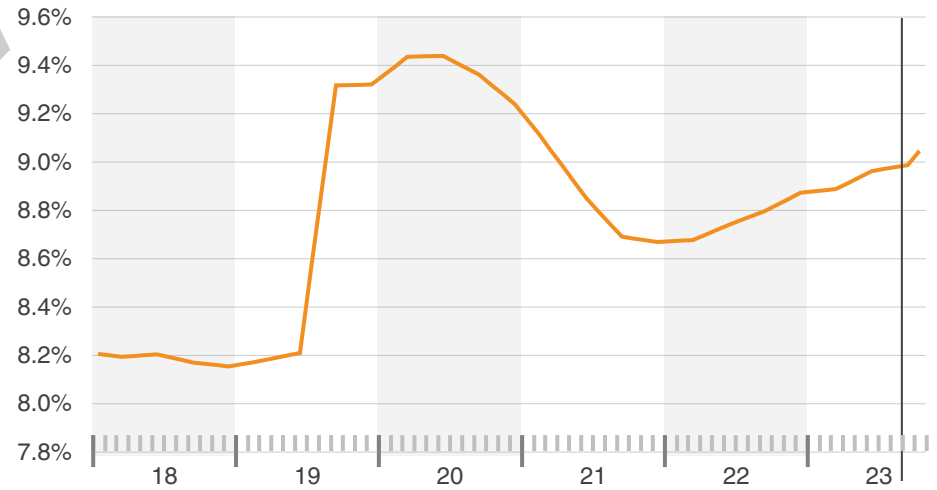
Sales Volume



Market Cap Rate By Class

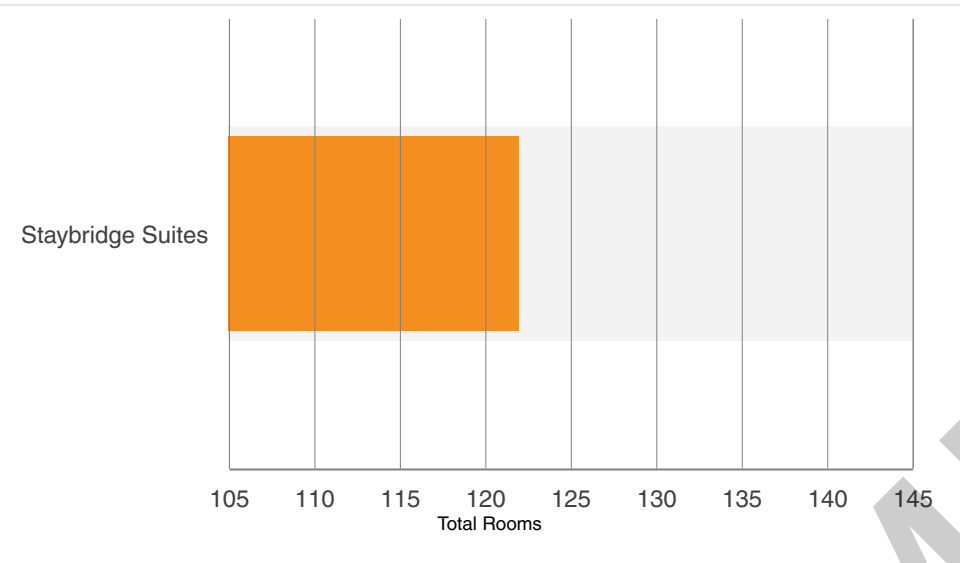


Market Cap Rate

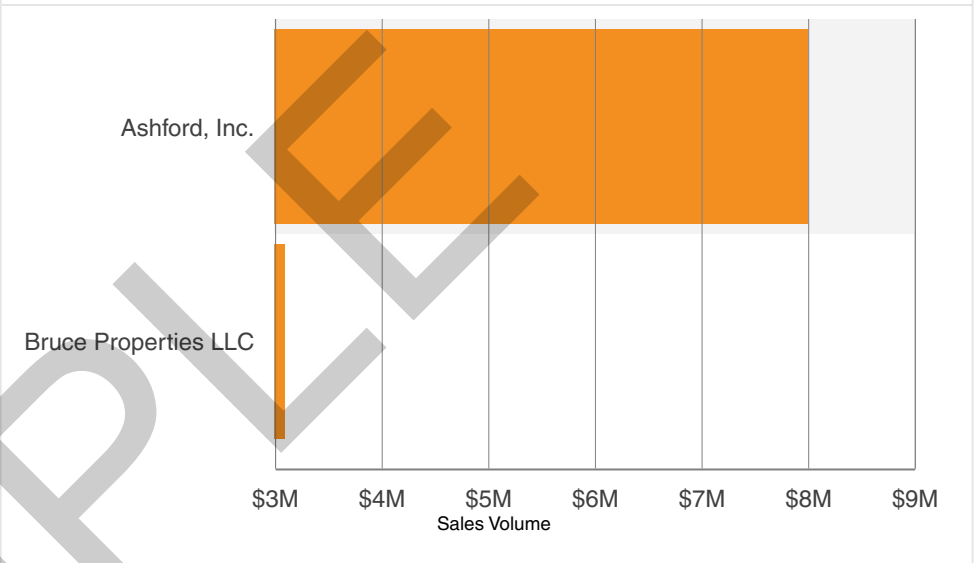


Search Analytics

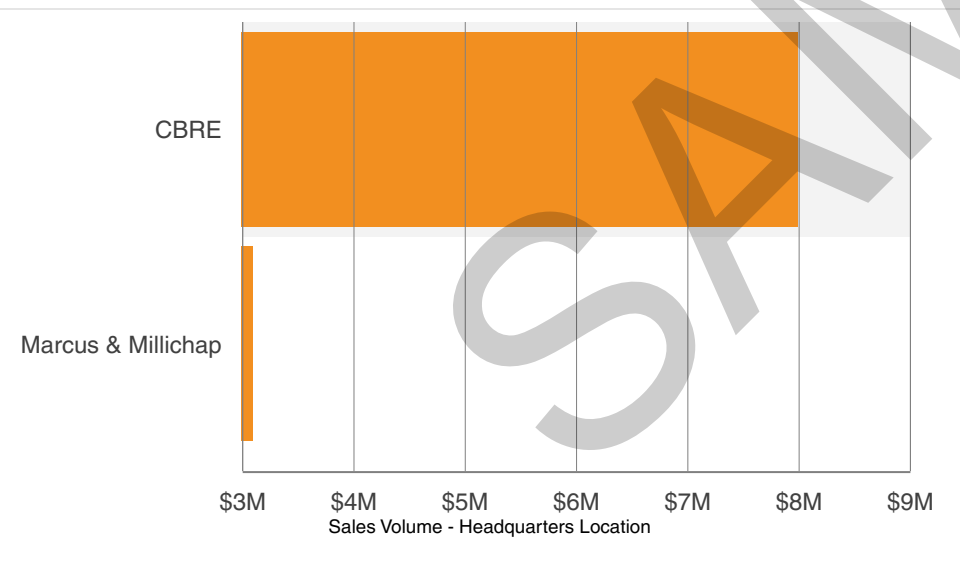
Top Brand Delivered



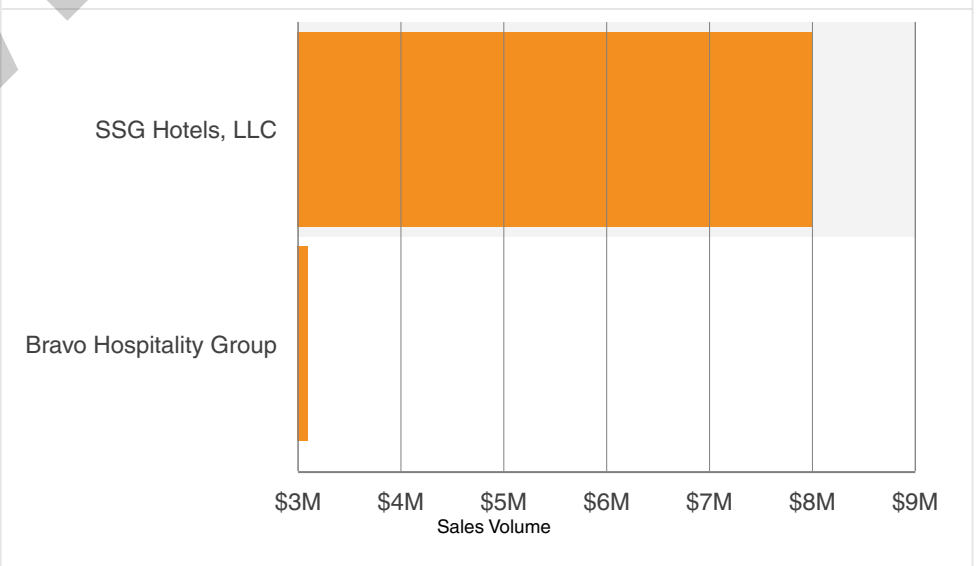
Top Sellers



Top Seller Brokers



Top Buyers



APPENDIX FOUR

REGIONAL LODGING INDUSTRY SUBMARKET REPORT

SAMPLE

Overview

Wisconsin South Area Hospitality

12 Mo Occupancy

52.3%

12 Mo ADR

\$134.07

12 Mo RevPAR

\$70.18

12 Mo Supply

6.9M

12 Mo Demand

3.6M

Wisconsin South Area is a large hotel submarket, and has about 20,000 rooms spread across some 280 properties. That amounts to roughly 60% of the Wisconsin South market's total room inventory. Like the market, Wisconsin South Area is characterized by hotels that are smaller than the national norm. The average hotel has 70 rooms, not far from the market average, and somewhat below the national norm of about 90 rooms per building.

With trailing 12-month occupancies at 52.3%, Wisconsin South Area is within striking distance to the market average of 53.5% for the same period. This marks a significant recovery, as the COVID-19 shock severely impacted this submarket. Here, monthly occupancies fell to 16.6%, and annualized occupancy dropped to 34.2% in the initial wake of the pandemic.

As of September, twelve-month average RevPAR in the Wisconsin South Area hotel submarket was climbing at an annual rate of 3.7%, essentially in line with the Wisconsin South average.

There are 360 rooms underway in the Wisconsin South Area submarket, representing a 1.8% expansion of the existing inventory. This represents continued new development in the submarket. In the past three years, 6 projects containing around 420 rooms came online. That development was somewhat by a number of demolitions, which took around 110 rooms off the market over the same timeframe.

Wisconsin South Area is among the more actively traded US hotel submarkets. But deal volume over the past year—14 trades—fell far short of what is typical in the area, consistent with a slowdown playing out nationally.

KEY INDICATORS

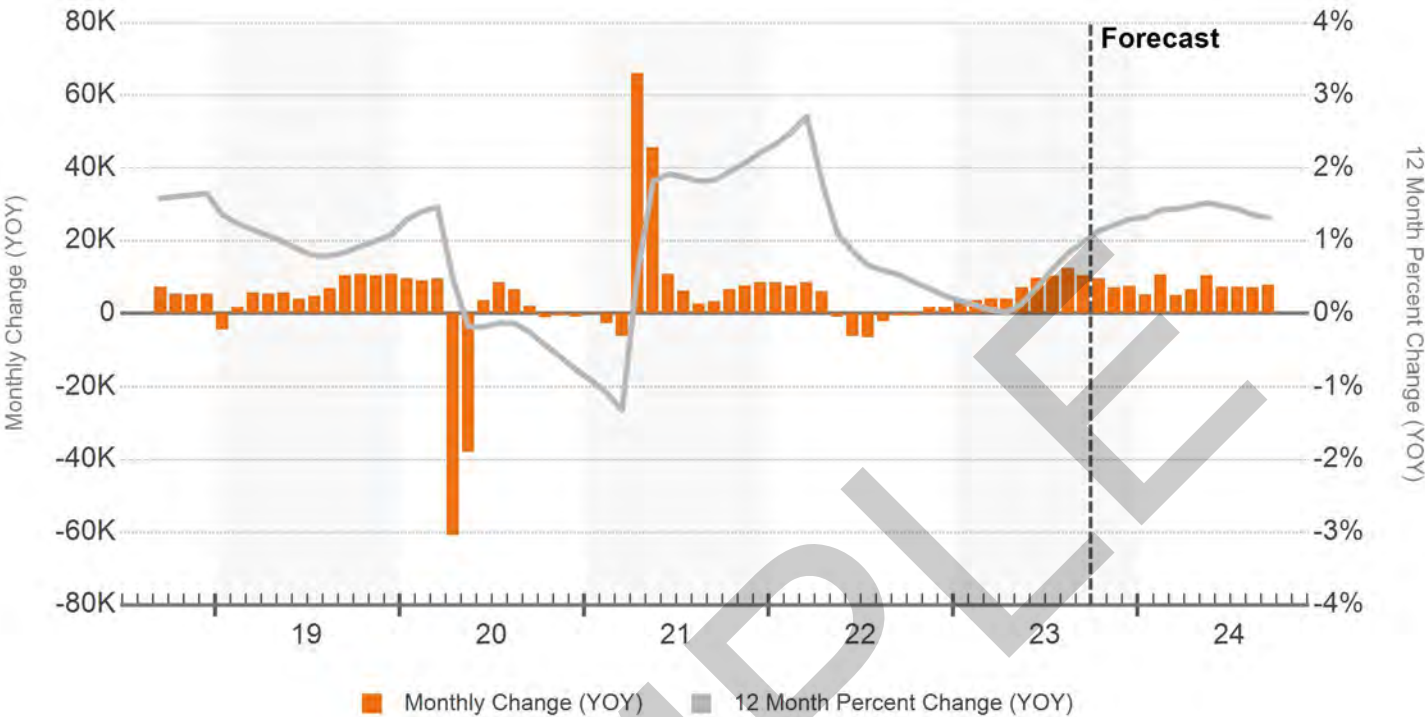
Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	2,287	62.9%	\$277.85	\$174.83	0	0
Upscale & Upper Midscale	7,913	51.6%	\$133.37	\$68.77	169	271
Midscale & Economy	9,502	50.4%	\$90.75	\$45.74	100	86
Total	19,702	52.3%	\$134.07	\$70.18	269	357

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	57.4%	64.0%	54.0%	52.3%	48.4%	56.8%
Occupancy Change	-1.7%	-1.0%	0.6%	1.3%	-0.6%	1.6%
ADR	\$130.60	\$153.23	\$138.53	\$134.07	\$120.78	\$140.71
ADR Change	2.1%	0.7%	1.7%	2.4%	4.3%	2.2%
RevPAR	\$74.96	\$98.08	\$74.81	\$70.18	\$58.40	\$79.96
RevPAR Change	0.3%	-0.4%	2.3%	3.7%	3.7%	3.8%

