



NOTICE TO BIDDERS

Sealed bids will be received by the City of Stephenville, at City Hall, 298 W Washington Street, Stephenville, TX 76401 until 2:00 pm, Tuesday, February 16, 2021, at which time bids duly delivered and submitted, will be considered for:

DEVELOPMENT OF HOTEL AND CONFERENCE CENTER

Bids should be addressed to Tricia Wortley, Purchasing Manager, 298 W. Washington, Stephenville, TX 76401.

Any bid received after stated closing time will be returned unopened. If bids are sent by mail to the City, the bidder shall be responsible for actual delivery of the bid to the City Purchasing Department before the advertised date and hour for opening of bids. If mail is delayed either in the postal service or in the internal mail system of the City of Stephenville beyond the date and hour set for the bid opening, bids thus delayed will not be considered and will be returned unopened.

Until the final award by the City of Stephenville, said City reserves the right to reject any and/or all bids, to waive technicalities, to re-advertise, to proceed otherwise when the best interest of the City will be realized hereby. Bid award is not solely based on price alone.

All bids must be submitted on original bid forms. Any changes to the form or failure to label packaging on the bid, may disqualify it. All packaging on bids (including courier envelope) will be submitted sealed and plainly marked with:

**NAME AND ADDRESS OF BIDDER
DEVELOPMENT OF HOTEL AND CONFERENCE CENTER
RFP NUMBER 3037**

It is not the intent of the City of Stephenville to offer proprietary specifications, or to eliminate any vendor from bidding by the use of brand names. If brand names are used it is for example only and understood the "or equal" will be accepted.

Bids shall be held firm for a period of 60 days unless otherwise stated in the bid specifications, instructions to bidders, or on the bid sheet.

**PLEASE NOTE THAT MOST COURIER SERVICES DO NOT OFFER BEFORE
10:30 AM SERVICE TO STEPHENVILLE**

RFP 3037

STANDARD INSTRUCTIONS TO BIDDERS

Bids that contain any omission, erasures, or alterations, or additions of items not called for in the bid documents, or irregularities of any kind, may or may not be considered.

Deviations from specifications and alternate bids must be clearly shown on the bid form with complete information attached to form. They may or may not be considered.

Upon bidders submitting bids they shall not withdraw or cancel such bids and all sums deposited with such bids will be held by the City of Stephenville until all bids submitted shall have been canvassed and award of contract made, signed and if a performance bond is required furnished and approved. All sums deposited with bids will then be returned to the respective bidders.

The City of Stephenville, Texas is exempt from State of Texas Sales Tax and a Tax Exemption Certificate shall be furnished by the City of Stephenville, Texas to the successful bidder upon request.

No employee of the City of Stephenville shall have financial interest, direct or indirect, in any contract with the City, or be financially interested, directly or indirectly, in the sale to the City of any land, material, supplies or services.

Discounts: Show rate, total amount, and latest day any discount will be allowed after receipt of article and correct invoice.

This contract is subject to cancellation upon thirty day written notice by the City of Stephenville without cause.

Liquidated Damages: In the event delivery is not made within the stated time period, (without acceptable reasons for delay and written consent from the City) the City reserves the right to place the order with the next available vendor and the awardee shall be liable for any increase in price as liquidated damages, it being agreed that said

sum is a fair and reasonable estimate of actual damages the City will incur. Bidder will not be held liable for failure to make delivery because of strikes; conscription's of property, governmental regulations, acts of God, or any other causes beyond his control; provided an extension of time is obtained from the Purchasing Department.

Exceptions: Any catalog or manufacturer's reference in this proposal is descriptive, but not restrictive, and is used only to indicate type and grade. Bids on other items of similar and equal quality will be considered, provided the bidder states on the face of this proposal exactly what he intends to furnish, including any variation to the specifications and literature, otherwise he shall be required to furnish the items as specified on the proposal. Any other exceptions to any portions of these terms and conditions or deviations from written specifications shall be shown in writing on the bid document form or attached to bid form.

Quantities: Quantities shown are estimated, based on projected use. It is specifically understood and agreed that these quantities are approximate and any additional quantities will be paid for at the quoted price. It is further understood that the supplier shall not have any claim against the City of Stephenville for quantities less than the estimated amount.

Prices: The bidder should show in the bid document both the unit price and total amount, where required, of each item listed. In the event of error or discrepancy in the mathematics, the unit price shall prevail.

Delivery Date: Bidders shall state delivery date on all order.

F.O.B Point: All prices of item(s) shall be quoted FOB City of Stephenville destination.

STANDARD INSTRUCTIONS TO BIDDERS

It is desirable that bids are accompanied by two sets of specifications to support items bid. The City of Stephenville reserves the right to determine specification requirements on all items bid.

Eligible Bidder: Bidders are limited to those persons or firms qualified and engaged in a full time business and can assume liabilities for any performance or warranty service required.

Nonresident-Reciprocal Bid Act: You are advised the City of Stephenville, Texas is bound by House Bill 620. The law provides that in order to be awarded a contract as low bidder, non-resident bidders (out-of-state contractors whose corporate office or principal place of business is outside the State of Texas) bid projects in Texas at an amount lower than the lowest Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder in order to obtain a comparable contract in the state in which the non-resident's principal place of business is located. After making that determination you are instructed to advise the Purchasing Department in writing of that fact with a copy of the applicable state statute.

Based on local government code 252.043, the contract will be awarded to the lowest responsible bidder **OR** to the bidder who provides goods or services at the best value for the municipality. Therefore price is not the only consideration in the bid award.

By signing this bid, Vendor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State. Vendor further certifies and verifies that neither Vendor, nor any affiliate, subsidiary, or parent company of Vendor, if any (the "Vendor Companies"), boycotts Israel, and Vendor agrees that the Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli controlled territory.

Please be advised that Stephenville does not receive courier services before 10:30 a.m.

Section II Project Description

GENERAL INTENT OF THE HOTEL AND CONFERENCE CENTER NEAR TARLETON STATE UNIVERSITY AND PROJECT ADVISORY COMMITTEE COMPOSITION

The City of Stephenville, Texas is seeking proposals for an Upscale, Quasi-Full Service, hotel and conference center to be located in close proximity to the Tarleton State University campus located in Stephenville, Texas. The successful hotel development firm/team must have a proven combination of experience, financial capacity, and expertise in the design, development, and construction of flagship hotel developments including public-private partnerships, project management, and commercial development. The Project Advisory Committee is co-chaired by Doug Svien, Mayor of Stephenville and Dr. James Hurley, President of Tarleton State University. The Committee is composed of leadership from the City of Stephenville, Tarleton State University, and the Stephenville Economic Development Authority.

BACKGROUND

Stephenville is located in the heart of North Central Texas and is the county seat of Erath County. It has an estimated population of 22,600 and serves as a commercial hub for over 100,000 residents in the region. Stephenville has grown approximately twenty-six percent in the past ten years. Stephenville is approximately an hour from Fort Worth and an hour and a half from the DFW International Airport. Stephenville offers hometown living with access to world class amenities a short distance away.

Stephenville is known as both the Cowboy Capital of the World and the City of Champions. It is home to more world champion rodeo athletes than any other location in the world. Well attended rodeo and roping events occur on an almost weekly basis in this community. Stephenville serves as the home for the annual Cowboy Capital of the World Pro Rodeo which is held in September. This rodeo has the distinction of being held on the last weekend nationally for competition to determine which athletes will advance to the PRCA National Finals Rodeo. In December 2020, Stephenville hosted the All In Barrel Racing event, which is an annual event held in Las Vegas, Nevada during the same time as the National Finals Rodeo. This event brought approximately 1,500 competitors and thousands of visitors to the community over a twelve-day period. The Cowboy Walk of Fame, located in the downtown Cowboy Capital Plaza, preserves the history of some of our most famous rodeo champions with street plaques around the plaza. With the large amount of rodeo activity occurring in the community and the geographical location of Stephenville in relation to other rodeo events, several competitors purchase tack and other equipment along with purchasing and upgrading horse trailers at local businesses in Stephenville.

Stephenville is home to the state champion Stephenville High School Yellow Jackets and Honey Bees. Both have won multiple state championships in athletic and academic programs.

Tarleton State University serves as the founding member of the Texas A&M University System which was created in 1917. It is a premier student focused and values driven institution. In the fall of 2020 Tarleton State University had a record enrollment of over 14,000 students. Tarleton

offers nearly 100 undergraduate and graduate degrees and is one of the fastest growing universities in the United States. The Stephenville campus is home to the Tarleton Texan athletic and rodeo teams. Tarleton has championship caliber athletic programs across its spectrum of intercollegiate athletic and rodeo programs that it participates in. The Tarleton Rodeo Team is a perennial national champion contender. In 2020 Tarleton State University became a member of NCAA Division One as a member of the Western Athletic Conference. The Tarleton campus is also recognized as one of the safest university campuses in the United States.

MAJOR EMPLOYERS

Stephenville's Major Employers are:

FMC

St. Gobain Abrasives

Fibergrate Composite Structures

Tarleton State University

Stephenville Independent School District

City of Stephenville

Schreiber Foods

MAJOR EVENTS

Music Industry

Stephenville has become a live music destination. The Larry Joe Taylor Texas Country Music Festival has grown from 25,000 to 60,000 attendees featuring top names in Texas country music. The festival is a weeklong and occurs in April each year at the Melody Mountain Ranch. The ranch also hosts the Rhymes and Vines Festival each September, and it features the best in Texas music as well as a homebrew and wine maker competition. This festival draws 20,000 people annually. In addition to Melody Mountain Ranch, the Twisted J Concert Venue features a large and small stage with a 2,000-person capacity that has its own Texas Homegrown Radio station. Featured groups include ZZ Top, Michael Martin Murphy, Aerosmith's Steven Tyler and other professional musicians.

Stephenville also hosts the TexStar Ford Summer Concert Series in its main city park adjacent to the historical downtown area with 5,000 to 6,000 attendees, and an annual symphonic production at the Tarleton Performing Arts Theater with musicians from New York. Texas Governor Greg Abbott's Office has certified Stephenville as both a Texas Music Friendly Community and a Texas Film Friendly Community.

Festivals

In 2019 Stephenville began a festival, Moo-La Fest to celebrate its historic link to the Dairy Industry. The festival named after the monument on the courthouse square, Moo-La, features fun for all ages. Hot air balloons are the featured attraction. In the first year of the festival

fifteen balloons participated in the two day event. It was estimated that approximately 10,000 people attended in its first year. In 2020, the event was not held due to the COVID-19 outbreak. The 2021 event is currently scheduled for June 4 and 5.

Sundown on the Square is a festival that takes place in October and acts as a fundraiser for the Stephenville Historical Museum. This festival features games and attractions for the whole family. The fun night is capped by a concert by such bands as Asleep at the Wheel or Ray Wylie Hubbard.

Bygone Days on the Bosque is a festival produced by the Stephenville Historic Museum to demonstrate how life was during the early years of Stephenville. The festival features demonstrations by blacksmiths, western gunfights, music, and vendors. Bygone days is a great family atmosphere.

Stephenville has weathered the COVID damaged economy very well. During the epidemic, the city has attracted new retail and industry. Washington Commons is a 150,000 square foot shopping center that will be home to national retail brands. Hobby Lobby, Old Navy, TJ Maxx, and Ulta are a few of these brands coming to Stephenville. Washington Commons is expected to open in March 2022. A major household cleaner manufacturer has recently purchased a building in Stephenville to be its home for the manufacture for all its several lines but one. This manufacturer will bring 75 jobs to Stephenville.

THE HOTEL AND CONFERENCE CENTER NEAR TARLETON STATE UNIVERSITY FEASIBILITY STUDY

In 2018 the Stephenville Economic Development Corporation, a private economic development corporation, commissioned McCaslin Hotel Consulting to conduct a Phase 1 Market Analysis study. The McCaslin study indicated that Stephenville and the surrounding area would generate a sufficient number of events to justify a new hotel and conference center. This conclusion is based on interviews of local stakeholders. There was no financial analysis and thus no conclusions on the financial feasibility were reached.

In 2020 the City of Stephenville and Tarleton State University commissioned Conference, Sports, and Leisure International to conduct a full market, financial, and economic analysis of a potential new hotel and conference center. CSL determined that based on the results of the market analysis and discussions with the City, Tarleton State University, and other stakeholders, the assumed Subject Property consists of the following:

- State-of-the-industry, nationally-branded, upscale chain, quasi-full-service hotel. Brand examples include Courtyard by Marriott, Hilton Garden Inn, Cambria Suites, Hyatt Place, and aloft.
- 150-keyed rooms, featuring standard and suite-style room configurations with a minimum of half of rooms representing double/double (queen/queen) rooms. Meeting NCAA Division One requirements.
- On-site food and beverage facilities (restaurant and/or café), offering three (3) meals per day and room service or carryout options.

- 16,000 square feet of conference/meeting space, including a 10,000-square foot dividable Ballroom and 6,000 square feet of breakout meeting space.

The 16,000 square feet of conference space assumed for the Subject Property represents an oversized amount of space relative to typical, 150-key select/focused-service brand prototypes within the upscale chain scale. The dearth of conference space in the local market, TSU requirements, and the City's willingness to consider P3 options for the project contribute to the assumption of a larger amount of conference space for the Subject Property.

PROPOSED SITE

The proposed site is a +/- 2.2 acre tract of property located on Harbin Drive between Tarleton Street and Turner Street in Stephenville, Texas. This property is one block from the Tarleton State University Football Stadium and across Tarleton Street from the potential site of a new multi-purpose colosseum. This proposed property is under negotiations and is subject to change. See Exhibit B

GENERAL SUBMITTAL INFORMATION

All proposals must be received by the date and time specified. Under no circumstances shall proposals delivered after the time specified be considered. It is the sole responsibility of the Proposer to ensure that his/her proposal reach the Purchasing Department located at 298 West Washington, Stephenville, Texas on or before the closing date and time. The City shall in no way be responsible for delays caused by any occurrence. Responses by telephone, e-mail, telegram or facsimile shall not be accepted.

All information required by the Request for Proposals must be supplied to constitute a regular, complete submittal.

Within 45 days of the RFP closing, the City Secretary will schedule a date for a meeting of the City Council for acceptance and final award to one of the responses to this solicitation, or reject all.

SUBMISSION REQUIREMENTS

Proposals must be printed on 8.5 by 11 inch paper and bound in two separate binders. Binder 1 contains the Technical Proposal and Binder 2 contains the Financial Proposal.

It is the offeror's responsibility to clearly describe the project it proposes to develop in response to the RFP. Offerors are cautioned that organization of their response, as well as thoroughness, is critical to the City's evaluation process. The RFP forms must be completed legibly and in their entirety, and all required supplemental information must be furnished and presented in an organized, comprehensive and easy to follow manner. Proposers should provide 10 (ten) copies of the proposal in paper format and one copy of the proposal in electronic format (thumb drive).

Binder 1: Technical Proposal

The offeror must submit the following information, arranged in the same order and identified with headings as presented herein. The presentation will have each section tabbed. This information will be considered the minimum content of the Technical Proposal. The Project has not been officially named by the City, and offerors may refer to the Project throughout their application materials by the name of their choosing.

1. Transmittal Letter: A letter signed by an authorized officer of the development team to make a binding commitment for the developer without the consent or joiner of any other party or authority. Transmittal Letter should state that the proposal is valid for 180 days and that, if selected, the developer will negotiate in good faith with the City of Stephenville.

2. A Proposal Submittal Signature Form must be signed by an authorized representative of the developer on the form attached.

3. Table of Contents

4. Development Team Information

a) Development Team Overview– Offerors shall provide a company overview for each member of the proposed Development Team. Offerors must identify the lead Developer and the role of each member of the Development Team, as well as the proposed Project Manager and project architect. Include the representative's contact, address and phone number and a brief profile. Indicate the name, phone number and title of the person(s) designated as having authority to officially represent the developer.

b) Organizational Structure - Offerors shall provide an organizational chart and narrative description that identifies the proposed team structure clearly delineating relationships between reporting roles. Summary qualifications of key project staff should be included as well as a description of their role on this project and relevant experience.

- If incorporated, state the date of incorporation, and the State and Federal ID number. If required to file periodic reports with the Federal Securities and Exchange Commission (SEC) under Section 13 of the Securities and Exchange Act of 1934, please attach the most recent report. If not, list the names, addresses, titles and the extent of interest of the officers, directors or trustees and each stockholder owning more than 10% of any class of stock.
- If a partnership, please list the name of the partnership. List the name and address of each partner, whether a general or limited partner, and the percent of interest or a description of the character and extent of interest.
- If a business association or joint venture, please list the names, addresses, form of organization, and either the percent of interest or a description of the character and extent of interest.
- If a new development entity is to be formed to implement the project, describe it in sufficient detail such that the role of each participant is clearly understood. This entity

must be identified in the proposal and promptly created prior to negotiating and finalizing any development agreement.

- List the names, addresses, officers and directors of any participating person or firm that has a financial or investment interest in the outcome of this proposal.

c) Past Performance - Offeror's qualifications should demonstrate expertise, financial capacity and proven experience in hotel and conference center development, project management, public-private partnerships, and successful collaboration with city and/or county governments.

5. Project Experience - Offerors must provide illustrative materials on five (5) recent projects of similar or comparable scope with specific emphasis on hotel development projects with conference center components in the region over the past 10 years. Past Performance examples shall include at a minimum:

a) Name / address / location of project

b) Development team members including lead developer, project architect, general contractor, lender(s) and equity provider(s)

c) References including names, addresses, telephone numbers and email addresses and a letter authorizing each reference to respond to inquiries regarding the design, financing and development of the project as well as prior projects

d) Site plan, photographs, project renderings

e) Evidence of design excellence and inclusion of sustainable design features

f) Development scope

- * Land area (square feet)

- * Square footage of buildings (broken down by product type)

- * Hotel room count

- * Parking spaces and orientation (above grade structured, surface, below grade)

- * Construction type (high rise, mid-rise, low rise)

- * Historic Preservation if required

- * Development costs (excluding land costs)

- Total project development costs

- Hard costs by product type (total and \$ / s.f.)

- Soft costs

- Development fees

- * The sources and amounts of project funding

- * Project timeline from initial planning to land acquisition, if any, to construction completion and hotel opening as well as current project status
- * Challenges associated with the project
- * Statement of how the project compares to the Hotel and Conference Center near Tarleton State University
- * Development structure – if the project was a Public-Private Partnership, Offerors must provide the following information:
 - Whether the project was in response to an open solicitation
 - If the project received public financial assistance, provide the following information:
 - Form and structure of public financial assistance (i.e. tax-exempt bonds, below market debt, guarantees and other types of credit enhancement, grants, Tax Increment Financing, Payments In Lieu Of Taxes, etc.)
 - Amount of assistance / subsidy
 - Timing of assistance – when were the funds contributed (as applicable)
 - Initial proposed amount, timing, and terms
 - Final negotiated amount, timing, and terms
- * Any factual measures of success including but not limited to:
 - Initial budget vs. final cost
 - Projected Net Operating Income (NOI) for first stabilized year (and projected year) vs. actual stabilized NOI (and actual year of stabilization)
 - Satisfaction of public entity (where applicable, demonstrate through past performance review)

6. Default or Bankruptcy - A list of any projects on which the Developer, its parent company, or any member of the Development Team has defaulted or declared bankruptcy, and an explanation of each default or bankruptcy.

7. Criminal Information - Detailed information regarding any criminal indictments or felony convictions of the Developer or any principal, officer, director, partner, member, manager or equivalent of any person or entity constituting a member of the Development Team.

8. Development Plan - The Development Plan should indicate the proposed development site, demonstrate site control, present an understanding of the site's opportunities and constraints, and the development program best suited for the site. The Development Plan must include at a minimum, the following:

- a) Narrative description of the Offeror's vision for the project
- b) How the Development Plan addresses each of the City's vision, goals and requirements addressed in this RFP

- c) Proposed development program – How the proposed program meets the Feasibility Study Recommendations.
- d) Market overview supporting the proposed development program
- e) Overview of the proposed development site.
- f) Existing site conditions for proposed development site (e.g., infrastructure, utilities, external and internal access, topography), including those that may facilitate or impede retaining portions of the existing buildings as development occurs
- g) The anticipated impact that the development will have, if any, on public facilities, public improvements, historic buildings, and the surrounding properties
- h) Detailed description of the design / construction quality of the hotel facilities, conference center, parking, commercial / retail space (if applicable) and overall site / public infrastructure amenities
- i) Identification of costs associated with proposed site / public infrastructure amenities
- j) Proposed planning of infrastructure costs (e.g. proffers, public art, walkways, etc.)

Important Note: The RFP Selection Process shall not be construed to confer any design approvals on the successful proposal. The successful proposal must submit for development review as required by the Stephenville Subdivision Ordinance and that process may require design changes to meet all applicable codes, regulations, and guidelines.

9. Site Plan and Renderings: Offerors must submit a proposed conceptual site plan and building renderings. The site plan and supporting graphics must portray the layout, the visual character of the proposal design, and the relationship to adjacent properties, as well as a narrative that explains the concept and organizing principle. The plans must also include the following elements:

- a) Location and dimensions of paved surfaces and open space areas
- b) Location of existing and proposed dimensions of parking areas and drive aisles, driveways, curb cuts, easements and rights-of-way, and walkways.
- c) Pedestrian and vehicular infrastructure improvements; permanent parking solutions; . and interim parking solutions during the proposed project's construction that result in minimal disruption to residential and non-residential uses, if any

10. Operations, Maintenance and Property Management Plan: Offerors must submit an operations, maintenance, and Property Management Plan that will describe the strategies and costs associated with property operations, maintenance, and management. The plan should describe operations, utilities and maintenance budgets for annual operations, City services, furnishings, maintenance and repair, and utilities.

11. Project Schedule: Offerors must submit a Project schedule, detailing the duration (in number of months) and dates for key milestones beginning at initial selection Friday March 19, 2021 through hotel opening and occupancy. The Project Schedule must clearly distinguish activities and events which are specific to each phase of development if multiple phases are proposed.

Offerors must identify the anticipated time required for each governmental approval, as well as the schedule for public financial assistance, as applicable.

12. Community and Stakeholder Outreach Strategy: Each Offeror must describe their understanding and approach to soliciting feedback and obtaining support from the City, community groups and key stakeholders.

