

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (“Agreement”) is made and entered into by and between the **CITY OF BURLESON** (the “City”), a home rule municipal corporation situated in portions of Tarrant and Johnson Counties, Texas and McCaslin Hotel Consulting, LLC (“Consultant”).

1. SCOPE OF SERVICES.

Consultant hereby agrees to provide the City with professional services for the purpose of **the services outlined in Exhibit A, and B** Attached hereto and incorporated for all purposes incident to this Agreement. More specifically describing the services to be provided hereunder.

2. TERM.

This Agreement shall commence upon execution by the parties, (“Effective Date”) and terminate upon completion of the work specified in the scope of services unless terminated earlier in accordance with the provisions of this Agreement. Those obligations concerning warranties and representations which by their nature should survive termination of this Agreement, shall survive termination of this Agreement, including Articles 5, 6, 8, 12, 14-17, and 25-26.

3. COMPENSATION.

This is a fixed-price contract. The City shall pay Consultant an amount of sixty five thousand dollars and 00/100 dollars in accordance with the fee schedule incorporated herein as AttachmentB, and subject to the other terms and conditions of this Agreement, in exchange for completion of all tasks and delivery of all services listed in Attachment A, Scope of Services. In the event of partial performance the City shall pay Consultant for only the itemized tasks completed and delivered. Consultant shall not perform any additional services for the City not specified by this Agreement unless the City requests and approves in writing the additional services and costs for such services. The City shall not be liable for any additional expenses of Consultant not specified by this Agreement unless the City first duly approves such expenses in a contract amendment executed by the City Manager or the City Manager’s designee.

The Contractor shall submit monthly payment invoices to the City. Invoices shall contain a detailed breakdown to include: task or deliverables to the City and date provided for the billing period, the amount billed for each task or deliverable, and the total amount due.

Payment for services rendered shall be due within thirty (30) days of the uncontested performance of the particular services so ordered and receipt by City of Contractor’s invoice for payment of same. In the event of a disputed or contested billing, only that portion so contested may be withheld from payment, and the undisputed portion will be paid. No interest will accrue on any contested portion of the billing until mutually resolved. City will exercise reasonableness in contesting any billing or portion thereof.

4. TERMINATION.

4.1. Written Notice.

The City or Consultant may terminate this Agreement at any time and for any reason by providing the other party with 30 days written notice of termination.

4.2 Non-appropriation of Funds.

In the event no funds or insufficient funds are appropriated by the City in any fiscal period for any payments due hereunder, City will notify Consultant of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind whatsoever, except as to the portions of the payments herein agreed upon for which funds shall have been appropriated.

4.3 Duties and Obligations of the Parties.

In the event that this Agreement is terminated prior to the Expiration Date, the City shall pay Consultant for services actually rendered or consultant shall reimburse the City for services paid for but not actually rendered, up to the date of notice of termination.

5. DISCLOSURE OF CONFLICTS AND CONFIDENTIAL INFORMATION.

Consultant hereby warrants to the City that Consultant has made full disclosure in writing of any existing or potential conflicts of interest related to Consultant's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Consultant hereby agrees immediately to make full disclosure to the City in writing. Consultant, for itself and its officers, agents and employees, further agrees that it shall treat all information provided to it by the City as confidential and shall not disclose any such information to a third party without the prior written approval of the City. Consultant shall store and maintain City information in a secure manner and shall not allow unauthorized users to access, modify, delete or otherwise corrupt City Information in any way. Consultant shall notify the City immediately if the security or integrity of any City information has been compromised or is believed to have been compromised.

6. RIGHT TO AUDIT.

Consultant agrees that the City shall, until the expiration of three (3) years after final payment under this contract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the consultant involving transactions relating to this Contract at no additional cost to the City. Consultant agrees that the City shall have access during normal working hours to all necessary Consultant facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The City shall give Consultant reasonable advance notice of intended audits.

Consultant further agrees to include in all its subcontractor agreements hereunder a provision to the effect that the subcontractor agrees that the City shall, until expiration of three (3) years after final payment of the subcontract, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of such subcontractor involving transactions related to the subcontract, and further that City shall have access during normal working hours to all subcontractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this paragraph. City shall give subcontractor reasonable notice of intended audits.