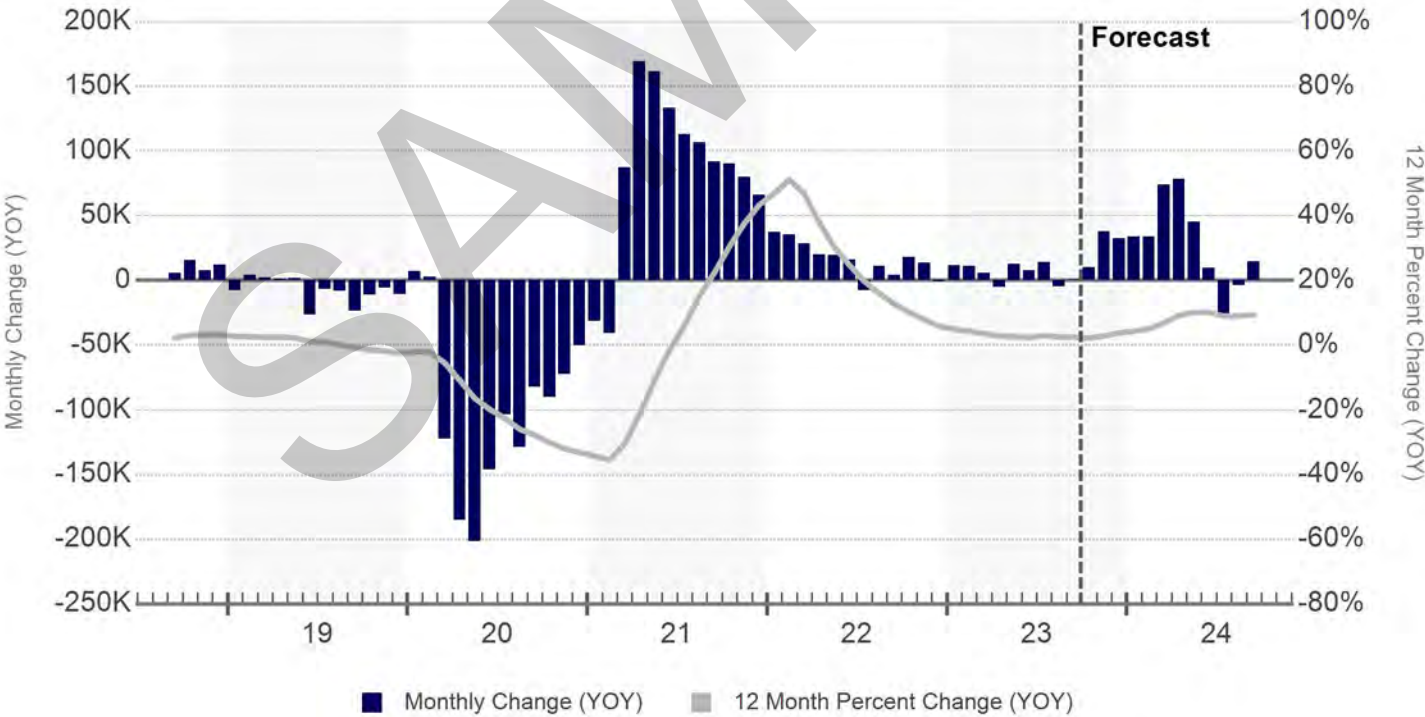
Performance

Wisconsin South Area Hospitality

SUPPLY CHANGE



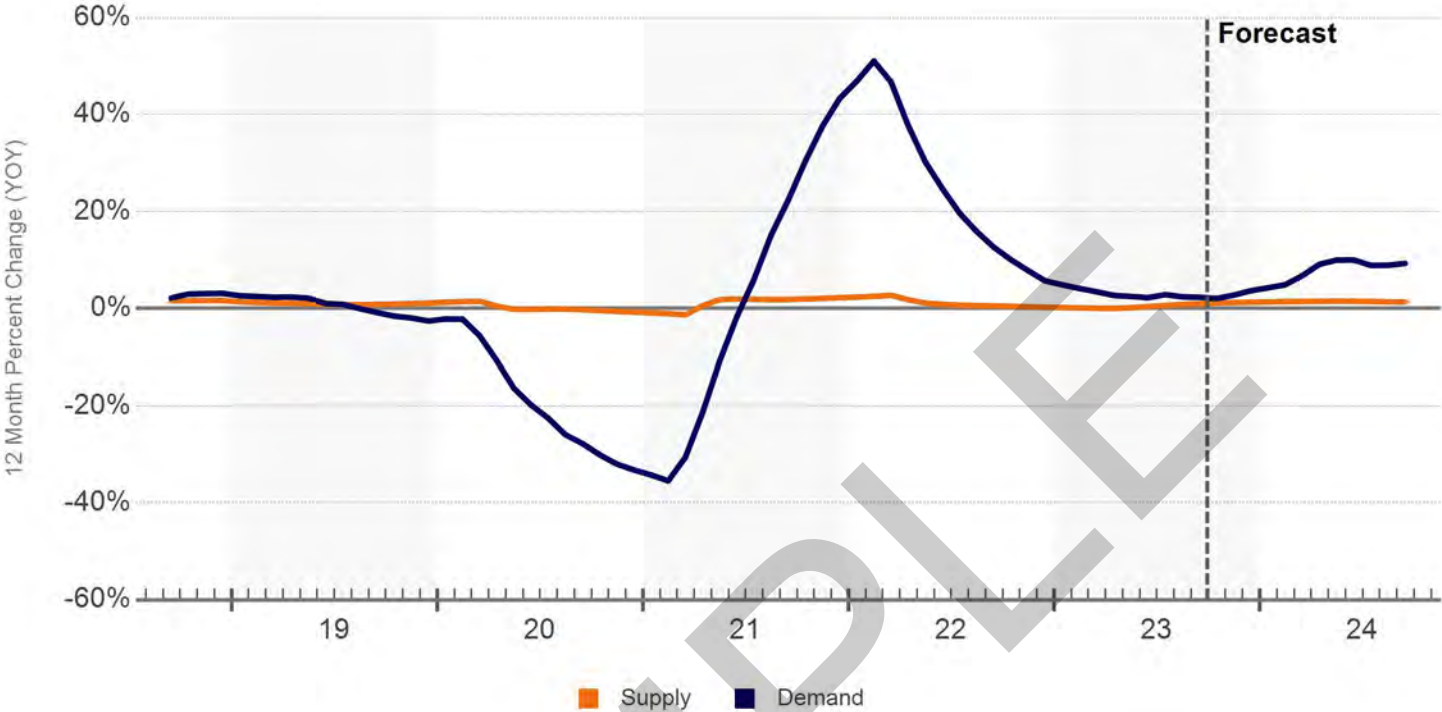
DEMAND CHANGE



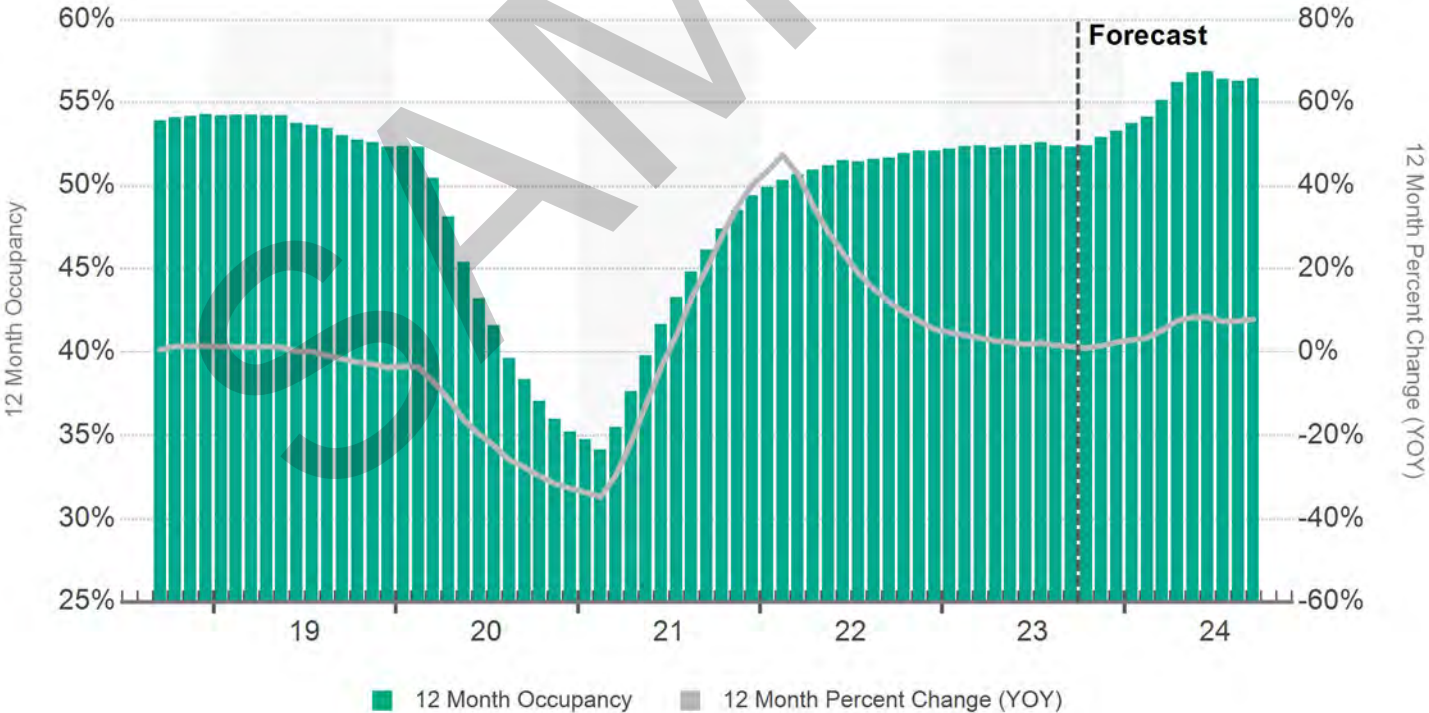
Performance

Wisconsin South Area Hospitality

SUPPLY & DEMAND CHANGE



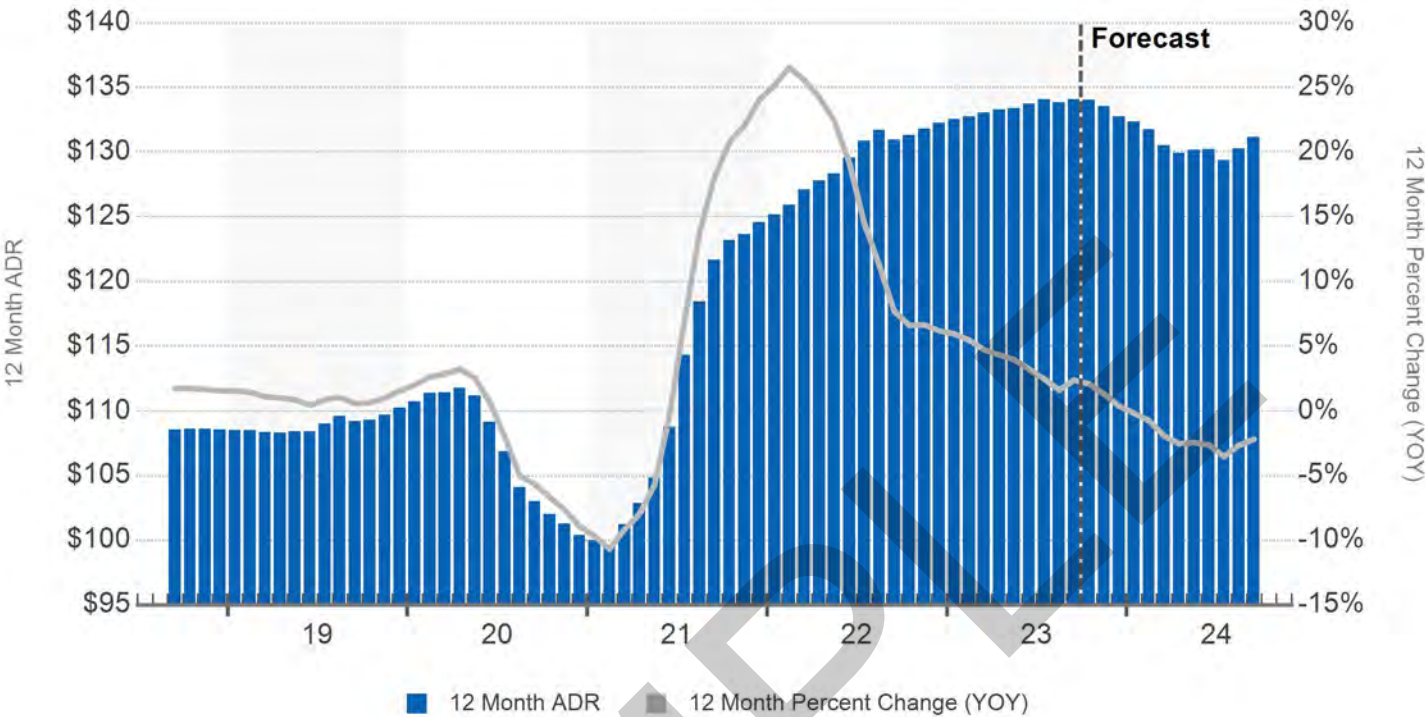
OCCUPANCY



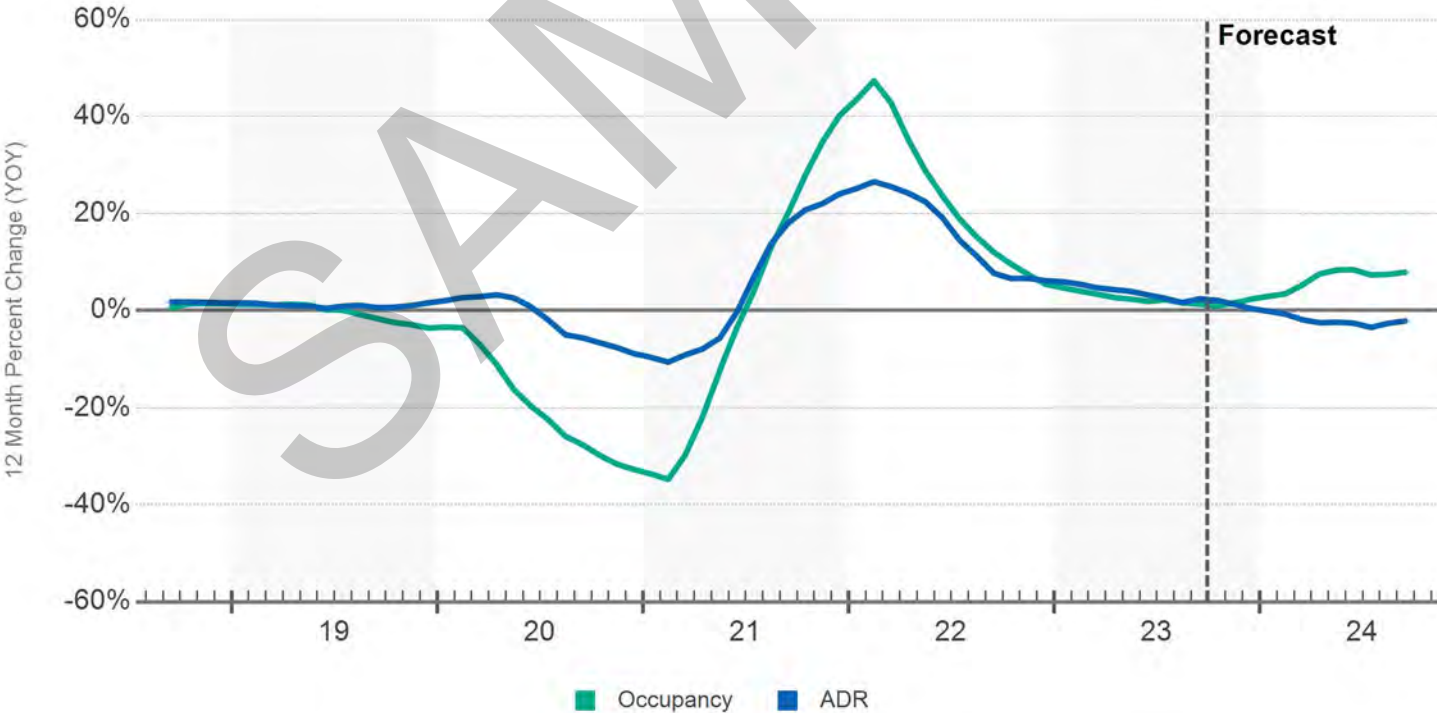
Performance

Wisconsin South Area Hospitality

ADR



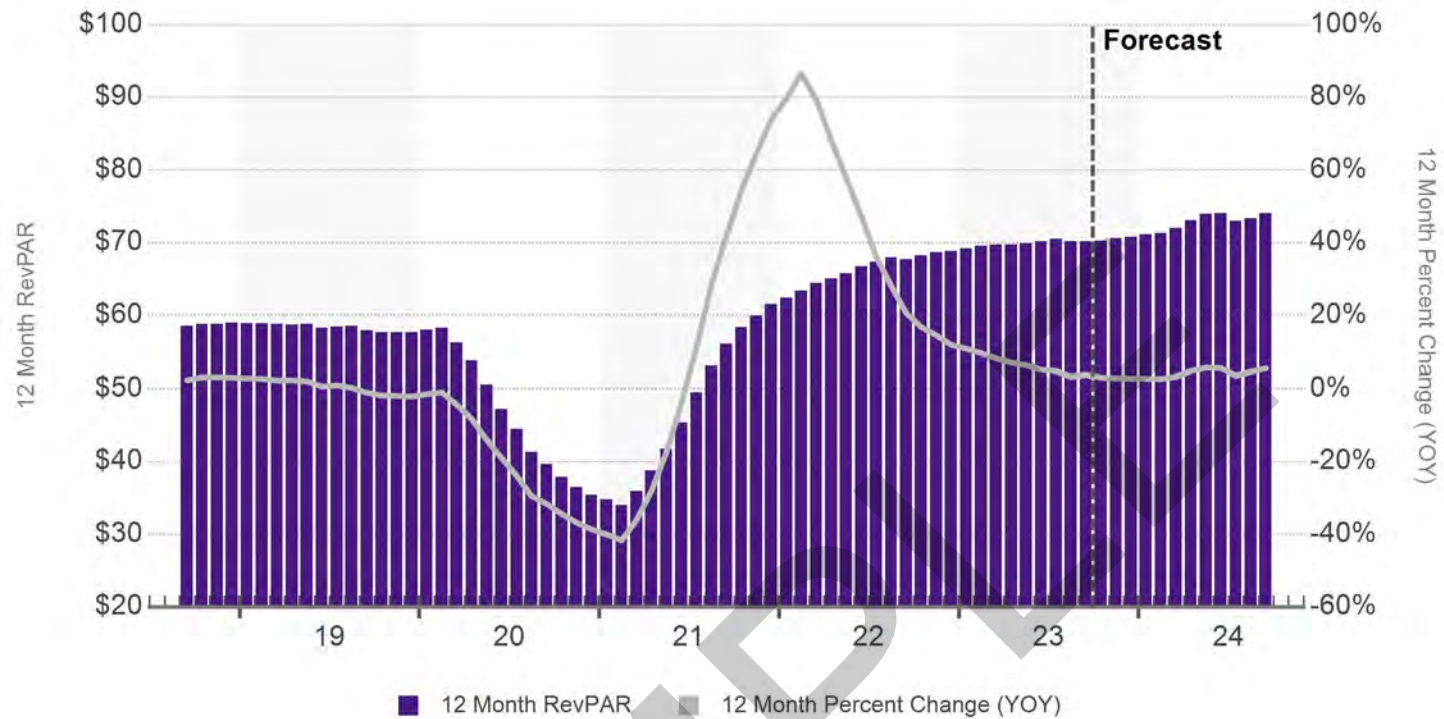
OCCUPANCY & ADR CHANGE



Performance

Wisconsin South Area Hospitality

REVPAR



OCCUPANCY MONTHLY



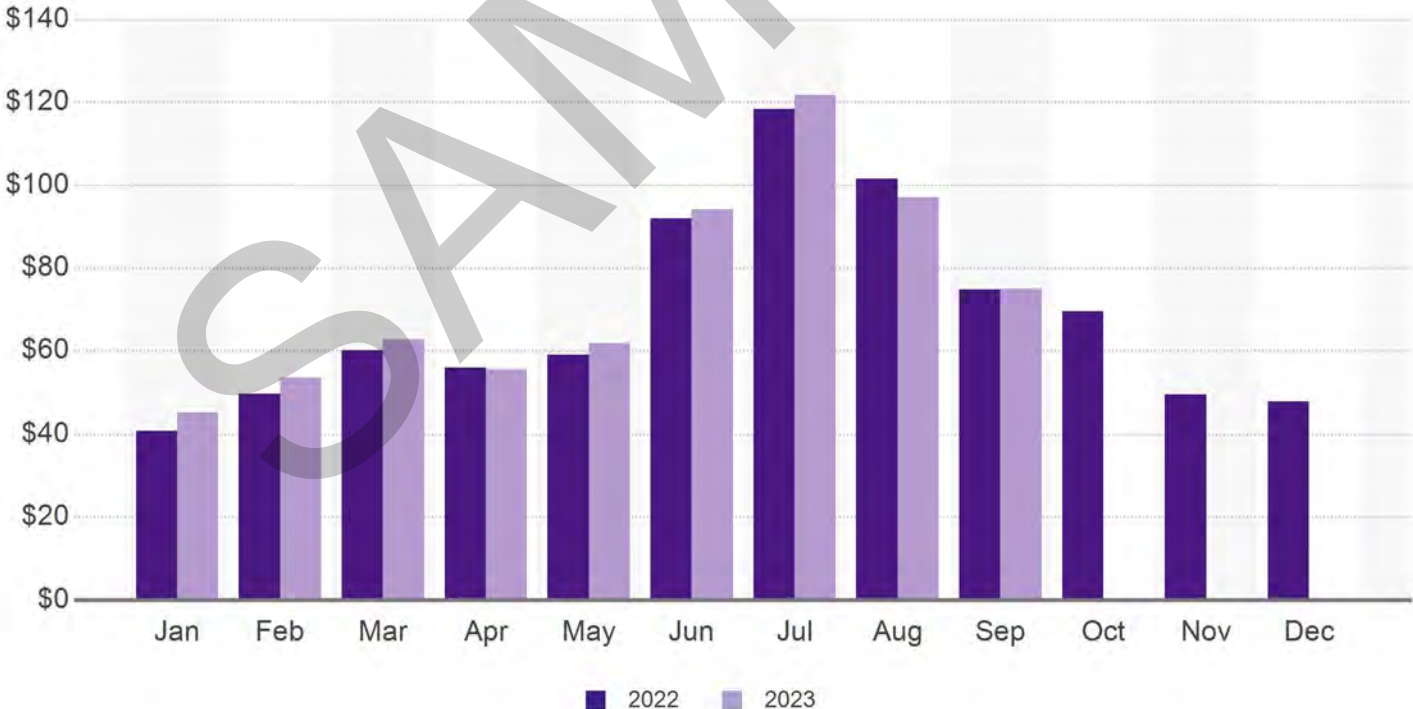
Performance

Wisconsin South Area Hospitality

ADR MONTHLY



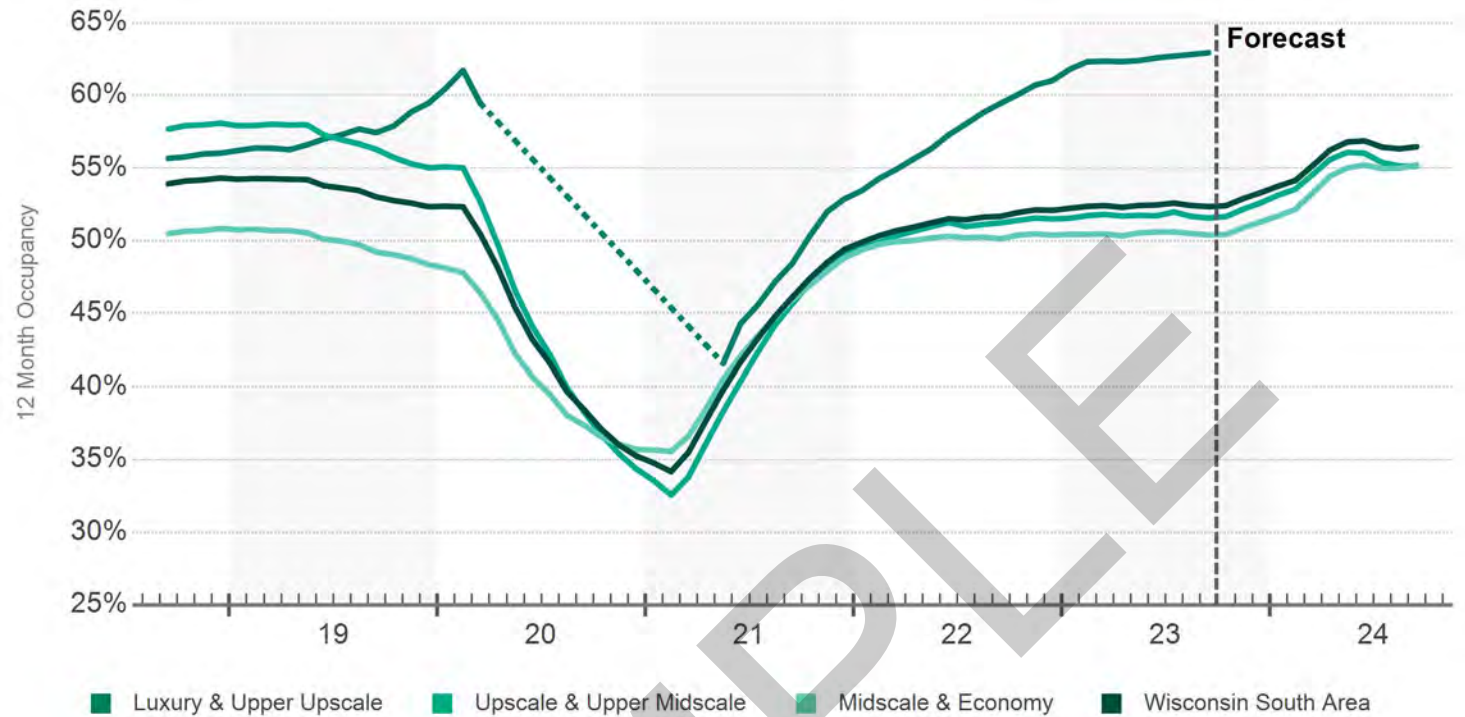
REVPAR MONTHLY



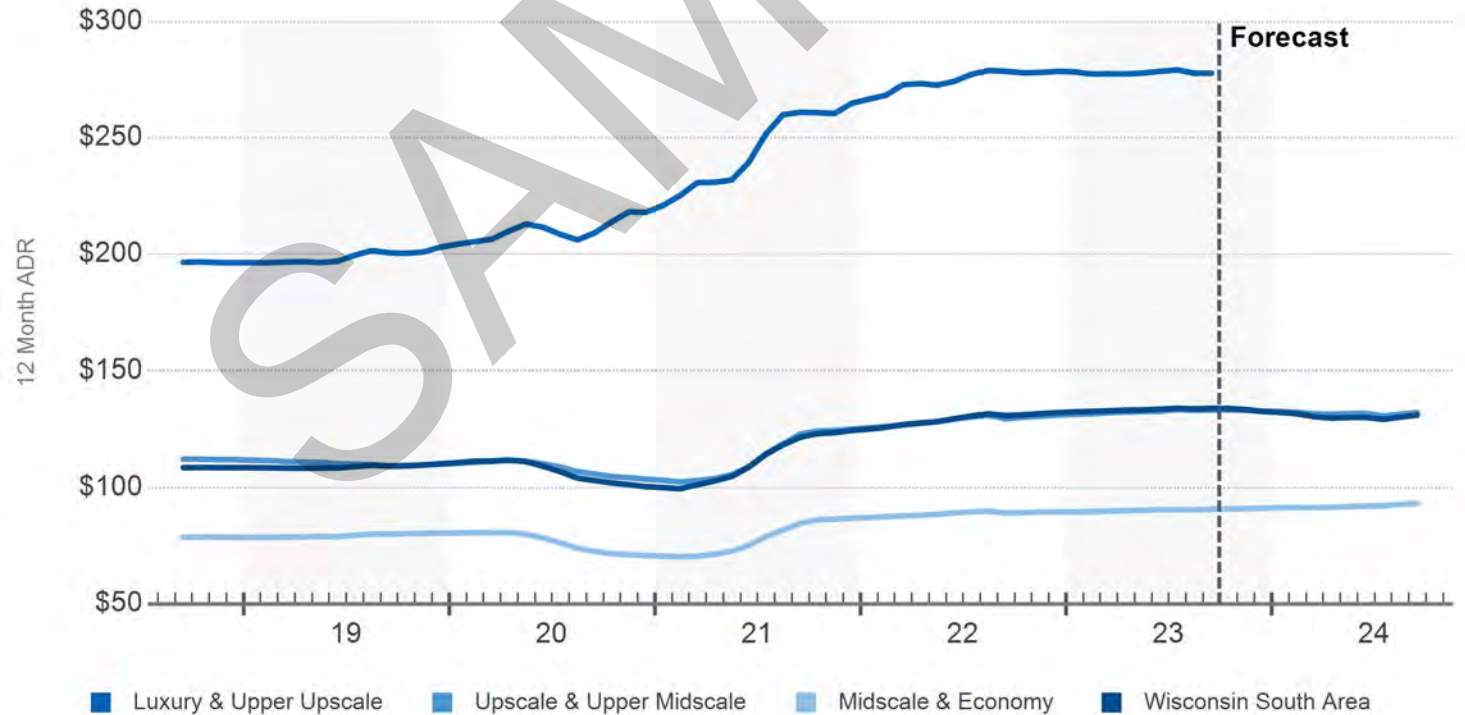
Performance

Wisconsin South Area Hospitality

OCCUPANCY BY CLASS



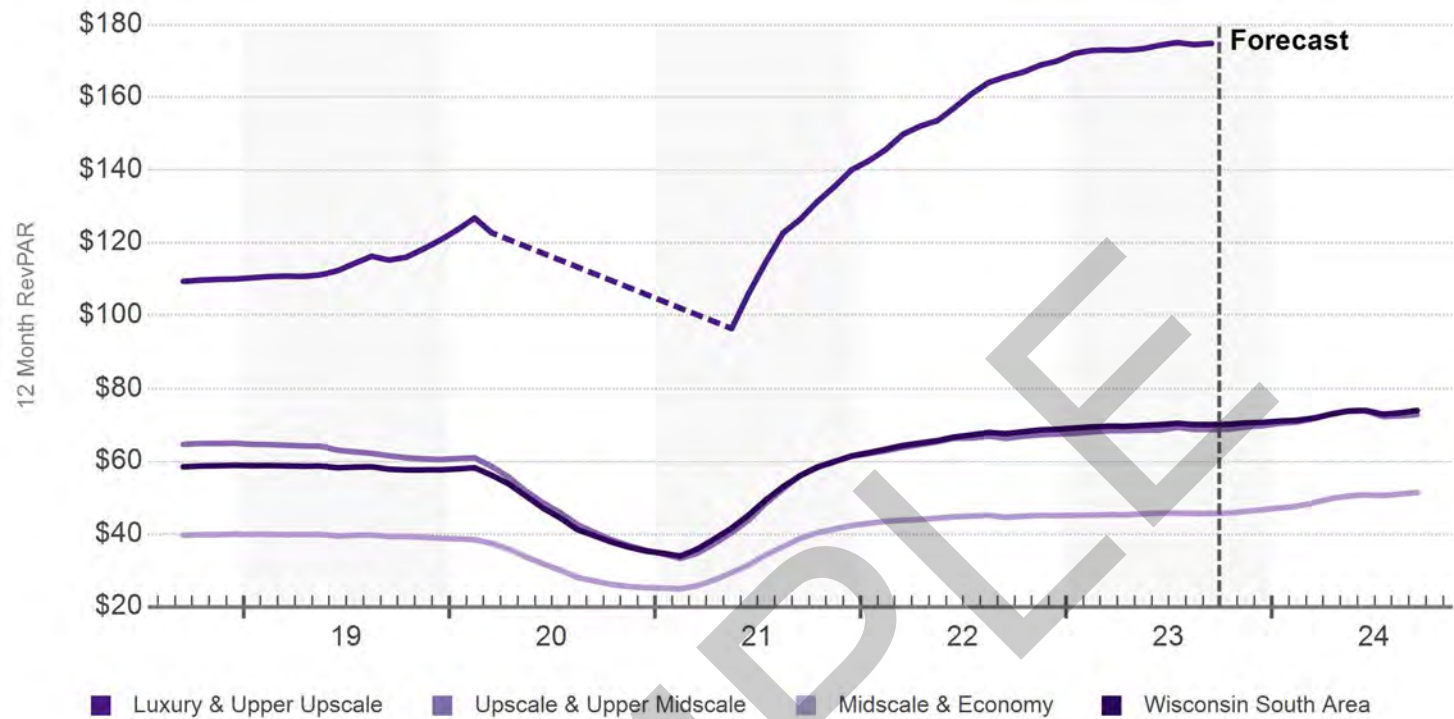
ADR BY CLASS



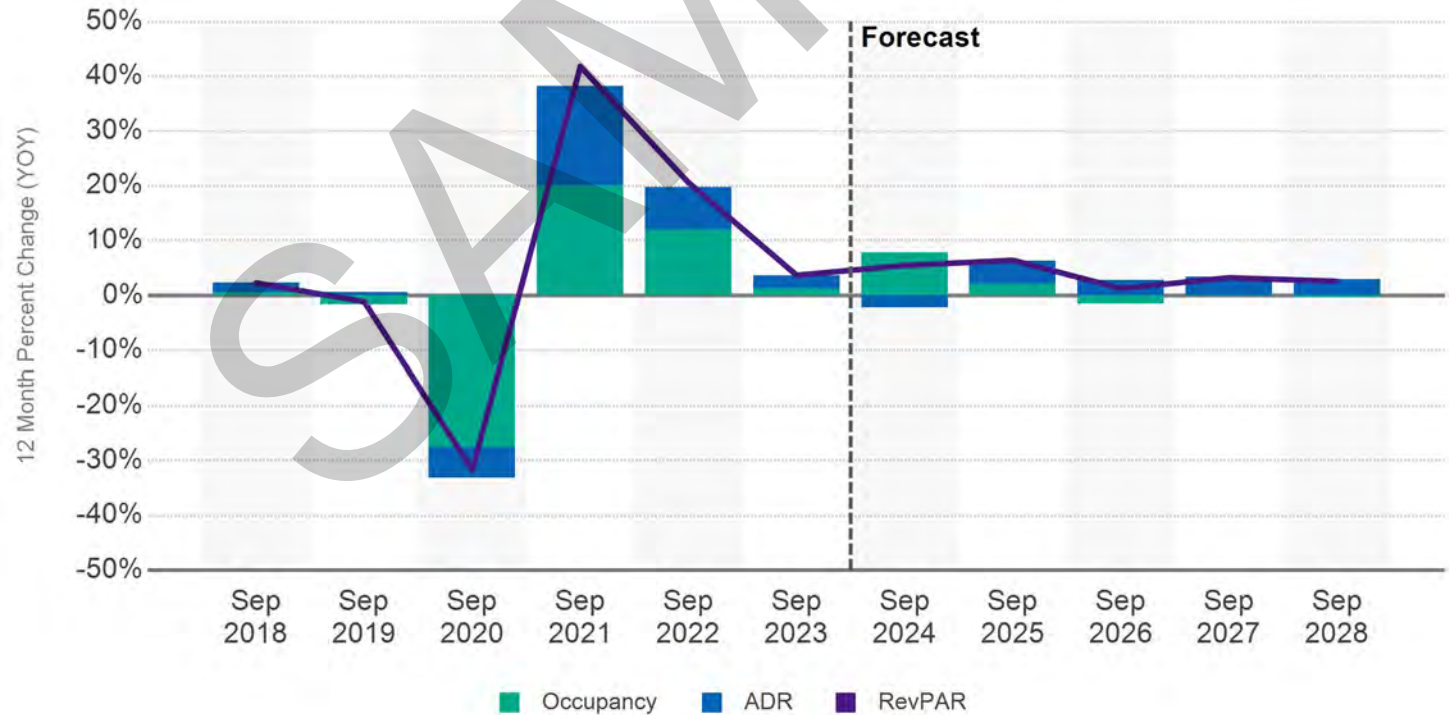
Performance

Wisconsin South Area Hospitality

REVPAR BY CLASS



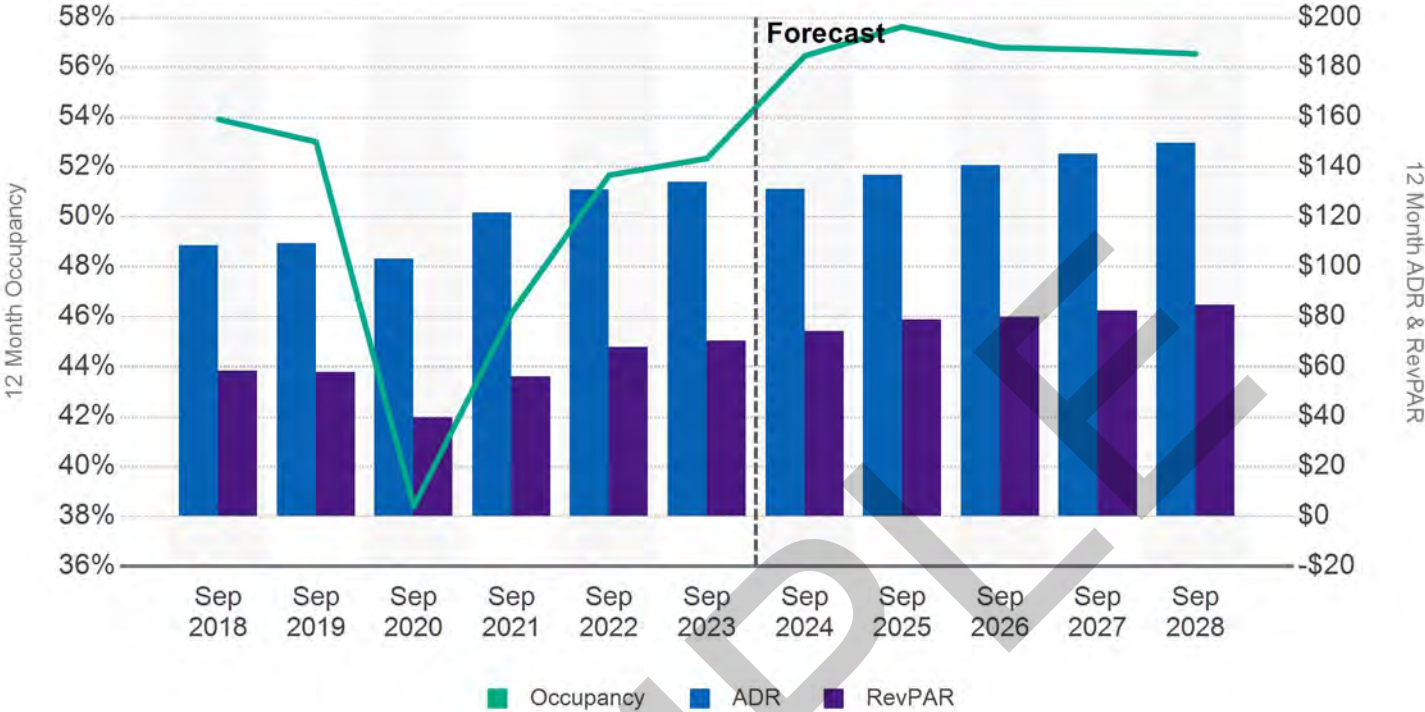