- a) The Successful Offeror shall be responsible for all aspects of community and stakeholder outreach including the development of presentation materials, meeting schedule and scheduling, meeting logistics.
- b) The community and stakeholder outreach strategy should address:
 - * Sequential steps required to create a successful Development
 - * Milestones and key decision points
 - * Projected frequency of meetings/presentations between the Developer and:
 - City Staff
 - Task Force / Advisory groups, if any
 - Public Meetings, Public Presentations, and Public Hearings
 - * Anticipated use of outside consultants, as needed (expenses related to outside consultants will be the sole responsibility of the selected Developer)

13. Required Statements: Offerors must submit statements for the following:

- a) Compatibility with local land use requirements.
- b) The Project will conform to all applicable federal, state, and local laws, regulations and ordinances including all federal and relevant local environmental regulations.
- c) Identify the past, current or anticipated contractual or financial relationship of any member of the Development Team (including, but not limited to, the Developer partners or co-ventures) with the City of Stephenville. The Development Team must also disclose any contractual or financial relationship which may give the appearance of a conflict of interest.
- d) Identify whether the Project's feasibility is contingent on any local, state, or federal government action or financial support (including a change in regulations; funding including guarantees, and issuance of tax exempt bonds; financing and credit enhancements; leasing of space; and the justification and process for obtaining government support).

Binder 2: Financial Proposal

The Offeror must submit the following information, arranged in the same order and identified with headings as presented herein. This information will be considered the minimum content of the Financial Proposal.

1. Table of Contents

2. Proposed financial support from the City, which may include but is not limited to:

- a) Land
- b) Finance, legal, and development assistance
 - * Taxes
 - * Permit costs
 - * Licenses
- c) Professional fees and expenses
- d) Other public support (Please provide description)

3. Financial Plan and Transactional Instruments: Offerors shall provide a description of its strategy for financing the project on a long-term basis including anticipated financing costs, discussion of the risks and benefits of the structure, long term outlook for project financial viability, and why this strategy is the most advantageous to the Developer and the City. Proposals will address timing for execution of financing, and financing closure.

4. Project Pro Forma: All financial models must be submitted to the City of Stephenville in electronic format (thumb drive) as well as hard copy. Offerors must provide a complete project pro forma model in a single Microsoft Excel file ("Offeror Pro Forma(s)"). The Offeror Pro Forma must detail the development scope, project financing (including various City financial assistance as applicable), operating projections and capital events. All Offeror Pro Formas must be dynamic with fully functioning linked formulas. Offerors shall limit hard coding to assumption inputs only which should be identified by blue text. The City may wish to perform sensitivity analyses on various assumptions within Offeror Pro Formas, therefore all formulas should be properly linked to hard coded assumptions.

The pro forma should include a cash flow statement detailing the pre-development, construction and operating period cash flows from project commencement through stabilization on a monthly basis including but not limited to:

- a) development costs
- b) project funding draws
- c) rental or sales revenue
- d) operating expenses
- e) NOI
- f) debt service

- g) proceeds from sale or refinancing
- h) net cash flow available for distribution
- i) return on equity

All fees and income that the Developer, its partners, and affiliates receive from the Project should be clearly shown by phase of development and product type. For hotel rooms, the submission must include an absorption schedule detailing the estimated absorption time to stabilization.

5. Historical Financials: Copies of Developer's audited financial statements for the past three fiscal years.

6. Financial Qualifications: Statements regarding the Developer's financial creditworthiness and past development experience which can be verified, including the names and addresses of at least three (3) commercial or institutional credit references and a letter authorizing each credit reference to respond to inquiries from the City of Stephenville. At least two (2) of the references should be lending institutions.

SELECTION CRITERIA

The Downtown Hotel Advisory Committee shall serve as the selection team, utilizing information submitted, information from calls to references, all other information known by the selection committee, and oral presentation/interviews if desired, shall score the proposals and make a recommendation of award based on the following criteria and process.

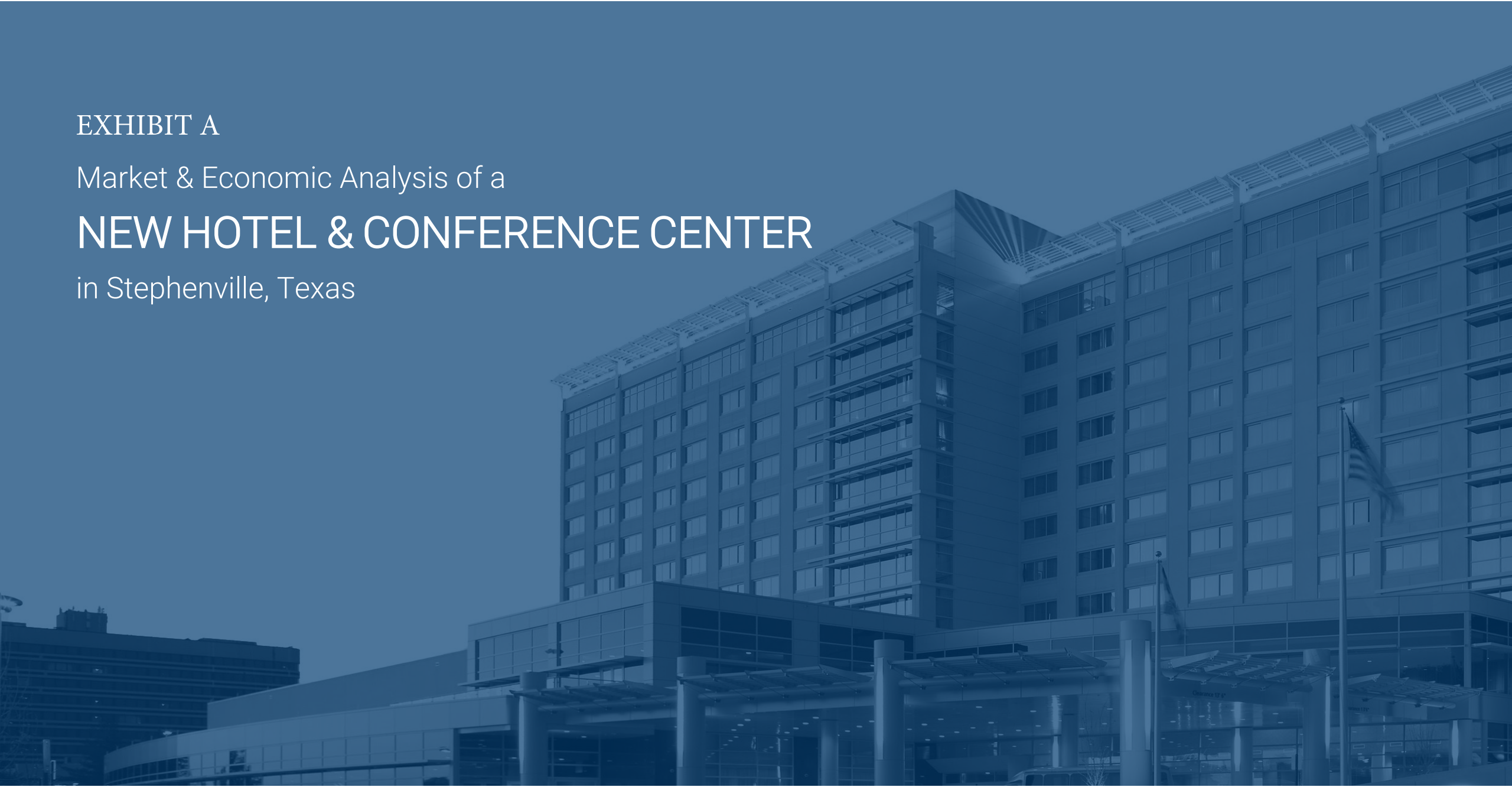
Scoring Criteria	Possible Points
1. Capacity of the Development Team	20
a. Financial Capacity	10
b. Successful Related Past Experience / References	10
2. Development Scheme	30
a. Meeting Project Objectives	10
i. Full-Service Hotel (2 points)	2
ii. Approximately 200 Rooms (2 points)	2
iii. 15-20,000 Square Feet of Meeting Space (2 points)	2
iv. Adequate On-Site Parking (2 points)	2
v. Guest Amenities (2 points)	2
b. Overall Design Concept	10
i. Unique Character & Design (2.5 points)	2.5
ii. Design Sensitivity to Historic District/Buildings (2.5 points)	2.5
iii. Green/Sustainable Design (2.5 points)	2.5
iv. Building Orientation to Streets/Park (2.5 points)	2.5
c. Economic Impact	10
i. Local Tax Revenue Generation (2.5 points)	2.5
ii. Number of Jobs/Payroll (2.5 points)	2.5
iii. Project Value (2.5 points)	2.5
iv. Induced Event/Conference Activity (2.5 points)	2.5
3. Public Private Partnership / Financial Structure	40
a. Amount of Private Equity and Financing	15
b. Amount of Public Support Required	15
c. Creative Structure to Maximize Opportunity	10
4. Work Plan and Project Schedule	10
Total Possible Points	100

EXHIBIT A

Market & Economic Analysis of a

NEW HOTEL & CONFERENCE CENTER

in Stephenville, Texas



January 5, 2021

Mr. Allen L. Barnes
City Manager
City of Stephenville
298 W. Washington
Stephenville, Texas 76401

Dear Mr. Barnes:

Conventions, Sports & Leisure International (CSL) has completed a market, financial and economic analysis of a potential new Hotel & Conference Center (Subject Property) in Stephenville, Texas. The attached report presents our research, analysis and findings and is intended to assist the City of Stephenville (City), Tarleton State University (TSU), and other stakeholders in evaluating various aspects of the project opportunity and a potential public-private partnership (P3) transaction. The content of the attached report excludes the financial analysis, which was provided separately to the City for purposes of protecting its negotiating position relative to a potential future P3 transaction.

The analysis and recommendations presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by study stakeholders and hospitality industry research firms, surveys of potential users of the Subject Property, discussions with industry participants, and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are based on analyses of historical pre-COVID-19 data and projections/expectations for a post-pandemic period beyond 2021. As a long-term planning document, the findings and conclusions are believed to be relevant with respect to a post-pandemic recovery within the context of the likely timeframe of facility development and operation of the Subject Property. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facilities and assume that no significant changes in the event/utilization markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

The report has been structured to provide the City, TSU and other stakeholders with a foundation of research to provide decision-makers with the information necessary to evaluate issues related to the Subject Property and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,



CSL International

TABLE OF CONTENTS

Executive Summary	4
1. Introduction	7
2. Local Market & Demographics	9
3. Industry Trends Review	16
4. Competitive Set Analysis	25
5. Outreach & Surveys	32
6. Subject Property Projections	37

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

OBJECTIVES & BACKGROUND

Conventions, Sports & Leisure International (CSL) was retained by the City of Stephenville (City) to conduct a feasibility analysis of a potential new Hotel and Conference Center (Subject Property) in Stephenville, Texas. The purpose of this report is to outline findings related to a market and economic analysis of the Subject Property in Stephenville. The content of the attached report excludes the financial analysis, which was provided separately to the City for purposes of protecting its negotiating position relative to a potential future P3 transaction. The full attached report should be reviewed in its entirety to gain an understanding of study methods, limitations and implications.

The report presents our research, analysis and findings and is intended to assist the City, Tarleton State University (TSU), and other stakeholders in evaluating various aspects of the project opportunity and a potential public-private partnership (P3) transaction. The analysis includes recommendations and projections of performance for the Subject Property, including the type of public sector incentive that could be required to successfully execute an appropriate development project in Stephenville. Specifically, the projections and estimates contained within this report are necessary to fully understand the “feasibility gap,” which corresponds to the approximate contribution that would be required of the public sector to make a potential transaction for the Subject Property attractive to typical private investors.

The findings presented herein are based on analyses of historical pre-COVID-19 data and projections/expectations for a post-pandemic period beyond 2021. As a long-term planning document, the findings/conclusions are believed to be relevant with respect to a post-pandemic recovery within the context of the likely timeframe of development and operation of the Subject Property.

MARKET DEMAND

A variety of research techniques were used to evaluate market demand for the proposed Subject Property in Stephenville. In addition to detailed research and analysis of competitive and comparable facility data, meetings and interviews were conducted with stakeholders and community leaders, along with telephone interviews with meeting/event planners of local, state and regional scope. Specifically, interviews/meetings were completed with more than **15** Stephenville stakeholders, community leaders, and representatives of local organizations, as well as with meeting/event planners representing more than **180** potential conference, meeting, civic, and special events. Based on the results of the market analysis, including interviews of stakeholders, conference/corporate meeting planners, and other market research, the following findings and conclusions have been reached:

- **Demand Case Exists:** Measurable unmet market demand exists for a new, modern Hotel and Conference Center in Stephenville. Population, commercial and tourism growth is presently being constrained by the lack of quality hotels and meeting facilities in Stephenville. The existing hotel inventory serving Stephenville is substantially limited in terms of quality of products, number of properties, and size of individual facilities (sleeping rooms, conference space capacity and breakout rooms).
- **Limitations in Existing Local Event Facility Product:** Important limitations are present with respect to the size and nature of existing hotel/conference facilities in Stephenville. Existing lodging properties are not able to accommodate local TSU demand.
- **Challenge of Developing a Destination Identity:** Market is primarily known as home to TSU; not much additional state association or corporate demand unique to the market. Typical for communities of a similar size.
- **Competing with Major Markets:** Stephenville can provide an affordable option without the challenges associated with hosting events in larger metropolitan areas, such as traffic, safety, price, etc.

EXECUTIVE SUMMARY

- **NCAA Division I Requirements:** With the recent move to D-I athletics, the need for an appropriate new Hotel and Conference Center to support TSU is increasingly pressing. Current applicable NCAA Division I bid requirements were reviewed for various sports and preliminary competition rounds. The sum of the various requirements suggest that a new Hotel and Conference Center should consist of:
 - A full-service or quasi-full-service, nationally-branded hotel property, offering on-site restaurant/food & beverage options (ideally with room service) and modern amenities.
 - Minimum of 125 sleeping rooms, with at least 60% of contracted rooms representing double/double (queen/queen) rooms.
 - Conference/meeting space with a primary room to accommodate a minimum of 500 persons plus several breakout rooms.
- **Indicated Product:** The results of the market analysis suggest an appropriate program for a new Hotel and Conference Center in Stephenville would consist of the following key elements:
 - State-of-the-industry, nationally-branded, upscale chain scale, quasi-full-service hotel. Brand examples include Courtyard by Marriott, Hilton Garden Inn, Cambria Suites, Hyatt Place, and aloft.
 - 150-keyed rooms, featuring standard and suite-style room configurations, with a minimum of half of rooms representing double/double (queen/queen) rooms.
 - On-site food and beverage facilities (restaurant and/or café), offering three (3) meals per day and room service or carry-out options.
 - 16,000 square feet of conference/meeting space, including a 10,000-square foot subdividable Ballroom and 6,000 square feet of breakout meeting space.
 - Footprint of the Subject Property is assumed to be approximately 44,000 square feet (not including parking). Assuming surface parking (165 controlled spaces), just under 2.5 acres is required.

SUBJECT PROPERTY PROJECTIONS

The 16,000 square feet of conference space assumed for the Subject Property represents an oversized amount of space relative to typical, 150-key select/focused-service brand prototypes within the upscale chain scale. The dearth of conference space in the local market, TSU requirements, and the City's willingness to consider P3 options for the project contribute to the assumption of a larger amount of conference space for the Subject Property. A summary of key performance and cost/benefit estimates associated with the Subject Property in Stephenville includes the following:

- Order-of-magnitude construction costs are assumed at \$35.4 million (or \$236,000 per key).
- Through the 10th year of operation, the total Net Present Value (NPV) of cumulative net new economic impacts in the Stephenville area is estimated to approximate:
 - 1) \$106.1 million in Direct Spending
 - 2) \$178.7 million in Economic Output
 - 3) \$70.6 million in Personal Income
 - 4) 268 full and part-time Jobs (in a peak year)
 - 5) \$4.4 million in City Sales and Hotel Tax Revenue

Rate, occupancy and RevPAR projected performance for the Subject Property in Stephenville are near national averages for the upscale chain scale. Given the estimated capital costs associated with the Subject Property, the ROI opportunity for prospective private investors is believed to be slightly lower than that needed to attract a wholly privately-funded project. Therefore, the analysis concludes that a relatively modest public sector incentive will be required to execute the Subject Property in Stephenville consistent with the type and size of hotel product evaluated under this analysis.

1. INTRODUCTION



1. INTRODUCTION

OBJECTIVES & BACKGROUND

Conventions, Sports & Leisure International (CSL) was retained by the City of Stephenville (City) to conduct a feasibility analysis of a potential new Hotel and Conference Center (Subject Property) in Stephenville, Texas.

The purpose of this report is to outline findings related to a market, financial and economic analysis of the Subject Property in Stephenville. This report presents our research, analysis and findings and is intended to assist the City, Tarleton State University (TSU), and other stakeholders in evaluating various aspects of the project opportunity and a potential public-private partnership (P3) transaction. The analysis includes recommendations and projections of performance for the Subject Property, including the type of public sector incentive that could be required to successfully execute an appropriate development project in Stephenville. Specifically, the projections and estimates contained within this report are necessary to fully understand the “feasibility gap,” which corresponds to the approximate contribution that would be required of the public sector to make a potential transaction for the Subject Property attractive to typical private investors.

CSL project leaders met with City and TSU leadership in an initial virtual planning meeting to establish the organizational framework to ensure the project outcomes will meet the objectives of the City and TSU. A summary of the approach and tasks that were completed for this analysis includes:

- Kick-off, planning, coordination & data collection.
- Analysis of local market conditions.
- Analysis of competitive facility environment.
- Review of industry trends and comparable facility data.
- Interviews & outreach with key local organizations and individuals.
- Telephone interviews with event planners of potential convention, conference, and meeting events.
- Evaluation of appropriate concept and programmatic elements.
- Analysis and projections of Subject Property market, financial and economic performance.
- Estimation of feasibility gap.



2. LOCAL MARKET & DEMOGRAPHICS



2. LOCAL MARKET & DEMOGRAPHICS

INTRODUCTION

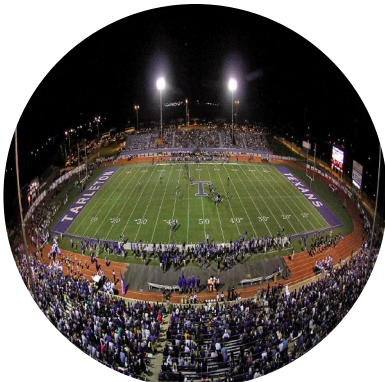
The strength of the local market, in terms of its socioeconomic and demographic attributes, can provide an indication of hotel and conference center’s market opportunity and potential to attract event activity. An analysis of these attributes was conducted as they relate to the market opportunity for the Subject Property in Stephenville. Specifically, CSL (1) evaluated the project’s market positioning, opportunities and challenges, and overall fit within the greater marketplace; and (2) inventoried and assessed local market characteristics, including demographic/socioeconomic attributes, as well as the relationship of the project to other facilities, hospitality amenities (including hotels, restaurants, retail, nightlife, attractions, etc.) in the area.

STEPHENVILLE DESTINATION

Located approximately 70 miles southwest of Fort Worth, the Stephenville CBSA consists of approximately 45,000 residents, an estimated 17,000 of whom live within the city of Stephenville. It is home to Tarleton State University’s primary campus, with an enrollment of over 13,000 students and the Cowboy Capital of the World Pro-Rodeo.

Stephenville is the county seat for Erath County. Agriculture is the leading industry in Erath County, which is in the top ten percent in overall agricultural production and third in milk production in the State of Texas. Fortune 500 companies provide a strong manufacturing diversity to the economy. Stephenville serves as a regional medical and retail center for the area, with many family-owned businesses thriving as they draw from the local and regional workforce, educational opportunities and family-oriented atmosphere.

The local hotel inventory is somewhat limited, with no properties offering more than 100 total sleeping rooms and significant competition coming from Granbury and the DFW metroplex.



2. LOCAL MARKET & DEMOGRAPHICS

TARLETON STATE UNIVERSITY

Tarleton State University (TSU), a founding member of the Texas A&M University System. TSU's main campus has an enrollment of over 13,000 undergraduate and graduate students, with hopes of increasing enrollment by as much as 30 to 50 percent in the next five years. TSU offers 68 undergraduate, 28 masters, two associate degree and two doctoral programs.

In July 2020, TSU reclassified as a Division I sport and became a full-time member of the Western Athletic Conference (WAC) with 13 of TSU's varsity sports participating in the WAC. Football will participate as a Football Championship Subdivision (FCS) independent team. Needs associated with future hosting of Division I activities and events provide part of the impetus by TSU and the City to evaluate the feasibility of a potential new Hotel and Conference Center in Stephenville.

In addition to varsity sports, TSU has one of the largest rodeo teams in the nation, with over 100 student members in during the 2019-20 school year. The Tarleton Stampede Rodeo is a three-day event the last weekend in April that has been held for over 50 years, attracting over 500 contestants. Additionally, TSU hosts three rodeos with approximately 200 to 250 contestants participating in two-day events, typically held in the middle of the week during the school year.

The TSU Alumni Association is responsible for hosting approximately 60 annual events including large events such as Homecoming, reunions, Commencement (five per year), the President's Gala and a number of smaller formal and informal events. Many of these events are held in one of the three ballrooms at the Barry B. Thompson Student Center. Each ballroom has a maximum listed capacity of 360; however, the ballroom is much more guest friendly with a maximum group size of 250 in ballroom seating. Wisdom Gym has also been converted to event space, with an estimated maximum ballroom-style seated capacity of 450 guests.



