

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?

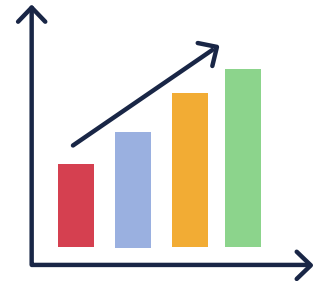
ESTIMATED ECONOMIC IMPACT

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 28 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 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 22 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

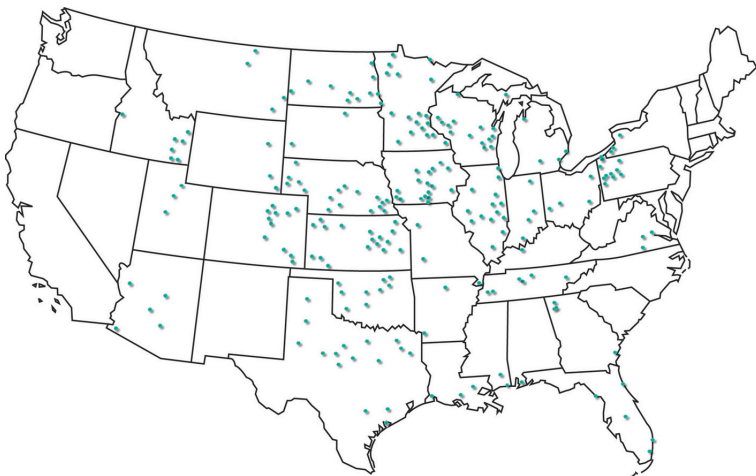
MULTIPLE LOCATIONS - NICOLE LEMENS
PHONE: 920-422-1471

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:

RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders and review of all current community plans and studies to better understand the overall goals of the project and community as a whole.

DEMAND GENERATOR SURVEYS

This phase involves conducting and online survey of potential demand generators in the community. This phase will take place in the first two weeks of the study process.

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.

INTERVIEWS

After the community tour, in-person interviews will be conducted of community leaders and demand generators to understand the overall need in the community.

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. This will include lodging data from 20 miles or less of the subject community.

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 \$17,500. 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% (\$8,750) non-refundable retainer. The remaining 50% (\$8,750) 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 - Phase 1	
Data Compilation/Gathering	
Hotel Market Feasibility Study Completion - Phase 2	
	Introduction/Objective
	Market Overview
	Site Analysis
	Economic Overview
	Lodging Demand Overview
	Community Interview/Survey Details
	Lodging Supply Overview
	Conclusion/Scale, Size and Amenity Recommendations
Financial Projections/Proforma (2 Separate Brand Specific Proformas)	
Total All-In Project Cost	\$ 17,500

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
920-740-1647 - J.JUNKER@COREDISTINCTIONGROUP.COM
WWW.COREDISTINCTIONGROUP.COM