Columbus Conference Center and Hotel Market and Financial Feasibility Analysis

November 19, 2018

hunden strategic partners

Key Questions

- What are the needs of Columbus's community? What is the met/unmet market for meeting spaces, events, and hospitality in Columbus? With a new facility, would more events be likely? What is most feasible?
- What is the existing supply of meeting and event spaces in the local market? What are the hotel and event space needs of the Columbus business community, including Cummins?
- Is a development recommended? If so, what is the recommended package that will optimize the potential conference center hotel performance? How is the recommended conference center hotel projected to perform?
- What is the recommended/ideal site to be developed on? What are the pro's and con's of each site?
- What is the projected economic, fiscal, and employment impact of the recommended development?

Recommendations

Based on the market analysis, HSP recommends the following conference hotel for Columbus:

Conference Center & Hotel Recommendations

Rooms	140 Keys
Ballroom	9,000 SF
Meeting	5 meeting rooms w/ 800 SF each
F&B	3-meal restaurant, catering kitchen for the event space and upscale rooftop F&B option
Parking	**380** total parking spaces (140 for hotel and additional 240 for conference center)

Recommendations

Room Count. A "select-service on steroids" branded hotel with 140 rooms is recommended.

Room Mix. A balanced room mix is important to attract and accommodate all visitor segments. The double-double room configuration is very important to the large tourism demand, as families put as many as five individuals per room.

Strong Brand. HSP recommends the development be associated with a strong select-service brand from one of the following hotel families: Marriott, Hilton, or Hyatt.

Amenities. Services like complimentary Wi-Fi, a business center, and a fitness center will help attract the business travelers that regularly visit Columbus. These amenities have come to be expected by travelers.

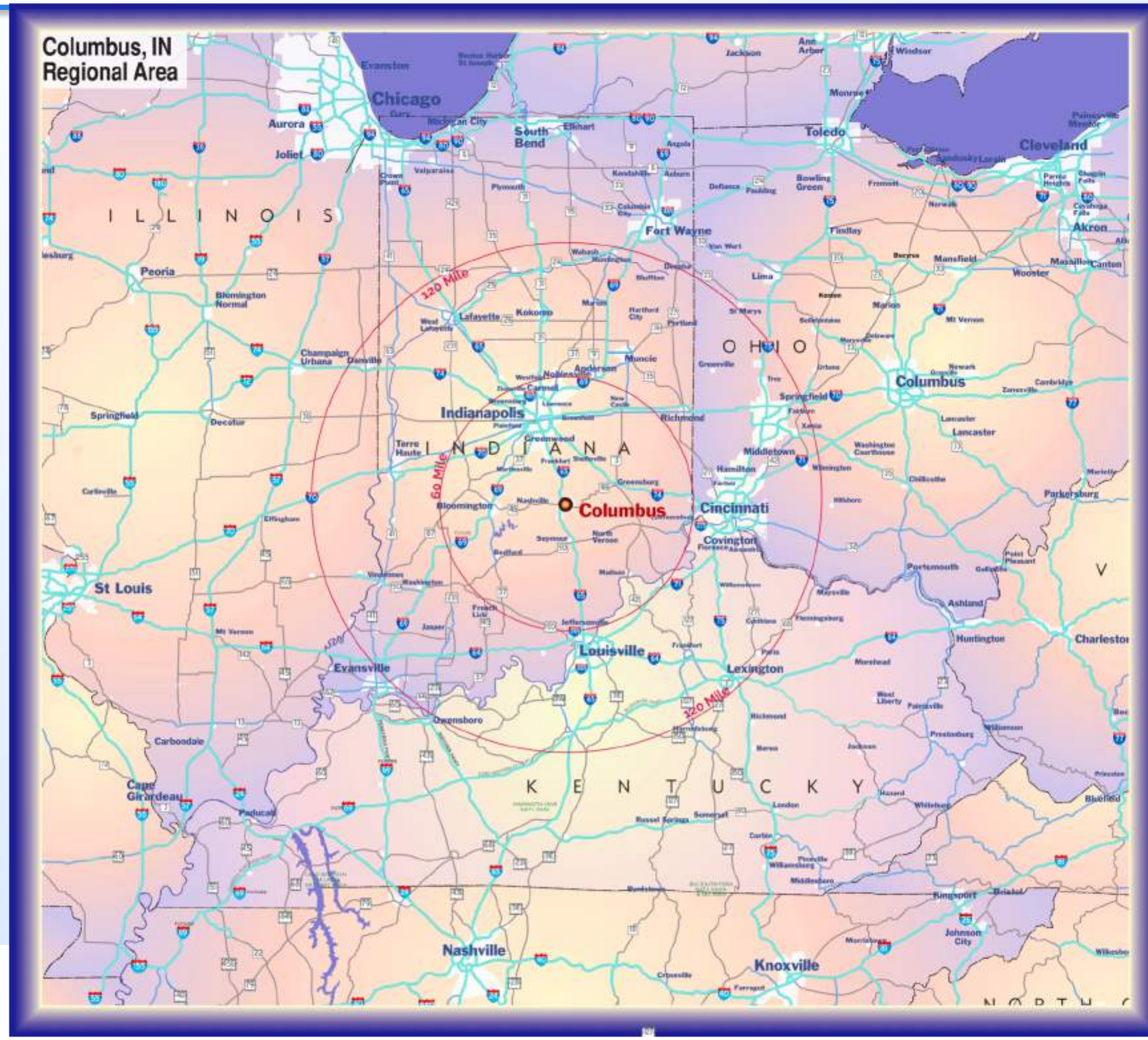
Food and Beverage: HSP recommends that the hotel feature a three-meal restaurant, as well as a catering kitchen for the event spaces. HSP also recommends the addition of an upscale rooftop food and beverage offering. An indoor/outdoor rooftop deck would add revenue, viability and make the project more compelling for visitors and groups.