2. LOCAL MARKET & DEMOGRAPHICS

SITE, LOCATION & ACCESSIBILITY

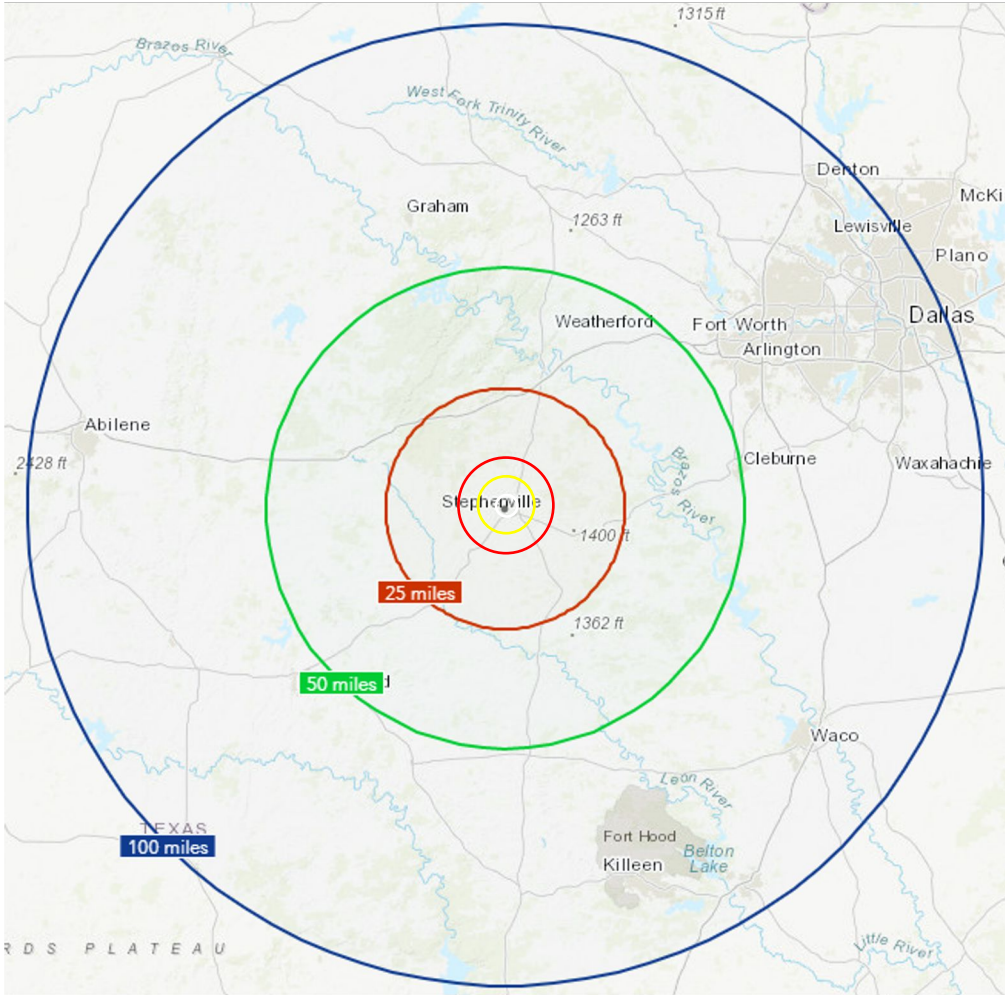
A final site has yet to be publicly-announced for the Subject Property; however, it is understood that a site in northwest Stephenville is being considered. The site will be accessible via Stephenville’s major roadways and will be proximate to both TSU’s main campus and downtown Stephenville.

The exhibit to the right illustrates the proximity of Stephenville with other nearby markets and the markets/land area captured within 1-mile, 3-mile, 5-mile, 25-mile, 50-mile and 100-mile concentric circles of the targeted site area. These distances will be utilized throughout the report for analyzing and comparing demographic and socioeconomic variables.

The 1-, 3- and 5-mile rings represent the primary local market area. Population within primary market would be expected to contribute the majority of attendance for any event space developed as a part Subject Property project. The 25-, 50- and 100-mile rings represent tertiary markets, which represent drivable markets that will contribute a significant amount of lodging demand and conference and meeting event attendance.

The exhibit to the right highlights the proximity of the potential Hotel and Conference Center site to other key Texas markets.

Market	Distance to Site (in miles)	Drive Time (hours:mins)	Market Population
Brownwood, TX	56.5	1:03	18,455
Fort Worth, TX	64.0	1:20	909,585
Arlington, TX	74.4	1:32	398,123
Waco, TX	78.8	1:40	138,183
Killeen, TX	83.1	1:51	149,103
Irving, TX	84.7	1:42	239,798
Abilene, TX	89.0	1:34	122,999
Dallas, TX	91.9	1:45	1,343,573
Temple, TX	92.9	1:50	78,439
Corsicana, TX	103.1	2:12	23,906
Garland, TX	103.9	2:03	239,928
Plano, TX	104.5	2:10	288,061
Austin, TX	138.5	2:44	978,908



2. LOCAL MARKET & DEMOGRAPHICS

DEMOGRAPHICS

The exhibit to the right presents a summary of key demographic metrics associated within the aforementioned drive times surrounding the proposed site, along with the Stephenville core-based statistical area (CBSA) and United States benchmarking data. The estimated population within the Stephenville CBSA is over 45,000 and is expected to grow by 1.06 percent over the next five years, which exceeds the projected growth rate of the United States as a whole. The population within five miles of the likely site area for the Subject Property is approximately 26,000.

The ratio of employees to resident population within five miles of the likely site is higher than the Stephenville CBSA and US benchmarks, respectively, with 0.69 employees per resident. The employee population is even more robust within the one-mile ring.

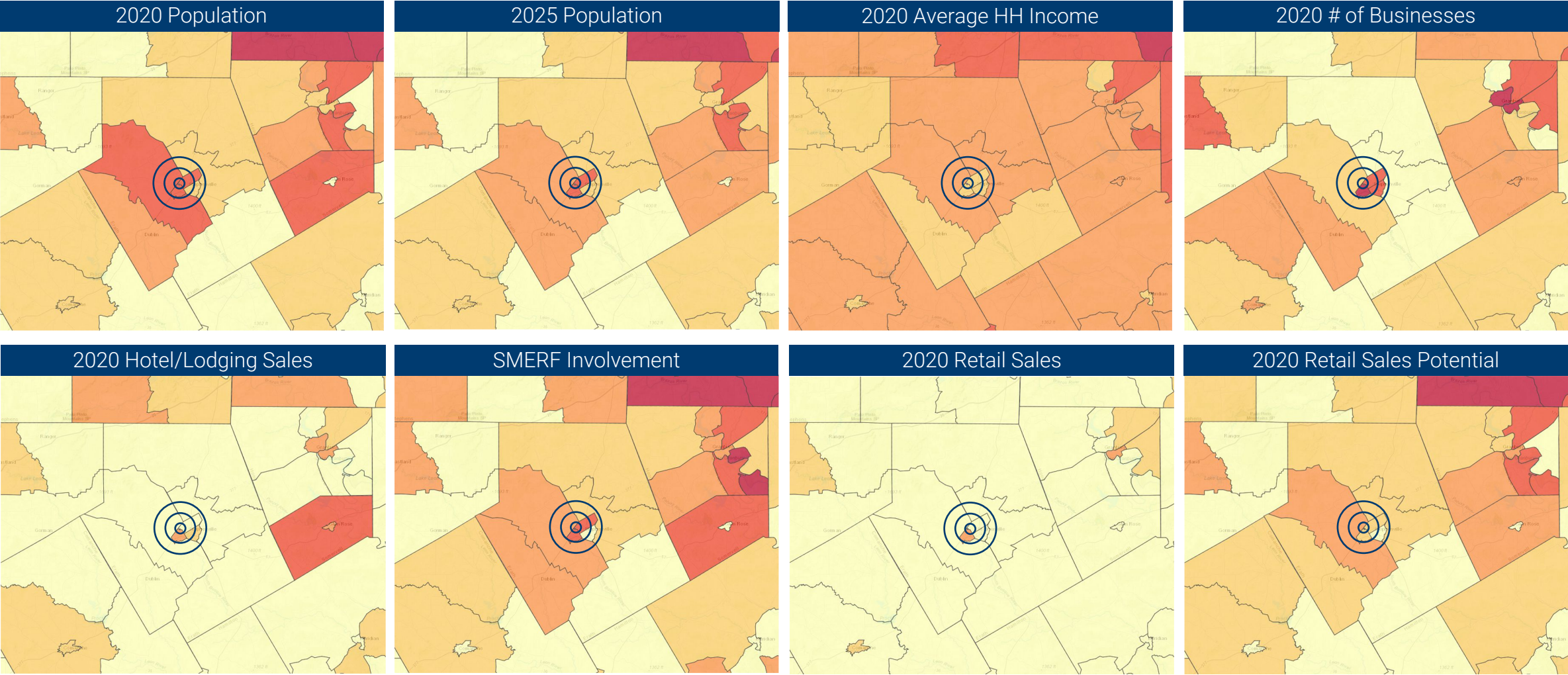
DEMOGRAPHIC VARIABLE	1-mile	3-miles	5-miles	25-miles	50-miles	100-miles	Stephenville CBSA	United States
POPULATION:								
2020 Total Population	10,179	21,887	25,815	61,244	343,032	6,841,865	45,182	333,793,107
2025 Total Population	10,417	22,818	27,053	64,262	364,267	7,358,532	47,620	346,021,282
Historical Annual Growth Rate (2010 to 2020)	1.82%	1.36%	1.44%	1.30%	1.71%	1.68%	1.48%	0.81%
Projected Annual Growth Rate (2020 to 2025)	0.46%	0.84%	0.94%	0.97%	1.21%	1.47%	1.06%	0.72%
AGE:								
Median Age	24.3	25.4	27.1	35.1	41.5	34.9	32.1	38.5
Population Age 25 to 44	18.4%	22.6%	23.7%	23.9%	23.1%	28.8%	34.2%	26.6%
AGE DISTRIBUTION:								
Under 15	11.3%	13.7%	14.6%	16.8%	17.9%	20.9%	16.6%	18.4%
15 to 24	42.2%	35.6%	31.9%	19.5%	12.8%	13.8%	22.7%	13.0%
25 to 34	11.3%	14.4%	14.8%	13.6%	12.1%	15.5%	14.6%	14.0%
35 to 44	7.1%	8.2%	8.9%	10.3%	11.0%	13.3%	10.3%	12.6%
45 to 54	7.0%	7.8%	8.3%	10.6%	12.0%	12.2%	9.9%	12.4%
55 and over	21.1%	20.3%	21.4%	29.3%	24.5%	24.5%	25.8%	29.6%
HOUSEHOLD INCOME:								
Median Household Income	\$44,648	\$38,842	\$40,039	\$46,639	\$57,491	\$62,724	\$43,898	\$62,203
Per Capita Income	\$21,127	\$20,312	\$21,128	\$25,108	\$31,297	\$32,983	\$22,947	\$34,136
INCOME DISTRIBUTION								
\$0 to \$24,999	29.6%	33.5%	31.9%	26.5%	19.7%	17.1%	27.5%	19.1%
\$25,000 to \$49,999	24.9%	26.5%	26.6%	26.2%	23.1%	21.9%	27.7%	20.9%
\$50,000 to \$74,999	19.4%	17.4%	17.0%	17.2%	18.5%	18.3%	17.7%	17.3%
\$75,000 to \$99,999	10.6%	9.5%	10.2%	11.1%	11.0%	12.7%	10.9%	12.6%
\$100,000 to \$149,999	10.8%	8.6%	9.2%	12.0%	15.5%	15.4%	10.4%	15.3%
\$150,000 or more	4.7%	4.4%	5.0%	7.1%	12.2%	14.6%	5.8%	14.8%
POPULATION BY RACE/ETHNICITY								
White/Caucasian	85.2%	83.2%	83.3%	84.1%	87.2%	61.6%	82.4%	69.4%
Black/African American	4.2%	3.7%	3.2%	1.6%	1.6%	16.9%	2.1%	13.0%
American Indian	0.5%	0.5%	0.6%	0.8%	0.8%	0.7%	0.8%	1.0%
Asian	1.4%	1.3%	1.1%	0.7%	0.8%	5.3%	0.8%	5.9%
Pacific Islander	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%
Other Race	6.4%	9.0%	9.6%	10.4%	7.2%	12.0%	11.7%	7.1%
Two or More races	2.1%	2.2%	2.1%	2.2%	2.3%	3.4%	2.2%	3.6%
Hispanic Origin	14.2%	19.0%	19.3%	21.0%	17.8%	30.5%	22.3%	18.8%
Diversity Index	45.0	52.0	52.1	0.53	0.46	0.76	55.6	65.1
BUSINESS								
Businesses (2020)	177	1,036	1,171	2,174	12,047	239,200	1,616	11,994,763
Employees (2020)	1,609	10,834	11,801	18,733	108,355	2,842,461	14,847	146,120,824
Employee/Residential Population Ratio	0.77:1	0.63:1	0.69:1	0.5:1	0.47:1	0.43:1	0.5:1	0.44:1

Source: Esri, 2020.

2. LOCAL MARKET & DEMOGRAPHICS

DEMOGRAPHIC DENSITY

The maps below detail heat maps by zip code throughout the Stephenville CBSA and the greater Stephenville area. The rings on each map represent the approximate one-, three- and five-mile radii surrounding the planned site. "SMERF" refers to social, military, educational, religious and fraternal organization activity.

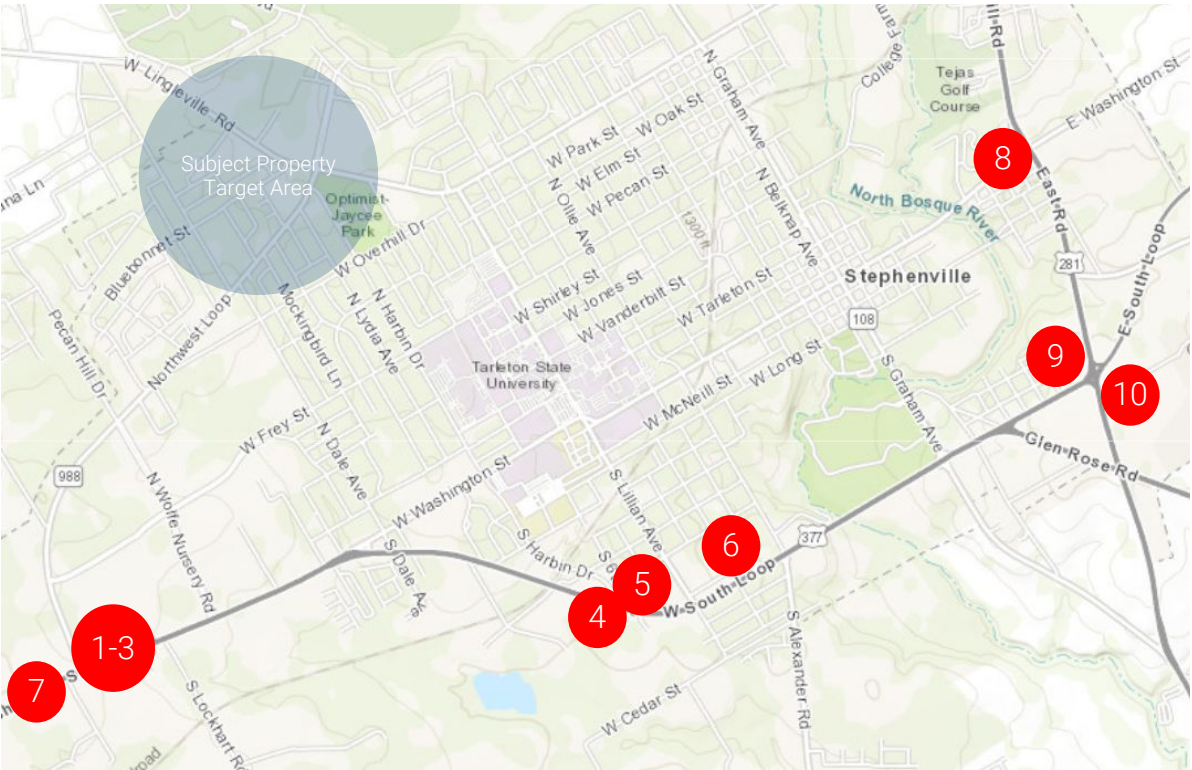


Source: Google Maps, Esri, 2020.

2. LOCAL MARKET & DEMOGRAPHICS

EXISTING STEPHENVILLE AREA HOTELS

The map and chart below summarize the key lodging facilities that currently exist in Stephenville, along with an indication of the general site area that is being targeted for the potential new Subject Property. Specifically, there are 10 existing lodging properties in Stephenville, with the Best Western Plus representing the largest with 83 rooms. The Best Western Plus rebranded from a Holiday Inn Express earlier this year and is presently undertaking renovation. In total, these 10 properties in Stephenville offer 500 guest rooms.



Existing Primary Stephenville Area Hotel Properties

Key	Hotel	Distance to Site Area (in miles)	Total Hotel Rooms	Total Conference Space
1	Best Western Plus Stephenville Inn	1.7	83	800
2	La Quinta Inn & Suites by Wyndham	1.8	68	750
3	Rodeway Inn	1.8	51	0
4	Hampton Inn & Suites Stephenville	1.8	64	988
5	Americas Best Value Inn	1.9	49	0
6	Super 8 by Wyndham Stephenville	1.9	50	0
7	Knights Inn Stephenville	2.0	30	0
8	Royal Inn	2.4	15	0
9	Motel 6 Stephenville TX	2.6	60	500
10	Caravan Interstate Inn	2.8	30	0

Note: The Best Western Plus conference and meeting space is undergoing renovations and will be open in Summer 2021.

3. INDUSTRY TRENDS OVERVIEW



3. INDUSTRY TRENDS OVERVIEW

LODGING INDUSTRY CHARACTERISTICS

In the lodging industry, supply is measured by the number of guestrooms available, while demand is measured by the number of rooms occupied; the net effect of supply and demand towards equilibrium results in a prevailing price, or average rate. The proposed Subject Property's local lodging market is most directly affected by the supply and demand trends within the immediate area. STR, Inc. (formerly, Smith Travel Research) is an independent research firm that compiles data on the lodging industry; this information is routinely used by typical hotel buyers. The statistics that STR analyzes include occupancy, average daily rate (ADR) and rooms revenue per available room (RevPAR). RevPAR is calculated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

STR utilizes chain scale segments to categorize branded hotels into seven different groups based on the actual average room rates. The seven different categories, and examples of hotel brands, are as follows:

- **LUXURY:** Conrad; Four Seasons; Grand Hyatt; InterContinental; JW Marriott; Loews; Park Hyatt; Ritz-Carlton; W Hotel; and, Waldorf Astoria.
- **UPPER UPSCALE:** Embassy Suites; Hilton; Hyatt; Marriott; Omni; Radisson Blu; Renaissance; Sheraton; Westin; and, Wyndham.
- **UPSCALE:** aloft; Cambria Suites; Courtyard Marriott; DoubleTree; Hilton Garden Inn; Hyatt Place; Radisson; Residence Inn; Springhill Suites; and, Staybridge Suites.
- **UPPER MIDSACLE:** Best Western Plus; Clarion; Comfort Inn; Drury Inn; Fairfield Inn; Holiday Inn Express; TownePlace Suites; and, Westmark.
- **MIDSCALE:** America's Best Suites; AmericInn; Best Western; Candlewood Suites; Howard Johnson; La Quinta Inn and Suites; Quality Inn; Ramada; Red Lion; and, Wingate by Wyndham.
- **ECONOMY:** America's Best Inn; Budget Suites of America; Country Hearth Inn; Days Inn; Econo Lodge; Extended Stay America; Microtel Inn; Motel 6; Red Roof Inn; Super 8; and, Travelodge.
- **INDEPENDENT:** other non-categorized properties; varies by market.

Brands/chains are based on the previous year's annual system wide (global) average daily rate. Independent hotels, for example regardless of their average room rates, are included as a separate chain scale category. The rate ranges defining each scale category are determined by STR, Inc. Alternately, hotel projects also tend to be classified by the following categories:

- Luxury.
- Full-Service.
- Dual-Branded.
- Select/Focused Service.
- Extended-Stay (Upscale).
- Extended Stay (Midscale).
- Limited-Service, and Budget/Economy.

3. INDUSTRY TRENDS OVERVIEW

NATIONAL LODGING PERFORMANCE TRENDS

A new hotel's local lodging market is most directly affected by the supply and demand trends within the immediate area. However, individual markets are also influenced by conditions in the national lodging market. We have reviewed national lodging trends to provide a context for the forecast of the supply and demand for the proposed Subject Property's competitive set.

STR is an independent research firm that compiles and publishes data on the lodging industry, and this information is routinely used by typical hotel buyers. The STR exhibit to the right presents annual hotel occupancy and average rate data since 1992. The exhibit on the following page presents historical performance data grouped by geographical region, price point, type of location, and chain scale, and the statistics include occupancy, average rate, and rooms revenue per available room (RevPAR). RevPAR is approximated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

In terms of national trends, the U.S. hotel industry continued positive growth across a number of key performance metrics through 2019, according to data from STR. Compared with five years earlier:

- Occupancy: +1.1% to 66.1%
- Average daily rate (ADR): +13.8% to \$131.21
- Revenue per available room (RevPAR): +14.7% to \$86.76

The absolute values in those three key performance metrics were each the highest STR has ever benchmarked, according to Hotel News Now. According to STR, the industry reached its highest-ever annual occupancy and grew ADR for the ninth year in a row; however, the most recent year of growth was at a lower rate than the long-term average.

The massive disruption of the industry by the COVID-19 pandemic is not shown in these data, as precipitous declines across all metrics impacted the industry, commencing in March 2020. The extent and implications of this disruption are discussed further later in this chapter and throughout the report.