REVPAR GROWTH COMPOSITION



Performance

Wisconsin South Area Hospitality

OCCUPANCY, ADR & REVPAR



SAMPLE

Performance

Wisconsin South Area Hospitality

FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	% of Revenues	2022		2021-2022 % Change	
		PAR	POR	PAR	POR
Revenue					
Rooms	-	-	-	-	-
Food	-	-	-	-	-
Beverage	-	-	-	-	-
Other F&B	-	-	-	-	-
Other Departments	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Revenue	-	-	-	-	-
Operating Expenses					
Rooms	-	-	-	-	-
Food & Beverage	-	-	-	-	-
Other Departments	-	-	-	-	-
Administrative & General	-	-	-	-	-
Information & Telecommunication Systems	-	-	-	-	-
Sales & Marketing	-	-	-	-	-
Property Operations & Maintenance	-	-	-	-	-
Utilities	-	-	-	-	-
Gross Operating Profit	-	-	-	-	-
Management Fees	-	-	-	-	-
Rent	-	-	-	-	-
Property Taxes	-	-	-	-	-
Insurance	-	-	-	-	-
EBITDA	-	-	-	-	-
Total Labor Costs	-	-	-	-	-

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

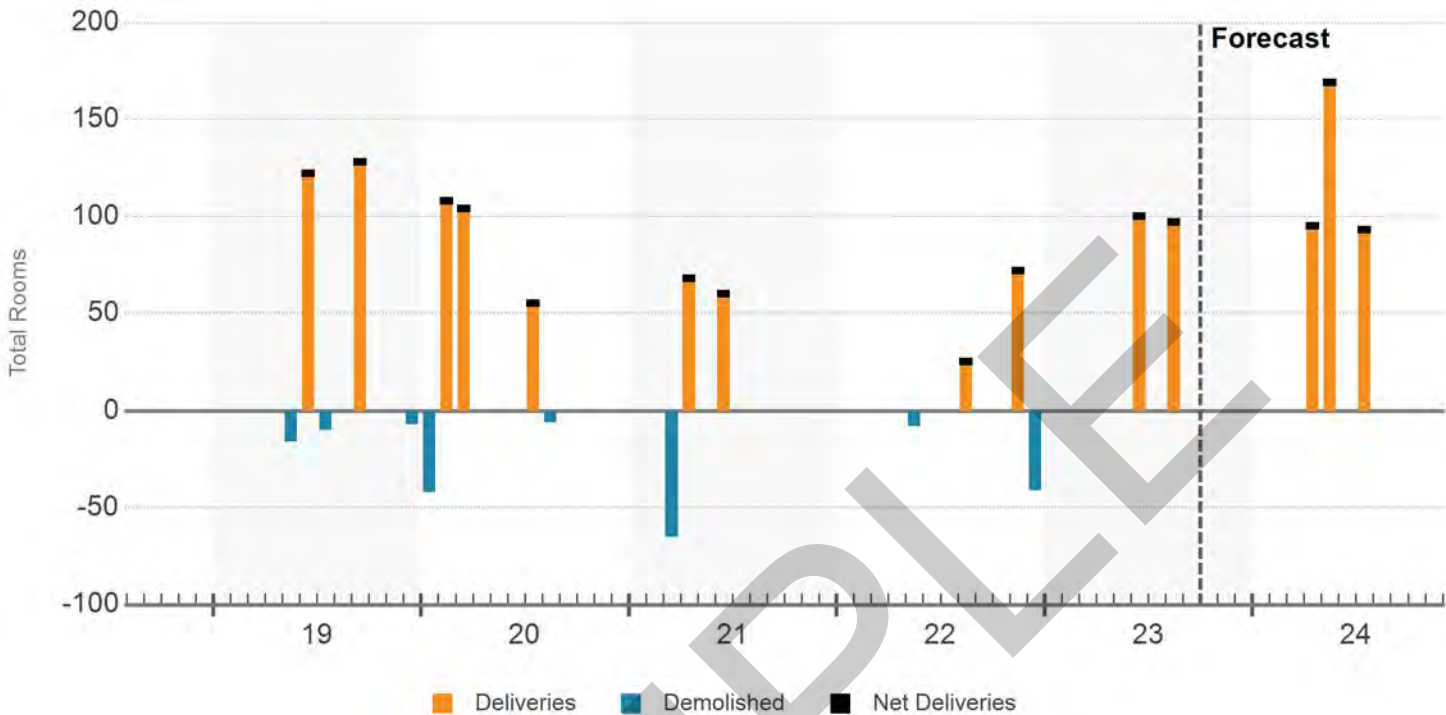
(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