Function Space. Unlike the existing hotels, which typically have just one or two meeting rooms, the proposed hotel should include a 9,000-square-foot ballroom and offer a 4,000-square foot junior ballroom that is capable of being divided into five 800-square foot meeting rooms.

Chapter 1

Economic, Demographic and Tourism Analysis

Regional Map



Major Employers

Bartholomew County Major Employers

Company Name	Industry	# of Employees
Cummins Inc.	Design and Manufacturing	8,000*
Columbus Regional Hospital	Heathcare	2,100
Faurecia Gladstone	Manufacturing	2,000*
Ntn Driveshaft Inc.	Manufacturing	1,700
Toyota Industrial Equipment Manufacturing Inc.	Manufacturing	1,400*
Emcon Technologies Llc	Emission Technology	450*
Pmg Indiana Corp	Manufacturing	200*
Walmart	Retail	--
Columbus Risk Management	Government	--

*# of employees based on estimates available online

Source: Hoosier Data.gov; Various Sources

Columbus Architecture

- In 1991, The American Institute of Architects rated Columbus #6 on its list of top 10 American cities for architectural quality

- The city has seven buildings, constructed between 1942 and 1945, on the National Historic Landmark registry

- Approximately 12,000 visitors attend the architecture tours annually

Chapter 2

Conference, Meetings and Event Industry Analysis

Event Site-Selection Trends - Host City Key Factors

Host City Factors	Very Important	Moderately Important	Not Important
Hotel room prices and quality	80%	13%	7%
Hotel room availability and capacity	80%	12%	8%
Convention center and exhibition hall size and quality	76%	15%	9%
Facilities "under one roof" (i.e. meeting rooms, exhibit halls, hotels in one facility or connected)	61%	27%	12%
Labor costs and service issues	58%	36%	7%
Proximity of HQ hotel(s) to the convention center	54%	28%	19%
Destination appeal to attendees	48%	41%	11%
Concentration of our members, clients or industry professionals in the city and region	48%	41%	11%
Airport capacity and airfares	48%	37%	15%
Total population, demographics	27%	38%	35%
Road and highway access	26%	49%	24%
Climate/weather	17%	54%	29%
Cultural and entertainment amenities	13%	57%	30%