National Occupancy & Average Rate Trends						
Year	Occupancy	Change	ADR	Change	RevPAR	Change
1992	61.9%	-	\$59.62	-	\$36.90	-
1993	63.1%	1.9%	\$61.30	2.8%	\$38.68	4.8%
1994	64.7%	2.5%	\$64.24	4.8%	\$41.56	7.4%
1995	65.1%	0.6%	\$67.17	4.6%	\$43.73	5.2%
1996	65.0%	-0.2%	\$70.81	5.4%	\$46.03	5.3%
1997	64.5%	-0.8%	\$75.31	6.4%	\$48.57	5.5%
1998	63.8%	-1.1%	\$78.15	3.8%	\$49.86	2.7%
1999	63.1%	-1.1%	\$81.29	4.0%	\$51.29	2.9%
2000	63.5%	0.6%	\$85.24	4.9%	\$54.13	5.5%
2001	59.8%	-5.8%	\$84.45	-0.9%	\$50.50	-6.7%
2002	59.0%	-1.3%	\$83.20	-1.5%	\$49.09	-2.8%
2003	59.2%	0.3%	\$83.28	0.1%	\$49.30	0.4%
2004	61.3%	3.5%	\$86.70	4.1%	\$53.15	7.8%
2005	63.1%	2.9%	\$91.29	5.3%	\$57.61	8.4%
2006	64.2%	1.7%	\$96.77	6.0%	\$62.13	7.8%
2007	64.1%	-0.2%	\$102.38	5.8%	\$65.63	5.6%
2008	60.4%	-5.8%	\$106.55	4.1%	\$65.61	0.0%
2009	54.5%	-9.8%	\$98.20	-7.8%	\$53.55	-18.4%
2010	57.6%	5.7%	\$98.08	-0.1%	\$56.47	5.5%
2011	60.1%	4.3%	\$101.64	3.6%	\$61.06	8.1%
2012	61.4%	2.2%	\$106.10	4.4%	\$65.17	6.7%
2013	62.3%	1.5%	\$110.35	4.0%	\$68.69	5.4%
2014	65.0%	4.3%	\$115.26	4.4%	\$75.66	10.1%
2015	65.6%	0.9%	\$120.01	4.1%	\$78.67	4.0%
2016	66.7%	1.7%	\$124.00	3.3%	\$83.00	5.5%
2017	65.3%	-2.1%	\$125.90	1.5%	\$82.20	-1.0%
2018	66.1%	1.2%	\$129.97	3.2%	\$85.96	4.6%
2019	66.1%	0.0%	\$131.21	1.0%	\$86.76	0.9%
Avg Annual Growth		0.3%		3.0%		3.4%

Source: STR, Inc.

3. INDUSTRY TRENDS OVERVIEW

LODGING PERFORMANCE TRENDS BY SEGMENT

National Occupancy & Average Rate Trends (by region, location & chain scale)											
	Occupancy			ADR			RevPAR			% Change	
	2018	2019	Change	2018	2019	Change	2018	2019	Change	Rms Avail	Rms Sold
United States	66.1%	66.1%	0.0%	\$129.97	\$131.21	0.9%	\$85.96	\$86.76	0.9%	2.0%	2.0%
Region											
New England	65.8%	65.0%	-1.2%	\$158.93	\$159.91	0.6%	\$104.56	\$104.00	-0.5%	1.6%	0.5%
Middle Atlantic	69.7%	69.1%	-0.9%	\$166.57	\$166.33	-0.1%	\$116.10	\$114.91	-1.0%	2.5%	1.6%
South Atlantic	67.9%	67.6%	-0.4%	\$126.38	\$128.40	1.6%	\$85.76	\$86.81	1.2%	2.0%	1.7%
East North Central	61.5%	61.2%	-0.6%	\$112.57	\$112.69	0.1%	\$69.28	\$68.96	-0.5%	2.0%	1.5%
East South Central	61.9%	62.6%	1.1%	\$100.91	\$103.45	2.5%	\$62.44	\$64.71	3.5%	2.8%	3.9%
West North Central	57.7%	58.5%	1.2%	\$99.03	\$99.26	0.2%	\$57.18	\$58.02	1.5%	2.0%	3.3%
West South Central	62.7%	62.7%	0.1%	\$102.56	\$101.88	-0.7%	\$64.26	\$63.92	-0.5%	2.6%	2.7%
Mountain	66.2%	66.9%	1.0%	\$119.09	\$122.23	2.6%	\$78.86	\$81.76	3.5%	1.2%	2.2%
Pacific	73.8%	73.7%	-0.1%	\$168.77	\$171.42	1.5%	\$124.52	\$126.36	1.5%	1.6%	1.5%
Location											
Urban	73.4%	73.1%	-0.4%	\$183.22	\$183.71	0.3%	\$134.52	\$134.36	-0.1%	3.2%	2.8%
Suburban	66.9%	66.8%	-0.2%	\$110.65	\$111.23	0.5%	\$74.07	\$74.32	0.3%	2.3%	2.1%
Airport	73.7%	73.8%	0.1%	\$118.33	\$119.19	0.7%	\$87.21	\$87.91	0.8%	2.2%	2.2%
Interstate	57.9%	58.0%	0.1%	\$87.01	\$87.79	0.9%	\$50.41	\$50.90	1.0%	1.7%	1.8%
Resort	70.2%	70.1%	-0.1%	\$178.81	\$182.96	2.3%	\$125.51	\$128.29	2.2%	1.2%	1.1%
Small Metro/Town	57.7%	58.0%	0.4%	\$105.16	\$106.72	1.5%	\$60.73	\$61.90	1.9%	1.2%	1.6%
Chain Scale											
Luxury	74.5%	73.9%	-0.9%	\$336.12	\$343.44	2.1%	\$250.47	\$253.67	1.3%	0.5%	-0.3%
Upper-Upscale	74.2%	73.9%	-0.5%	\$187.10	\$189.74	1.4%	\$138.91	\$140.21	0.9%	1.9%	1.4%
Upscale	73.2%	72.6%	-0.8%	\$142.14	\$142.58	0.3%	\$103.98	\$103.46	-0.5%	4.9%	4.0%
Upper-Midscale	67.9%	67.6%	-0.5%	\$112.72	\$113.03	0.3%	\$76.52	\$76.35	-0.2%	3.4%	2.9%
Midscale	58.6%	58.2%	-0.7%	\$86.94	\$86.56	-0.4%	\$50.95	\$50.37	-1.2%	2.8%	2.1%
Economy	58.5%	58.8%	0.5%	\$63.85	\$63.68	-0.3%	\$37.36	\$37.45	0.2%	-1.2%	-0.7%
Independents	63.2%	63.6%	0.7%	\$130.21	\$132.24	1.5%	\$82.27	\$84.12	2.2%	1.2%	1.9%

Source: STR, Inc.

3. INDUSTRY TRENDS OVERVIEW

HOTEL DEVELOPMENT COSTS

The exhibit to the right summarizes hotel development cost averages and medians by category in 2020 dollars, based on data collected and compiled by HVS. As shown, development costs per room vary significantly by category/type. For instance, the median development costs for select/focused-service hotel projects (typically representing wood frame construction projects such as Hilton Garden Inn, Courtyard by Marriot, etc.) approximate \$189,000 per key (excluding land), while the median for full service projects (typically representing steel and concrete tower projects, such as Hilton, Marriott, Hyatt, Westin, Omni, etc.) approximate \$321,000 per key (excluding land).

In past years, a normal industry rule-of-thumb during initial project concept investigation is that the expected project ADR multiplied by 1,000 provides developers with an indication of the potential hotel cost/room the subject market could support (in terms of a traditional privately-funded project). For example, a hotel with a projected \$150 ADR would suggest a \$150,000 per key (room) hotel project. However, given the high escalation in construction costs over the past decade-plus (relative to normal inflation in other industry sectors), combined with increasing public sector incentives and participation in high-profile hotel projects and alternate avenues for revenue generation has reduced the applicability of this type of rule-of-thumb in a number of markets, particularly concerning higher-quality category projects (i.e., focused service, full service and luxury).

Development Cost Per Key (Per Room) Averages and Medians								
	Land	Hard Costs	Soft Costs	FF&E	Pre-Opening & Working Capital	Developer Fee	Total (including land costs)	Total (excluding land costs)
Budget/Economy								
Average	\$7,300	\$64,000	\$7,700	\$10,000	\$1,900	\$5,300	\$96,200	\$88,900
Median	\$7,400	\$66,600	\$3,300	\$10,100	\$2,200	\$5,300	\$94,900	\$87,500
% of Total	7%	72%	7%	11%	2%	1%	100%	93%
Limited Service								
Average	\$19,900	\$103,300	\$18,100	\$15,300	\$4,100	\$5,900	\$166,600	\$146,700
Median	\$12,500	\$89,900	\$13,200	\$14,500	\$3,100	\$4,500	\$137,700	\$125,200
% of Total	11%	65%	11%	9%	2%	1%	100%	88%
Extended Stay (Midscale)								
Average	\$14,500	\$90,500	\$16,300	\$16,700	\$3,000	\$4,300	\$145,300	\$130,800
Median	\$12,400	\$85,700	\$13,400	\$16,700	\$2,500	\$3,800	\$134,500	\$122,100
% of Total	10%	64%	11%	11%	2%	2%	100%	90%
Extended Stay (Upscale)								
Average	\$20,800	\$132,800	\$18,900	\$21,200	\$4,000	\$6,200	\$203,900	\$183,100
Median	\$18,000	\$120,800	\$15,300	\$21,400	\$3,600	\$4,400	\$183,500	\$165,500
% of Total	10%	67%	10%	11%	2%	2%	100%	92%
Select/Focused Service								
Average	\$26,700	\$163,200	\$35,200	\$21,000	\$5,800	\$7,000	\$258,900	\$232,200
Median	\$15,900	\$135,000	\$22,300	\$20,000	\$5,500	\$6,200	\$204,900	\$189,000
% of Total	11%	61%	15%	8%	2%	2%	100%	88%
Dual Branded								
Average	\$30,700	\$185,600	\$35,400	\$26,200	\$5,500	\$6,300	\$289,700	\$259,000
Median	\$26,700	\$145,700	\$29,100	\$24,800	\$4,600	\$4,600	\$235,500	\$208,800
% of Total	11%	65%	12%	9%	1%	2%	100%	89%
Full Service								
Average	\$32,700	\$322,700	\$65,100	\$40,900	\$13,200	\$14,100	\$488,700	\$456,000
Median	\$26,000	\$227,800	\$44,100	\$29,100	\$10,200	\$10,100	\$347,300	\$321,300
% of Total	5%	68%	14%	8%	2%	2%	100%	94%
Luxury								
Average	\$96,700	\$461,200	\$105,700	\$62,900	\$26,500	\$19,900	\$772,900	\$676,200
Median	\$73,100	\$417,600	\$87,400	\$56,400	\$20,700	\$20,600	\$675,800	\$602,700
% of Total	11%	63%	14%	9%	3%	1%	100%	90%

Source: HVS, U.S. Hotel Development Cost Survey, October 2020.

3. INDUSTRY TRENDS OVERVIEW

CONFERENCES & MEETINGS INDUSTRY

In the pre-pandemic/pre-recession environment, according to a PricewaterhouseCoopers study, just over 1.8 million meetings were held annually, attracting a total of just under 225 million meeting participants. Corporate/business meetings made up the largest portion of this meeting activity, encompassing 50 percent of all meetings, with conventions/conferences following behind at 27 percent.

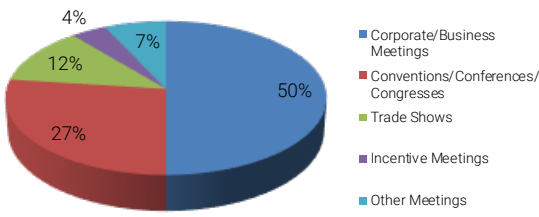
Direct spending levels resulting from these meetings approximated \$280 million, that was directly attributable to meeting activity. Spending on accommodations and food and beverage resulted in just under \$70 million of total direct spending, making up a majority of the \$130 million of direct spending on travel and tourism commodities. Also of note, money spent on meeting planning and production resulted in a total of \$107 million of direct spending.

Number of Meetings and Participants

Number of Meetings and Participants by Meeting Type

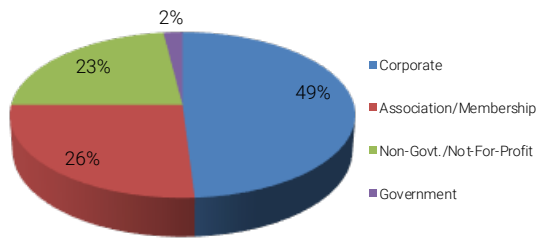
Meeting Type	Number of Meetings	Participants (in millions)
Corporate/Business Meetings	1,298,300	113,337
Conventions/Conferences/Congresses	273,700	60,960
Trade Shows	10,900	26,768
Incentive Meetings	67,700	9,172
Other Meetings	182,600	14,710
Total	1,833,200	224,947

Percentage of Participants



Number of Meetings and Participants by Host Type

Host Type	Number of Meetings	Participants (in millions)
Corporate	1,017,000	109,571
Association/Membership	315,400	59,495
Non-Govt./Not-For-Profit	432,100	51,572
Government	68,600	4,308
Total	1,833,200	224,947

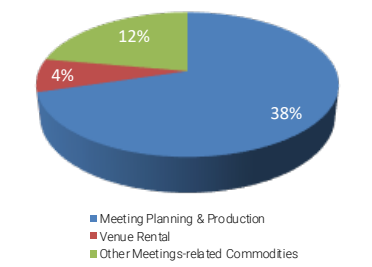
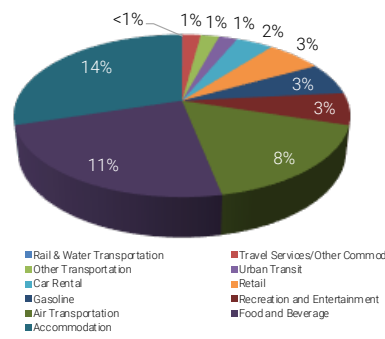


Meeting/Event Spending by Industry Sector

Commodities Direct Spending (in millions)

Commodities	Direct Spending (in millions)
Travel & Tourism Commodities	
Accommodation	\$39,315
Food and Beverage	29,832
Air Transportation	23,761
Retail	8,235
Gasoline	7,498
Recreation and Entertainment	7,034
Car Rental	6,258
Travel Services and Other Tourism Commodities	3,707
Other Transportation	2,369
Urban Transit	1,577
Rail & Water Transportation	600
Subtotal	\$130,186
Meetings & Other Commodities	
Meeting Planning & Production	\$106,658
Venue Rental	10,363
Other Meetings-related Commodities	33,195
Subtotal	\$150,216
Total Direct Spending	\$280,402

Percentage of Direct Spending



Source: PWC, The Economic Significance of Meetings in the U.S. Economy.

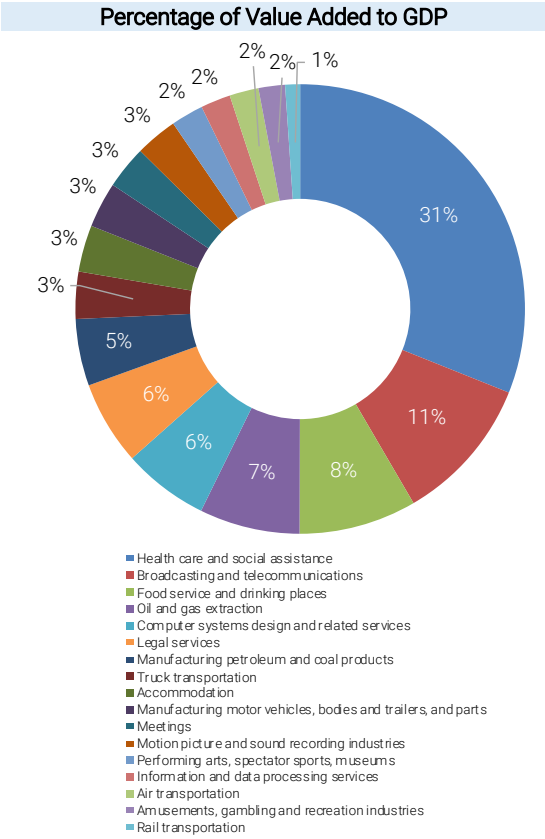
3. INDUSTRY TRENDS OVERVIEW

The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of conferences, exhibitions and meetings in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the conference, exhibition and meetings industry. The CEIR Index Report measures year-over-year changes in key metrics of industry performance. The industry's performance within these metrics was calculated from data provided from over 400 events. The CEIR Index Report displays and analyzes actual event-specific data and provides future forecasts. The Report's findings for number of events and direct spending by commodity are shown below (relating to a pre-pandemic time period).

Number of Exhibition Events by Industry Sector	
Industry Sector	Number of Events
Medical and Health Care	1,549
Raw Materials and Science	930
Professional Business Services	893
Communications and Information Technology	784
Education	672
Financial, Legal and Real Estate	658
Consumer Goods and Retail Trade	649
Sporting Goods, Travel and Amusement	491
Discretionary Consumer Goods and Services	472
Industrial/Heavy Machinery and Finished business Outputs	435
Transportation	413
Building, Construction, Home and Repair	386
Government	352
Food	278
Total Events	8,962

Source: Center for Exhibition Industry Research (CEIR), and PWC, The Economic Significance of Meetings in the U.S. Economy.

Direct Contribution to GDP of Select Industries	
Industry	Estimated Value Added to GDP (in millions)
Health care and social assistance	\$1,157,000
Broadcasting and telecommunications	392,000
Food service and drinking places	315,000
Oil and gas extraction	269,000
Computer systems design and related services	230,000
Legal services	225,000
Manufacturing petroleum and coal products	179,000
Truck transportation	126,000
Accommodation	125,000
Manufacturing motor vehicles, bodies and trailers, and parts	122,000
Meetings	115,615
Motion picture and sound recording industries	113,000
Performing arts, spectator sports, museums	87,000
Information and data processing services	80,000
Air transportation	78,000
Amusements, gambling and recreation industries	71,000
Rail transportation	40,000
Total	\$3,724,615



3. INDUSTRY TRENDS OVERVIEW

COVID-19 PANDEMIC IMPACTS

Since early 2020, the negative impact of the COVID-19 pandemic on the hospitality, event, entertainment, retail, and tourism industries cannot be understated. As stated by HVS in its U.S. Hotel Development Cost Survey dated October 2020:

Since the start of the COVID-19 pandemic, government restrictions, travel and group cancellations, and an overall fear of traveling have caused an unprecedented drop in travel and tourism demand in the country and around the world, which has resulted in substantially lower occupancies and average rates. The impact of COVID-19 on the supply pipeline has been twofold. While projects under construction generally still remain under construction, developers are now much more cautious in undertaking future hotel projects. Additionally, some hotels have suspended operations (temporarily or permanently), causing a decrease in supply in many submarkets. Even as we approach the end of the year, travel demand remains subdued, and it is more evident that while a recovery is on the horizon, the new reality is that it will likely be one that is slow and steady until individuals are comfortable traveling again and economic conditions improve.

Cancellations and postponements of nearly all events and gatherings through the end of summer of 2020 have been significant. Nearly all major event activity throughout the country has been cancelled or postponed through year-end 2020. These conditions, however, will not be permanent. The timeline for industry recovery is still somewhat uncertain and largely dependent on the development of a widely-distributed vaccine and return of consumer confidence and travel.

From the perspective of a new Hotel & Conference Center in Stephenville, it is critical to consider how the new Subject Property will be positioned following this highly unusual period. Careful planning during this period could lead to significant and cost-effective product development over the next economic recovery and growth cycle and beyond. Further near-term planning associated with the project should be able to capitalize on this unique timing. Subsequent architectural design and programming will certainly take into account the evolving needs and best practices facing such facilities in a post-COVID environment (including emphasis on flex spaces, attendee/participant social distancing, PPE and other health/safety policies, amenities and operating practices). A best practices approach to venue design and operation in light of these issues is summarized in the exhibit to the upper right.

As a long-term planning document, the findings and conclusions presented herein are believed to be relevant with respect to a post-pandemic recovery within the context of the likely timeframe of facility development and operation of the subject new Hotel & Conference Center. For example, the timeline of facility development would most likely represent construction completion and commencement of operations in 2022 or later. Indications suggest that the industry will most likely be in a post-COVID environment by that time, with a significant portion of event activity nationwide functioning consistent with the pre-COVID environment and a portion of activity continuing to grow or evolve.



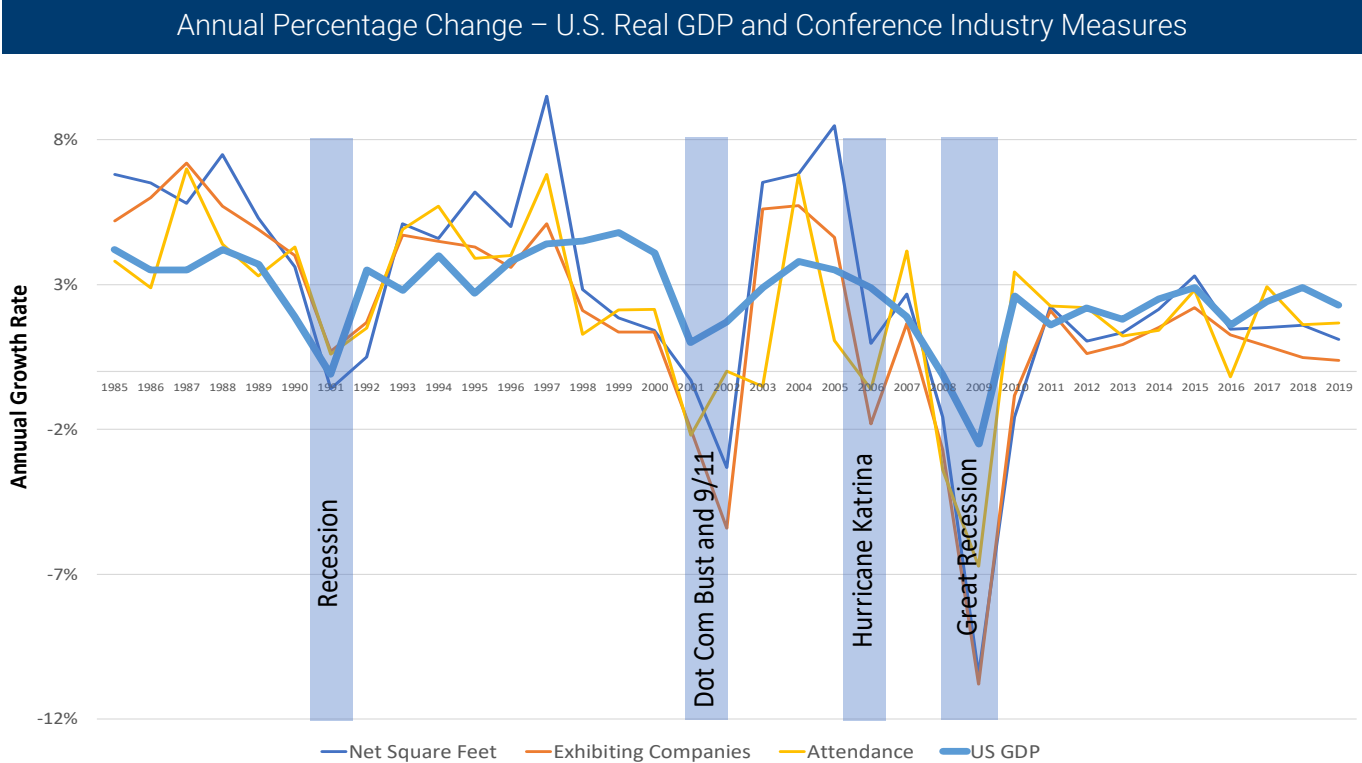
3. INDUSTRY TRENDS OVERVIEW

PAST RECOVERIES OF THE MEETINGS INDUSTRY

The U.S. economy appeared to be on solid footing prior to the COVID-19 outbreak. An historical perspective focusing on changes to GDP growth relative to the national conference and meetings industry may be useful in assessing the longer-term impact of the COVID-19 pandemic. As outlined in the chart to the right, broad industry changes, characterized by retraction and expansion in conference and meeting demand have taken place during the past 35 years.