7. INDEPENDENT CONTRACTOR.

It is expressly understood and agreed that Consultant shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, Consultant shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors and subcontractors. Consultant acknowledges that the doctrine of *respondeat superior* shall not apply as between the City, its officers, agents, servants and employees, and Consultant, its officers, agents, employees, servants, contractors and subcontractors. Consultant further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and Consultant.

8. LIABILITY AND INDEMNIFICATION.

CONSULTANT SHALL BE LIABLE AND RESPONSIBLE FOR ANY AND ALL PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, TO THE EXTENT CAUSED BY THE NEGLIGENT ACT(S) OR OMISSION(S), MALFEASANCE OR INTENTIONAL MISCONDUCT OF CONSULTANT, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

CONSULTANT COVENANTS AND AGREES TO, AND DOES HEREBY, INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR LAWSUITS FOR EITHER PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO CONSULTANT'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OR MALFEASANCE OF CONSULTANT, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

9. ASSIGNMENT AND SUBCONTRACTING.

Consultant shall not assign or subcontract any of its duties, obligations or rights under this Agreement without the prior written consent of the City. If the City grants consent to an assignment, the assignee shall execute a written agreement with the City and the Consultant under which the

assignee agrees to be bound by the duties and obligations of Consultant under this Agreement. The Consultant and Assignee shall be jointly liable for all obligations under this Agreement prior to the assignment. If the City grants consent to a subcontract, the subcontractor shall execute a written agreement with the Consultant referencing this Agreement under which the subcontractor shall agree to be bound by the duties and obligations of the Consultant under this Agreement as such duties and obligations may apply. The Consultant shall provide the City with a fully executed copy of any such subcontract.

10. INSURANCE.

Consultant shall provide the City with certificate(s) of insurance documenting policies of the following minimum coverage limits that are to be in effect prior to commencement of any work pursuant to this Agreement:

10.1 Coverage and Limits

- (a) Commercial General Liability
\$1,000,000 Each Occurrence
\$1,000,000 Aggregate

- (b) Automobile Liability
\$1,000,000 Each accident on a combined single limit basis or
\$250,000 Bodily injury per person
\$500,000 Bodily injury per person per occurrence
\$100,000 Property damage

Coverage shall be on any vehicle used by the Consultant, its employees, agents, representatives in the course of the providing services under this Agreement. "Any vehicle" shall be any vehicle owned, hired and non-owned.

- (c) Worker's Compensation
Statutory limits
Employer's liability
\$100,000 Each accident/occurrence
\$100,000 Disease - per each employee
\$500,000 Disease - policy limit

This coverage may be written as follows:

Workers' Compensation and Employers' Liability coverage with limits consistent with statutory benefits outlined in the Texas workers' Compensation Act (Art. 8308 – 1.01 et seq. Tex. Rev. Civ. Stat.) and minimum policy limits for Employers' Liability of \$100,000 each accident/occurrence, \$500,000 bodily injury disease policy limit and \$100,000 per disease per employee

- (d) Errors & Omissions (Professional Liability):

\$1,000,000 Per Claim and Aggregate

If coverage is written on a claims-made basis, the retroactive date shall be coincident with or prior to the date to the contractual agreement. The certificate of insurance shall state that the coverage is claims-made and include the retroactive date. The insurance shall be maintained for the duration of the contractual agreement and for five (5) years following completion of the services provides under the contractual agreement or for the warranty period, which ever is longer. An annual certificate of insurance submitted to the City shall evidence coverage.

10.2 Certificates.

Certificates of Insurance evidencing that the Consultant has obtained all required insurance shall be delivered to the City prior to Consultant proceeding with any work pursuant to this Agreement. All applicable policies shall be endorsed to name the City as an additional insured thereon, as its interests may appear. The term City shall include its employees, officers, officials, agent, and volunteers in respect to the contracted services. Any failure on the part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement. The City reserves the right to make reasonable requests or revisions pertaining to the types and limits of that coverage. A minimum of thirty (30) days notice of cancellation or reduction in limits of coverage shall be provided to the City. Ten (10) days notice shall be acceptable in the event of non-payment of premium. Such terms shall be endorsed onto Consultant's insurance policies. Notice shall be sent to the Purchasing Manager, City of Burleson, 141 W. Renfro, Burleson, Texas 76028, with copies to the City Attorney at the same address.

