

# Hotel Market Feasibility Study – Summary

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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. (pg5)

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. (pg5)

It is the opinion of Core Distinction Group, that at the time of this study, the community of Richland Center, and the immediate surrounding areas within Richland County offers the current and future demand to support the proposed hotel development in this Comprehensive Hotel Market Feasibility Study. (pg 10)

**Property size recommendation** of a newly developed hotel was researched to be between 45-55 guestrooms (pg 11)

## **Economic Impact** (pg11 and 125-130)

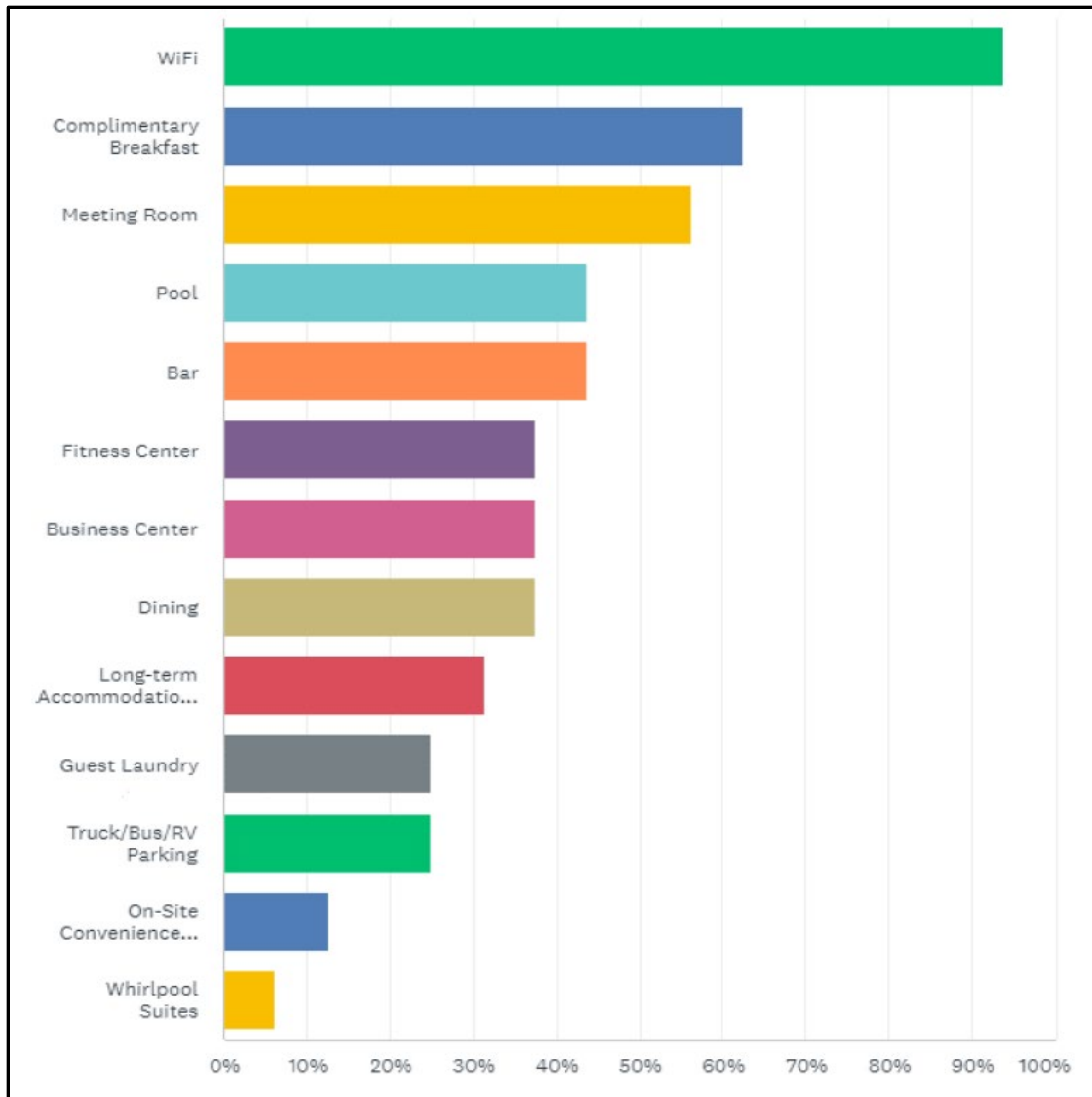
There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include:

- projected hotel revenue including all room revenues, meeting room revenue, as well as
- vending/bar revenue.
- this size property will create 8-12 full time jobs.
- 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.
- SEE PAGE 125 in the study for estimated tax revenue

Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples:

- 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. (pg 11)
- SEE PAGE 127-130 in the study for estimated food, entertainment/activities, alcoholic beverages revenue, and indirect tips/handouts revenue figures.

**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:



**Orange and Court Property Location:**

- This proposed location should offer frontage or high visibility to Highway 14 in Richland Center, Wisconsin.
- Topography of the area offers many options with very little issues.
- water, electricity and sewer are available in the general area.
- Offers a site that can accommodate the appropriate number of parking spaces.

**Community Survey:**

- 94% of respondents indicated Richland Center is in need of a new hotel.
- 53% of respondents identified a specific need for new, quality accommodations in the community.

**Lodging Demand:**

- 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%

- 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. (pg 44)