A large collection of data suggests that the health of the convention, conference, tradeshow and meetings industry, like nearly all industries, has historically been linked to the strength and fluctuations of the overall U.S. economy. This “linkage” is a fundamental premise of any analysis of future conference and meeting industry performance.

Given the close parallels between GDP changes and changes in various measures of the conference and meetings industry, we expect future industry growth to continue to mirror the overall health of the economy. With leading economists noting that the economy is now entering recession, the impacts on the conference and meetings industry will likely be significant. A return to “normal” growth may not take place until sometime in 2022, consistent with a future rebound in overall economic conditions.



4. COMPETITIVE SET ANALYSIS



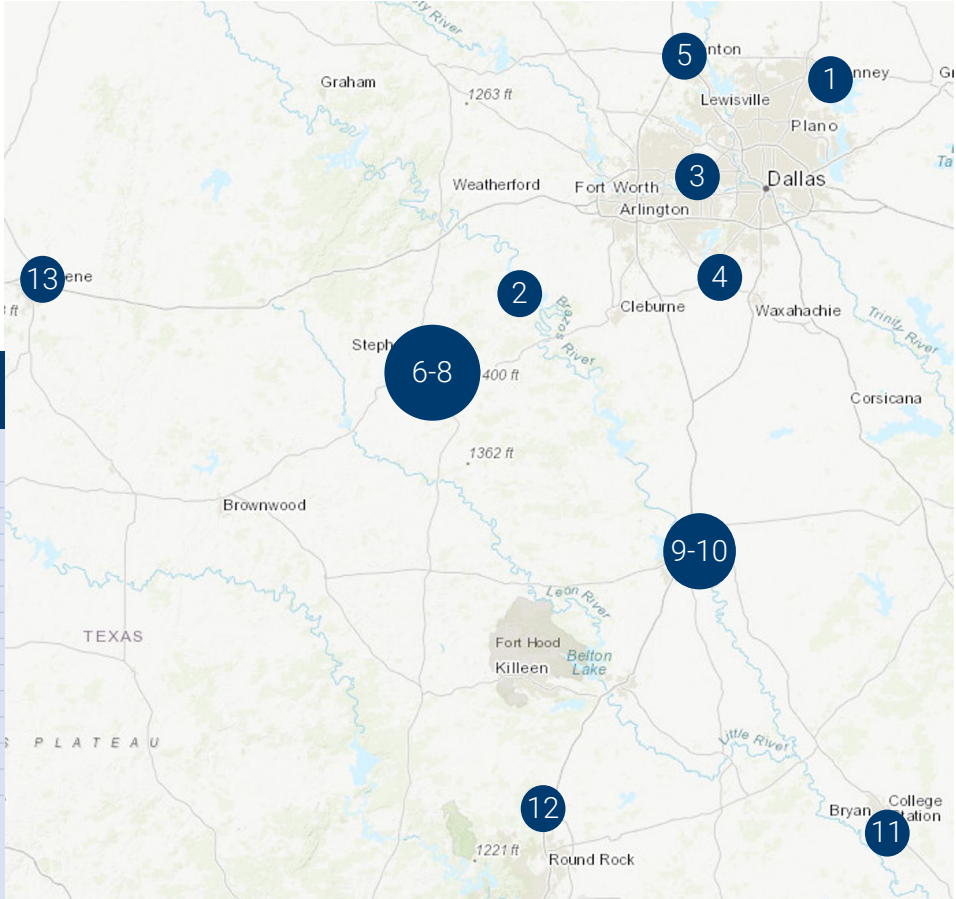
4. COMPETITIVE SET ANALYSIS

IDENTIFIED COMPETITIVE SET

Existing competitors can provide an important basis for understanding how a new lodging asset may be able to perform in a market. The most common measurement of supply in the lodging industry is the number of available guestrooms. The existing hotel inventory in Stephenville and the surrounding area was investigated. As the inventory of upscale and upper-upscale chain scale hotels in the Stephenville area is presently limited, certain comparable hotel properties were considered in the nearby regional area to add value to the understanding of regional comparable property performance.

The 13 hotel properties shown were identified as a competitive set for the proposed Subject Property in Stephenville. These facilities form the basis of the understanding of competitive hotel room supply and demand. Conference space is shown in terms of in-house space, as well as for the total effective conference facility product, including adjacent and proximate conference facility space that tends to be jointly-marketed and/or perceived as a hotel/conference center unit.

Selected Competitive Set	City, State	Hotel Chain Scale	Year Affiliated	Year Opened	Number of Sleeping Rooms	In-House Conference Space (SF)	Total Site Conference Space (SF)
1 Sheraton Hotel McKinney	McKinney, TX	Upper Upscale	Feb-15	Feb-15	187	11,500	11,500
2 Hilton Garden Inn Granbury	Granbury, TX	Upscale	Jul-08	Jul-08	106	1,800	10,800
3 Hilton Garden Inn Dallas @ Hurst Conf Ctr	Hurst, TX	Upscale	Jun-18	Jun-18	140	0	20,200
4 Courtyard Dallas Midlothian & Conf Ctr	Midlothian, TX	Upscale	Jan-16	Jan-16	102	1,200	12,900
5 Embassy Suites Denton Convention Center	Denton, TX	Upper Upscale	Dec-17	Dec-17	318	0	38,500
6 Hampton by Hilton Inn & Suites Stephenville	Stephenville, TX	Upper Midscale	Mar-07	Mar-07	64	1,000	1,000
7 La Quinta Inns & Suites Stephenville	Stephenville, TX	Upper Midscale	May-07	May-07	68	800	800
8 Best Western Plus Stephenville Inn	Stephenville, TX	Upper Midscale	Sep-20	Dec-09	83	800	800
9 Hilton Waco	Waco, TX	Upper Upscale	Jul-20	Oct-81	195	7,300	86,800
10 Hotel Indigo Waco Baylor	Waco, TX	Upper Upscale	Apr-12	Apr-12	111	1,300	1,300
11 Embassy Suites by Hilton College Station	College Station, TX	Upper Upscale	Oct-17	Oct-17	162	4,300	4,300
12 Sheraton Austin Georgetown Hotel & Conf Ctr	Georgetown, TX	Upper Upscale	Jul-16	Jul-16	222	18,900	18,900
13 Courtyard Abilene Northeast	Abilene, TX	Upscale	Jun-20	Sep-15	76	1,000	1,000
Total			-	-	1,834	49,900	208,800
Average			Apr-15	Feb-11	141	3,838	16,062



Notes (relating to facility number):
 (2) Hotel is nearby the Lake Granbury Conference Center which features 9,000 SF of meeting and event space.
 (3) Hotel has one event space, awaiting capacity information. Hotel is directly connected to the Hurst Conference Center which features 20,200 SF of meeting and event space.
 (4) Hotel is nearby the Midlothian Conference Center which features 11,700 SF of meeting and event space.
 (5) Hotel has no event space onsite, but is directly connected to the Denton Convention Center which features 38,500 SF of meeting and event space.
 (8) Conference space is currently undergoing renovations and is anticipated to open in Summer 2021.
 (9) The Hilton Waco is attached via walkway to the Waco Convention Center, offering approximately 79,500 square feet of conference space (including a 33,000 SF exhibit hall).
 Source: STR, CSL research, interviews with facility management, 2020.

2. LOCAL MARKET & DEMOGRAPHICS



SHERATON HOTEL MCKINNEY

The 187-room Sheraton Hotel McKinney is located at the intersection of highways 75 and 121, approximately 30 miles northeast of downtown Dallas. It offers approximately 11,500 square feet of conference space, including the 7,700-square foot Throckmorton Ballroom.



HILTON GARDEN INN DALLAS @ HURST CONF. CENTER

Located along Texas Highway 183 the 140-room Hilton Garden Inn Dallas is connected to the Hurst Conference Center. While the HGI does not offer in-house conference space, the Hurst Conference Center offers more than 20,200 square feet of event space, including the 14,161-square foot Lumiere Ballroom.



EMBASSY SUITES DENTON CONVENTION CENTER

The 318-room Embassy Suites by Hilton is connected to the Denton Convention Center and located off Interstate 35, approximately 30 miles north of DFW Airport. The Convention Center offers approximately 38,000 square feet of conference space, including a 26,000-square foot ballroom.



LA QUINTA INNS & SUITES STEPHENVILLE

Located in southwest Stephenville near the Cinemark Cinema 6 along Highway 377, the La Quinta Inns and Suites offers 68 sleeping rooms and approximately 800 square feet of meeting space.



HILTON GARDEN INN GRANBURY

The Hilton Garden Inn Granbury is located approximately 40 miles southwest of Fort Worth along Highway 377. It offers 106 rooms and approximately 1,800 square feet of meeting space. The adjacent Lake Granbury Conference Center offers approximately 9,000 square feet of event space, including the 5,400-square foot Granbury Ballroom.



COURTYARD DALLAS MIDLOTHIAN & CONF. CENTER

Approximately 30 minutes south of Dallas, just east of Highway 67 along Highway 287, the Courtyard Dallas offers one meeting room with just over 1,200 square feet of space. However, the 102-room hotel is connected to the Midlothian Conference Center, which offers nearly 12,900 square feet of event space, including the 8,300-square foot Bluebonnet Ballroom.



HAMPTON BY HILTON INN & SUITES STEPHENVILLE

The Hampton by Hilton Inn and Suites is a 64-room hotel in Stephenville offering approximately 1,000 square feet of meeting space in a single room. It is located just south of Tarleton State University along Highway 377.



BEST WESTERN PLUS STEPHENVILLE INN

Newly renovated in September 2020 and reflagged as the Best Western Plus, this 83-room hotel offers approximately 800 square feet of meeting space and is located in southwest Stephenville near the Cinemark Cinema 6.

2. LOCAL MARKET & DEMOGRAPHICS



HILTON WACO

The only full-service hotel in Waco, the 195-room Hilton Waco offers nearly 7,300 square feet of meeting and event space, including a 3,400-square foot ballroom. The Hilton Waco is attached via walkway to the Waco Convention Center, offering approximately 79,500 square feet of conference space (including a 33,000-square foot exhibit hall).



HOTEL INDIGO WACO BAYLOR

The Hotel Indigo Waco Baylor is located just across Interstate 35 from Baylor University and offers 111 sleeping rooms and 1,300 square feet of meeting and event space. The hotel is within walking distance of the Waco Convention Center, Brazos Riverwalk, restaurants, nightlife and local shops.



EMBASSY SUITES BY HILTON COLLEGE STATION

The Embassy Suites by Hilton College Station is a 162-room hotel with approximately 4,300 square feet of meeting and event space. The hotel is located within walking distance of Texas A&M University.



SHERATON AUSTIN GEORGETOWN HOTEL & CONF. CTR.

The 222-room Sheraton Austin offers nearly 18,900 square feet of meeting and event space, including the 15,900-square foot San Gabriel Ballroom.



COURTYARD ABILENE NORTHEAST

Located near Abilene Christian University and the Taylor County Expo Center, the Courtyard Abilene Northeast offers 76 sleeping rooms and one meeting room with approximately 1,000 square feet of event space.

4. COMPETITIVE SET ANALYSIS

HISTORICAL SUPPLY & DEMAND

Data generated by STR, Inc. associated with the historical performance of the competitive set was analyzed. As shown, within the competitive set, total hotel room supply increased dramatically since 2009, calculating to an average of 28.8 percent annually. This growth coupled with improving average occupancy has led to similar large increase in occupied room nights, increasing an average of 42.1 percent annually over the period. ADR (average daily rate) has increased at a lower rate than industry-typical during the period, with an average annual growth of 2.3 percent. The supply and demand growth rate averages are influenced by the rapid population growth in the suburban and small city/town host communities and the entrance of several new and expanded properties throughout the period. Even when adjusting for the impact of the new products, supply and demand averages within the competitive set have outperformed national trends.

Competitive Set Historical Supply and Demand

Year	Average Daily Room Count	Available Room Nights	% Change	Occupied Room Nights	% Change	Occupancy	Average Rate	% Change	RevPAR	% Change
Historical Performance (Last 11 full years)										
2009	440	160,587	—	84,751	—	52.8%	\$104.33	—	\$55.06	—
2010	515	187,975	17.1%	91,894	8.4%	48.9%	\$103.47	-0.8%	\$50.58	-8.1%
2011	515	187,975	0.0%	103,844	13.0%	55.2%	\$105.07	1.5%	\$58.04	14.8%
2012	599	218,500	16.2%	118,264	13.9%	54.1%	\$105.63	0.5%	\$57.17	-1.5%
2013	626	228,490	4.6%	133,109	12.6%	58.3%	\$108.73	2.9%	\$63.34	10.8%
2014	626	228,490	0.0%	143,692	8.0%	62.9%	\$114.34	5.2%	\$71.91	13.5%
2015	823	300,220	31.4%	190,312	32.4%	63.4%	\$114.22	-0.1%	\$72.41	0.7%
2016	1,103	402,563	34.1%	252,430	32.6%	62.7%	\$118.00	3.3%	\$73.99	2.2%
2017	1,281	467,507	16.1%	312,236	23.7%	66.8%	\$122.94	4.2%	\$82.11	11.0%
2018	1,775	647,905	38.6%	429,818	37.7%	66.3%	\$129.86	5.6%	\$86.15	4.9%
2019	1,833	669,045	3.3%	477,685	11.1%	71.4%	\$130.39	0.4%	\$93.09	8.1%
Average Annual Compounded Change										
2009-2019			28.8%	42.1%		2.3%			6.3%	

4. COMPETITIVE SET ANALYSIS

HISTORICAL PERFORMANCE

The following exhibits illustrate seasonal demand patterns in the subject market. Occupancies above 80 percent indicate the likely presence of periods of unaccommodated demand. These patterns indicate relatively significant volumes of unaccommodated demand in the competitive marketplace within the chain scales evaluated. The effects of the COVID-19 pandemic within the competitive set are shown by the periods shaded with gray. For purposes of this analysis, it is important to differentiate historical data in terms of pandemic-impacted versus pre-pandemic periods.

In markets with measurable levels of unaccommodated demand, as new supply enters the market, the new supply will allow some of the historically unaccommodated demand to be absorbed. New supply will likely have some negative effect on overall market occupancies, as is typical in any market.

Competitive Set Daily Occupancy

	Sun	Mon	Tues	Wed	Thu	Fri	Sat
Sep - 19	46.6%	58.8%	74.5%	72.9%	65.1%	78.4%	84.5%
Oct - 19	56.8%	76.5%	79.7%	75.8%	74.3%	90.6%	94.8%
Nov - 19	51.3%	69.4%	73.7%	72.6%	67.3%	80.8%	79.8%
Dec - 19	36.6%	48.4%	59.7%	61.9%	63.0%	74.6%	73.0%
Jan - 20	38.6%	64.4%	77.5%	64.4%	63.3%	69.7%	67.2%
Feb - 20	47.8%	73.6%	84.6%	79.3%	71.5%	84.5%	78.7%
Mar - 20	30.3%	40.4%	38.4%	43.0%	38.9%	40.6%	39.9%
Apr - 20	12.0%	14.8%	15.4%	15.0%	14.9%	13.0%	12.9%
May - 20	19.1%	19.7%	22.0%	24.3%	23.8%	28.9%	29.8%
Jun - 20	24.8%	31.1%	35.3%	36.8%	39.8%	57.1%	59.2%
Jul - 20	28.5%	35.8%	37.0%	37.6%	41.7%	58.4%	58.2%
Aug - 20	32.7%	37.8%	45.2%	48.8%	51.3%	64.7%	69.8%
Total Year	35.8%	47.9%	54.5%	53.3%	51.9%	62.6%	63.5%

Competitive Set Daily ADR

	Sun	Mon	Tues	Wed	Thu	Fri	Sat
Sep - 19	\$113.98	\$120.29	\$123.45	\$125.70	\$125.41	\$148.99	\$150.71
Oct - 19	\$124.76	\$125.38	\$128.00	\$133.78	\$139.04	\$167.79	\$166.85
Nov - 19	\$124.59	\$121.92	\$126.66	\$124.71	\$122.03	\$149.40	\$146.21
Dec - 19	\$107.56	\$114.45	\$116.17	\$113.12	\$115.74	\$125.75	\$122.50
Jan - 20	\$110.43	\$119.95	\$124.17	\$123.60	\$124.28	\$128.01	\$120.89
Feb - 20	\$117.44	\$123.62	\$128.31	\$129.81	\$131.42	\$135.67	\$130.87
Mar - 20	\$114.91	\$120.86	\$123.67	\$122.68	\$121.05	\$127.98	\$126.72
Apr - 20	\$108.39	\$104.60	\$106.57	\$107.11	\$104.60	\$103.00	\$105.47
May - 20	\$102.45	\$101.06	\$104.15	\$100.15	\$101.53	\$103.25	\$106.77
Jun - 20	\$103.44	\$102.54	\$102.09	\$103.79	\$104.29	\$110.98	\$112.03
Jul - 20	\$103.02	\$98.30	\$101.19	\$100.49	\$102.62	\$110.18	\$111.19
Aug - 20	\$103.81	\$101.97	\$108.20	\$109.64	\$109.59	\$114.49	\$114.53
Total Year	\$113.25	\$116.38	\$120.04	\$120.33	\$120.83	\$132.83	\$131.57

4. COMPETITIVE SET ANALYSIS

PROJECTED DEMAND

The following exhibit presents historical results and projections of supply, demand, occupancy, ADR and RevPAR for the competitive set, including the Subject Property (which is assumed to enter the market in 2023). As population and commercial development continue to rapidly grow within the competitive market, strong year-over-year demand growth is expected to continue upon recovery within a post-pandemic environment. For purposes of this analysis, it is assumed that demand recovery will accelerate during the second half of 2021 (upon the distribution of a COVID-19 vaccine and the restoration of consumer confidence and willingness to travel) and will continue through 2025, upon which time demand levels would be expected to stabilize. Key issues beyond the pandemic recovery that would be expected to influence demand growth include: (1) strong population growth and residential/business exodus and influence from the Dallas-Fort Worth Metroplex, (2) the anticipated growth of TSU enrollment and elevation to D-I athletics, (3) latent group, commercial and leisure demand, and (4) induced demand, particularly in group and commercial segments.

Competitive Set Projected Demand

Year	Average Daily Room Count	Available Room Nights	% Change	Occupied Room Nights	% Change	Occupancy	Average Rate	% Change	RevPAR	% Change
Historical - Competitive Set										
2009	440	160,587	—	84,751	—	52.8%	\$104.33	—	\$55.06	—
2010	515	187,975	17.1%	91,894	8.4%	48.9%	\$103.47	-0.8%	\$50.58	-8.1%
2011	515	187,975	0.0%	103,844	13.0%	55.2%	\$105.07	1.5%	\$58.04	14.8%
2012	599	218,500	16.2%	118,264	13.9%	54.1%	\$105.63	0.5%	\$57.17	-1.5%
2013	626	228,490	4.6%	133,109	12.6%	58.3%	\$108.73	2.9%	\$63.34	10.8%
2014	626	228,490	0.0%	143,692	8.0%	62.9%	\$114.34	5.2%	\$71.91	13.5%
2015	823	300,220	31.4%	190,312	32.4%	63.4%	\$114.22	-0.1%	\$72.41	0.7%
2016	1,103	402,563	34.1%	252,430	32.6%	62.7%	\$118.00	3.3%	\$73.99	2.2%
2017	1,281	467,507	16.1%	312,236	23.7%	66.8%	\$122.94	4.2%	\$82.11	11.0%
2018	1,775	647,905	38.6%	429,818	37.7%	66.3%	\$129.86	5.6%	\$86.15	4.9%
2019	1,833	669,045	3.3%	477,685	11.1%	71.4%	\$130.39	0.4%	\$93.09	8.1%
Projected - Competitive Set										
2020	1,765	644,313	-3.7%	265,117	-44.5%	41.1%	\$110.83	-15.0%	\$45.60	-51.0%
2021	2,005	731,954	13.6%	392,428	48.0%	53.6%	\$121.91	10.0%	\$65.36	43.3%
2022	2,288	834,986	14.1%	486,579	24.0%	58.3%	\$131.66	8.0%	\$76.73	17.4%
2023	2,646	965,633	15.6%	610,955	25.6%	63.3%	\$138.25	5.0%	\$87.47	14.0%
2024	2,846	1,038,777	7.6%	678,647	11.1%	65.3%	\$142.39	3.0%	\$93.03	6.4%
2025	3,062	1,117,462	7.6%	750,632	10.6%	67.2%	\$146.67	3.0%	\$98.52	5.9%
2026	3,293	1,202,106	7.6%	808,554	7.7%	67.3%	\$151.07	3.0%	\$101.61	3.1%
2027	3,543	1,293,162	7.6%	871,674	7.8%	67.4%	\$155.60	3.0%	\$104.88	3.2%
2028	3,811	1,391,115	7.6%	940,459	7.9%	67.6%	\$160.27	3.0%	\$108.35	3.3%
2029	4,100	1,496,488	7.6%	1,015,421	8.0%	67.9%	\$165.07	3.0%	\$112.01	3.4%

5. OUTREACH & SURVEYS



5. OUTREACH & SURVEYS

INTRODUCTION

A variety of research techniques were used to evaluate market demand for the proposed Hotel and Conference Center in Stephenville. In addition to detailed research and analysis of competitive and comparable facility data, meetings and interviews were conducted with stakeholders and community leaders, along with telephone interviews with meeting/event planners of local, state and regional scope.