10.3 Additional Insurance Requirements.

The insurance required herein must be provided by an insurer licensed to do business in the State of Texas. The insurance required herein must be provided by an insurer rated by the A.M. Best as "A-" or better or are rated "A" by Standard and Poor's. The insurance required herein shall be in full force and effect at all times during this Agreement.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

Consultant agrees to comply with all applicable federal, state and local laws, ordinances, rules and regulations. If the City notifies Consultant of any violation of such laws, ordinances, rules or regulations, Consultant shall immediately desist from and correct the violation.

12. NON-DISCRIMINATION COVENANT.

Consultant, for itself, its personal representatives, assigns, subcontractors and successors in interest, as part of the consideration herein, agrees that in the performance of Consultant's duties and obligations hereunder, it shall not discriminate in the treatment or employment of any individual or group of individuals on any basis prohibited by law. If any claim arises from an alleged violation of this non-discrimination covenant by Consultant, its personal representatives, assigns, subcontractors or successors in interest, Consultant agrees to assume such liability and to indemnify and defend the City and hold the City harmless from such claim.

13. NOTICES.

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

To CITY:

City of Burleson
City Manager
Attn: Tommy Ludwig
141 W. Renfro St.
Burleson, TX 76028

To CONSULTANT:

McCaslin Hotel Consulting, LLC
1111 Rusk Street, #310
Houston TX 77002

14. GOVERNMENTAL POWERS.

It is understood and agreed that by execution of this Agreement, the City does not waive or surrender any of its governmental powers.

15. NO WAIVER.

The failure of the City or Consultant to insist upon the performance of any term or provision of this Agreement or to exercise any right granted herein shall not constitute a waiver of the City's or Consultant's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

16. GOVERNING LAW / VENUE.

This Agreement shall be construed in accordance with the internal laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought on the basis of this Agreement, venue for such action shall lie in state courts located in Johnson County, Texas or the United States District Court for the Northern District of Texas.

17. SEVERABILITY.

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or

impaired.

18. FORCE MAJEURE.

The City and Consultant shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

19. HEADINGS NOT CONTROLLING.

Headings and titles used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

20. REVIEW OF COUNSEL.

The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or exhibits hereto.

21. AMENDMENTS / MODIFICATIONS / EXTENSIONS.

No extension, modification or amendment of this Agreement shall be binding upon a party hereto unless such extension, modification, or amendment is set forth in a written instrument, which is executed by an authorized representative and delivered on behalf of such party.

22. ENTIRETY OF AGREEMENT.

This Agreement, including the schedule of exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Consultant, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

23. SIGNATURE AUTHORITY.

The person signing this agreement hereby warrants that he/she has the legal authority to execute this agreement on behalf of the respective party, and that such binding authority has been granted by proper order, resolution, ordinance or other authorization of the entity. The other party is fully entitled to rely on this warranty and representation in entering into this Agreement.

24. NO WAIVER OF GOVERNMENTAL IMMUNITY.

Nothing contained in this Agreement shall be construed as a waiver of City's governmental

immunity, or of any damage caps or limitations imposed by law, or any other legal protections granted to City by law, except to the extent expressly provided or necessarily implied herein.

25. MANDATORY OWNERSHIP DISCLOSURE PROVISION.

Consultant shall submit completed Texas Ethics Commission Form 1295 Ownership Disclosure form to City at time of execution of Agreement pursuant to Texas Government Code Section 2252.908.