Source: R7M Research & Consulting

Event Site-Selection Trends - Areas and Amenities

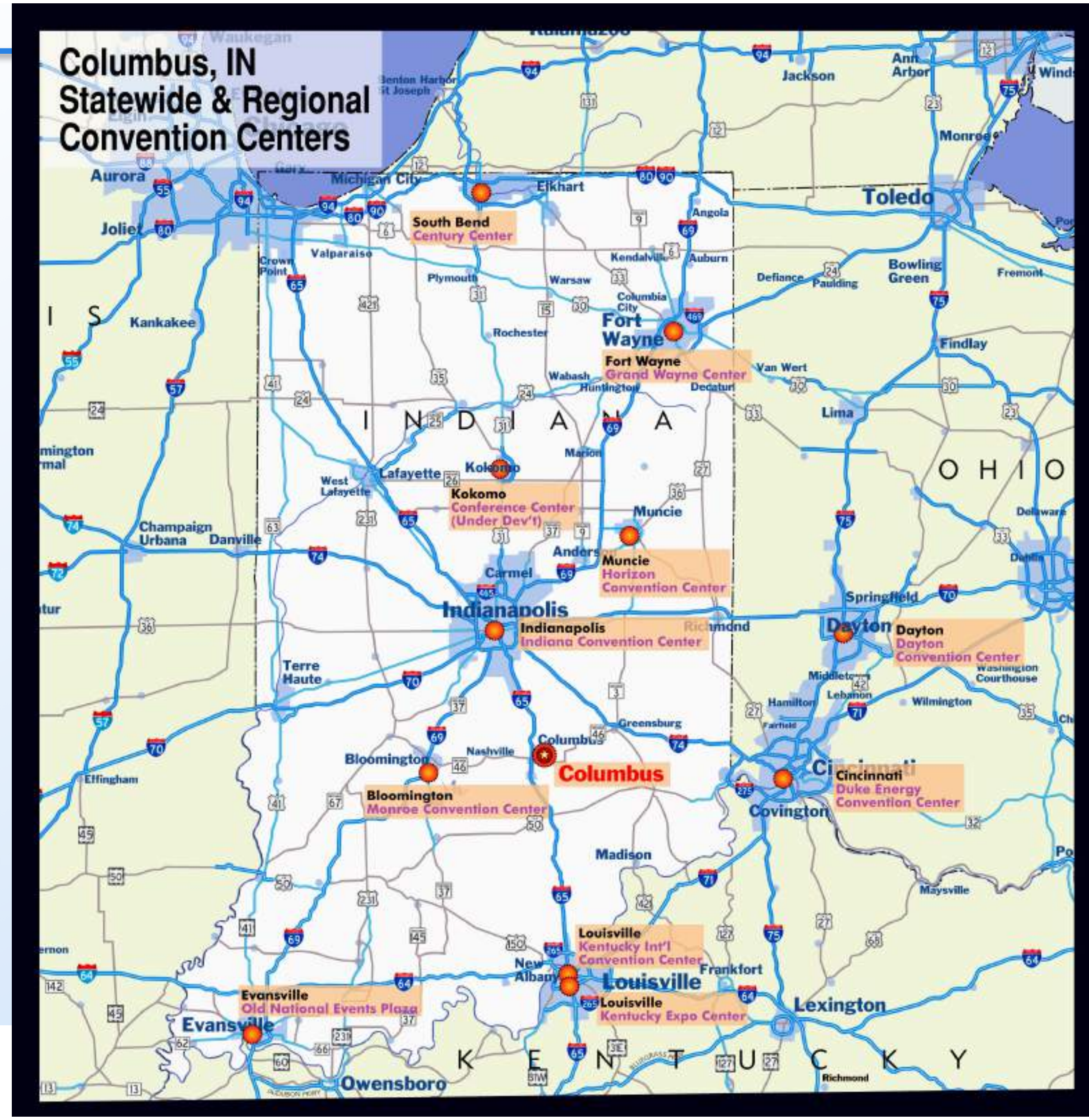
Areas & Amenities	Very Important	Moderately Important	Not Important
On-Site or Near-by Parking	100%	0%	0%
Highway access	75%	25%	0%
Hotels	64%	18%	18%
Proximity to restaurants and bars	36%	45%	18%
Proximity to mass transit access	33%	50%	17%
Suburban areas	25%	50%	25%
Entertainment areas	18%	45%	36%
Downtown business district	17%	50%	33%
Proximity to tourism, cultural attractions	8%	58%	33%
Airport	8%	33%	58%
Sports facilities	8%	17%	75%
Universities/Colleges	8%	17%	75%
Ocean beachfront areas	8%	8%	83%
Proximity to recreational activities	0%	58%	42%
Manufacturing bases	0%	25%	75%
Resorts	0%	25%	75%
Casino/Gaming Destination	0%	8%	92%