Specifically, interviews/meetings were completed with more than **15** Stephenville stakeholders, community leaders, and representatives of local organizations, as well as with meeting/event planners representing more than **180** potential conference, meeting, civic, and special events.

Telephone interviews were completed with a survey-based technique that provides an understanding of a potential user's willingness to use hotel/conference space in Stephenville, their overall perceptions of Stephenville as a potential host community for their event(s), the physical facility requirements needed to accommodate their event and any requirements of the destination and/or community. The goal of this section is to summarize interviews and outreach among local community stakeholders and current/potential new prospects for hosting events at a potential new hotel/conference center in Stephenville. Further detail relating to event planners' responses is presented on the following pages.



5. OUTREACH & SURVEYS

KICKOFF MEETING & LOCAL INTERVIEWS

Early in the study, a virtual meeting with representatives from the City, TSU and CSL took place to gather pertinent project data and obtain background information related to the project. Additionally, telephone interviews were subsequently conducted with Stephenville stakeholders, community leaders, and representatives of local organizations. Some of the key comments, opinions, and themes that arose during these discussions are outlined below:

- There is a clear need for a quality, new hotel and conference center product in Stephenville. The lack of a modern, quality hotel is holding Stephenville back in terms of expanding tourism, hosting conferencing and meetings, and supporting TSU's growth and development. New conference center should have capacity to seat 500 to 800 people in a single room, plus breakout meeting rooms. The current largest room in the area is now only able to seat 400 persons.
- It's unlikely they'd be looking at a large, full-service hotel. The project needs to be proportionate to what Stephenville is. The City and TSU understand some of the challenges with limited service or select service products in terms of acting as a headquarters hotel for a conference center (versus a full-service hotel).
- The City is not interested in any heavy lift in terms of public funding—looking at a P3 model for the project. The City may consider obvious incentives like tax rebates/abatements, donation of land, infrastructure, etc. No appetite for using ad valorem taxes, nor for City ownership of the asset.
- TSU is a major presence in Stephenville with over 13,000 students. Effectively, 25 to 30% of City's revenue can be traced back to the TSU. Projected 50% growth in TSU enrollment and revenue over next 5 years. TSU is very interested in using the new hotel for sports teams and student families. They really don't have a good hotel or set of hotels now to handle the anticipated growth.
- Early 2000's and before, if you looked at TSU students, they were mostly local. Now, TSU students are from all over the country and the world. Harris County is the biggest feeder county now. Kids are now coming from places all over the place—bigger cities, bigger suburbs. Kids expect certain amenities and resources. Stephenville needs to get there.
- In July 2020, TSU reclassified as an NCAA Division I program, with 13 of 14 varsity sports joining the WAC Conference; football will compete as an independent at the Football Championship Subdivision (FCS) level. D-I hotel requirements force most teams to stay in Granbury or Fort Worth; need a hotel (not a motel) with enough event space for team meetings, study hall and meals. Granbury Hotel (30 miles away) is the nearest hotel that meets NCAA D1 requirements for headquarters hotels. A new hotel and conference center needs a certain quality of rooms, number per property, and amount of meeting space (importantly including breakouts).
- NCAA Division I requirements outline at least a quasi-full service headquarters hotel property with a minimum of 125 sleeping rooms and conference space of at least 10,000 total square feet, including breakout rooms. The facility does not need to be on TSU's campus, but should be near and accessible.
- TSU currently hosts over 60 events per year leveraging the ballroom space in the Barry B. Thompson Student Center or Wisdom Gym; however, both have limitations.
- TSU will drive the conference space demand, would like to see 7,000 to 10,000 SF main room. 5,000 SF would be too small.
- Everything in Stephenville is expected to get bigger in the near-term with new facilities (i.e., move to D1, new Event Center, new Hotel & CC, new retail and mixed use, etc.).
- 2.5 to 4.0-acre site (not publicly-announced yet) is being considered for the project in northwest Stephenville, near TSU campus and near center-of-town.
- Horse events/shows have an important history in Stephenville. Stephenville is the "cowboy capital of the world". Rodeos, barrel racing, team roping and related events and industries are part of what Stephenville is. Lone Star Arena hosts the annual Cowboy Capital of the World Rodeo, which has been nominated each of the past five years for the PRCA's Medium Size Rodeo of the Year.
- Event segments that are ripe for penetrating: (1) sports events (tournaments, exhibitions, tradeshow) and (2) state association business (could get more small and mid-sized events), everybody in town is a member of one or more associations.

5. OUTREACH & SURVEYS



180+

Events represented

12 months

Year-round
seasonality



400-500

Typical Attendance Base

150-200

Typical peak
hotel room nights

INTERVIEWS WITH CONFERENCE & MEETING PLANNERS

Telephone interviews were conducted with conference/meeting planners of local, state, regional and national scope representing hundreds of annual events. Key comments, opinions, and feedback that arose during interviews are outlined below:

- Completed telephone interviews with state association, corporate and special event planners throughout the Texas, representing over 180 annual rotating, off-site events.
- A moderate level of positive response rate was noted among those interviewed, with primary demand generators from the local market and limited demand generated among state/regional associations or corporate event planners. High demand was noted for any events that have direct or indirect association with TSU.
- Event sizes included smaller board meetings of 10 to 25 people, small conferences of 100 to 150 attendees, mid-sized conferences of 350 to 550 attendees and a handful of larger conferences of 800 to 1,000 attendees.
- Events typically ran for two to three days in length. Respondents noted that events were held all throughout the year, with a slight increase in the spring and fall months.
- Respondents estimated demand for approximately 150 to 200 hotel rooms on peak nights of events. The largest events were affiliated with TSU such as Homecoming and Commencement, for which hotel inventory would likely exceed existing or potential expanded sleeping room capacity within Stephenville.
- Access to food options and restaurants and other nightlife, entertainment and/or shopping options were important to making an event destination stand out. Attendees look for unique experiences of destination that they cannot experience elsewhere.
- Many respondents noted that the price-point and amenity offerings of certain hotel types, such as Hilton Garden Inn, Holiday Inn, Crowne Plaza and Sheraton properties, and would be best suited their event attendees.
- Competition from major metropolitan communities throughout the state (e.g., Dallas, Fort Worth, Austin, San Antonio, Houston) limited the overall demand for event space among state/regional associations and other organizations.
- Lack of airport access limited demand among corporate and some state/regional associations and other organizations.
- Destination identity will be a challenge, as most survey respondents were not familiar with Stephenville.
- Respondents who knew Stephenville were familiar with Tarleton State University; moderate to strong interest among these types of user groups for rodeo, sports, commencement, alumni activities, etc.
- Market is a bit of a challenge to access—no interstate highway access; two-lane highway access only.

5. OUTREACH & SURVEYS

CONCLUSIONS

Based on interviews of stakeholders, conference/corporate meeting planners, and other market research and analysis steps, the following findings and conclusions have been reached:

- **Demand Case Exists:** Measurable unmet market demand exists for a new, modern Hotel and Conference Center in Stephenville. Population, commercial and tourism growth is presently being constrained by the lack of quality hotels and meeting facilities in Stephenville. The existing hotel inventory serving Stephenville is substantially limited in terms of quality of products, number of properties, and size of individual facilities (sleeping rooms, conference space capacity and breakout rooms).
- **Limitations in Existing Local Event Facility Product:** Important limitations are present with respect to the size and nature of existing hotel/conference facilities in Stephenville. Existing lodging properties are not able to accommodate local TSU demand.
- **Challenge of Developing a Destination Identity:** Market is primarily known as home to TSU; not much additional state association or corporate demand unique to the market. Typical for communities of a similar size.
- **Competing with Major Markets:** Stephenville can provide an affordable option without the challenges associated with hosting events in larger metropolitan areas, such as traffic, safety, price, etc.
- **NCAA Division I Requirements:** With the recent move to D-I athletics, the need for an appropriate new Hotel and Conference Center to support TSU is increasingly pressing. Current applicable NCAA Division I bid requirements were reviewed for various sports and preliminary competition rounds. The sum of the various requirements suggest that a new Hotel and Conference Center should be at a minimum:
 - A full-service or quasi-full-service, nationally-branded hotel property, offering on-site restaurant/food & beverage options (ideally with room service) and modern amenities.
 - Minimum of 125 sleeping rooms, with at least 60% of contracted rooms representing double/double (queen/queen) rooms.
 - Conference/meeting space with a primary room to accommodate a minimum of 500 persons plus several breakout rooms.
- **Indicated Product:** The results of the market analysis suggest a supportable program for a new Hotel and Conference Center in Stephenville would consist of the following key elements:
 - State-of-the-industry, nationally-branded, upscale chain scale, quasi-full-service hotel. Brand examples include Courtyard by Marriott, Hilton Garden Inn, Cambria Suites, Hyatt Place, and aloft.
 - 150-keyed rooms, featuring standard and suite-style room configurations with a minimum of half of rooms representing double/double (queen/queen) rooms.
 - On-site food and beverage facilities (restaurant and/or café), offering three (3) meals per day and room service or carry-out options.
 - 16,000 square feet of conference/meeting space, including a 10,000-square foot subdividable Ballroom and 6,000 square feet of breakout meeting space.

6. SUBJECT PROPERTY PROJECTIONS



6. SUBJECT PROPERTY PROJECTIONS

ASSUMED PROGRAM

Based on the results of the market analysis and discussions with the City, TSU and other stakeholders, the assumed Subject Property consists of the following:

- State-of-the-industry, nationally-branded, upscale chain scale, quasi-full-service hotel. Brand examples include Courtyard by Marriott, Hilton Garden Inn, Cambria Suites, Hyatt Place, and aloft.
- 150-keyed rooms, featuring standard and suite-style room configurations with a minimum of half of rooms representing double/double (queen/queen) rooms.
- On-site food and beverage facilities (restaurant and/or café), offering three (3) meals per day and room service or carry-out options.
- 16,000 square feet of conference/meeting space, including a 10,000-square foot subdividable Ballroom and 6,000 square feet of breakout meeting space.

The 16,000 square feet of conference space assumed for the Subject Property represents an oversized amount of space relative to typical, 150-key select/focused-service brand prototypes within the upscale chain scale. The dearth of conference space in the local market, TSU requirements, and the City's willingness to consider P3 options for the project contribute to the assumption of a larger amount of conference space for the Subject Property.

The 150-room hotel will require control of a minimum of 165 parking spaces. The minimum footprint of the Subject Property is assumed to be approximately 44,000 square feet (not including parking). Assuming ground level parking, just under 2.5 acres would be required for the full site.

SUBJECT PROPERTY PROGRAM

Type/Brand

Stephenville, Texas
 Quasi-full-service, upscale chain scale, nationally-branded
 In-house conference/meeting space
 Privately-owned, privately-managed

Hotel Program					Area (sf)	Comment
Total Keys	150					
SF per Key	350	sf	per key	=	52,500	
Guest Rooms Circulation/Support	25%	of	52,500	=	13,125	
Ground Floor (Guest Services)					15,000	
Second Floor (Meeting/Admin./Support)					15,000	
Conference/Meeting Space					24,000	
Dining/Kitchen/Pool/Fitness					20,000	
Subtotal Hotel Program					139,625	
Building Gross	11%	of	139,625	=	15,359	Circ., structure, unaccounted
Total Hotel Area					154,984	
GSF per Key					1,033	

Conference/Meeting Space					Area (sf)	Comment
Grand Ballroom					10,000	carpet floor, 25' clear height, column free, subdivisible
Junior Ballroom					0	carpet floor, 20' clear height, column free, subdivisible
Breakout Meeting Rooms					6,000	carpet floor, subdivisible
Subtotal Sellable Space					16,000	
Support Space	50%			=	8,000	
Total Conference/Meeting Area					24,000	

Minimum Building Footprint: Hotel					Area (sf)	Comment
Ground Floor Area			sf		32,500	
Porte Cochere/Drop Off	15%	of	32,500	=	4,875	
Loading/Service	10%	of	32,500	=	3,250	
Landscaping	10%	of	32,500	=	3,250	Inside property line
Minimum Building Footprint: Hotel					43,875	

Minimum On Site/Adjacent Hotel Parking	165	PS	330	=	54,450	parking sf required to be controlled by hotel
--	-----	----	-----	---	--------	---

6. SUBJECT PROPERTY PROJECTIONS

MARKET PERFORMANCE

The exhibit below presents a summary of the projected performance of the proposed Subject Property in Stephenville. PenRate represents the projected penetration rates for the Subject Property, indicating the ratio between the subject projected Hotel’s operating results and the corresponding data for the competitive market. If the penetration factor is greater than 100 percent, the property is performing better than the market as a whole. If the penetration rate is less than 100 percent, the hotel is performing at a level below the competitive market average.

Limitations in existing quality hotel products in Stephenville and current and projected future unmet (latent) demand from key local generators (i.e., TSU, local companies, events, etc.), would be expected to allow the Subject Property to outperform competitive set averages for occupancy and RevPAR. Relative to other properties in the identified competitive set and in consideration of certain rate discounts necessary to accommodate projected core contracted business (i.e., TSU and events), the PenRate associated with ADR is projected to be slightly below average for the Stephenville Subject Property.

Subject Property Projected Market Performance

Year	Subject Rooms	Comp Set Occupancy	Subject PenRate	Subject Occupancy	Comp Set ADR	Subject PenRate	Subject ADR	Comp Set RevPAR	Subject PenRate	Subject RevPAR
2023	150	63.3%	101.4%	64.2%	\$138.25	97.7%	\$135.00	\$87.47	99.1%	\$86.64
2024	150	65.3%	102.4%	66.9%	\$142.39	97.7%	\$139.05	\$93.03	100.0%	\$93.03
2025	150	67.2%	103.4%	69.4%	\$146.67	97.7%	\$143.22	\$98.52	100.9%	\$99.45
2026	150	67.3%	104.3%	70.2%	\$151.07	97.7%	\$147.52	\$101.61	101.9%	\$103.52
2027	150	67.4%	105.3%	71.0%	\$155.60	97.7%	\$151.94	\$104.88	102.8%	\$107.85
2028	150	67.6%	106.3%	71.8%	\$160.27	97.7%	\$156.50	\$108.35	103.8%	\$112.43
2029	150	67.9%	106.3%	72.1%	\$165.07	97.7%	\$161.20	\$112.01	103.8%	\$116.25

6. SUBJECT PROPERTY PROJECTIONS

10-YEAR MARKET PERFORMANCE

A detailed market, financial and economic model was developed. The following exhibit presents a summary of the key hotel market performance metrics estimated for the Subject Property. Average rates assumed for the Subject Property are consistent with industry typical properties for the upscale chain scale regionally and just slightly lower than national averages. Latent demand reflects potential room night demand that is unaccommodated and has not been realized by the existing competitive supply. Induced demand represents the additional room nights that are expected to be attracted to the market following the introduction of a new demand generator. In this case, the Subject Property itself will induce and capture new hotel room nights by virtue of representing a new, quality, upscale lodging product in the submarket and the key demand generators in Stephenville.

Ten-Year Projection of Subject Property Market Performance

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
OVERALL										
Number of Rooms	150	150	150	150	150	150	150	150	150	150
Occupancy	64.2%	66.9%	69.4%	70.2%	71.0%	71.8%	72.1%	72.1%	72.1%	72.1%
Average Rate	\$135.00	\$139.05	\$143.22	\$147.52	\$151.94	\$156.50	\$161.20	\$166.03	\$171.01	\$176.14
Days Open	365	365	365	365	365	365	365	365	365	365
Rooms Occupied	35,137	36,628	38,018	38,422	38,860	39,333	39,483	39,483	39,483	39,483
MARKET MIX										
Commercial	11,440	11,865	12,268	12,426	12,595	12,774	12,840	12,856	12,856	12,856
Meeting/Group	11,959	12,628	13,238	13,304	13,386	13,482	13,474	13,419	13,419	13,419
Leisure	11,738	12,135	12,513	12,692	12,880	13,077	13,169	13,208	13,208	13,208
Total	35,137	36,628	38,018	38,422	38,860	39,333	39,483	39,483	39,483	39,483
MARKET LATENT ROOM NIGHTS										
Commercial	6,864	7,119	7,361	7,455	7,557	7,664	7,704	7,713	7,713	7,713
Meeting/Group	4,784	5,051	5,295	5,322	5,354	5,393	5,390	5,368	5,368	5,368
Leisure	8,217	8,494	8,759	8,884	9,016	9,154	9,218	9,246	9,246	9,246
Total	19,864	20,665	21,415	21,661	21,927	22,211	22,312	22,327	22,327	22,327
MARKET INDUCED ROOM NIGHTS										
Commercial	4,576	4,746	4,907	4,970	5,038	5,110	5,136	5,142	5,142	5,142
Meeting/Group	7,175	7,577	7,943	7,982	8,031	8,089	8,085	8,051	8,051	8,051
Leisure	3,521	3,640	3,754	3,807	3,864	3,923	3,951	3,963	3,963	3,963
Total	15,273	15,963	16,604	16,760	16,933	17,122	17,171	17,156	17,156	17,156

6. SUBJECT PROPERTY PROJECTIONS

MEETINGS & EVENTS

The in-house conference and meeting space in any sizable hotel property normally contributes a significant level of room night demand and economic impact for the greater community. Based on the market analysis completed and the program assumptions discussed herein, the following exhibit presents a summary of the estimated annual event levels, event days, and attendee days by event type for the in-house conference and meeting space in the Subject Property over the first assumed 10 years of operation.

Ten-Year Projection of Subject Property Conference/Meeting Levels

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
NUMBER OF EVENTS										
Conventions/Tradeshows (w exhibits)	3	4	5	6	7	7	7	7	7	7
Conventions/Conferences (no exhibits)	6	8	13	16	20	20	20	20	20	20
Public/Consumer Shows	3	4	5	6	6	6	6	6	6	6
Meetings	70	80	90	100	100	100	100	100	100	100
Banquets/Receptions	25	30	35	40	40	40	40	40	40	40
Miscellaneous/Other	3	4	4	5	5	5	5	5	5	5
Total	110	130	152	173	178	178	178	178	178	178
EVENT DAYS										
Conventions/Tradeshows (w exhibits)	7	9	11	13	15	15	15	15	15	15
Conventions/Conferences (no exhibits)	13	18	29	35	44	44	44	44	44	44
Public/Consumer Shows	7	9	12	14	14	14	14	14	14	14
Meetings	70	80	90	100	100	100	100	100	100	100
Banquets/Receptions	25	30	35	40	40	40	40	40	40	40
Miscellaneous/Other	5	6	6	8	8	8	8	8	8	8
Total	126	152	182	210	221	221	221	221	221	221
ATTENDEE DAYS										
Conventions/Tradeshows (w exhibits)	2,640	3,520	4,400	5,280	6,160	6,160	6,160	6,160	6,160	6,160
Conventions/Conferences (no exhibits)	3,960	5,280	8,580	10,560	13,200	13,200	13,200	13,200	13,200	13,200
Public/Consumer Shows	4,140	5,520	6,900	8,280	8,280	8,280	8,280	8,280	8,280	8,280
Meetings	7,000	8,000	9,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Banquets/Receptions	5,000	6,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Miscellaneous/Other	1,575	2,100	2,100	2,625	2,625	2,625	2,625	2,625	2,625	2,625
Total	24,315	30,420	37,980	44,745	48,265	48,265	48,265	48,265	48,265	48,265

6. SUBJECT PROPERTY PROJECTIONS

TOTAL ATTENDANCE

The exhibit below presents a summary of total estimated annual attendance for the Subject Property. The figures below represent annual sums of all persons that are estimated to be drawn into the Subject Property. These visitors include a mix of overnight hotel guests and conference/meeting facility attendees that do not rent overnight accommodations.

Ten-Year Projection of Subject Property Total Estimated Attendance

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
OVERNIGHT VISITORS ⁽¹⁾										
Commercial	12,584	13,052	13,494	13,668	13,854	14,051	14,124	14,141	14,141	14,141
Meeting/Group	15,547	16,416	17,209	17,295	17,401	17,526	17,517	17,445	17,445	17,445
Leisure	25,823	26,697	27,529	27,922	28,335	28,770	28,972	29,059	29,059	29,059
Total	53,954	56,165	58,233	58,885	59,591	60,348	60,613	60,645	60,645	60,645
DAY VISITORS ⁽²⁾	15,786	19,287	22,827	26,438	26,970	26,970	26,970	26,970	26,970	26,970
TOTAL ATTENDANCE ⁽³⁾	69,739	75,453	81,060	85,323	86,561	87,318	87,583	87,615	87,615	87,615

(1) Total persons staying in the subject property for an overnight stay.

(2) Total persons visiting subject property meeting space without renting an overnight room.

(3) Total subject property attendance (sum of overnight and day visitors).

6. SUBJECT PROPERTY PROJECTIONS

ECONOMIC IMPACT ANALYSIS CONCEPTS & METHODS

The investment in a new hotel and conference center project will be expected to provide substantial quantifiable benefits. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop the facility project and site. Quantifiable measurements of the effects that facility project could have on the local economy are characterized in terms of economic impacts and fiscal impacts. Direct spending represents the primary spending that would occur as a result of the construction and operations of the facility. Direct spending occurs in three ways:



CONSTRUCTION SPENDING

Construction materials, labor, design and professional fees, and other soft cost spending are generated during the planning and construction of the new hotel and conference center.



IN-FACILITY SPENDING

Direct spending is generated by visitors and participants at the new hotel and conference center during the course of annual operation. This spending occurs with respect to items such as facility rentals, food and beverage, merchandise, sponsorship and advertising, and retail leases.



OUT-OF-FACILITY SPENDING

Outside the hotel and conference center itself, additional direct spending is generated in city, county and regional areas by overnight guests, event attendees, staff, and visiting facility users on lodging, food and beverage, retail, entertainment, transportation, and other such items in connection with their visit to the area.