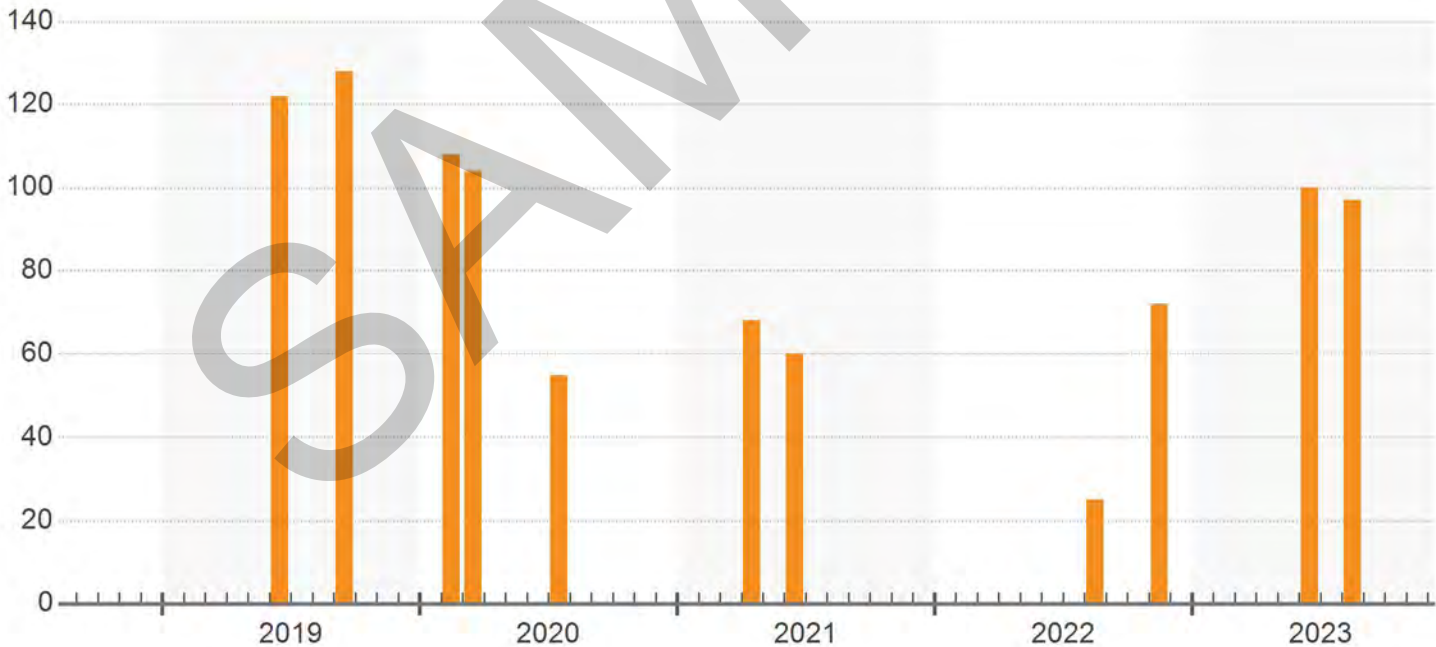
Construction

Wisconsin South Area Hospitality

DELIVERIES & DEMOLITIONS



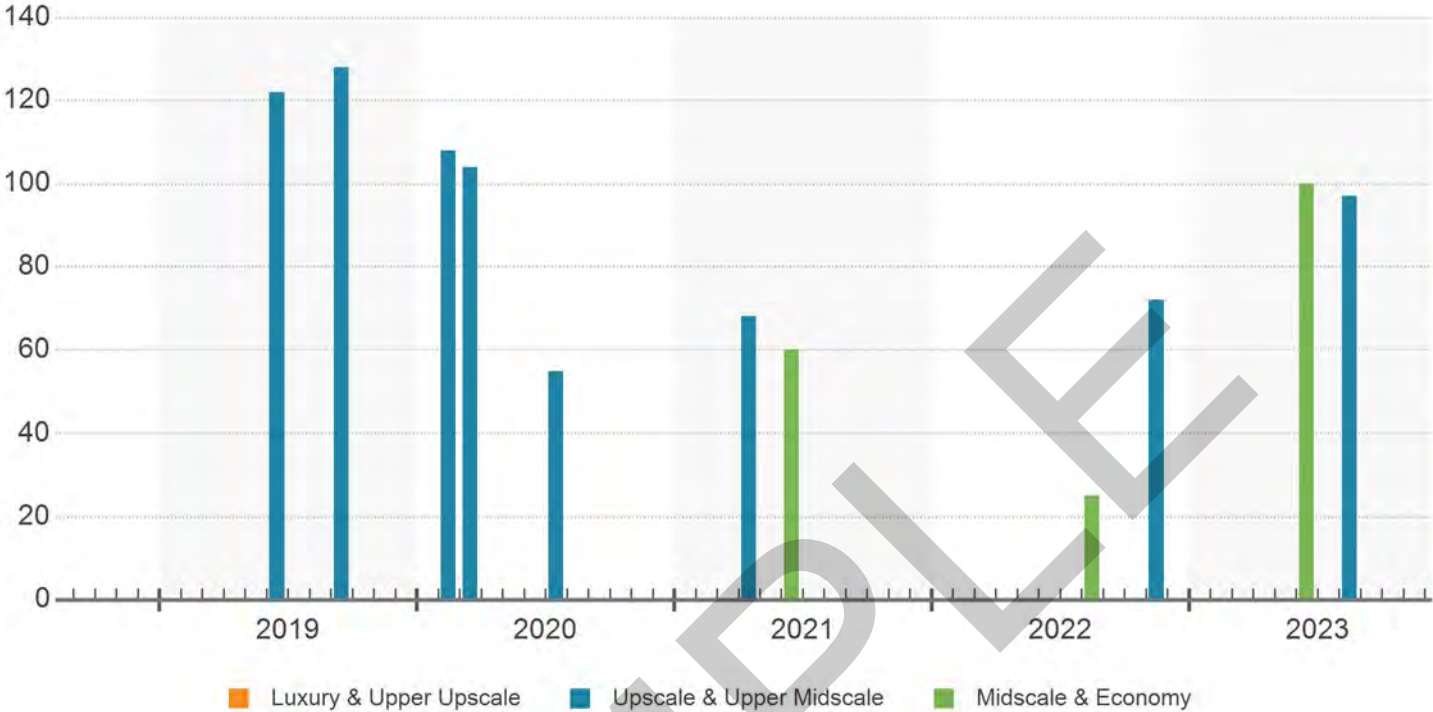
ROOMS DELIVERED



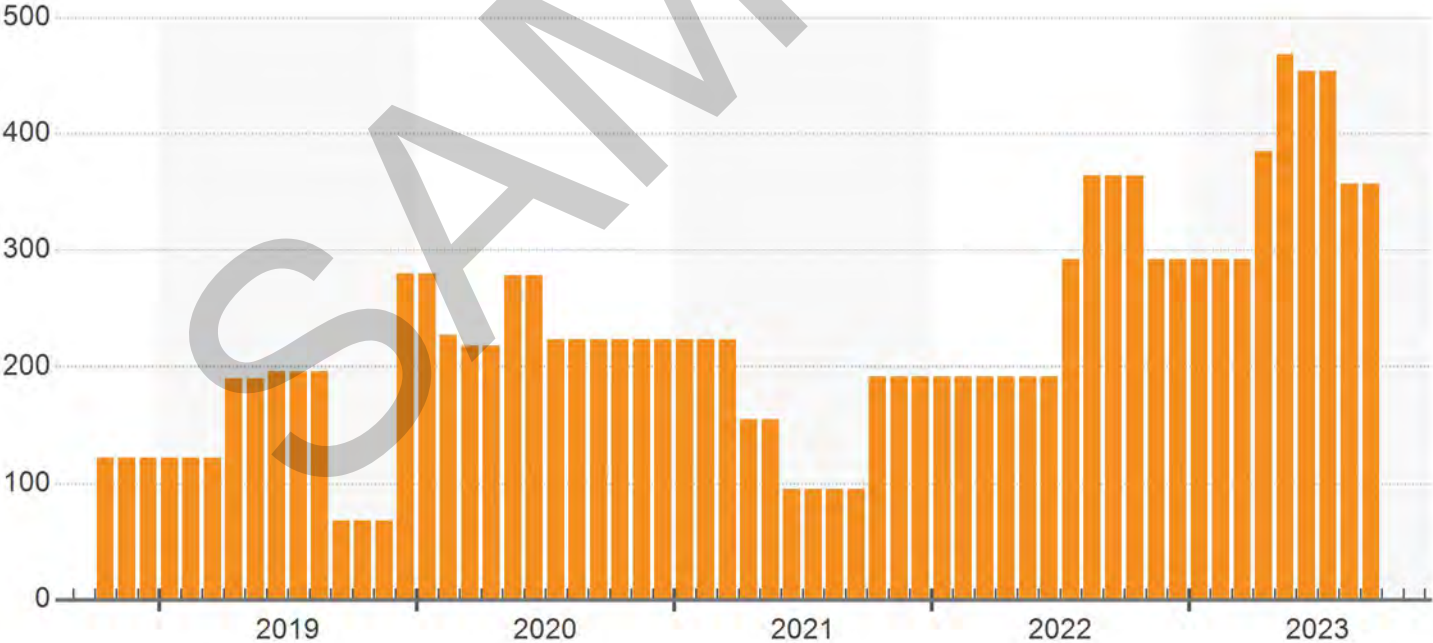
Construction

Wisconsin South Area Hospitality

ROOMS DELIVERED BY CLASS



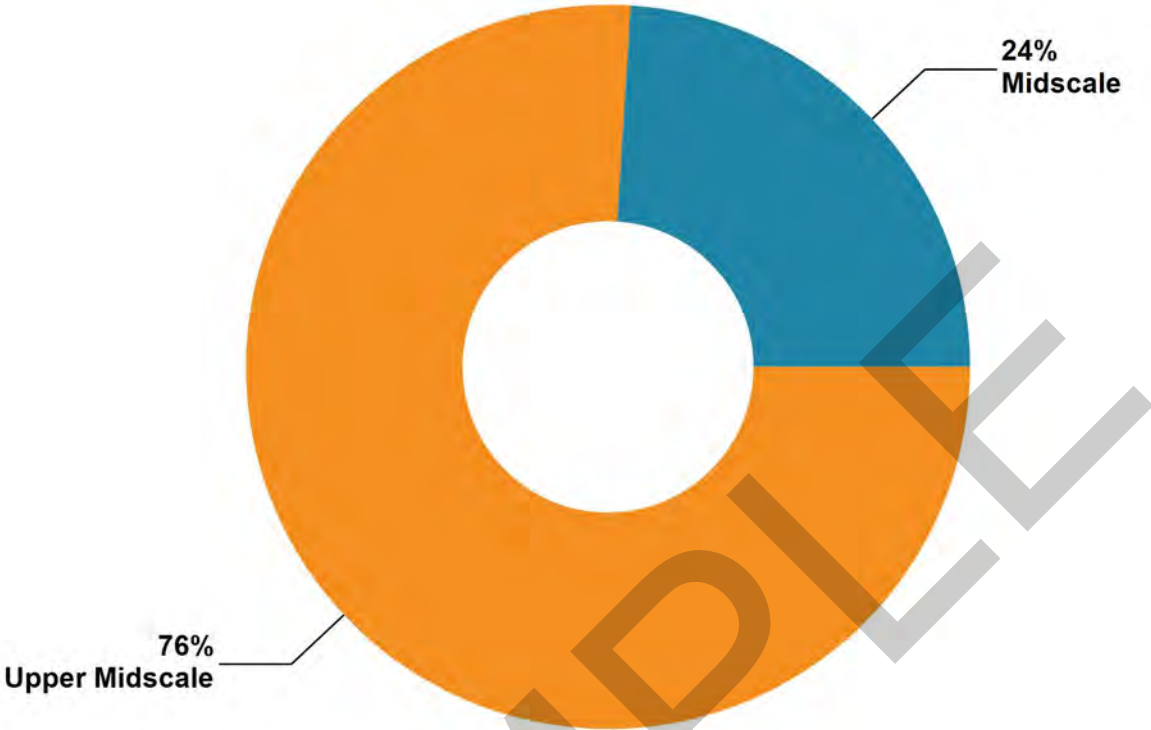
ROOMS UNDER CONSTRUCTION



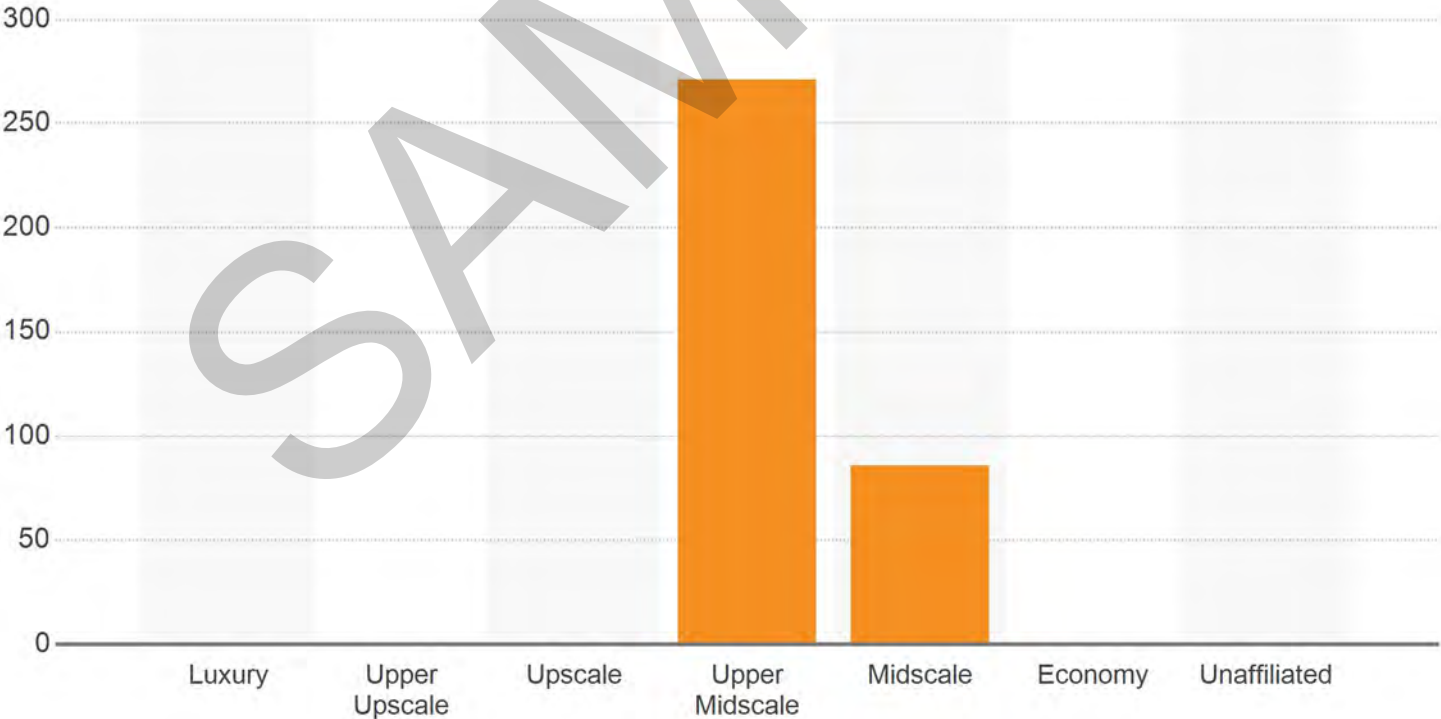
Construction

Wisconsin South Area Hospitality

TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



ROOMS UNDER CONSTRUCTION BY SCALE

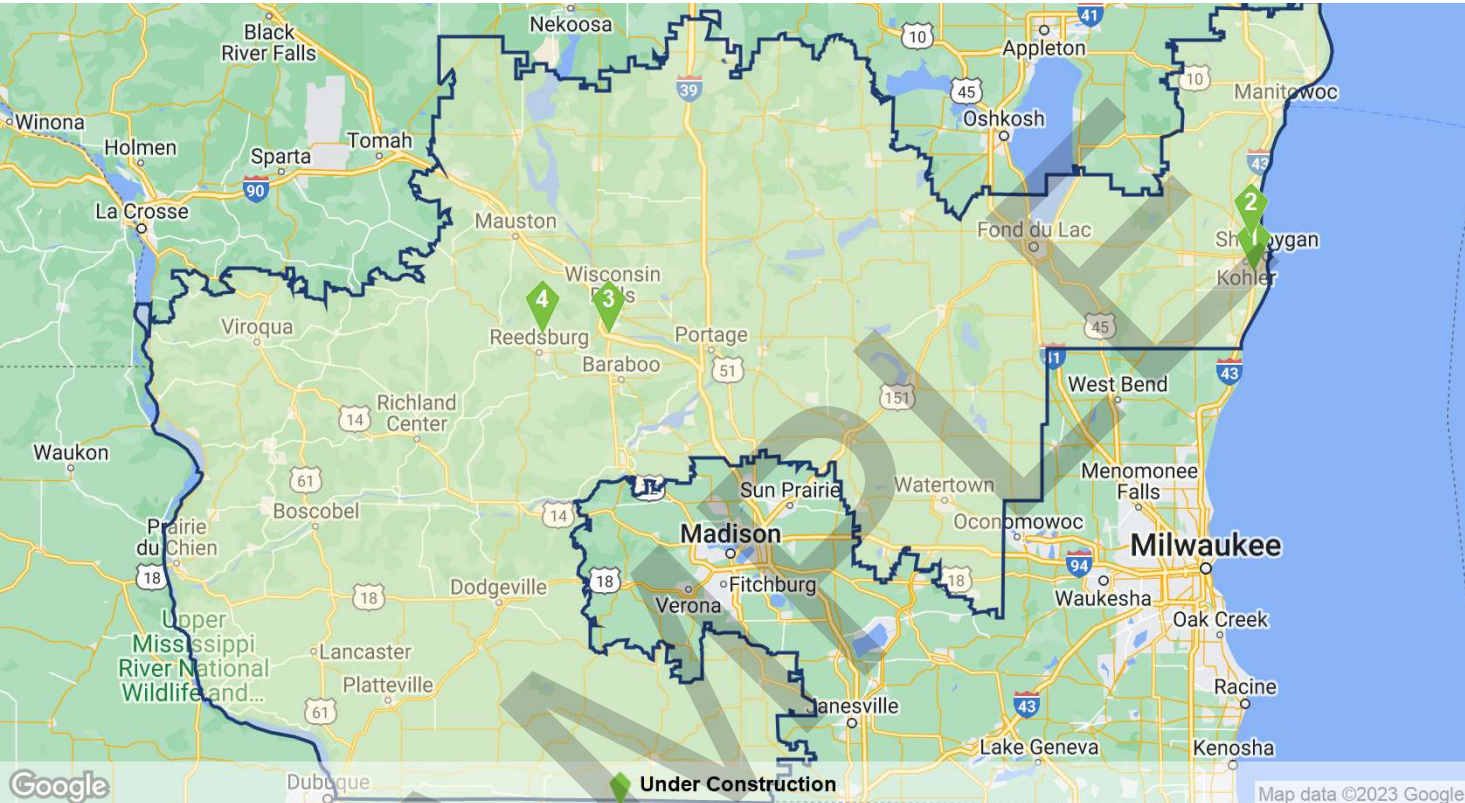


Under Construction Properties

Wisconsin South Area Hospitality

Properties	Rooms	Percent of Inventory	Average Rooms
4	357	1.8%	89

UNDER CONSTRUCTION PROPERTIES



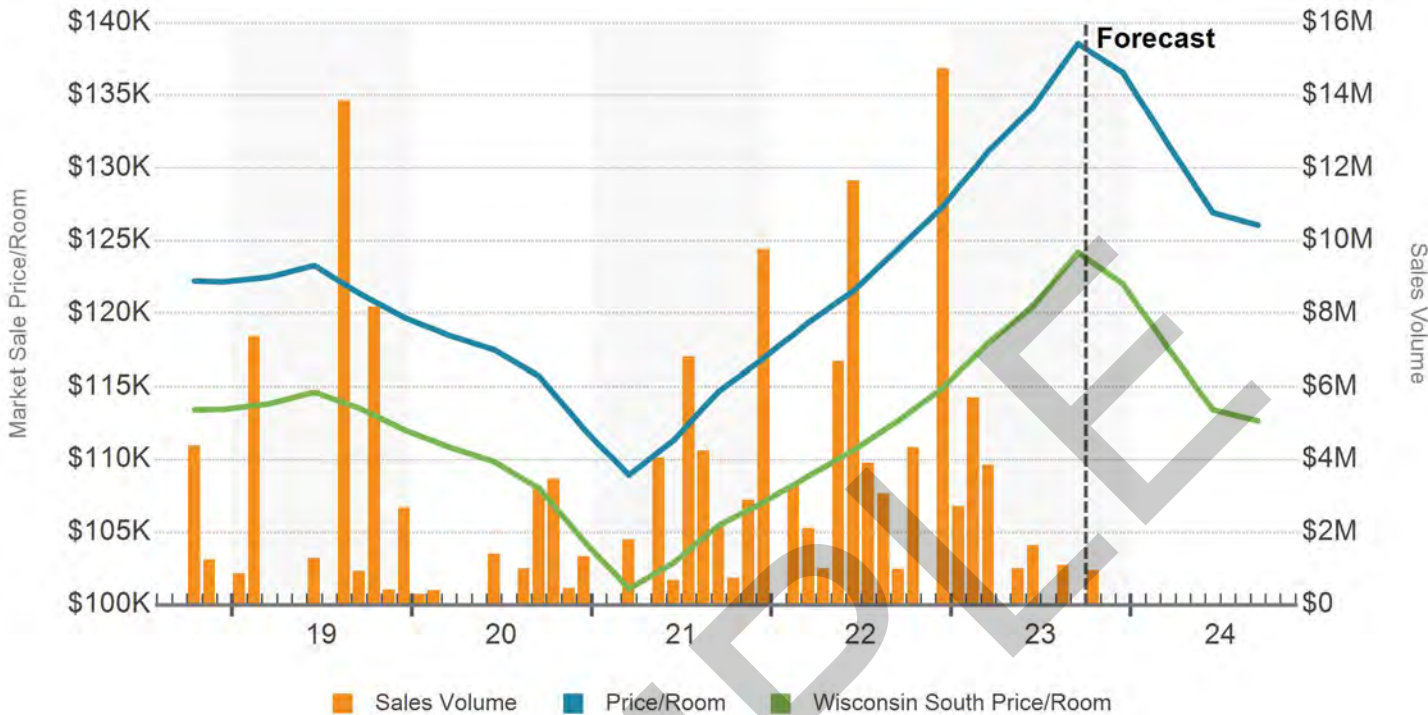
UNDER CONSTRUCTION

Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1 Hampton by Hilton SEQ Washington Ave	Upper Midscale	95	4	Mar 2020	Apr 2024	Hampton by Hilton
2 Home2 Suites by Hilton Sheboygan NEQ N 40th St, Hwy 42	Upper Midscale	93	4	Apr 2023	Jul 2024	Home2 Suites by Hilton Kinseth Hospitality Companies