Source: R7M Research & Consulting

Chapter 3

Meetings Market Analysis; Local/Regional Competitive

Regional Convention Centers



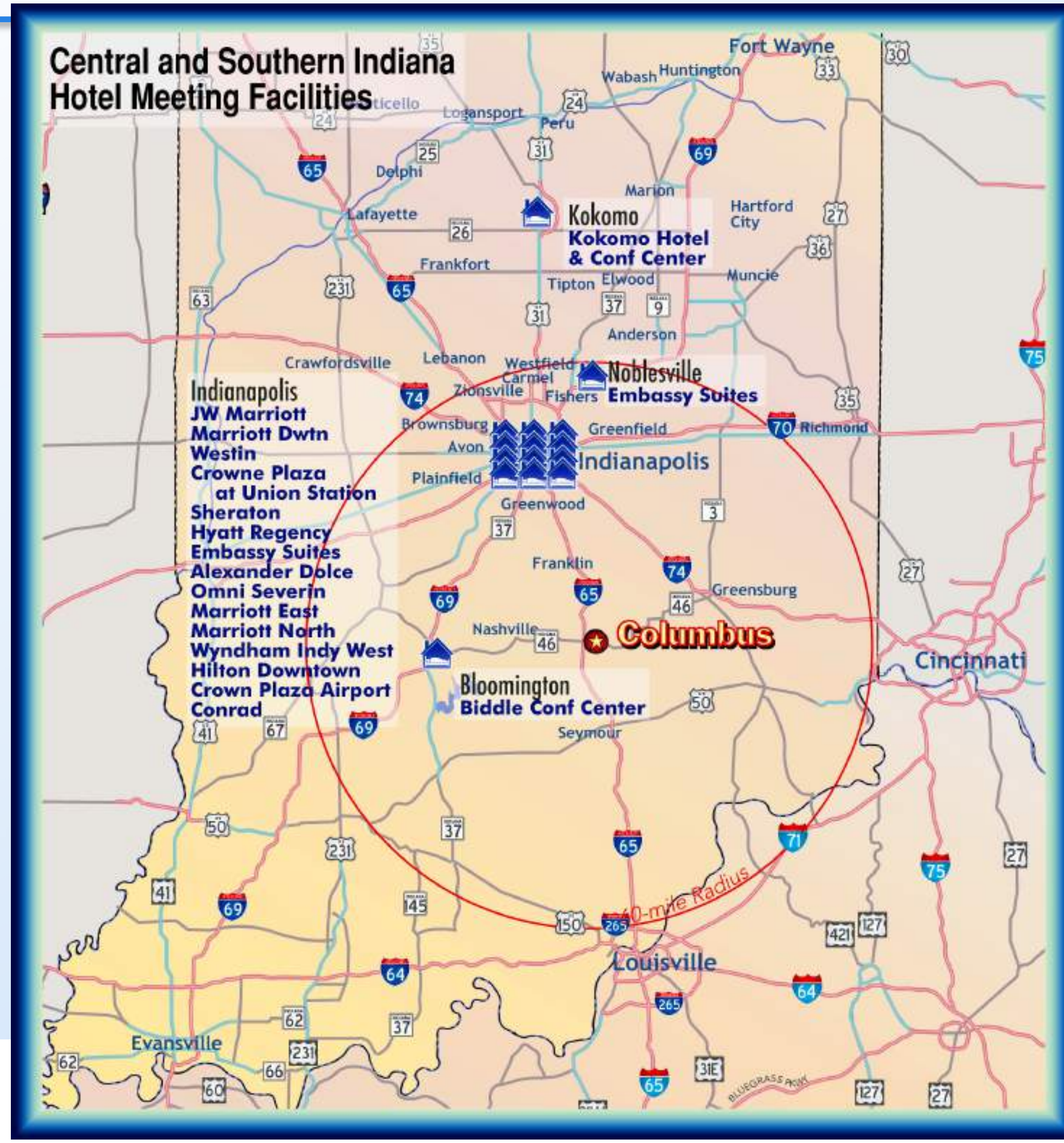
Regional Convention Centers

Competitive Environment - Convention Centers

Facility	City	State	Total Function Space	Exhibit Space	Ballroom Space	Mtg. Room Space	Miscellaneous
Indiana Convention Center	Indianapolis	IN	729,551	558,000	57,072	114,479	Adj. Lucas Oil Stadium: 178,610 SF Exhibit Space
Duke Enery Convention Center	Cincinatti	OH	296,972	195,320	57,311	44,341	
Kentucky International Convention Center	Louisville	KY	290,976	192,768	40,256	57,952	
Dayton Convention Center	Dayton	OH	102,221	68,352	0	33,869	750-Seat Theatre
Monroe Convention Center*	Bloomington	IN	92,635	40,000	40,121	12,514	Currently planning renovation - space is TBD
Grand Wayne Convention Center	Fort Wayne	IN	75,934	48,480	15,955	11,499	2 Downtown Hotels U/C - adding 265 rooms
Old National Events Plaza	Evansville	IN	61,660	36,252	13,312	12,096	2653-Seat Theatre - 139 room hotel U/C
Century Center	South Bend	IN	54,237	24,472	11,627	18,138	
Horizon Convention Center	Muncie	IN	40,020	23,400	7,780	8,840	–
Average	**-**	**-**	**193,801**	**131,894**	**27,048**	**34,859**	**-**
Non-ICC Average	**-**	**-**	**126,832**	**78,631**	**23,295**	**24,906**	**-**

