

To: Finance Committee
CC: Mayor McFarland
From: Mason Becker, Strategic Initiatives and Development Coordinator
Date: October 11, 2023
Re: Hotel Feasibility Study Update

Finance Committee members,

In 2020, Patek Hospitality Consultants conducted a Hotel Feasibility Study for the City of Watertown. While the results of the study bore out the feasibility and need for a new hotel in our community, the study at the time was not conducted under ideal conditions, mainly due to the ongoing COVID-19 pandemic. The more years that pass since this type of market study is conducted, the more out of date it is generally considered.

Since that time, we have continued to attract occasional inquiries from hotel developers and other parties. Currently, we are working with Greywolf Partners on a proposed mixed-use, multi-phase development in the northwest area of the City. One of the proposed possible uses within that development would be a hotel. During conversations, they have mentioned that an updated study would be highly useful to them in determining suitability for a hotel, and to share with possible hotel partners.

I reached out to Brenda Patek from Patek Hospitality Consultants about doing an update to the existing study. Her original quote, returned on October 3, 2023, was for a total of \$8,000.00 (plus out of pocket expenses). I followed up with her, and after discussion, she submitted a revised quote for a total of \$6,500.00 (**inclusive** of out-of-pocket expenses). Additionally, there is a charge of \$660.00 for a Smith Travel Research (STR*) report, which includes analysis regarding occupancy and average daily travel trends for hotels in the market area. The amount for the report was the same with both quotes. We wish to keep working with Patek, as they are already familiar with our community, and staff were pleased with the quality of the previous 2020 report.

I am requesting a budget modification to fund this contract in FY 2023. Approving this request will allow Patek to move forward with conducting the new study in a timely manner. Funding will come from the reserve fund of the Fund 60 Economic Development Budget. This could be placed under the 60-51-05-25 Marketing line item.

Thank you for your consideration of this request.

Sincerely,



Mason T. Becker
Strategic Initiatives and Development Coordinator