3 Avid Wisconsin Dells – Lake Delton 1273 Kalahari Dr	Midscale	86	4	Jun 2023	May 2024	Avid Tall Pines Hospitality
4 Holiday Inn Express Reedsburg 3017 Skinner Drive	Upper Midscale	83	4	May 2023	May 2024	Holiday Inn Express

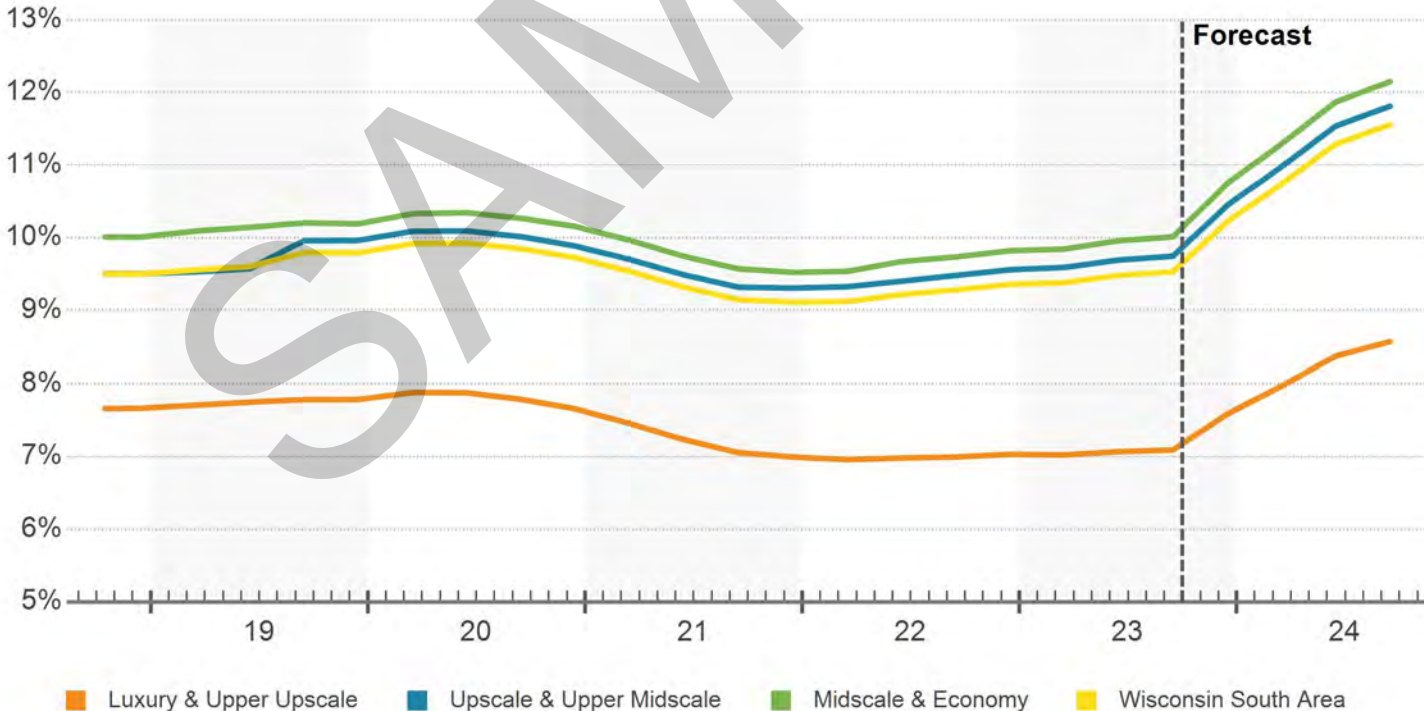
Sales

Wisconsin South Area Hospitality

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE

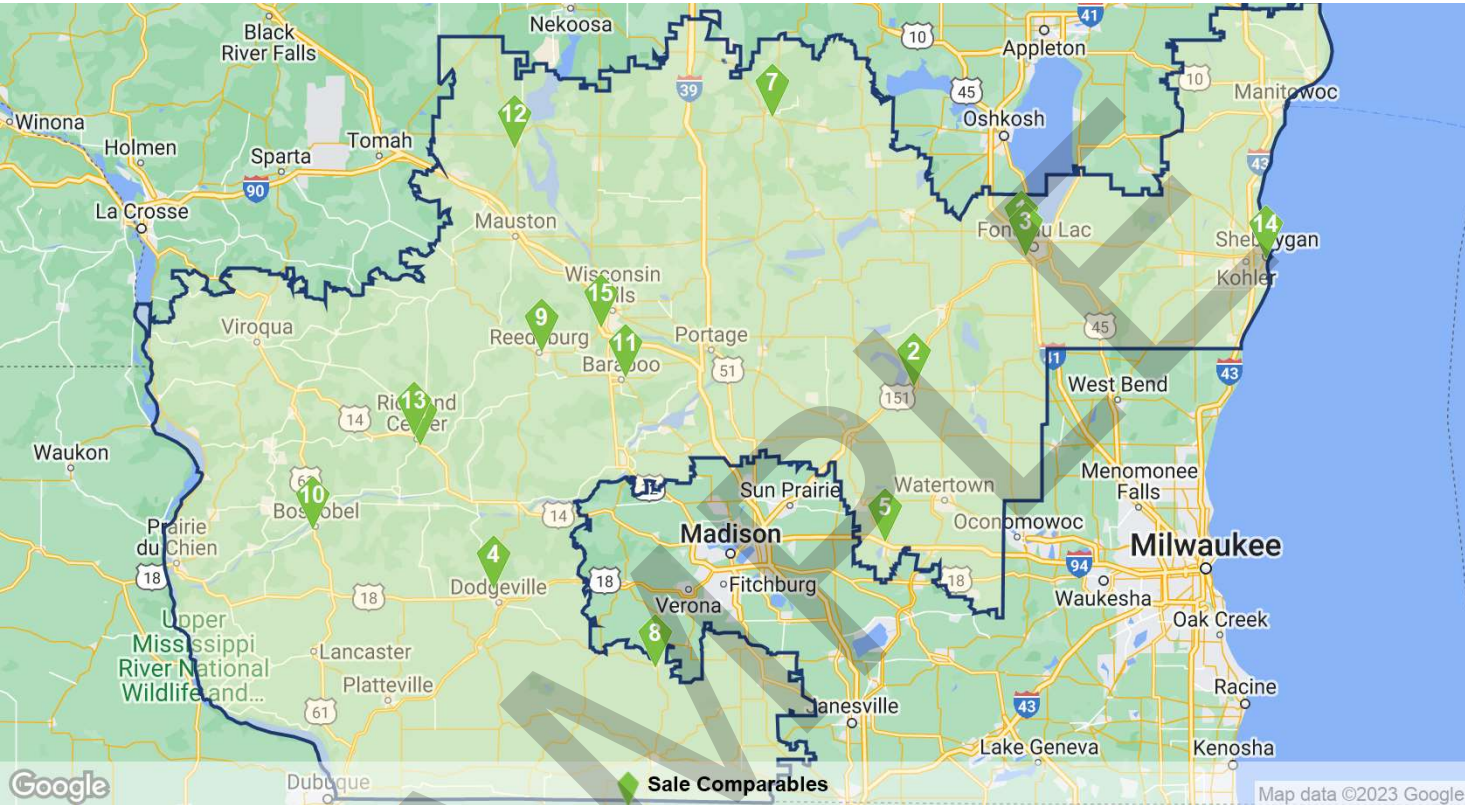


Sales Past 12 Months

Wisconsin South Area Hospitality

Sale Comparables	Average Price/Room	Average Price	Average Cap Rate
15	\$52K	\$2.4M	13.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$340,000	\$2,435,384	\$1,094,999	\$7,450,000
Price/Room	\$20,000	\$52,331	\$28,889	\$102,055
Cap Rate	13.5%	13.5%	13.5%	13.5%
Time Since Sale in Months	0.6	7.0	8.7	10.6
Property Attributes	Low	Average	Median	High
Property Size in Rooms	15	45	45	84
Number of Floors	1	2	2	4
Total Meeting Space	150	721	721	2,250
Year Built	1950	1983	1989	2016
Class	Economy	Midscale	Economy	Upscale