Source: Various Facilities, Hunden Strategic Partners

Central and Southern Indiana Hotel Meeting Facilities



Columbus Meeting Supply

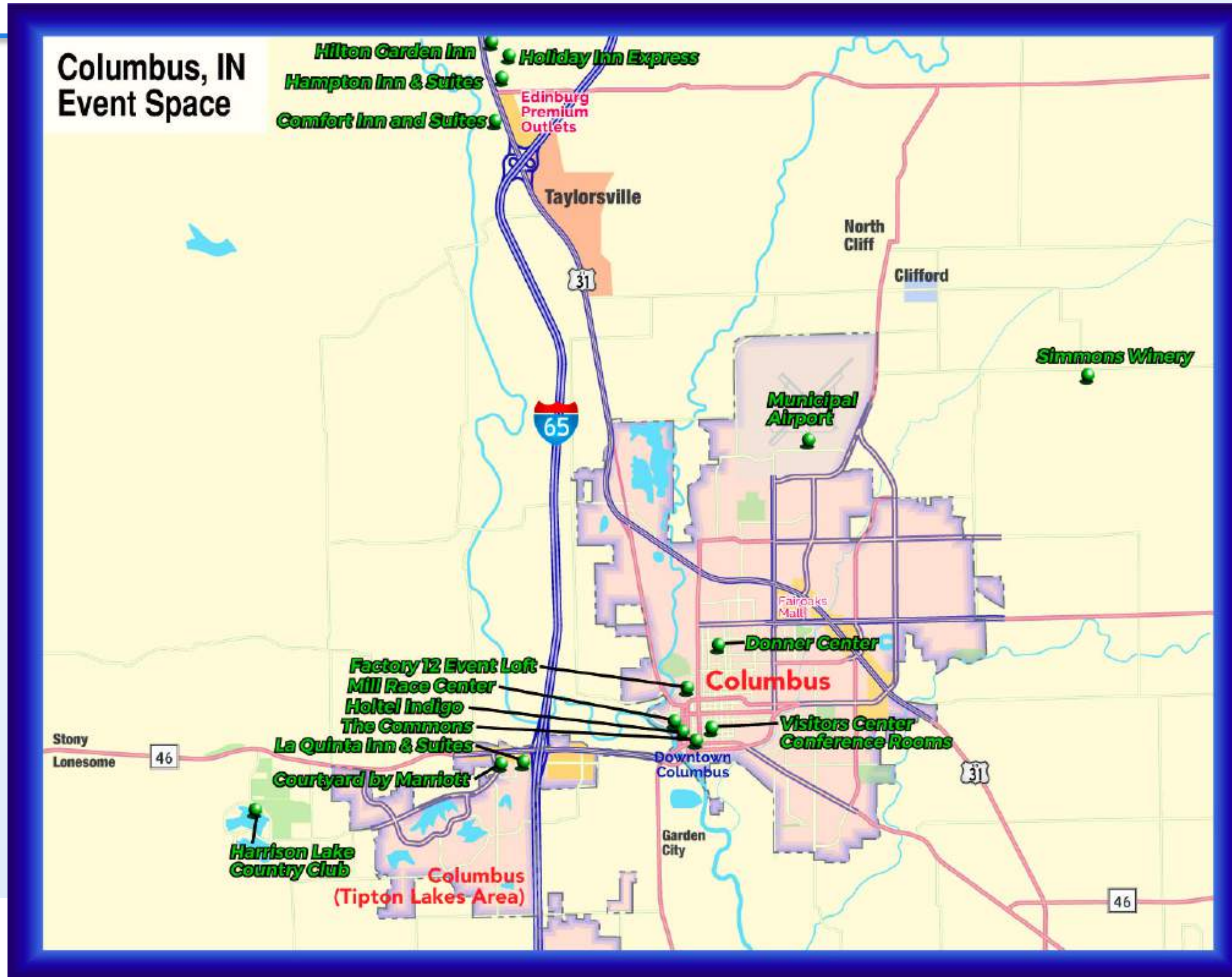
Columbus Meetings Market Supply

Facility	City	Miles From City Hall	Total Function Space (SF)	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Breakout Rooms
Factory 12 Events Loft	Columbus	1.1	10,000	--	10,000	--	1
The Commons	Columbus	0.2	8,400	--	8,000	400	1
Hilton Garden Inn	Edinburgh	8.9	6,300	--	2,700	3,600	4
Harrison Lake Country Club	Columbus	6.5	6,000	--	6,000*	--	1
Donner Center	Columbus	1.9	4,500	--	4,500*	--	2
Simmons Winery	Columbus	8.9	4,500	--	4,500*	--	1
Mill Race Center	Columbus	0.8	3,654	--	3,654	--	4
Fairfield Inn and Suites	Columbus	2.2	3,125	--	3,125	--	1
Hotel Indigo	Columbus	0.4	3,015	--	--	3,015	2
Comfort Inn and Suites	Columbus	8.8	2,632	--	--	2,632	3
La Quinta Inn and Suites	Columbus	2.4	1,700	--	--	1,700	2
Columbus Municipal Airport	Columbus	5.0	1,500	--	1,500*	--	1
Holiday Inn Express Edinburgh/Columbus	Edinburgh	8.9	1,400	--	--	1,400	1
Hampton Inn and Suites	Columbus	8.7	1,250	--	--	1,250	2
Visitors Center Conference Rooms	Columbus	0.3	900	--	--	900*	1
Courtyard by Marriott	Columbus	2.8	754	--	--	754	1
Average		**4.2**	**3,727**	**--**	**5,496**	**1,844**	**1.75**

*Square footages were estimated based on seating capacity

Source: Cvent; Various Sources; Hunden Strategic Partners

Meeting Supply Map



Factory 12 Events Loft

Function Space:

- Primary Ballroom – 10,000 square feet

Key Takeaways:

- Large ballroom space but has columns and does not offer break out rooms for conferences or large meetings.

- While windows and skylights are attractive, they make it difficult to manage the light in the space for different uses

The Commons

Function Space:

- Primary Ballroom/ Reception Hall – 8,400 square feet

Key Takeaways:

- Developed as a performance hall. Unique space but ballroom opens to public foyer below. Offers one small meeting room.