A primary intent of this analysis is to estimate the direct spending that could occur directly at the facility and the site itself, in order to approximate the potential associated sales tax revenues generated from such spending. Much of the Construction and In-Facility Spending will be estimated to occur within the Stephenville area. Additionally, net new impacts will be generated throughout the Stephenville area, primarily relating to Out-of-Facility Spending (i.e., spending occurring off the Subject Property site by visitors to the Stephenville area on items such as restaurants, retail, and entertainment).

6. SUBJECT PROPERTY PROJECTIONS

From a broad perspective, gross direct spending would flow to various economic entities, including the City of Stephenville and other applicable municipal government(s), TSU, restaurants, retail businesses and other such entities. However, some of the spending that occurs in connection with the ongoing operations of the hotel and conference facility project would not fully impact the local area. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the facility project and site improvements that are considered net new to the Stephenville area. These adjustments include:

LEAKAGE represents the portion of gross spending estimated to occur outside the larger geographic area considered for this analysis (Stephenville area). Immediate leakage occurs when initial direct expenditures occur outside the area, such as an out-of-town Hotel and Conference Center visitor that patronizes a hotel or restaurant located outside of the city of Stephenville. Leakage also occurs when initial local spending is used immediately to pay for goods, services, etc. outside of Stephenville. Examples of this type of secondary leakage include food and beverage profits retained by companies based outside of Stephenville.

DISPLACEMENT refers to spending that would have likely occurred anyway in the Stephenville area without the presence of the Subject Property. Examples of displaced spending would include spending by Stephenville residents in connection with their visit to the new Hotel and Conference Center site (registrations, food and beverage, retail items, etc.) that would have been spent within Stephenville anyway on other items (e.g., movies, meals, shopping, etc.) if they did not visit the Subject Property. Another example of displaced spending would include out-of-facility spending by non-local individuals visiting from outside of the Stephenville area whose primary purpose for visiting Stephenville was something other than visiting or participating in events or other activities at the Subject Property itself, and who would have spent their money in some other form in Stephenville. The concept of displacement is oftentimes referred to as the substitution effect.

The flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy (i.e., Stephenville area). The resulting spending after all adjustments is referred to throughout the remainder of this analysis as net new direct spending.

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail below and on the following page.

INDIRECT EFFECTS consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact.

Indirect impacts occur in a number of areas including the following:

- Wholesale industry as purchases of food and merchandise products are made.
- Transportation industry as the products are shipped from purchaser to buyer.
- Manufacturing industry as products used to service the Subject Property and site, vendors and others are produced.
- Utility industry as the power to produce goods and services is consumed.
- Other such industries.

6. SUBJECT PROPERTY PROJECTIONS

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the Subject Property and other site facilities. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area that is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the IMPLAN system. IMPLAN, which stands for Impact Analyses and Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. Input-output models are a technique for quantifying interactions between firms, industries and social institutions within a local economy. IMPLAN was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of the Interior's Bureau of Land Management to assist in land and resource management planning. Since 1993, the IMPLAN system has been developed under exclusive rights by the Minnesota Implan Group, Inc., which licenses and distributes the software to users. Currently, there are thousands of licensed users in the United States including universities, government agencies, and private companies.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S. Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 440 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (SICs). Industry sectors are classified on the basis of the primary commodity or service produced. Corresponding data sets are also produced for each county and zip code in the United States, allowing analyses at both the city and county level and for geographic aggregations such as clusters of contiguous cities, counties, individual states, or groups of states.

Data provided for each industry sector include outputs and inputs from other sectors; value added, employment, wages and business taxes paid; imports and exports; final demand by households and government; capital investment; business inventories; marketing margins and inflation factors (deflators). These data are provided both for the 440 producing sectors at the national level and for the corresponding sectors at the local level. Data on the technological mix of inputs and levels of transactions between producing sectors are taken from detailed input-output tables of the national economy. National and local level data are the basis for IMPLAN calculations of input-output tables and multipliers for geographic areas. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a local economic area. The multiplier effects estimated in this analysis include:

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by the new Subject Property. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **PERSONAL INCOME (EARNINGS)** represent the wages and salaries earned by employees of businesses impacted by the new Subject Property. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total jobs and includes both full and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.

6. SUBJECT PROPERTY PROJECTIONS

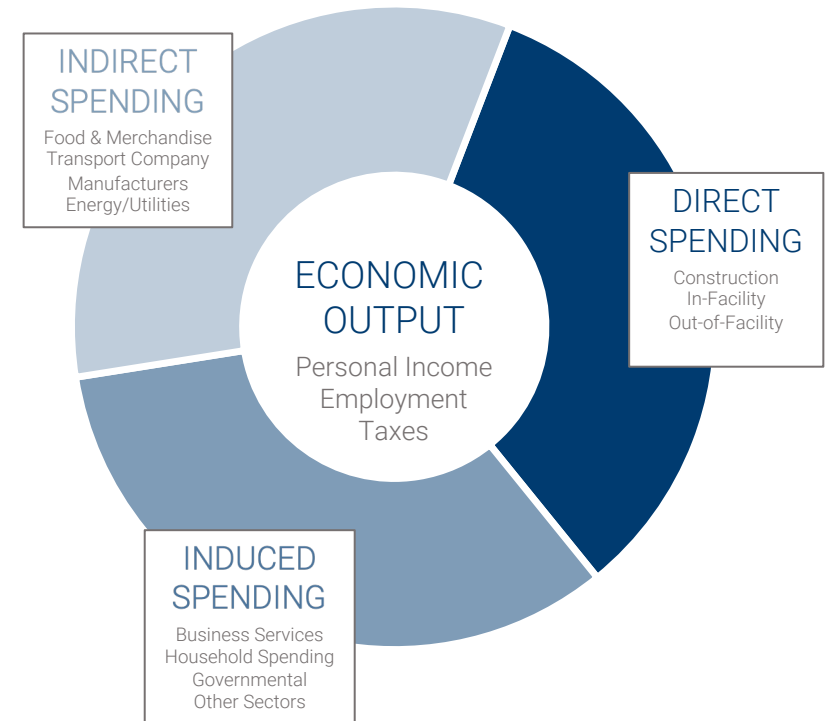
In addition to the economic impacts that could be generated by the new Subject Property, fiscal revenues could be generated to Stephenville and various other municipal/governmental entities from a variety of sources. In preparing estimates of fiscal impacts, revenues generated to Stephenville from direct, indirect and induced spending were examined. As a focus of this analysis relates to the economic and tax impact within the Stephenville area, the primary fiscal revenues estimated herein are sales and hotel taxes that are estimated to be generated within Stephenville. The net new tax impacts consider reductions for assumed displaced spending within Stephenville, as well as spending that is assumed to occur outside of Stephenville.

Although there may be other tax revenues and public sector fees/charges generated as a result of the construction and operations of the new Subject Property, net new sales and hotel occupancy taxes represent the most directly-attributable and relevant sources relating to this analysis.

The graphic to the right illustrates key measurements of economic and tax impacts utilized in this analysis. Commencing with the estimation of net new direct spending associated with the assumed Hotel and Conference Center in Stephenville, successive rounds of re-spending generate indirect and induced effects. The sum of all this net new spending in Stephenville's economy represents total Economic Output. This new economic output, in turn, likewise generates added earnings (personal income), jobs (employment), and tax revenues.

In addition to the quantifiable benefits associated with a new Subject Property, there are a number of existing and potential benefits that cannot be quantified. In fact, these qualitative benefits tend to be a critical factor in the consideration of public and private investment in facilities of this nature. These include issues pertaining to quality of life (through attracting visitors and events that would not otherwise travel to Stephenville in general, as well as hosting civic, entertainment and private events), ancillary economic development facilitation, supporting TSU's growth, employment opportunities, community pride, and other such items.

The quantitative impact figures do not include economic impact that could be generated by other potential new ancillary development at or near the greater site (such as potential new restaurant, retail, residential and other such elements that could be developed in response to higher visitation and demand levels). Some of the quantified economic impacts associated with the proposed Subject Property in Stephenville would be quantitatively captured by some of these potential other facilities, but substantial additional economic impact could be generated by any additional mixed-use elements that are developed at, or near, the site. The net effect of a calculation of quantified economic impact could hypothetically be several times greater in magnitude (depending on the level of investment and development that is ultimately realized at, or near, the site).



6. SUBJECT PROPERTY PROJECTIONS

A) CONSTRUCTION IMPACTS (ONE-TIME)

The impact of the construction phase is determined by the volume and nature of the construction expenditures as well as the geographic region in which they take place. The exhibits to the right summarize the estimated net new economic and fiscal impacts that could be generated in the Stephenville area. These impacts represent one-time impacts from construction.

Construction costs tend to vary widely among comparable hotel projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, and other such aspects. Importantly, additional architectural concept, design and costing study would be required to confirm and refine estimated construction costs for the proposed Subject Property in Stephenville.

As previously discussed, an order-of-magnitude construction cost of \$35.4 million (or \$236,000 per key) has been assumed, not including land costs.

ASSUMPTIONS	
Construction Period (months)	17
Construction Start	Aug-21
Construction End	Jan-23
Opening	Jan-23
Hotel Keys	150
Assumed Construction Costs Per Key	\$236,000
Hypothetical Construction Costs	\$35,400,000
Spending - Gross	\$0
Materials	55.0%
Labor	45.0%
Total	100.0%
Spending % - Local:	0.0%
Materials	20.0%
Labor	30.0%
Total	50.0%

Projection of Subject Property Construction Impacts

	Construction Period	
	CP 1 2021	CP 2 2022
ESTIMATED IMPACTS		
Direct Spending	\$7,080,000	\$10,620,000
Indirect/Induced Spending	\$4,861,256	\$7,291,885
Economic Output	\$11,941,256	\$17,911,885
Personal Income	\$4,021,245	\$6,031,868
Employment (full & part-time jobs)	85	127
City Sales (1.5%)	\$128,076	\$192,113
County Sales (0.5%)	\$42,692	\$64,038

6. SUBJECT PROPERTY PROJECTIONS

B) IN-FACILITY IMPACTS (ONGOING)

Direct spending is generated through the operations of the Subject Facility (represented through operating revenues) driven by events and patronage. This spending occurs with respect to both event and non-event items, such as rentals, admissions, food and beverage, merchandise, sponsorship and advertising, education, and retail leases. For purposes of this economic impact analysis, 60 percent of gross spending is estimated to be “net new” to Stephenville. Estimated in-facility direct spending associated with the operation of the proposed Subject Property in Stephenville is summarized below.

Ten-Year Projection of Subject Property-Generated Direct Spending by Industry

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
IN-FACILITY SPENDING (GROSS)										
Rooms	\$4,743,000	\$5,093,000	\$5,445,000	\$5,668,000	\$5,905,000	\$6,156,000	\$6,365,000	\$6,556,000	\$6,752,000	\$6,955,000
Food & Beverage	\$1,044,000	\$1,111,000	\$1,180,000	\$1,226,000	\$1,274,000	\$1,325,000	\$1,369,000	\$1,410,000	\$1,453,000	\$1,496,000
Other Operated	\$427,000	\$449,000	\$471,000	\$488,000	\$506,000	\$524,000	\$541,000	\$558,000	\$574,000	\$591,000
Miscellaneous Income	\$85,000	\$92,000	\$98,000	\$102,000	\$106,000	\$111,000	\$115,000	\$118,000	\$122,000	\$125,000
Total	\$6,299,000	\$6,745,000	\$7,194,000	\$7,484,000	\$7,791,000	\$8,116,000	\$8,390,000	\$8,642,000	\$8,901,000	\$9,167,000
IN-FACILITY SPENDING (NET NEW)										
Rooms	\$2,845,800	\$3,055,800	\$3,267,000	\$3,400,800	\$3,543,000	\$3,693,600	\$3,819,000	\$3,933,600	\$4,051,200	\$4,173,000
Food & Beverage	\$626,400	\$666,600	\$708,000	\$735,600	\$764,400	\$795,000	\$821,400	\$846,000	\$871,800	\$897,600
Other Operated	\$256,200	\$269,400	\$282,600	\$292,800	\$303,600	\$314,400	\$324,600	\$334,800	\$344,400	\$354,600
Miscellaneous Income	\$51,000	\$55,200	\$58,800	\$61,200	\$63,600	\$66,600	\$69,000	\$70,800	\$73,200	\$75,000
Total	\$3,779,400	\$4,047,000	\$4,316,400	\$4,490,400	\$4,674,600	\$4,869,600	\$5,034,000	\$5,185,200	\$5,340,600	\$5,500,200
DIRECT SPENDING BY INDUSTRY										
Hotel	\$2,845,800	\$3,055,800	\$3,267,000	\$3,400,800	\$3,543,000	\$3,693,600	\$3,819,000	\$3,933,600	\$4,051,200	\$4,173,000
Restaurant	\$626,400	\$666,600	\$708,000	\$735,600	\$764,400	\$795,000	\$821,400	\$846,000	\$871,800	\$897,600
Entertainment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retail	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Auto Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Industries	\$307,200	\$324,600	\$341,400	\$354,000	\$367,200	\$381,000	\$393,600	\$405,600	\$417,600	\$429,600
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Spending	\$3,779,400	\$4,047,000	\$4,316,400	\$4,490,400	\$4,674,600	\$4,869,600	\$5,034,000	\$5,185,200	\$5,340,600	\$5,500,200

6. SUBJECT PROPERTY PROJECTIONS

B) IN-FACILITY IMPACTS (ONGOING)

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. As mentioned on the previous page, 60 percent of gross spending and tax revenues are estimated to be “net new” to Stephenville. Estimated “net new” in-facility economic impacts associated with the operation of the proposed Subject Property in Stephenville is summarized below.

Ten-Year Projection of Subject Property-Generated In-Facility Economic Impacts

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
ESTIMATED IMPACTS										
Direct Spending	\$3,779,400	\$4,047,000	\$4,316,400	\$4,490,400	\$4,674,600	\$4,869,600	\$5,034,000	\$5,185,200	\$5,340,600	\$5,500,200
Indirect/Induced Spending	\$2,612,432	\$2,797,088	\$2,982,932	\$3,103,093	\$3,230,288	\$3,364,928	\$3,478,511	\$3,583,004	\$3,690,374	\$3,800,623
Economic Output	\$6,391,832	\$6,844,088	\$7,299,332	\$7,593,493	\$7,904,888	\$8,234,528	\$8,512,511	\$8,768,204	\$9,030,974	\$9,300,823
Personal Income	\$2,604,215	\$2,788,322	\$2,973,710	\$3,093,518	\$3,220,324	\$3,354,569	\$3,467,794	\$3,571,950	\$3,679,023	\$3,788,948
Employment (full & part-time jobs)	68	73	78	81	84	88	91	93	96	99
City Sales (1.5%)	\$25,760	\$27,455	\$29,164	\$30,308	\$31,510	\$32,782	\$33,878	\$34,898	\$35,948	\$37,011
City Hotel (7.0%)	\$199,206	\$213,906	\$228,690	\$238,056	\$248,010	\$258,552	\$267,330	\$275,352	\$283,584	\$292,110
County Sales (0.5%)	\$8,587	\$9,152	\$9,721	\$10,103	\$10,503	\$10,927	\$11,293	\$11,633	\$11,983	\$12,337
Total Taxes	\$233,553	\$250,513	\$267,576	\$278,467	\$290,024	\$302,262	\$312,501	\$321,882	\$331,514	\$341,458

6. SUBJECT PROPERTY PROJECTIONS

C) OUT-OF-FACILITY IMPACTS (ONGOING)

The total hotel room nights generated in the Stephenville area as a result of the annual operation of the proposed Subject Property have been estimated. These represent net new hotel room nights that are estimated to be induced to the Stephenville area due to the project (i.e., existing or displaced room nights have been removed). These hotel room nights are Stephenville area marketwide impacts, extending beyond those captured only by the new Subject Property. These room night impact estimates are presented below in terms of conferences, meetings and events hosted by the Subject Property and other hotel-driven impacts that are projected to be induced and new to the Stephenville area.

Ten-Year Projection of Subject Facility-Generated Market-wide Net New Hotel Rooms Nights

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
Hotel (excluding meetings & events)										
Commercial	4,576	4,746	4,907	4,970	5,038	5,110	5,136	5,142	5,142	5,142
Meeting/Group	1,794	1,894	1,986	1,996	2,008	2,022	2,021	2,013	2,013	2,013
Leisure	3,521	3,640	3,754	3,807	3,864	3,923	3,951	3,963	3,963	3,963
Total	9,891	10,281	10,647	10,773	10,910	11,055	11,108	11,118	11,118	11,118
Hotel (meetings & events)										
Conventions/Tradeshows (w exhibits)	1,361	1,814	2,268	2,722	3,175	3,175	3,175	3,175	3,175	3,175
Conventions/Conferences (no exhibits)	1,691	2,254	3,663	4,508	5,636	5,636	5,636	5,636	5,636	5,636
Public/Consumer Shows	42	56	71	85	85	85	85	85	85	85
Meetings	88	100	113	125	125	125	125	125	125	125
Banquets/Receptions	54	64	75	86	86	86	86	86	86	86
Miscellaneous/Other	92	123	123	153	153	153	153	153	153	153
Total	3,327	4,412	6,312	7,679	9,259	9,259	9,259	9,259	9,259	9,259
Total Net New Room Nights	13,218	14,693	16,958	18,452	20,169	20,314	20,367	20,377	20,377	20,377

6. SUBJECT PROPERTY PROJECTIONS

C) OUT-OF-FACILITY IMPACTS (ONGOING)

Outside the Subject Property itself, additional direct spending is generated in the local area by visitors, spectators, attendees, participants, event staff, and exhibitors users on lodging, food and beverage, retail, entertainment, transportation, etc. in connection with their visit to the area. Estimated out-of-facility direct spending associated with the operation of the proposed Subject Property in Stephenville is summarized below.

Ten-Year Projection of Subject Facility-Generated Out-of-Facility Direct Spending by Type/Segment

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
Hotel (excluding meetings & events)										
Commercial	\$1,208,051	\$1,290,586	\$1,374,350	\$1,433,830	\$1,496,918	\$1,563,779	\$1,619,001	\$1,669,643	\$1,719,733	\$1,771,325
Meeting/Group	\$513,041	\$557,988	\$602,475	\$623,671	\$646,321	\$670,489	\$690,221	\$708,014	\$729,255	\$751,132
Leisure	\$1,316,988	\$1,402,393	\$1,489,502	\$1,556,047	\$1,626,476	\$1,700,963	\$1,764,312	\$1,822,658	\$1,877,338	\$1,933,658
Total	\$3,038,080	\$3,250,966	\$3,466,327	\$3,613,548	\$3,769,715	\$3,935,231	\$4,073,533	\$4,200,316	\$4,326,325	\$4,456,115
Hotel (overnight meetings & events)										
Conventions/Tradeshows (w exhibits)	\$336,798	\$462,536	\$595,515	\$736,057	\$884,495	\$911,029	\$938,360	\$966,511	\$995,506	\$1,025,372
Conventions/Conferences (no exhibits)	\$418,436	\$574,652	\$961,824	\$1,219,296	\$1,569,844	\$1,616,940	\$1,665,448	\$1,715,411	\$1,766,873	\$1,819,880
Public/Consumer Shows	\$11,644	\$15,991	\$20,588	\$25,447	\$26,210	\$26,997	\$27,806	\$28,641	\$29,500	\$30,385
Meetings	\$17,850	\$21,012	\$24,348	\$27,865	\$28,700	\$29,561	\$30,448	\$31,362	\$32,303	\$33,272
Banquets/Receptions	\$13,125	\$16,223	\$19,494	\$22,947	\$23,636	\$24,345	\$25,075	\$25,827	\$26,602	\$27,400
Miscellaneous/Other	\$20,672	\$28,389	\$29,241	\$37,648	\$38,777	\$39,941	\$41,139	\$42,373	\$43,644	\$44,954
Total	\$818,525	\$1,118,802	\$1,651,010	\$2,069,260	\$2,571,663	\$2,648,812	\$2,728,277	\$2,810,125	\$2,894,429	\$2,981,262
Hotel (daytrip meetings & events)										
Conventions/Tradeshows (w exhibits)	\$48,114	\$66,077	\$85,074	\$105,151	\$126,356	\$130,147	\$134,051	\$138,073	\$142,215	\$146,482
Conventions/Conferences (no exhibits)	\$75,104	\$103,143	\$172,635	\$218,848	\$281,767	\$290,220	\$298,927	\$307,894	\$317,131	\$326,645
Public/Consumer Shows	\$37,726	\$51,810	\$66,705	\$82,448	\$84,921	\$87,469	\$90,093	\$92,796	\$95,580	\$98,447
Meetings	\$32,725	\$38,522	\$44,637	\$51,085	\$52,618	\$54,196	\$55,822	\$57,497	\$59,222	\$60,998
Banquets/Receptions	\$25,500	\$31,518	\$37,874	\$44,583	\$45,921	\$47,298	\$48,717	\$50,179	\$51,684	\$53,235
Miscellaneous/Other	\$20,672	\$28,389	\$29,241	\$37,648	\$38,777	\$39,941	\$41,139	\$42,373	\$43,644	\$44,954
Total	\$239,841	\$319,459	\$436,167	\$539,763	\$630,360	\$649,271	\$668,749	\$688,812	\$709,476	\$730,760
Total Direct Spending	\$4,096,445	\$4,689,228	\$5,553,503	\$6,222,571	\$6,971,738	\$7,233,315	\$7,470,559	\$7,699,252	\$7,930,230	\$8,168,137

6. SUBJECT PROPERTY PROJECTIONS

C) OUT-OF-FACILITY IMPACTS (ONGOING)

Estimated out-of-facility direct spending (by industry) associated with the operation of the proposed Subject Property in Stephenville is summarized below.