26. MANDATORY ANTI-BOYCOTTING PROVISION.

Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate:

- i. Pursuant to Section 2271.002 of the Texas Government Code, Consultant certifies that either (i) it meets an exemption criterion under Section 2271.002; or (ii) it does not boycott Israel and will not boycott Israel during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- ii. Pursuant to SB 13, 87th Texas Legislature, Consultant certifies that either (i) it meets an exemption criterion under SB 13, 87th Texas Legislature; or (ii) it does not boycott energy companies, as defined in Section 1 of SB 13, 87th Texas Legislature, and will not boycott energy companies during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- iii. Pursuant to SB 19, 87th Texas Legislature, Consultant certifies that either (i) it meets an exemption criterion under SB 19, 87th Texas Legislature; or (ii) it does not discriminate against a firearm entity or firearm trade association, as defined in Section 1 of SB 19, 87th Texas Legislature, and will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. Consultant acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- iv. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, Consultant certifies that either (i) it meets an exemption criterion under Subchapter F, Chapter 2252, Texas Government Code; or (ii) is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Vendor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

27. NON-EXCLUSIVITY.

Agreement is non-exclusive and City may enter into a separate Agreement with any other person or entity for some or all of the work to be performed under Agreement.

28. NO THIRD-PARTY BENEFICIARIES.

Except as expressly provided herein, nothing herein is intended to confer upon any person other than the parties hereto any rights, benefits or remedies under or because of this Agreement,

provided, however, that the described beneficiaries of the indemnity provisions of this Agreement are expressly intended third-party beneficiaries of this Agreement.

29. BASIC SAFEGUARDING OF CONTRACTOR INFORMATION SYSTEMS.

The Consultant shall apply basic safeguarding requirements and procedures to protect the Consultant's information systems whenever the information systems store, process, or transmit any information, not intended for public release, which is provided by or generated for the City. This requirement does not include information provided by the City to the public or simple transactional information, such as that is necessary to process payments. These requirements and procedures shall include, at a minimum, the security control requirements "reflective of actions a prudent business person would employ" which are outlined in the Federal Acquisition Regulations FAR 52.204-21(b) and codified in the Code of Federal Regulations at 48 C.F.R. § 52.204-21(b) (2016).

Consultant shall include the substance of this clause in subcontracts under this contract (including subcontracts for the acquisition of commercial items other than commercially available off-the-shelf items) in which the subcontractor may have City contract information residing in or transiting through its information system.

30. COUNTERPARTS; PDF SIGNATURES.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any pdf-format or other electronic transmission of any signature of a signatory shall be deemed an original and shall bind such signatory.

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McCasin Hotel Consulting, LLC
1111 Rusk Street, #310
Houston, Texas, 77002
713.588.6002
mccaslinhotelconsulting.com

Exhibit A

July 17, 2023

Mr. Alex Philips
Economic Development Director
City of Burleson
141 West Renfro Street
Burleson, Texas 76028

Market Study for a Proposed Hotel and Conference Center in Burleson, Texas

Dear Mr. Philips:

Per your request, we are pleased to submit this proposal to complete a market study for a proposed Hotel and Conference Center to be located in Burleson, Texas.

PROPOSED PROJECT

As we understand, the City of Burleson is evaluating the feasibility of a potential Hotel and Conference Center to be located in Burleson, Texas. You would like McCasin Hotel Consulting, LLC to assess the demand for the proposed Hotel and Conference Center and to recommend the type of hotel, amount and configuration of meeting space and amenities needed in the market.

In addition, you may need assistance conducting an analysis of both the incentives required (IRR / Gap Analysis) to make the project feasible and an analysis of the economic impact of the project to the City of Burleson to be completed. You may also be interested in the implementation of a Developer Selection Process to help to move the project forward to completion.

SCOPE OF WORK

The scope of work to complete the market study will be completed, as follows:

Market Study for Proposed Hotel and Conference Center

Phase 1 – Market Analysis & Hotel Meeting Needs Assessment

Phase 2 – Financial Analysis

Phase 3 – Formal Written Report

Optional Additional Services

Phase 4 – IRR/Gap (Incentives) Analysis

Phase 5 – Economic Impact Analysis

Phase 6 – Developer Selection Process

Phase 1 – Market Analysis

- Review all project-related materials. These materials could include site plans, relevant market information, site information, a description of the existing meeting facilities in Burleson and the surrounding area, and other relevant project information. We would also need to obtain a list of key community contacts for interview purposes.
- Meet with you and the project team to better understand your vision for the project and to discuss the potential sites, market conditions, concept for the project and other project details.
- Tour Burleson and the surrounding area with representatives of the project team. The tour would include the potential site, key hotels, major corporations, medical centers, universities/colleges, tourist attractions and other important landmarks.
- Inspect the potential site and the surrounding area to determine its impact on the performance of the proposed Hotel and Conference Center. The site evaluation will provide an evaluation of each site's accessibility, transportation patterns, visibility, aesthetic appeal, proximity to demand generators, proximity to food and beverage outlets, retail centers, entertainment and other support facilities, and physical characteristics that could affect the marketability of the proposed Hotel and Conference Center.
- Evaluate economic, demographic and real estate data for the market to determine its impact on the proposed Hotel and Conference Center.
- Interview key representatives of the City of Burleson, Burleson Economic Development, Burleson Convention & Visitors Bureau, major corporations, major medical centers, universities/colleges, area attractions and other demand generators to assess the strength of the local economy, future economic development projects, existing and planned lodging and meeting facilities, the type of hotel and meeting facilities that would benefit the community and to identify lost business.
- Develop a census of the most competitive/comparable hotels in the Burleson market area to provide a base analysis of the existing supply. A custom Smith Travel Research (STR) report will be ordered for the competitive hotels to establish the historical market trends for occupancy, average daily rate (ADR) and revenue per available room (RevPAR).
- Interview representatives of the competitive/comparable hotels to obtain a better understanding of the market, lodging demand, demand segmentation, rate sensitivities and future lodging supply.

- Identify hotels that are under construction or proposed within the competitive market and assess their probability of completion and competitiveness to the proposed Hotel and Conference Center.
- Estimate the market segmentation for the competitive/comparable hotels and the proposed Hotel and Conference Center based on the market demand characteristics.
- Assess the seasonality of the lodging demand and the amount of turn away demand at the competitive/comparable hotels.
- Based on the results of our research (including interviews and surveys), recommend the type of hotel, potential brands, number of rooms, amount and configuration of meeting space and other hotel amenities that would be appropriate to meet the identified needs of the market.
- Perform a supply and demand analysis which incorporates new supply, demand segmentation, demand growth and induced demand to estimate future market occupancies for the competitive hotels.
- Perform a fair share analysis for the proposed Hotel and Conference Center based on its location, brand, size and quality of facilities, rate structure, management, marketing and other factors to estimate the future occupancies for the proposed Hotel and Conference Center.
- Estimate the achievable ADR for the proposed Hotel and Conference Center based on the historical rate structure of the competitive set and comparable hotels and the anticipated rate positioning of the proposed Hotel and Conference Center.
- Discuss the market analysis conclusions with you and your project team.

Phase 1 – Hotel Meeting Needs Assessment

- Conduct email surveys of any available lists of demand sources, while maintaining the confidentiality of your lists (utilizing Survey Monkey). These lists could include the Burleson Chamber of Commerce business list, CVB meeting planner list, or other potential users of the proposed Hotel and Conference Center to gain feedback regarding the number of galas/banquets, conferences, meetings/trainings, consumer/trade shows and other events that could be attracted to the Burleson market by the proposed Hotel and Conference Center.
- The surveys provide important information about potential demand sources, types of meetings, size and frequency of events, amount of lodging demand, rate potential and services required. The information provided by the surveys often assist with the determination of the size of the ballroom, number of breakout rooms, type and size of hotel and rate structure for the proposed Hotel and Conference Center.

- Once available email lists are identified, provide the appropriate person at each source with a sample survey and email cover letter for their review. Upon approval of the survey and cover letter, we will provide a link to the survey to insert into the cover letter. All surveys are sent by the originating source to maintain confidentiality of the lists. While surveys lengthen the amount of time to complete the market study, the information gained can be invaluable in providing support for the proposed Hotel and Conference Center.
- Based on the results of our interviews and surveys, conduct a meeting needs assessment that includes recommending the amount and configuration of meeting space and other hotel meeting amenities that would be appropriate to meet the identified needs of the market.
- Discuss the meeting needs assessment with you and your project team.