Local Stakeholder Feedback

The HSP team gathered market feedback from various local stakeholders including Columbus tourism representatives, elected officials, and economic development officials. Key takeaways from those conversations included the following:

- Ultimately, Columbus' economy is follows the success of Cummins. When Cummins is doing well, Downtown Columbus thrives but struggles when Cummins struggles.
- The local market lacks a large, high quality meeting and event space. The Commons and the Factory 12 Event Loft offer decent Ballroom space but have limited availability and do not offer break-out rooms. Local corporations have indicated the desire for a facility that can comfortably accommodate 400-600 attendees and offer flexible break out rooms.
- Columbus will not be able to fully compete with Indianapolis for convention events but will be able to fill meeting and event space with local groups. Supplier conferences, rotational conferences, Cummins demand and other local businesses will create a significant portion of demand.
- Columbus gets significant tourism from their architectural tours. The city averages 12,000 architecture tour attendees annually.

Chapter 4

Hotel Industry Market and Local Market Analysis

National Trends

2016 - 2017 Hotel Development Cost Survey Per-Room Averages

	Land	Hard Costs	Soft Costs	Pre-Opening & Working Capital	FF&E	Development Fee	Total
Midscale Hotels							
Average from Budgets	$20,000	$79,000	$16,000	$100	$10,000	$7,000	$115,000
Allocation	16%	71%	11%	1%	9%	6%	
Upper Midscale Hotels							
Average from Budgets	$20,000	$94,000	$12,000	$3,000	$16,000	$6,000	$145,000
Allocation	13%	66%	8%	2%	12%	4%	
Upscale Hotels							
Average from Budgets	$32,000	$133,000	$16,000	$5,000	$20,000	$9,000	$207,000
Allocation	13%	65%	7%	2%	11%	4%	
Upper Upscale Hotels							
Average from Budgets	$82,000	$232,000	$46,000	$6,000	$32,000	$11,000	$388,000
Allocation	18%	61%	11%	1%	9%	3%	
Luxury Hotels							
Average from Budgets	$240,000	$805,000	$308,000	$20,000	$101,000	$57,000	$1,515,000
Allocation	9%	58%	20%	1%	8%	3%	

Source: Cushman & Wakefield Global Hospitality

Lodging Summary

Lodging Summary: Columbus

Chain Scale	Rooms	% of Total Rooms	Hotels	Rooms per Hotel	Avg. Opening Year	Avg. Age in Years
Upper Upscale	85	6%	1	85	Feb-08	10
Upscale	298	20%	3	99	Apr-05	13
Upper Midscale	346	24%	4	87	Oct-05	12
Midscale	207	14%	3	69	Aug-04	14
Economy / Independent	530	36%	6	88	Dec-75	42
Total / Average	**1,466**	**100%**	**16**	**92**	**Feb-95**	**23**

Source: Smith Travel Research, Hunden Strategic Partners

Competitive Hotel Set

Columns Hotels - Competitive Set

Name	Distance From City Hall	Rooms	Chainscale	Open Date
Hotel Indigo Columbus Architectural Center	0.3	85	Upper Upscale	Feb-08
Fairfield Inn & Suites Columbus	2	96	Upper Midscale	Jun-18
Courtyard Columbus Tipton Lakes	2.6	90	Upscale	Mar-98
Residence Inn Columbus	3.1	83	Upscale	May-09
Hampton Inn Columbus Taylorsville Edinburgh	8	95	Upper Midscale	Jun-97
Hilton Garden Inn Columbus Edinburgh	8.1	125	Upscale	Jun-08
Holiday Inn Express & Suites Columbus Edinburgh	8.1	93	Upper Midscale	Jan-12
Average/Total	**4.6**	**667**	**--**	**May-07**