Ten-Year Projection of Subject Facility-Generated Out-of-Facility Direct Spending by Industry

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
Hotel (exclud. Meetings/events)										
Hotel	\$972,186	\$1,040,309	\$1,109,225	\$1,156,335	\$1,206,309	\$1,259,274	\$1,303,531	\$1,344,101	\$1,384,424	\$1,425,957
Restaurant	\$1,032,947	\$1,105,329	\$1,178,551	\$1,228,606	\$1,281,703	\$1,337,979	\$1,385,001	\$1,428,107	\$1,470,951	\$1,515,079
Entertainment	\$394,950	\$422,626	\$450,623	\$469,761	\$490,063	\$511,580	\$529,559	\$546,041	\$562,422	\$579,295
Retail	\$425,331	\$455,135	\$485,286	\$505,897	\$527,760	\$550,932	\$570,295	\$588,044	\$605,686	\$623,856
Auto Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Transit	\$60,762	\$65,019	\$69,327	\$72,271	\$75,394	\$78,705	\$81,471	\$84,006	\$86,527	\$89,122
Other Industries	\$151,904	\$162,548	\$173,316	\$180,677	\$188,486	\$196,762	\$203,677	\$210,016	\$216,316	\$222,806
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,038,080	\$3,250,966	\$3,466,327	\$3,613,548	\$3,769,715	\$3,935,231	\$4,073,533	\$4,200,316	\$4,326,325	\$4,456,115
Hotel (meetings & events)										
Hotel	\$302,854	\$413,957	\$610,874	\$765,626	\$951,515	\$980,061	\$1,009,462	\$1,039,746	\$1,070,939	\$1,103,067
Restaurant	\$394,830	\$535,323	\$771,640	\$963,532	\$1,176,436	\$1,211,729	\$1,248,081	\$1,285,523	\$1,324,089	\$1,363,812
Entertainment	\$101,040	\$137,437	\$199,994	\$250,107	\$307,595	\$316,823	\$326,328	\$336,117	\$346,201	\$356,587
Retail	\$178,360	\$241,282	\$345,481	\$430,933	\$523,424	\$539,127	\$555,301	\$571,960	\$589,119	\$606,792
Auto Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Transit	\$18,769	\$25,571	\$37,382	\$46,783	\$57,737	\$59,469	\$61,253	\$63,091	\$64,983	\$66,933
Other Industries	\$62,512	\$84,691	\$121,805	\$152,042	\$185,316	\$190,875	\$196,601	\$202,499	\$208,574	\$214,832
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$1,058,365	\$1,438,261	\$2,087,176	\$2,609,023	\$3,202,023	\$3,298,083	\$3,397,026	\$3,498,937	\$3,603,905	\$3,712,022
OVERALL										
Hotel	\$1,275,040	\$1,454,266	\$1,720,098	\$1,921,961	\$2,157,824	\$2,239,335	\$2,312,993	\$2,383,847	\$2,455,363	\$2,529,024
Restaurant	\$1,427,777	\$1,640,652	\$1,950,191	\$2,192,139	\$2,458,139	\$2,549,708	\$2,633,082	\$2,713,631	\$2,795,040	\$2,878,891
Entertainment	\$495,990	\$560,063	\$650,617	\$719,868	\$797,658	\$828,403	\$855,887	\$882,158	\$908,623	\$935,882
Retail	\$603,692	\$696,417	\$830,767	\$936,829	\$1,051,184	\$1,090,059	\$1,125,595	\$1,160,004	\$1,194,804	\$1,230,648
Auto Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Transit	\$79,530	\$90,590	\$106,708	\$119,054	\$133,131	\$138,174	\$142,724	\$147,097	\$151,510	\$156,055
Other Industries	\$214,416	\$247,240	\$295,122	\$332,719	\$373,801	\$387,637	\$400,278	\$412,515	\$424,891	\$437,637
Construction - Non Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Spending	\$4,096,445	\$4,689,228	\$5,553,503	\$6,222,571	\$6,971,738	\$7,233,315	\$7,470,559	\$7,699,252	\$7,930,230	\$8,168,137

6. SUBJECT PROPERTY PROJECTIONS

C) OUT-OF-FACILITY IMPACTS (ONGOING)

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Estimated out-of-facility economic impacts associated with the operation of the proposed Subject Property in Stephenville are summarized below.

Ten-Year Projection of Subject Property-Generated Out-of-Facility Economic Impacts

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
ESTIMATED IMPACTS										
Direct Spending	\$4,096,445	\$4,689,228	\$5,553,503	\$6,222,571	\$6,971,738	\$7,233,315	\$7,470,559	\$7,699,252	\$7,930,230	\$8,168,137
Indirect/Induced Spending	\$2,781,142	\$3,184,557	\$3,773,040	\$4,228,742	\$4,738,887	\$4,916,585	\$5,077,805	\$5,233,241	\$5,390,238	\$5,551,945
Economic Output	\$6,877,587	\$7,873,785	\$9,326,544	\$10,451,313	\$11,710,625	\$12,149,900	\$12,548,364	\$12,932,493	\$13,320,468	\$13,720,082
Personal Income	\$2,787,490	\$3,192,328	\$3,783,002	\$4,240,492	\$4,752,515	\$4,930,672	\$5,092,333	\$5,248,209	\$5,405,655	\$5,567,825
Employment (full & part-time jobs)	84	97	115	128	144	149	154	159	164	169
City Sales (1.5%)	\$54,836	\$62,855	\$74,480	\$83,538	\$93,534	\$97,034	\$100,214	\$103,281	\$106,379	\$109,570
City Hotel (7.0%)	\$89,253	\$101,799	\$120,407	\$134,537	\$151,048	\$156,753	\$161,910	\$166,869	\$171,875	\$177,032
County Sales (0.5%)	\$18,279	\$20,952	\$24,827	\$27,846	\$31,178	\$32,345	\$33,405	\$34,427	\$35,460	\$36,523
Total Taxes	\$162,368	\$185,605	\$219,713	\$245,922	\$275,759	\$286,133	\$295,528	\$304,577	\$313,714	\$323,126

A summary of all estimated economic impacts (grouped by impact type) associated with the proposed Subject Property in Stephenville is presented on the following page.

6. SUBJECT PROPERTY PROJECTIONS

	Construction Period		Annual Operations									
	CP 1 2021	CP 2 2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
A) Construction Impacts												
Net New Hotel Room Nights	0	0	0	0	0	0	0	0	0	0	0	0
Net New Non Local Visitor Days	0	0	0	0	0	0	0	0	0	0	0	0
Direct Spending	\$7,080,000	\$10,620,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect/Induced Spending	\$4,861,256	\$7,291,885	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Economic Output	\$11,941,256	\$17,911,885	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Income	\$4,021,245	\$6,031,868	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment (full & part-time jobs)	85	127	0	0	0	0	0	0	0	0	0	0
City Sales (1.5%)	\$128,076	\$192,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Hotel (7.0%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County Sales (0.5%)	\$42,692	\$64,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$170,768	\$256,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B) In-Facility Impacts												
Net New Hotel Room Nights	0	0	0	0	0	0	0	0	0	0	0	0
Net New Non Local Visitor Days	0	0	0	0	0	0	0	0	0	0	0	0
Direct Spending	\$0	\$0	\$3,779,400	\$4,047,000	\$4,316,400	\$4,490,400	\$4,674,600	\$4,869,600	\$5,034,000	\$5,185,200	\$5,340,600	\$5,500,200
Indirect/Induced Spending	\$0	\$0	\$2,612,432	\$2,797,088	\$2,982,932	\$3,103,093	\$3,230,288	\$3,364,928	\$3,478,511	\$3,583,004	\$3,690,374	\$3,800,623
Economic Output	\$0	\$0	\$6,391,832	\$6,844,088	\$7,299,332	\$7,593,493	\$7,904,888	\$8,234,528	\$8,512,511	\$8,768,204	\$9,030,974	\$9,300,823
Personal Income	\$0	\$0	\$2,604,215	\$2,788,322	\$2,973,710	\$3,093,518	\$3,220,324	\$3,354,569	\$3,467,794	\$3,571,950	\$3,679,023	\$3,788,948
Employment (full & part-time jobs)	0	0	68	73	78	81	84	88	91	93	96	99
City Sales (1.5%)	\$0	\$0	\$25,760	\$27,455	\$29,164	\$30,308	\$31,510	\$32,782	\$33,878	\$34,898	\$35,948	\$37,011
City Hotel (7.0%)	\$0	\$0	\$199,206	\$213,906	\$228,690	\$238,056	\$248,010	\$258,552	\$267,330	\$275,352	\$283,584	\$292,110
County Sales (0.5%)	\$0	\$0	\$8,587	\$9,152	\$9,721	\$10,103	\$10,503	\$10,927	\$11,293	\$11,633	\$11,983	\$12,337
Total Taxes	\$0	\$0	\$233,553	\$250,513	\$267,576	\$278,467	\$290,024	\$302,262	\$312,501	\$321,882	\$331,514	\$341,458
C) Out-of-Facility Impacts												
Net New Hotel Room Nights	0	0	13,218	14,693	16,958	18,452	20,169	20,314	20,367	20,377	20,377	20,377
Net New Non Local Visitor Days	0	0	22,795	25,735	29,888	32,926	35,761	35,989	36,077	36,099	36,099	36,099
Direct Spending	\$0	\$0	\$4,096,445	\$4,689,228	\$5,553,503	\$6,222,571	\$6,971,738	\$7,233,315	\$7,470,559	\$7,699,252	\$7,930,230	\$8,168,137
Indirect/Induced Spending	\$0	\$0	\$2,781,142	\$3,184,557	\$3,773,040	\$4,228,742	\$4,738,887	\$4,916,585	\$5,077,805	\$5,233,241	\$5,390,238	\$5,551,945
Economic Output	\$0	\$0	\$6,877,587	\$7,873,785	\$9,326,544	\$10,451,313	\$11,710,625	\$12,149,900	\$12,548,364	\$12,932,493	\$13,320,468	\$13,720,082
Personal Income	\$0	\$0	\$2,787,490	\$3,192,328	\$3,783,002	\$4,240,492	\$4,752,515	\$4,930,672	\$5,092,333	\$5,248,209	\$5,405,655	\$5,567,825
Employment (full & part-time jobs)	0	0	84	97	115	128	144	149	154	159	164	169
City Sales (1.5%)	\$0	\$0	\$54,836	\$62,855	\$74,480	\$83,538	\$93,534	\$97,034	\$100,214	\$103,281	\$106,379	\$109,570
City Hotel (7.0%)	\$0	\$0	\$89,253	\$101,799	\$120,407	\$134,537	\$151,048	\$156,753	\$161,910	\$166,869	\$171,875	\$177,032
County Sales (0.5%)	\$0	\$0	\$18,279	\$20,952	\$24,827	\$27,846	\$31,178	\$32,345	\$33,405	\$34,427	\$35,460	\$36,523
Total Taxes	\$0	\$0	\$162,368	\$185,605	\$219,713	\$245,922	\$275,759	\$286,133	\$295,528	\$304,577	\$313,714	\$323,126
TOTAL NET NEW IMPACTS												
Net New Hotel Room Nights	0	0	13,218	14,693	16,958	18,452	20,169	20,314	20,367	20,377	20,377	20,377
Net New Non Local Visitor Days	0	0	22,795	25,735	29,888	32,926	35,761	35,989	36,077	36,099	36,099	36,099
Direct Spending	\$7,080,000	\$10,620,000	\$7,875,845	\$8,736,228	\$9,869,903	\$10,712,971	\$11,646,338	\$12,102,915	\$12,504,559	\$12,884,452	\$13,270,830	\$13,668,337
Indirect/Induced Spending	\$4,861,256	\$7,291,885	\$5,393,573	\$5,981,645	\$6,755,972	\$7,331,835	\$7,969,175	\$8,281,514	\$8,556,316	\$8,816,245	\$9,080,612	\$9,352,568
Economic Output	\$11,941,256	\$17,911,885	\$13,269,419	\$14,717,873	\$16,625,875	\$18,044,806	\$19,615,513	\$20,384,428	\$21,060,875	\$21,700,697	\$22,351,442	\$23,020,905
Personal Income	\$4,021,245	\$6,031,868	\$5,391,705	\$5,980,651	\$6,756,712	\$7,334,010	\$7,972,840	\$8,285,241	\$8,560,126	\$8,820,158	\$9,084,678	\$9,356,773
Employment (full & part-time jobs)	85	127	153	170	192	209	228	237	245	252	260	268
City Sales (1.5%)	\$128,076	\$192,113	\$80,596	\$90,310	\$103,644	\$113,846	\$125,044	\$129,817	\$134,092	\$138,178	\$142,327	\$146,581
City Hotel (7.0%)	\$0	\$0	\$288,459	\$315,705	\$349,097	\$372,593	\$399,058	\$415,305	\$429,240	\$442,221	\$455,459	\$469,142
County Sales (0.5%)	\$42,692	\$64,038	\$26,865	\$30,103	\$34,548	\$37,949	\$41,681	\$43,272	\$44,697	\$46,059	\$47,442	\$48,860
Total Taxes	\$170,768	\$256,151	\$395,920	\$436,118	\$487,289	\$524,389	\$565,783	\$588,394	\$608,029	\$626,459	\$645,228	\$664,583

6. SUBJECT PROPERTY PROJECTIONS

SUMMARY OF ECONOMIC IMPACTS - TOTAL

A consolidated summary of all estimated economic impacts (including construction, in-facility, and out-of-facility) associated with the proposed new Subject Property in Stephenville is presented below.

	Construction Period		Annual Operations									
	CP 1 2021	CP 2 2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032
TOTAL NET NEW IMPACTS												
Net New Hotel Room Nights	0	0	13,218	14,693	16,958	18,452	20,169	20,314	20,367	20,377	20,377	20,377
Net New Non Local Visitor Days	0	0	22,795	25,735	29,888	32,926	35,761	35,989	36,077	36,099	36,099	36,099
Direct Spending	\$7,080,000	\$10,620,000	\$7,875,845	\$8,736,228	\$9,869,903	\$10,712,971	\$11,646,338	\$12,102,915	\$12,504,559	\$12,884,452	\$13,270,830	\$13,668,337
Indirect/Induced Spending	<u>\$4,861,256</u>	<u>\$7,291,885</u>	<u>\$5,393,573</u>	<u>\$5,981,645</u>	<u>\$6,755,972</u>	<u>\$7,331,835</u>	<u>\$7,969,175</u>	<u>\$8,281,514</u>	<u>\$8,556,316</u>	<u>\$8,816,245</u>	<u>\$9,080,612</u>	<u>\$9,352,568</u>
Economic Output	\$11,941,256	\$17,911,885	\$13,269,419	\$14,717,873	\$16,625,875	\$18,044,806	\$19,615,513	\$20,384,428	\$21,060,875	\$21,700,697	\$22,351,442	\$23,020,905
Personal Income	\$4,021,245	\$6,031,868	\$5,391,705	\$5,980,651	\$6,756,712	\$7,334,010	\$7,972,840	\$8,285,241	\$8,560,126	\$8,820,158	\$9,084,678	\$9,356,773
Employment (full & part-time jobs)	85	127	153	170	192	209	228	237	245	252	260	268
City Sales (1.5%)	\$128,076	\$192,113	\$80,596	\$90,310	\$103,644	\$113,846	\$125,044	\$129,817	\$134,092	\$138,178	\$142,327	\$146,581
City Hotel (7.0%)	\$0	\$0	\$288,459	\$315,705	\$349,097	\$372,593	\$399,058	\$415,305	\$429,240	\$442,221	\$455,459	\$469,142
County Sales (0.5%)	<u>\$42,692</u>	<u>\$64,038</u>	<u>\$26,865</u>	<u>\$30,103</u>	<u>\$34,548</u>	<u>\$37,949</u>	<u>\$41,681</u>	<u>\$43,272</u>	<u>\$44,697</u>	<u>\$46,059</u>	<u>\$47,442</u>	<u>\$48,860</u>
Total Taxes	\$170,768	\$256,151	\$395,920	\$436,118	\$487,289	\$524,389	\$565,783	\$588,394	\$608,029	\$626,459	\$645,228	\$664,583

6. SUBJECT PROPERTY PROJECTIONS

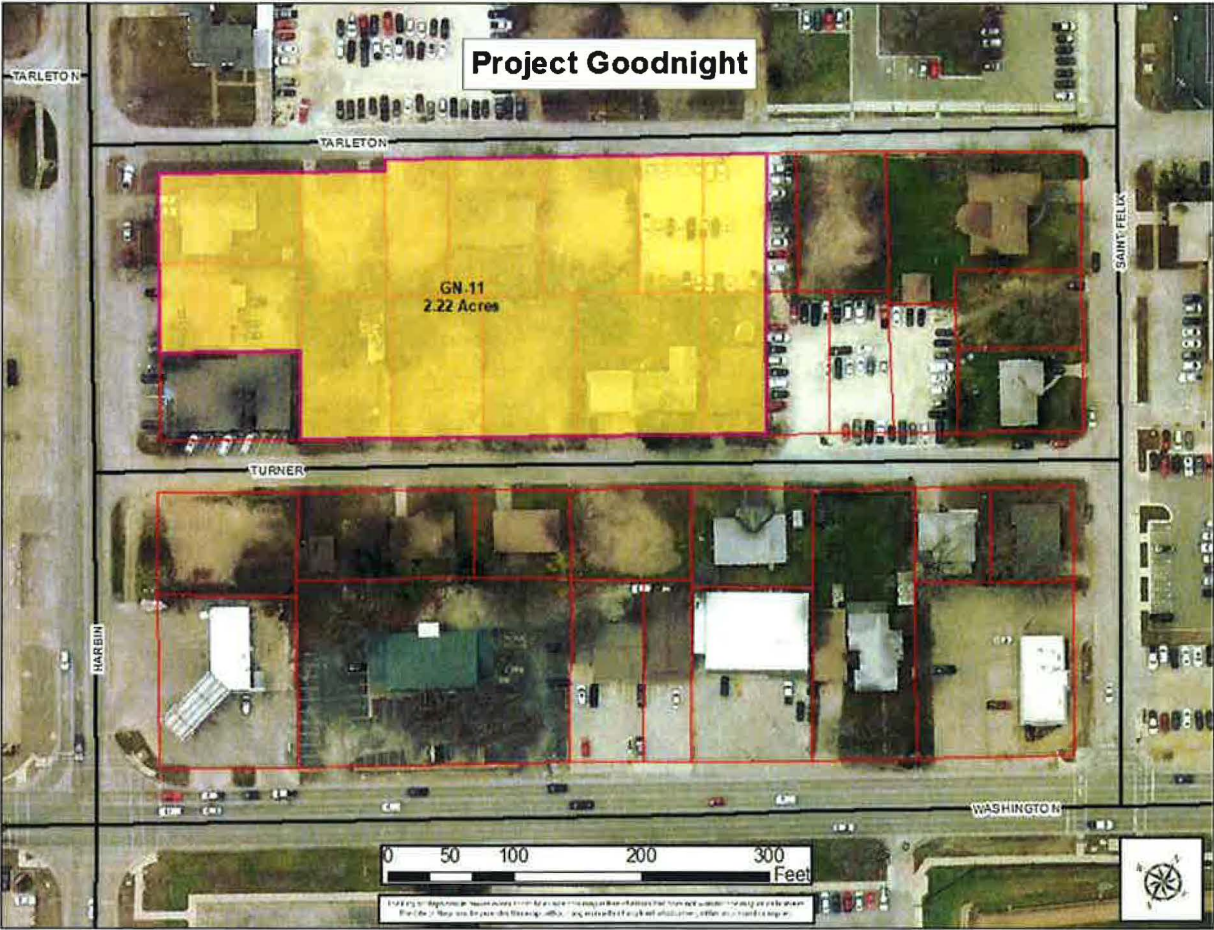
SUMMARY & CONCLUSIONS

A summary of key performance and cost/benefit estimates associated with a new, upscale chain scale, 150-key, quasi-full-service (select/focused-service) Hotel and Conference Center in Stephenville includes the following:

- Order-of-magnitude construction costs are assumed at \$35.4 million (or \$236,000 per key).
- Assuming a discount rate of 3.0%, through the 10th year of operation, the total Net Present Value (NPV) of cumulative net new economic impacts in the Stephenville area is estimated to approximate:
 - 1) \$106.1 million in Direct Spending
 - 2) \$178.7 million in Economic Output
 - 3) \$70.6 million in Personal Income
 - 4) 268 full and part-time Jobs (in a peak year)
 - 5) \$4.4 million in City Sales and Hotel Tax Revenue
- Rate, occupancy and RevPAR projected performance for the Subject Property in Stephenville are near national averages for the upscale chain scale. Given the estimated capital costs associated with the Subject Property, the ROI opportunity for prospective private investors is believed to be slightly lower than that needed to attract a wholly privately-funded project. Therefore, the analysis concludes that a relatively modest public sector incentive will be required to execute the Subject Property in Stephenville consistent with the type and size of hotel product evaluated under this analysis.



Exhibit B





PROPOSAL SUBMITTAL SIGNATURE FORM - EXHIBIT C

Bids or proposals and pricing information shall be typewritten or handwritten in ink. Originals and copies of the bid or proposal shall be submitted in accordance with the solicitation documents. SUBMITTED BIDS/PROPOSALS MUST INCLUDE THIS SIGNATURE PAGE WITH THE ORIGINAL SIGNATURE OF AN INDIVIDUAL AUTHORIZED TO BIND THE SUBMITTING VENDOR. NO LIABILITY WILL BE ASSUMED BY THE CITY OF STEPHENVILLE FOR A VENDOR'S FAILURE TO OBTAIN THE TERMS AND CONDITIONS AND ANY PROPERLY ISSUED SOLICITATION ADDENDUMS IN A TIMELY MANNER FOR USE IN THE VENDOR'S RESPONSE TO THIS SOLICITATION OR ANY OTHER FAILURE BY THE VENDOR TO CONSIDER THE TERMS, CONDITIONS, AND ANY ADDENDUMS IN THE VENDOR'S RESPONSE TO THE SOLICITATION. This ITB or RFP response is submitted in accordance with all documents and provisions in the specifications. By my signature below I accept the terms, conditions and requirements contained in the solicitation. As the undersigned, I certify I am authorized to sign and submit this response for the Bidder/Offeror. I further acknowledge I am responsible for reviewing and acknowledging any addendums that have been issued for this solicitation.

Name of Company

Address

Authorized Representative Printed Name

Authorized Representative Signature

Phone #

Fax #

Date

Email address

This bid must be manually signed by a person having the authority to bind the company in a contract. Failure to sign this bid will result in a disqualification.

This Page Left Intentionally Blank