Phase 2 – Financial Analysis & Forecast

- Prepare a 10-year financial projection for the proposed Hotel and Conference Center to the point of net operating income after reserve for replacement utilizing the *Uniform System of Accounting for the Lodging Industry*.

Phase 3 – Written Report

- Prepare a detailed written report outlining our findings and recommendations.

Optional Additional Services

If it is determined that there is a need for the proposed Hotel and Conference Center, we can complete the following additional services, to help move the project forward.

Phase 4 – IRR/Gap (Incentives) Analysis

- Conduct a gap analysis to determine the amount of investor-related incentives needed to make the proposed Hotel and Conference Center feasible. The gap analysis will include an estimate of the development costs for the project, loan to value ratio, interest rate and term, net operating income and appropriate cap rate to determine the Internal Rate of Return, as well as the resulting gap.
- Assess the hotel developer related incentive fees required for the management of the project by the developer.
- Recommend the types of incentives utilized by other public entities to bridge the gap and make the proposed Hotel and Conference Center feasible.

Phase 5 – Economic Impact Analysis

The economic impact analysis would be based on the research conducted during the market study utilizing the RIMS II multipliers from the U.S. Department of Commerce's Bureau of Economic Analysis. The scope of this analysis is, as follows:

- Estimate the economic impact from the direct spending for the construction of the proposed Hotel and Conference Center.
- Estimate the economic impact from the direct spending from the operation of the proposed Hotel and Conference Center.
- Estimate the number of new jobs generated during the construction period and from operations.
- Estimate the indirect spending that results from the direct spending being re-spent in the local economy.
- Estimate the fiscal impact including hotel occupancy tax, sales tax and property tax generated by the proposed Hotel and Conference Center.
- Prepare a separate letter report summarizing our findings and conclusions.

Phase 6 – Hotel Developer Selection Process

Following the market study, the next steps required to move the proposed Hotel and Conference Center forward to completion is the selection of a qualified hotel developer for the proposed Hotel and Conference Center.

In the event that there is a need to identify and select a list of potential hotel developers, McCaslin Hotel Consulting, LLC can assist with this process. After completing market studies for more than 60 proposed hotel and convention/conference centers, we have an exclusive list of developers that have successfully completed these projects.

The scope of this process is, as follows:

- Meet with the project team to discuss the process in terms of goals and objectives, potential brands, list of potential developers, solicitation process, selection criteria and other relevant topics.
- With the project team's approval, send copies of the McCaslin Hotel Consulting, LLC's market study to potential brands and developers with a letter of invitation.
- Send an RFQ/RFI to the interested brands and developers with instructions and deadlines for completion.

- Upon receipt of proposal responses to the RFQ/RFI, review and score each proposal based on the list of objective selection criteria established in the RFQ/RFI.
- Prepare a summary report for the project team that will provide a summary of analysis and ranking of each proposal.
- Meet with the project team to review the summary report and determine which hotel development firms to invite for an interview.
- Invite and schedule interviews with the potential hotel development firms with McCaslin Hotel Consulting, LLC and the project team.
- Assist the project team in determining the most appropriate developer for the proposed Hotel and Conference Center.

ASSUMPTIONS AND LIMITING CONDITIONS

Our report will be subject to the attached Assumptions and Limiting Conditions.

PROFESSIONAL FEES & TIMING

Our professional fees are based on the amount of time required to complete the engagement at our standard rates. Fees (including expenses) and timing for each phase are estimated, as follows:

Market Study for proposed Hotel and Conference Center

Phase 1 – Market Analysis	\$20,000	2 to 3 weeks
– Hotel Meeting Needs Assessment	5,000	2 to 4 weeks
Phase 2 – Financial Analysis	6,000	1 week
Phase 3 – Formal Written Report	<u>4,000</u>	1 week
Market Study Total	\$35,000	6 to 8 weeks

Optional Additional Services

Phase 4 – IRR/Gap (Incentives) Analysis	\$5,000	1 week
Phase 5 – Economic Impact Analysis	5,000	1 to 2 weeks
Phase 6 – Developer Selection Process	<u>20,000</u>	6 to 8 weeks
Additional Services Total	\$30,000	8 to 10 weeks

Mr. Alex Philips
City of Burleson
July 17, 2023
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Out-of-pocket expenses are included in our professional fees. Travel, lodging, meals, STR report, Moody's Analytics Economic Report, RIMS II multipliers, other third-party data and other project-related expenses, are included in the professional fees quoted above.