Sales Past 12 Months

Wisconsin South Area Hospitality

RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Hampton by Hilton Inn Fond du Lac 77 N Pioneer Rd	Upper Midscale	2016	73	Hampton by Hilton	12/6/2022	\$7,450,000	\$102,055
2	Comfort Inn Beaver Dam 815 Park Ave	Upper Midscale	1968	84	Comfort Inn	12/28/2022	\$6,000,000	\$71,429
3	Country Inn & Suites by Radisson,... 121 Merwin Way	Upper Midscale	2002	65	Country Inn & Suites by Choice	2/1/2023	\$5,700,000	\$87,692
4	AmericInn Dodgeville 3637 State Road 23	Midscale	1989	63	AmericInn	3/30/2023	\$3,850,000	\$61,111
5	Econo Lodge Lake Mills W7614 Oasis Ln	Economy	1991	43	Econo Lodge	1/25/2023	\$1,650,000	\$38,372
6	Central Lodge & Jacuzzi Suites 100 Foundry Dr	Economy	1950	45	-	6/15/2023	\$1,300,000	\$28,889
7	Wautoma Inn W7607 State Road 21 73	Economy	1991	51	-	8/28/2023	\$1,094,999	\$21,471
8	Swiss Aire Motel 1200 State Road 69	Economy	1970	26	-	1/23/2023	\$1,050,000	\$40,385
9	Super 8 by Wyndham Reedsburg 1470 E Main St	Economy	1994	50	Super 8	5/9/2023	\$1,000,000	\$20,000
10	AmericInn Hotel & Suites Boscobel 1700 Elm St	Midscale	1998	40	AmericInn	10/6/2023	\$950,000	\$23,750
11	Thunderbird Motor Inn 1013 8th St	Economy	1980	29	-	12/29/2022	\$700,000	\$24,138
12	Sunrise Motel N9695 State Rd	Economy	1958	21	-	12/29/2022	\$575,000	\$27,381
13	Park View Motel 511 W 6th St	Economy	1959	15	-	6/30/2023	\$340,000	\$22,667
14	Harbor Winds Hotel Sheboygan 905 S 8th St	Upscale	1987	28	-	5/4/2023	-	-
15	Americas Best Value Inn Wisconsi... 350 W Munroe Ave	Economy	1997	50	Americas Best Value Inn	1/3/2023	-	-

Appendix

Wisconsin South Area Hospitality

OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	7,123,231	0	0%	4,036,516	2,022	0.1%
2026	7,123,231	0	0%	4,034,494	(61,736)	-1.5%
2025	7,123,231	71,075	1.0%	4,096,230	89,225	2.2%
2024	7,052,156	92,159	1.3%	4,007,005	297,113	8.0%
2023	6,959,997	89,377	1.3%	3,709,892	130,909	3.7%
YTD	5,233,585	65,249	1.3%	2,826,182	51,479	1.9%
2022	6,870,620	16,332	0.2%	3,578,983	192,290	5.7%
2021	6,854,288	148,404	2.2%	3,386,693	1,023,599	43.3%
2020	6,705,884	(52,344)	-0.8%	2,363,094	(1,174,181)	-33.2%
2019	6,758,228	72,245	1.1%	3,537,275	(93,997)	-2.6%
2018	6,685,983	108,470	1.6%	3,631,272	109,463	3.1%
2017	6,577,513	(3,095)	0%	3,521,809	34,611	1.0%
2016	6,580,608	21,185	0.3%	3,487,198	(13,354)	-0.4%
2015	6,559,423	67,787	1.0%	3,500,552	130,716	3.9%
2014	6,491,636	1,698	0%	3,369,836	(21,375)	-0.6%
2013	6,489,938	22,027	0.3%	3,391,211	39,628	1.2%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	-	-	-			
2026	-	-	-			
2025	-	-	-			
2024	-	-	-			
2023	-	-	-			
YTD	616,581	856	0.1%	406,896	16,176	4.1%
2022	819,575	4,560	0.6%	500,064	69,112	16.0%
2021	815,015	-	-	430,952	159,884	59.0%
2020	-	-	-	271,068	(241,911)	-47.2%
2019	862,810	(28,670)	-3.2%	512,979	13,579	2.7%
2018	891,480	5,932	0.7%	499,400	3,622	0.7%
2017	885,548	(92)	0%	495,778	3,915	0.8%
2016	885,640	2,187	0.2%	491,863	23,191	4.9%
2015	883,453	-	-	468,672	65,086	16.1%
2014	-	-	-	403,586		
2013	-	-	-			

Appendix

Wisconsin South Area Hospitality

UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	2,888,897	0	0%	1,643,998	3,986	0.2%
2026	2,888,897	0	0%	1,640,012	(16,461)	-1.0%
2025	2,888,897	39,068	1.4%	1,656,473	83,575	5.3%
2024	2,849,829	73,100	2.6%	1,572,898	112,181	7.7%
2023	2,776,729	65,223	2.4%	1,460,717	64,365	4.6%
YTD	2,094,507	49,743	2.4%	1,114,857	27,459	2.5%
2022	2,711,506	(261)	0%	1,396,352	65,204	4.9%
2021	2,711,767	95,093	3.6%	1,331,148	432,531	48.1%
2020	2,616,674	11,048	0.4%	898,617	(534,962)	-37.3%
2019	2,605,626	38,802	1.5%	1,433,579	(57,243)	-3.8%
2018	2,566,824	163,992	6.8%	1,490,822	102,039	7.3%
2017	2,402,832	35,862	1.5%	1,388,783	36,563	2.7%
2016	2,366,970	34,353	1.5%	1,352,220	(8,457)	-0.6%
2015	2,332,617	13,448	0.6%	1,360,677	39,219	3.0%
2014	2,319,169	(27,351)	-1.2%	1,321,458	(9,939)	-0.7%
2013	2,346,520	(61,383)	-2.5%	1,331,397	(26,342)	-1.9%

MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	3,412,565	0	0%	1,861,453	93	0%
2026	3,412,565	0	0%	1,861,360	(33,908)	-1.8%
2025	3,412,565	32,007	0.9%	1,895,268	9,598	0.5%
2024	3,380,558	18,089	0.5%	1,885,670	160,859	9.3%
2023	3,362,469	22,930	0.7%	1,724,811	42,244	2.5%
YTD	2,522,497	14,650	0.6%	1,304,429	7,844	0.6%
2022	3,339,539	12,033	0.4%	1,682,567	57,974	3.6%
2021	3,327,506	2,704	0.1%	1,624,593	437,703	36.9%
2020	3,324,802	35,010	1.1%	1,186,890	(403,827)	-25.4%
2019	3,289,792	62,113	1.9%	1,590,717	(50,333)	-3.1%
2018	3,227,679	(61,454)	-1.9%	1,641,050	3,802	0.2%
2017	3,289,133	(38,865)	-1.2%	1,637,248	(5,866)	-0.4%
2016	3,327,998	(15,355)	-0.5%	1,643,114	(28,089)	-1.7%
2015	3,343,353	54,336	1.7%	1,671,203	79,066	5.0%
2014	3,289,017	28,929	0.9%	1,592,137	23,429	1.5%
2013	3,260,088	84,245	2.7%	1,568,708	55,160	3.6%

Appendix

Wisconsin South Area Hospitality

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	56.7%	0.1%	\$146.45	3.5%	\$82.99	3.5%
2026	56.6%	-1.5%	\$141.54	2.8%	\$80.16	1.3%
2025	57.5%	1.2%	\$137.62	3.5%	\$79.14	4.7%
2024	56.8%	6.6%	\$133.03	0.2%	\$75.59	6.8%
2023	53.3%	2.3%	\$132.73	0.4%	\$70.75	2.7%
YTD	54.0%	0.6%	\$138.53	1.7%	\$74.81	2.3%
2022	52.1%	5.4%	\$132.20	6.2%	\$68.87	11.9%
2021	49.4%	40.2%	\$124.54	24.0%	\$61.54	73.9%
2020	35.2%	-32.7%	\$100.40	-8.9%	\$35.38	-38.7%
2019	52.3%	-3.6%	\$110.23	1.6%	\$57.69	-2.1%
2018	54.3%	1.4%	\$108.54	1.6%	\$58.95	3.0%
2017	53.5%	1.0%	\$106.87	1.9%	\$57.22	2.9%
2016	53.0%	-0.7%	\$104.92	2.5%	\$55.60	1.8%
2015	53.4%	2.8%	\$102.32	4.2%	\$54.60	7.2%
2014	51.9%	-0.7%	\$98.15	2.5%	\$50.95	1.9%
2013	52.3%	0.8%	\$95.72	1.6%	\$50.02	2.5%

LUXURY & UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027						
2026						
2025						
2024						
2023						
YTD	66.0%	4.0%	\$286.50	-0.4%	\$189.07	3.5%
2022	61.0%	15.4%	\$278.58	5.2%	\$169.98	21.4%
2021	52.9%	-	\$264.86	21.5%	\$140.05	-
2020	-	-	\$218.01	7.4%	-	-
2019	59.5%	6.1%	\$203.06	3.4%	\$120.73	9.8%
2018	56.0%	0.1%	\$196.36	2.5%	\$110	2.6%
2017	56.0%	0.8%	\$191.49	1.1%	\$107.21	1.9%
2016	55.5%	4.7%	\$189.41	0.4%	\$105.20	5.1%
2015	53.1%	-	\$188.63	0.3%	\$100.07	-
2014	-		\$188.12		-	
2013						

Appendix

Wisconsin South Area Hospitality

UPSCALE & UPPER MIDSACLE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	56.9%	0.2%	\$147.70	3.7%	\$84.05	4.0%
2026	56.8%	-1.0%	\$142.41	3.2%	\$80.84	2.2%
2025	57.3%	3.9%	\$137.95	3.2%	\$79.10	7.2%
2024	55.2%	4.9%	\$133.70	0.7%	\$73.79	5.6%
2023	52.6%	2.2%	\$132.80	1.2%	\$69.86	3.4%
YTD	53.2%	0.1%	\$137.25	2.0%	\$73.05	2.1%
2022	51.5%	4.9%	\$131.20	4.8%	\$67.56	10.0%
2021	49.1%	42.9%	\$125.16	20.8%	\$61.44	72.7%
2020	34.3%	-37.6%	\$103.58	-5.9%	\$35.57	-41.3%
2019	55.0%	-5.3%	\$110.06	-1.7%	\$60.55	-6.9%
2018	58.1%	0.5%	\$111.98	2.2%	\$65.04	2.7%
2017	57.8%	1.2%	\$109.60	2.8%	\$63.35	4.0%
2016	57.1%	-2.1%	\$106.62	2.5%	\$60.91	0.4%
2015	58.3%	2.4%	\$104	5.3%	\$60.67	7.8%
2014	57.0%	0.4%	\$98.78	2.5%	\$56.28	3.0%
2013	56.7%	0.6%	\$96.34	2.6%	\$54.66	3.2%

MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	54.5%	0%	\$107.47	4.7%	\$58.62	4.7%
2026	54.5%	-1.8%	\$102.69	5.2%	\$56.01	3.3%
2025	55.5%	-0.4%	\$97.59	3.9%	\$54.20	3.4%
2024	55.8%	8.7%	\$93.93	3.1%	\$52.39	12.1%
2023	51.3%	1.8%	\$91.13	1.8%	\$46.75	3.6%
YTD	51.7%	0%	\$93.48	1.7%	\$48.34	1.7%
2022	50.4%	3.2%	\$89.53	3.1%	\$45.11	6.4%
2021	48.8%	36.8%	\$86.81	22.7%	\$42.39	67.8%
2020	35.7%	-26.2%	\$70.77	-12.0%	\$25.26	-35.0%
2019	48.4%	-4.9%	\$80.44	2.2%	\$38.90	-2.8%
2018	50.8%	2.1%	\$78.68	-0.3%	\$40	1.8%
2017	49.8%	0.8%	\$78.93	0.9%	\$39.29	1.7%
2016	49.4%	-1.2%	\$78.23	1.9%	\$38.63	0.7%
2015	50.0%	3.3%	\$76.75	5.3%	\$38.36	8.7%
2014	48.4%	0.6%	\$72.89	4.9%	\$35.28	5.5%
2013	48.1%	1.0%	\$69.47	0.6%	\$33.43	1.6%

Appendix

Wisconsin South Area Hospitality

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$158,658	299	10.7%
2026	-	-	-	-	-	-	\$148,413	279	11.0%
2025	-	-	-	-	-	-	\$134,882	254	11.5%
2024	-	-	-	-	-	-	\$127,579	240	11.6%
2023	-	-	-	-	-	-	\$136,544	257	10.2%
YTD	9	\$16.9M	2.0%	\$1,881,667	\$42,550	13.5%	\$142,833	269	9.6%
2022	26	\$51.7M	8.2%	\$1,989,269	\$32,447	20.3%	\$127,386	240	9.4%
2021	22	\$33.1M	4.9%	\$1,503,947	\$34,610	-	\$116,924	220	9.1%
2020	15	\$11.5M	10.0%	\$768,364	\$5,914	7.5%	\$112,104	211	9.7%
2019	13	\$35.6M	4.1%	\$2,734,962	\$45,006	9.9%	\$119,726	225	9.8%
2018	9	\$12.2M	2.5%	\$1,356,556	\$25,867	12.3%	\$122,172	230	9.5%
2017	14	\$18.4M	3.7%	\$1,316,500	\$26,368	9.3%	\$118,547	223	9.5%
2016	17	\$29.7M	5.7%	\$1,747,112	\$27,941	10.6%	\$111,493	210	9.5%
2015	17	\$72.2M	7.0%	\$4,248,300	\$54,963	6.9%	\$106,231	200	9.2%
2014	18	\$21.3M	6.1%	\$1,182,598	\$18,888	15.6%	\$103,502	195	8.9%
2013	9	\$7.6M	2.1%	\$847,322	\$19,604	-	\$97,709	184	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LUXURY & UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$852,388	377	7.9%
2026	-	-	-	-	-	-	\$797,350	352	8.2%
2025	-	-	-	-	-	-	\$724,653	320	8.5%
2024	-	-	-	-	-	-	\$685,415	303	8.6%
2023	-	-	-	-	-	-	\$733,582	324	7.6%
YTD	-	-	-	-	-	-	\$765,655	338	7.1%
2022	1	\$264.2K	10.3%	\$264,200	\$1,124	-	\$671,606	297	7.0%
2021	-	-	-	-	-	-	\$599,216	265	7.0%
2020	7	\$1.6M	69.2%	\$233,333	\$1,051	-	\$556,466	246	7.7%
2019	-	-	-	-	-	-	\$587,277	259	7.8%
2018	-	-	-	-	-	-	\$587,133	259	7.7%
2017	-	-	-	-	-	-	\$570,351	252	7.6%
2016	-	-	-	-	-	-	\$533,761	236	7.7%
2015	1	\$36M	17.7%	\$36,000,000	\$82,569	-	\$506,257	224	7.5%
2014	1	\$1.1M	1.1%	\$1,050,000	\$40,385	-	\$486,895	215	7.3%
2013	-	-	-	-	-	-	\$461,771	204	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix

Wisconsin South Area Hospitality

UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$74,846	201	10.9%
2026	-	-	-	-	-	-	\$70,014	188	11.2%
2025	-	-	-	-	-	-	\$63,630	171	11.8%
2024	-	-	-	-	-	-	\$60,185	162	11.8%
2023	-	-	-	-	-	-	\$64,414	173	10.4%
YTD	1	\$5.7M	0.8%	\$5,700,000	\$87,692	-	\$67,645	182	9.8%
2022	8	\$24.8M	6.9%	\$3,096,725	\$46,134	-	\$62,449	168	9.6%
2021	6	\$15.1M	5.2%	\$2,516,979	\$37,197	-	\$60,314	162	9.3%
2020	3	\$3.8M	2.8%	\$1,281,667	\$17,477	-	\$61,278	165	9.9%
2019	4	\$20.9M	5.1%	\$5,212,500	\$52,785	9.2%	\$66,547	179	10.0%
2018	1	\$3.1M	0.9%	\$3,100,000	\$46,970	14.5%	\$72,112	194	9.5%
2017	4	\$5.4M	4.1%	\$1,342,750	\$18,145	8.5%	\$69,807	188	9.5%
2016	4	\$14.9M	7.9%	\$3,722,500	\$27,422	10.6%	\$65,786	177	9.5%
2015	4	\$18.7M	3.5%	\$4,681,875	\$78,687	-	\$63,006	170	9.3%
2014	3	\$3.6M	5.6%	\$1,185,145	\$9,558	19.9%	\$63,423	171	8.9%
2013	2	\$2.6M	1.7%	\$1,300,000	\$22,414	-	\$59,273	159	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$42,911	218	11.3%
2026	-	-	-	-	-	-	\$40,140	204	11.5%
2025	-	-	-	-	-	-	\$36,481	186	12.1%
2024	-	-	-	-	-	-	\$34,505	176	12.2%
2023	-	-	-	-	-	-	\$36,930	188	10.7%
YTD	8	\$11.2M	3.5%	\$1,404,375	\$33,739	13.5%	\$38,865	198	10.1%
2022	17	\$26.7M	8.7%	\$1,569,588	\$32,461	20.3%	\$35,846	182	9.8%
2021	16	\$18M	5.9%	\$1,124,059	\$32,700	-	\$34,947	178	9.5%
2020	5	\$6M	1.9%	\$1,209,424	\$34,555	7.5%	\$35,363	180	10.2%
2019	9	\$14.7M	4.2%	\$1,633,833	\$37,227	10.2%	\$38,708	197	10.2%
2018	8	\$9.1M	4.4%	\$1,138,625	\$22,436	10.0%	\$39,033	199	10.0%
2017	10	\$13.1M	4.3%	\$1,306,000	\$32,407	10.2%	\$37,848	193	10.0%
2016	13	\$14.8M	5.5%	\$1,139,300	\$28,483	10.6%	\$36,210	184	10.0%
2015	12	\$17.5M	6.8%	\$1,457,800	\$27,334	6.9%	\$34,846	177	9.7%
2014	14	\$16.7M	7.7%	\$1,191,524	\$22,882	13.5%	\$33,857	172	9.4%
2013	7	\$5M	3.0%	\$717,986	\$18,410	-	\$31,920	162	9.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Appendix

Wisconsin South Area Hospitality

DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	282	19,702	0.9%	2	197	2	197	4	357
2022	280	19,522	0.5%	2	97	0	48	3	292
2021	278	19,430	-0.3%	2	128	0	63	3	192
2020	278	19,490	0.3%	3	267	1	219	3	223
2019	281	19,437	1.2%	3	250	0	217	3	280
2018	280	19,202	1.5%	-	-	-	-	1	122
2017	283	18,917	0.7%	3	277	(1)	159	-	-
2016	285	18,793	0.8%	2	168	(1)	129	2	205
2015	284	18,651	0.2%	1	86	(3)	(112)	2	168
2014	284	18,618	-0.1%	2	69	(1)	(54)	1	86
2013	286	18,644	-0.7%	-	-	-	-	-	-

SAMPLE

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY FINANCIAL PROFORMA



PREPARED FOR

ELKHART LAKE, WISCONSIN

54 UNITS

PREPARED BY

Core Distinction Group, LLC

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Offices in Wisconsin

INCLUDES

Projected Land Costs

Projected Building Costs

Projected Fixture, Furnishings, and Equipment Costs

Projected Soft Costs

Projected Investment

Projected Revenue

Projected Expenses

Projected Return on Investment



TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

Cobblestone Hotel & Suites Elkhart Lake, WI

Number of Units: **54**

Building Specifications: 54 unit, four (4) story, Main Street style Cobblestone Hotel & Suites, with an expanded guest wine & beer bar, standard (king & queen/queen) rooms, 2-room extended stay suites, free hot breakfast for all guests, guest fitness room, guest laundry room, interior pool, and meeting room

Total Land & Prep		\$1,100,000	
<i>per room</i>		<i>\$20,370</i>	
Raw Land		\$0	
Permit & Community (plan review/permit/inspect/impact/tap fees/etc.)		\$400,000	
Site Utility & Excav. (sewer/water/electric/grading & fill/drainage/etc.)		\$700,000	
Building Construction		\$6,847,000	
<i>per room</i>		<i>\$126,796</i>	
Fixtures, Furnishings, and Equipment		\$993,000	
<i>per room</i>		<i>\$18,389</i>	
Indirect/Soft Costs		\$842,000	
<i>per room</i>		<i>\$15,593</i>	
Appraisal		\$7,000	
Architectural / Engineering		\$120,000	
Cobblestone Franchise Fee		\$40,000	
Surveys		\$15,000	
Pre-Opening Services		\$40,000	
Working Capital		\$170,000	
Legal and Accounting Fees		\$10,000	
Construction Period Interest / Loan Fees / Closing		\$250,000	
Insurance & Taxes During Construction		\$40,000	
Project Contingency		\$150,000	
Total Project Costs:		\$9,782,000	
<i>per room</i>		<i>\$181,148</i>	
Requested Loan Amount:		\$6,832,000	69.8%
Expected Cash Injection:		\$2,950,000	30.2%
Sources of Funding			
Bank Loan	6,832,000	Debt Interest:	7.50%
Expected Cash Injection	2,950,000	Debt Terms:	25
Total:	\$9,782,000	Debt Service:	\$605,855

Ramp Up Year													Rooms: 54
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	1,674	1,512	1,674	1,620	1,674	1,620	1,674	1,674	1,620	1,674	1,620	1,674	19,710
Lodging Occupancy %	49.7%	50.3%	55.8%	52.7%	60.9%	71.4%	80.4%	72.6%	66.5%	60.5%	46.3%	44.2%	59.4%
Total Occ. Rooms	831	761	934	853	1,020	1,156	1,345	1,216	1,078	1,014	750	740	11,698
Average Daily Rate	\$131.65	\$137.86	\$144.45	\$141.56	\$145.89	\$175.63	\$203.09	\$174.46	\$152.28	\$141.36	\$127.74	\$129.19	\$154.39
Revenue Per Available Room (REVPAR)	\$65.39	\$69.41	\$80.56	\$74.54	\$88.89	\$125.33	\$163.22	\$126.71	\$101.28	\$85.59	\$59.15	\$57.14	\$91.63
Revenue:													
Guest Room Revenue	109,462	104,946	134,861	120,758	148,808	203,040	273,230	212,120	164,080	143,273	95,820	95,646	1,806,045
Meeting Room Revenue	416	381	467	427	510	578	673	608	539	507	375	370	5,849
Marketplace/Lounge	4,157	3,806	4,668	4,265	5,100	5,780	6,727	6,079	5,388	5,068	3,751	3,702	58,491
TOTAL HOTEL REVENUE	114,035	109,133	139,996	125,450	154,419	209,399	280,629	218,807	170,006	148,848	99,945	99,718	1,870,385
Hotel Payroll Expenses:													
Hotel Manager	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Housekeeping/Maintenance	6,652	6,090	7,469	6,824	8,160	9,249	10,763	9,727	8,620	8,108	6,001	5,923	93,586
Front Desk	7,440	6,960	7,440	7,200	11,160	14,400	14,880	11,160	10,800	11,160	7,200	7,440	117,240
Workers Comp Insurance	477	451	498	476	608	716	766	647	611	607	455	459	6,771
Payroll Tax	2,386	2,256	2,489	2,378	3,040	3,581	3,830	3,236	3,053	3,034	2,275	2,295	33,853
TOTAL HOTEL PAYROLL	21,955	20,757	22,896	21,878	27,968	32,946	35,240	29,770	28,083	27,908	20,931	21,117	311,450
Hotel Operating Expenses:													
Cleaning Supplies	457	419	514	469	561	636	740	669	593	557	413	407	6,434
Laundry Supplies	416	381	467	427	510	578	673	608	539	507	375	370	5,849
Linens	624	571	700	640	765	867	1,009	912	808	760	563	555	8,774
Guest Supplies	831	761	934	853	1,020	1,156	1,345	1,216	1,078	1,014	750	740	11,698
Operating Supplies	707	647	794	725	867	983	1,144	1,033	916	861	638	629	9,943
Repairs & Maintenance	1,095	1,049	1,349	1,208	1,488	2,030	2,732	2,121	1,641	1,433	958	956	18,060
Swimming Pool Maintenance	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Franchise Fees	6,278	5,670	6,278	6,075	6,278	6,075	6,278	6,278	6,075	6,278	6,075	6,278	73,913
Marketing Funds Fee	1,256	1,134	1,256	1,215	1,256	1,215	1,256	1,256	1,215	1,256	1,215	1,256	14,783
Reservation Expense	775	775	775	775	775	775	775	775	775	775	775	775	9,300
PMS Fee	438	438	438	438	438	438	438	438	438	438	438	438	5,256
Complimentary Breakfast	3,326	3,045	3,735	3,412	4,080	4,624	5,382	4,863	4,310	4,054	3,001	2,961	46,793
Travel Agent Fees	5,473	5,247	6,743	6,038	7,440	10,152	13,661	10,606	8,204	7,164	4,791	4,782	90,302
Vending Expense	2,079	1,903	2,334	2,133	2,550	2,890	3,363	3,040	2,694	2,534	1,875	1,851	29,246
Marketing / Advertising	547	525	674	604	744	1,015	1,366	1,061	820	716	479	478	9,030
Utilities	2,851	2,728	3,500	3,136	3,860	5,235	7,016	5,470	4,250	3,721	2,499	2,493	46,760
Cable/Internet/Phone	1,674	1,512	1,674	1,620	1,674	1,620	1,674	1,674	1,620	1,674	1,620	1,674	19,710
Credit Card Expense	2,566	2,455	3,150	2,823	3,474	4,711	6,314	4,923	3,825	3,349	2,249	2,244	42,084
Management Fee	6,842	6,548	8,400	7,527	9,265	12,564	16,838	13,128	10,200	8,931	5,997	5,983	112,223
TOTAL OPERATING EXPENSES	39,067	36,642	44,545	40,950	47,879	58,398	72,837	60,904	50,834	46,854	35,543	35,705	570,157
Income Before Fixed Expenses	53,013	51,734	72,555	62,622	78,571	118,054	172,553	128,133	91,089	74,085	43,472	42,896	988,779
Gross Operating Profit (GOP)	46.49%	47.40%	51.83%	49.92%	50.88%	56.38%	61.49%	58.56%	53.58%	49.77%	43.50%	43.02%	52.86%
Reserves & Fixed Expenses:													
Debt Service	50,488	50,488	50,488	50,488	50,488	50,488	50,488	50,488	50,488	50,488	50,488	50,488	605,855
Real Estate Taxes (Estimates)	7,820	7,820	7,820	7,820	7,820	7,820	7,820	7,820	7,820	7,820	7,820	7,820	93,844
Insurance	1,711	1,637	2,100	1,882	2,316	3,141	4,209	3,282	2,550	2,233	1,499	1,496	28,056
Reserves For Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES & FIXED	60,019	59,945	60,408	60,190	60,625	61,449	62,518	61,590	60,858	60,541	59,807	59,804	727,755
NET OPERATING INCOME (NOI)	43,483	42,276	62,635	52,920	68,435	107,093	160,524	117,051	80,719	64,032	34,152	33,580	866,879
NET CASH FLOW	(7,005)	(8,212)	12,147	2,432	17,947	56,605	110,036	66,543	30,231	13,544	(16,336)	(16,908)	261,024

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Projection									Rooms: 54
	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>Year 4</u>		<u>Year 5</u>
Lodging Rooms Available	19,710		19,710		19,710		19,710		19,710
Lodging Occupancy %	62.5%		64.7%		66.9%		69.3%		71.3%
Total Occ. Rooms	12,314		12,745		13,191		13,653		14,062
Average Daily Rate	\$162.51		\$167.39		\$172.41		\$175.86		\$177.62
Revenue Per Available Room (REVPAR)	\$101.53		\$108.24		\$115.39		\$121.81		\$126.72
Revenue:									
Guest Room Revenue	2,001,158		2,133,335		2,274,241		2,400,917		2,497,674
Meeting Room Revenue	6,157		6,372		6,595		6,826		7,031
Marketplace/Lounge	61,570		63,724		65,955		68,263		70,311
TOTAL HOTEL REVENUE	2,068,885		2,203,431		2,346,792		2,476,006		2,575,016
Hotel Payroll Expenses:									
Hotel Manager	60,000		60,900		61,814		62,741		63,682
Housekeeping/Maintenance	92,354		95,587		98,932		102,395		105,467
Front Desk	117,240		120,757		124,380		128,111		131,955
Workers Comp Insurance	6,740		6,931		7,128		7,331		7,528
Payroll Tax	34,542		35,522		36,532		37,572		38,579
TOTAL HOTEL PAYROLL	310,876		319,697		328,786		338,150		347,210
Hotel Operating Expenses:									
Cleaning Supplies	6,773		7,010		7,255		7,509		7,734
Laundry Supplies	6,157		6,372		6,595		6,826		7,031
Linens	9,235		9,559		9,893		10,239		10,547
Guest Supplies	12,314		12,745		13,191		13,653		14,062
Operating Supplies	10,467		10,833		11,212		11,605		11,953
Repairs & Maintenance	20,012		21,333		28,428		30,011		37,465
Swimming Pool Maintenance	10,000		11,500		13,225		15,209		17,490
Franchise Fees	73,913		73,913		73,913		73,913		73,913
Marketing Funds Fee	14,783		14,783		14,783		14,783		14,783
Reservation Expense	9,300		9,300		9,300		9,300		9,300
PMS Fee	5,256		5,256		5,256		5,256		5,256
Complimentary Breakfast	49,256		50,980		52,764		54,611		56,249
Travel Agent Fees	100,058		106,667		113,712		120,046		124,884
Vending Expense	30,785		31,862		32,977		34,132		35,156
Marketing / Advertising	10,006		10,667		11,371		12,005		12,488
Utilities	51,722		55,086		58,670		61,900		64,375
Cable/Internet/Phone	19,710		20,301		20,910		21,538		22,184
Credit Card Expense	46,550		49,577		52,803		55,710		57,938
Management Fee	124,133		132,206		140,807		148,560		154,501
TOTAL OPERATING EXPENSES	610,428		639,949		677,066		706,804		737,308
Income Before Fixed Expenses	1,147,581		1,243,786		1,340,940		1,431,052		1,490,498
Gross Operating Profit (GOP)									
Reserves & Fixed Expenses:									
Real Estate Taxes (Estimates)	93,844		93,844		93,844		93,844		93,844
Insurance	31,033		33,051		35,202		37,140		38,625
Reserves For Replacement	41,378		66,103		70,404		99,040		103,001
NET OPERATING INCOME (NOI)	981,326		1,050,787		1,141,490		1,201,027		1,255,028
Loan (Interest Payment)	509,120		501,610		493,517		484,796		475,398
Loan (Principal Reduction)	96,735		104,245		112,338		121,059		130,457
NET CASH FLOW	\$375,471		\$444,933		\$535,636		\$595,172		\$649,174
RETURN ON INVESTMENT (ROI) %	12.73%		15.08%		18.16%		20.18%		22.01%
ROI % (Including Principal Reduction)	16.01%		18.62%		21.97%		24.28%		26.43%