RETAINER & INVOICES

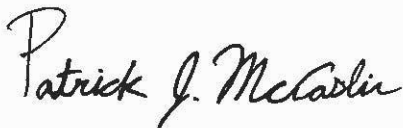
A retainer of \$20,000 is required prior to the commencement of the engagement. The remaining fees will be billed at the end of the engagement. In the event that the engagement is delayed for any reason, we will bill for each phase at the end of each phase.

APPROVAL

Please sign and return this proposal letter as your approval of this engagement.

Respectfully submitted,

McCaslin Hotel Consulting, LLC

A handwritten signature in black ink that reads "Patrick J. McCaslin". The signature is written in a cursive style with a large initial "P".

By: Patrick McCaslin
CEO

Assumptions and Limiting Conditions

The following Assumptions and Limiting Conditions apply to hotel consulting assignments completed by McCaslin Hotel Consulting, LLC.

Achievability of Projections

Projections of hotel performance are based on estimates and assumptions that are subject to uncertainty and variation. Therefore, actual results achieved will vary from the estimates and the variation may be significant.

Dissemination of Material

The report may not be disseminated to the general public through advertising or sales media, public relations media, news media or other public means without the prior written consent and approval of McCaslin Hotel Consulting, LLC.

Distribution to Third Parties

The client that engaged McCaslin Hotel Consulting, LLC may distribute the report in its entirety to third parties for whom the report was prepared (e.g., lenders, investors, brands, management companies, etc.). However, the client may **never** distribute portions of the report, as this may cause confusion and misinterpretation when taken out of context of the entire report.

Obligation to Revise the Report

The report results are based on the market conditions as of the date of the last day of fieldwork, as identified in the transmittal letter of the report. Therefore, we have no obligation to revise the report to reflect events or conditions that occur subsequent to this date. However, we are available to discuss the need to revise the report in light of the changes in the economic and market factors affecting the proposed hotel. Should revisions be needed, a separate engagement and additional compensation will be required.

Information Provided by Outside Sources

In preparing the report, the consultant relies on information provided by outside sources. Unless otherwise indicated, this information is assumed to be reliable. However, no warranty, either express or implied, is given by the consultant for the accuracy of the information. While McCaslin Hotel Consulting, LLC will always seek to utilize reliable sources, we assume no responsibility for information that is later found to have been inaccurate. We reserve the right to make adjustments to the analyses set forth in the report, if more reliable data becomes available.

Use in Offering Materials

The report may not be reproduced or referenced in any sales offering, prospectus, public or private placement memorandum, proxy statement or other offering document without the approval in writing by McCaslin Hotel Consulting, LLC.

Legal Limitations

The report is not intended to express opinions that require legal expertise. McCaslin Hotel Consulting, LLC cannot be held liable in any cause of action resulting in litigation for any dollar amount which exceeds the total fees for the engagement. Any legal expenses incurred in defending or representing McCaslin Hotel Consulting, LLC will be the responsibility of the client. Testimony or attendance in court or at any other hearing will require a separate engagement and additional compensation for the consultant's time to prepare for and attend any such hearing.

**ATTACHMENT B
FEE SCHEDULE**

COMPENSATION:

For all professional services included in EXHIBIT 'A', Scope of Services, the CONSULTANT shall be compensated a lump sum fee of 65000 as summarized below. The total lump sum fee shall be considered full compensation for the services described in EXHIBIT 'A', including all labor materials, supplies, and equipment necessary to deliver the services.

Basic & Special Services

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SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

CITY OF BURLESON:

By: _____	By: <u>Patrick J. McCaslin</u>
Name: _____	Name: <u>Patrick McCaslin</u>
Title: _____	Title: <u>Chief Executive Officer</u>
Date: _____	Date: <u>September 26, 2023</u>

APPROVED AS TO FORM:

By: _____
City Attorney, Assistant City Attorney,
or Deputy City Attorney