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

5 Year Break Even									Rooms: 54	
	Year 1		Year 2		Year 3		Year 4		Year 5	
Lodging Rooms Available	19,710		19,710		19,710		19,710		19,710	
Lodging Occupancy %	45.5%		45.0%		44.0%		44.1%		44.1%	
Total Occ. Rooms	8,977		8,877		8,682		8,689		8,696	
Average Daily Rate	\$162.51		\$167.39		\$172.41		\$175.86		\$177.62	
Revenue Per Available Room (REVPAR)	\$74.02		\$75.39		\$75.94		\$77.53		\$78.36	
Revenue:										
Guest Room Revenue	1,458,871		1,485,898		1,496,855		1,528,023		1,544,547	
Meeting Room Revenue	4,489		4,439		4,341		4,345		4,348	
Marketplace/Lounge	44,885		44,385		43,410		43,445		43,480	
TOTAL HOTEL REVENUE	1,508,244		1,534,722		1,544,606		1,575,813		1,592,375	
Hotel Payroll Expenses:										
Hotel Manager	60,000		61,800		63,654		65,564		67,531	
Housekeeping/Maintenance	67,328		66,578		65,115		65,168		65,220	
Front Desk	90,000		92,700		95,481		98,345		101,296	
Workers Comp Insurance	5,433		5,527		5,606		5,727		5,851	
Payroll Tax	27,845		28,326		28,732		29,350		29,987	
TOTAL HOTEL PAYROLL	250,606		254,930		258,588		264,154		269,885	
Hotel Operating Expenses:										
Cleaning Supplies	4,937		4,882		4,775		4,779		4,783	
Laundry Supplies	4,489		4,439		4,341		4,345		4,348	
Linens	6,733		6,658		6,512		6,517		6,522	
Guest Supplies	8,977		8,877		8,682		8,689		8,696	
Operating Supplies	7,630		7,545		7,380		7,386		7,392	
Repairs & Maintenance	14,589		14,859		18,711		19,100		23,168	
Swimming Pool Maintenance	10,000		11,500		13,225		15,209		17,490	
Franchise Fees	73,913		73,913		73,913		73,913		73,913	
Marketing Funds Fee	14,783		14,783		14,783		14,783		14,783	
Reservation Expense	9,300		9,300		9,300		9,300		9,300	
PMS Fee	5,256		5,256		5,256		5,256		5,256	
Complimentary Breakfast	44,885		44,385		43,410		43,445		43,480	
Travel Agent Fees	72,944		74,295		74,843		76,401		77,227	
Vending Expense	22,443		22,193		21,705		21,723		21,740	
Marketing / Advertising	7,294		7,429		7,484		7,640		7,723	
Utilities	52,789		53,715		54,061		55,153		55,733	
Cable/Internet/Phone	19,710		20,301		20,910		21,538		22,184	
Credit Card Expense	33,935		34,531		34,754		35,456		35,828	
Management Fee	90,495		92,083		92,676		94,549		95,542	
TOTAL OPERATING EXPENSES	505,100		510,944		516,720		525,179		535,108	
Income Before Fixed Expenses										
Gross Operating Profit (GOP)		752,539		768,848		769,298		786,480		787,383
Reserves & Fixed Expenses:										
Real Estate Taxes (Estimates)	93,844		93,844		93,844		93,844		93,844	
Insurance	22,624		23,021		23,169		23,637		23,886	
Reserves For Replacement	30,165		46,042		46,338		63,033		63,695	
NET OPERATING INCOME (NOI)	605,906		605,941		605,947		605,966		605,958	
Loan (Interest Payment)	509,120		501,610		493,517		484,796		475,398	
Loan (Principal Reduction)	96,735		104,245		112,338		121,059		130,457	
NET CASH FLOW	\$51		\$86		\$92		\$111		\$103	

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

Projections Summary

Lodging Demand Analysis

1st Quarter (Jan-Mar)	January	February	March	
Lodging Rooms Available	1,674	1,512	1,674	
Lodging Occupancy %	52.3%	53.0%	58.7%	
Total Occ. Rooms	875	801	983	
Average Daily Rate	138.58	145.12	152.05	
Total Revenue	\$121,288	\$116,284	\$149,431	
2nd Quarter (Apr-June)	April	May	June	
Lodging Rooms Available	1,620	1,674	1,620	
Lodging Occupancy %	55.4%	64.1%	75.1%	
Total Occ. Rooms	898	1,074	1,217	
Average Daily Rate	149.02	153.57	184.87	
Total Revenue	\$133,804	\$164,885	\$224,975	
3rd Quarter (July-Sept)	July	August	September	
Lodging Rooms Available	1,674	1,674	1,620	
Lodging Occupancy %	84.6%	76.5%	70.0%	
Total Occ. Rooms	1,416	1,280	1,134	
Average Daily Rate	213.78	183.64	160.29	
Total Revenue	\$302,748	\$235,036	\$181,806	
4th Quarter (Oct-Dec)	October	November	December	TOTAL
Lodging Rooms Available	1,674	1,620	1,674	19,710
Lodging Occupancy %	63.7%	48.7%	46.6%	62.5%
Total Occ. Rooms	1,067	790	779	12,314
Average Daily Rate	148.80	134.46	135.99	\$162.51
Total Revenue	\$158,751	\$106,171	\$105,979	2,001,158

** The above forecasts represent projections for occupancy, ADR, and revenue of a developed 54 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.*

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by CoStar/Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC

First Year Ramp Up Projections of 54 Guestroom Lodging Options:

OCC%	ADR:	REVPAR	Room Revenue:
59.4%	\$154.39	\$91.63	\$1,806,045

1-5 Year Projections:

OCC%	ADR:	REVPAR	Room Revenue:	YEAR 1
62.5%	\$162.51	\$101.53	\$2,001,158	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 2
64.7%	\$167.39	\$108.24	\$2,133,335	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 3
66.9%	\$172.41	\$115.39	\$2,274,241	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 4
69.3%	\$175.86	\$121.81	\$2,400,917	
OCC%	ADR:	REVPAR	Room Revenue:	YEAR 5
71.3%	\$177.62	\$126.72	\$2,497,674	

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of \$150k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the regional market of Elkhart Lake, WI. The market's demand patterns appear average.

Source: Core Distinction Group LLC

Proposed Property

In this section of the report, Core Distinction Group has compiled a projection of income and expense for the proposed hotel development. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. This section of the report also details construction/development costs gathered by Core Distinction Group.

Proposed Property Description

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Projected Construction/Development Costs

Gathering the most accurate costs available may help ensure the hotel project projection estimates set in this report be as accurate as possible. Core Distinction Group requested construction/development costs directly from a reputable hotel construction company and/or the brand selected by the client. Core Distinction Group is not responsible for any discrepancies in costs in the future. The total estimated costs for this proposed hotel development project are listed in table below:

Hotel Construction/Development Costs in Elkhart Lake, WI	
Total Estimated Costs	\$9,782,000

Hotel Construction/Development Costs in Elkhart Lake, WI		
Total Estimated Costs	\$181,148	per room/key

Projected Hotel Development Revenue

In this section of this report, Core Distinction Group has compiled projections of revenue for the proposed hotel. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. Room revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize by year three. Due to the scale of the proposed hotel development, the revenue will also contain a small amount of food and beverage revenue, telephone revenue, meeting space revenue and miscellaneous revenue. Below you will find a five year projection of total revenue for the proposed hotel development:

Five Year Projected Hotel Development Revenue	
Year 1	
	\$2,068,884.56
Year 2	
	\$2,203,431.48
Year 3	
	\$2,346,791.62

Projected Hotel Development Payroll

The projected hotel development payroll expenses consist of all payroll associated with the revenue obtained by the proposed property. Core Distinction Group includes; the General Manager salary, all maintenance payroll, all housekeeping payroll, all front desk payroll, as well as workers compensation insurance and any payroll taxes in its evaluation. Below you will find the forecasted five year proposed property's total payroll:

Five Year Projected Hotel Development Total Payroll	
Year 1	
	\$310,875.91
Year 2	
	\$319,696.86
Year 3	
	\$328,785.50

Projected Hotel Development Operating Expenses

The projected hotel development operating expenses consist of all operating expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its operating expenses:

Cleaning Supply Expenses - All expenses related to the cleaning of the proposed hotel project.

Laundry Supply Expenses - All expenses related to the laundering of the linens at the proposed hotel project.

Linen Expenses - All expenses related to the ongoing cost of replacing linens at the proposed hotel project.

Guest Supply Expenses - All expenses related to the restocking of supplies used by the guest at proposed hotel project.

Operating Supply Expenses - All expenses related to the operations of the proposed hotel project.

Repairs and Maintenance Expenses - All expenses related to the repair and maintenance of the proposed hotel project. It should be noted that as a new hotel, these amounts may be lower in the first year or two of operation. However, this also does include any contracts such as elevator maintenance, fire alarm monitoring, etc.

Swimming Pool Maintenance Expenses - All expenses related to the upkeep of the pool at the proposed hotel project. It should be noted that if the proposed hotel does not have a pool, this number will not be present in the proposed hotel project expenses.

Grounds and Landscaping Expenses - All expenses related to the ongoing maintenance of lawn, landscaping and snow removal (if applicable) of the proposed hotel project.

Franchise Fee Expenses - All expenses related to the ongoing fees charged by the franchise to the proposed hotel project.

Property Management System Expenses - All expenses related to the ongoing fees charged by the property management system of the proposed hotel project.

Breakfast Expenses - All expenses related to the breakfast provided by the proposed hotel project.

Travel Agent Fee Expenses - All expenses related to the ongoing fees charged by any travel agent booking revenue at the proposed hotel project. This also includes online travel agent websites.

Reservation Expenses - All expenses related to the ongoing fees charged by the central reservation system of proposed hotel project.

Projected Hotel Development Operating Expenses (continued)

Vending and Bar Expenses - All expenses related to the bar or vending area of the proposed hotel project.

Office Expenses - All expenses related to the office supplies need at the proposed hotel project.

Marketing and Advertising Expenses - All expenses related to the marketing and advertising done for the proposed hotel project.

Utility Expenses - All expenses related to the utilities utilized at the proposed hotel project.

Telephone Expenses - All expenses related to the phone system at the proposed hotel project.

Internet Expenses - All expenses related to the internet system at the proposed hotel project.

Cable Expenses - All expenses related to the cable system at the proposed hotel project.

Waste Removal Expenses - All expenses related to the removal of waste at the proposed hotel project.

Dues and Subscription Expenses - All expenses related to any dues or subscriptions utilized at proposed hotel project.

Licenses and Permitting Expenses - All expenses related to any ongoing licenses or permits for the proposed hotel project.

Credit Card Processing Expenses - All expenses related to the credit card processing system at the proposed hotel project.

Management Fee Expenses - All expenses related to the ongoing professional hotel management fees of the proposed hotel project.

Accounting Service Expenses - All expenses related to the ongoing, professional accounting or accountant fees of the proposed hotel project.

Other Expenses/Frequent Stay Program Expenses - All expenses related to the brand's frequent stay program at the proposed hotel project. This line also includes any miscellaneous expenses.

Projected Hotel Development Operating Expenses (continued)

Below you will find the forecasted five year, proposed property's total operating expenses:

Five Year Projected Hotel Development Total Operating Expenses	
Year 1	
	\$610,427.50
Year 2	
	\$639,948.58
Year 3	
	\$677,066.00
Year 4	
	\$706,804.29
Year 5	
	\$737,307.77

Projected Hotel Development Reserves and Fixed Expenses

The projected hotel development reserves and fixed expenses consist of all fixed monthly expenses as well as the reserve for replacement expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its reserves and fixed expenses:

Real Estate Tax Expenses - This expense relates to the real estate taxes assessed for the proposed hotel project. In some cases this item could be an estimate and/or may be reduced due to incentives. Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality. The numbers below are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Insurance Expenses - This expense relates to the ongoing property insurance for the proposed hotel project. In some cases this item could be an estimate. The insurance expense consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage. Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy. The numbers to follow are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Reserve for Replacement Expenses - Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's revenue-producing abilities. This expense line includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use. Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and revenue-producing potential of a lodging facility. Studies have indicated that on an ongoing basis a minimum of 4 percent is required to properly maintain hotels. Because the proposed hotel will be a new construction, we used a buildable approach whereas, in the first two years of operation, the reserve was estimated to be 3 percent and in subsequent years the reserve for replacement was estimated to be 4 percent of total sales and is estimated to provide sufficient funds for future capital improvements.

Projected Hotel Development Reserves and Fixed Expenses (continued)

Below you will find the forecasted five year, proposed property's total reserves and fixed expenses:

Five Year Projected Hotel Development Total Reserves and Fixed Expenses	
Year 1	
	\$166,255.23
Year 2	
	\$192,998.68
Year 3	
	\$199,449.89
Year 4	
	\$230,024.60
Year 5	
	\$235,470.13

Projected Hotel Development Loan Expenses

The projected hotel development loan expenses consist of all monthly expenses incurred by the proposed property. Based on our analysis of the current lodging industry's mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the hotel market, it is our opinion that a 7.5% interest, 25-year amortization mortgage is appropriate for the proposed subject hotel. In the mortgage equity analysis, we have applied a loan-to-cost ratio of 70%, which is reasonable to expect based on this interest rate and current parameters. Below you will find the forecasted five year, proposed property's total loan expenses:

Five Year Projected Hotel Development Total Interest Payment	
Year 1	
	\$509,120
Year 2	
	\$501,610
Year 3	
	\$493,517
Year 4	
	\$484,796
Year 5	
	\$475,398
Five Year Projected Hotel Development Total Principal Reduction	
Year 1	
	\$96,735
Year 2	
	\$104,245
Year 3	
	\$112,338
Year 4	
	\$121,059
Year 5	
	\$130,457

Projected Hotel Development Income

The projected hotel development income is measured by two separate parameters for the proposed property:

Return On Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment relative to the investment's cost.

ROI % (Including Principal Reduction) is a calculation used to analyze the profitability of income-generating real estate investments. ROI equals all revenue from the property, minus all reasonably necessary operating expenses, and principle loan payment.

The projected Return On Investment (ROI) and Net Operating Income ROI % (Including Principal Reduction) are as follows:

Five Year Projected - Total Return On Investment (ROI)	
Year 1	12.73%
Year 2	15.08%
Year 3	18.16%
Year 4	20.18%
Year 5	22.01%
Five Year Projected - ROI % (Including Principal Reduction)	
Year 1	16.01%
Year 2	18.62%
Year 3	21.97%
Year 4	24.28%
Year 5	26.43%



NEW HOTEL DEVELOPMENT PROJECT COLUMBIA, TN

PREPARED FOR:
The City of Columbia, Tennessee

ABOUT

COLUMBIA, TENNESSEE

Columbia is a city located in Tennessee. It is the county seat of Maury County and located approximately 43 miles south of Nashville. Columbia has a population of approximately 40,000 people, making it one of the larger cities in the region.

Columbia's economy is diverse and includes healthcare, manufacturing, and education as major industries. The city is home to several large healthcare facilities, including Maury Regional Medical Center, which is the largest employer in the city. Manufacturing is also an important part of the local economy, with several companies operating in the area, including a large textile mill and a metal fabrication plant. Columbia is also home to the headquarters of the Tennessee Farm Bureau. Additionally, a number of educational institutions, including Columbia State Community College, call it home.

Columbia is also known for its historic downtown area, which features a number of restored 19th-century buildings, including several antebellum homes. The city also has several historic sites and museums, including the James K. Polk Ancestral Home, which was the 11th president of the United States' boyhood home, and the Columbia Athenaeum, which is a National Register of Historic Places building that now serves as a cultural center. The community also boasts a growing arts district.

Overall, Columbia is a vibrant city with a rich history, culture and many events, a diverse economy and many important historical landmarks, and a beautiful downtown area. It's location in southern Tennessee, nearby Nashville make it also a great base for exploring the region.

COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY

Based on the information provided to and gathered by Core Distinction Group, a third-party hotel development consultant, at the time of researching the subject community, the following recommendations are made:

PROPERTY SEGMENT

Property segment recommended for the potential development of a hotel is an Upper Midscale to Upscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Columbia, TN. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Columbia and regional markets.

PROPERTY SIZE

Property size recommendation of a newly developed hotel was researched to be between 90-100 guestrooms in this report. This would position it to be smaller in size to the average room size of 62-80 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

PROPERTY ECONOMIC IMPACT

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 15-25 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

LODGING DEMAND AND SUPPLY

For the purposes of this Comprehensive Hotel Market Feasibility Study, it is important to understand the overall demand of lodging in the market as well as surrounding markets. The following market segment down was identified for Columbia:

**BUSINESS
& CORPORATE**



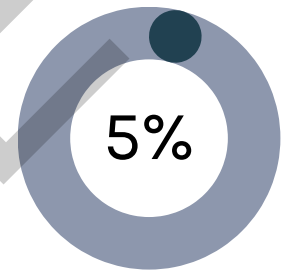
**AREA EVENTS
& ATTRACTIONS**



SMERF



**TRANSIENT/
WALK-IN**



Additionally, the current supply in the area, also known as competitive set, was identified and analyzed:

PRIMARY COMPETITIVE SET DATA:

12 MONTH AVERAGE

OCC - 65.2%

ADR - \$124.27

RevPAR - \$80.97

YOY GROWTH:

OCC - 14.3%

ADR - 13.4%

RevPAR - 29.6%



REGIONAL UPPER MID SCALE & UPSCALE INDUSTRY DATA:

12 MONTH AVERAGE

OCC - 63.5%

ADR - \$130.90

RevPAR - \$83.14

REGIONAL MIDSACLE & ECONOMY INDUSTRY DATA:

OCC - 66.5%

ADR - \$88.68

RevPAR - \$58.94



PROJECT PROJECTIONS

SUMMARY

For the purpose of this report, the client requested, Core Distinction Group compile a projection of income and expense for a new Courtyard by Marriott hotel development, which is upper mid scale to upscale brand. This projection is based on occupancy and average rates of the product needed in the area. The costs are based on costs disclosed in the brands Franchise Disclosure Document:

LAND COST:

TBD

BUILDING CONSTRUCTION COSTS:

\$13,555,000

FIXTURES, FURNISHINGS, & EQUIPMENT COSTS:

\$1,500,000

INDIRECT/SOFT COSTS:

\$2,897,900

PROJECTED DEVELOPMENT COSTS:

\$17,952,900

PROJECTED RETURN ON INVESTMENT (ROI) INCLUDING PRINCIPAL REDUCTION:

Y 1: 19.72%

Y 2: 21.68%

Y 3: 23.60%

Y 4: 24.66%

Y 5: 26.12%

PROJECTED ROI:

Y 1: 15.58%

Y 2: 17.29%

Y 3: 18.94%

Y 4: 19.71%

Y 5: 20.86%

NEW COURTYARD BY MARRIOTT
HOTEL DEVELOPMENT PROJECTIONS

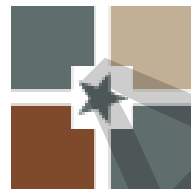
THANK YOU FOR YOUR TIME

IF YOU HAVE ANY QUESTIONS,
PLEASE CONTACT:

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CITY OF COLUMBIA
T E N N E S S E E