Source: Hunden Strategic Partners

Hotel Pipeline

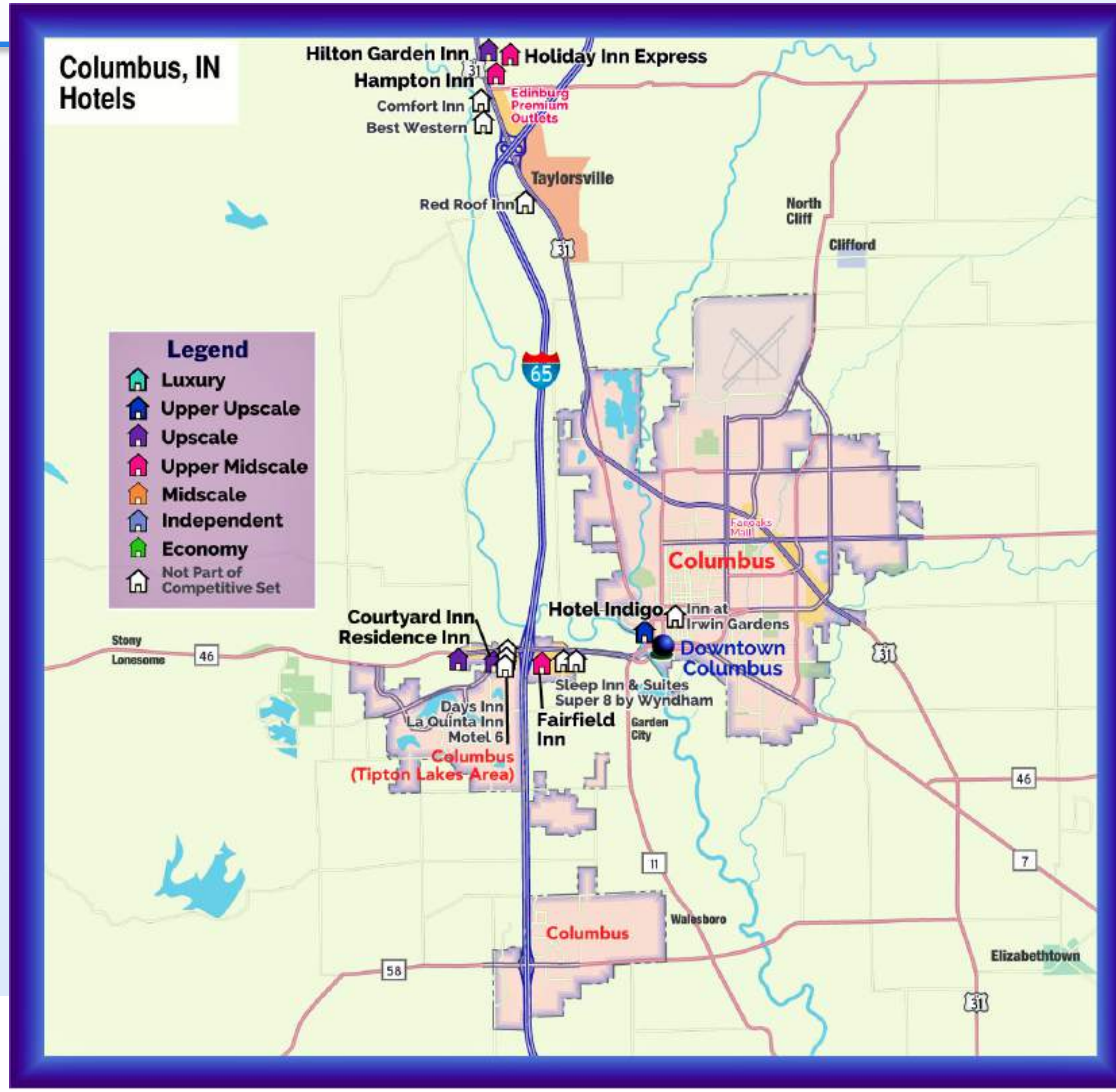
The Comfort Suites was purchased and gutted for the opening of the Holiday Inn. Some market participants estimate that the Holiday Inn will not be open until Spring 2019. The Home2Suites is expected to open roughly 12 months after the Holiday Inn.

Hotel Pipeline Columbus

Property	Keys	Estimated Open Date
Holiday Inn	100	Nov-18
Home2 Suites	120	Jan-20

Soure: Columbus Area Visitors Center

Columbus Hotel Map



Hotel Performance

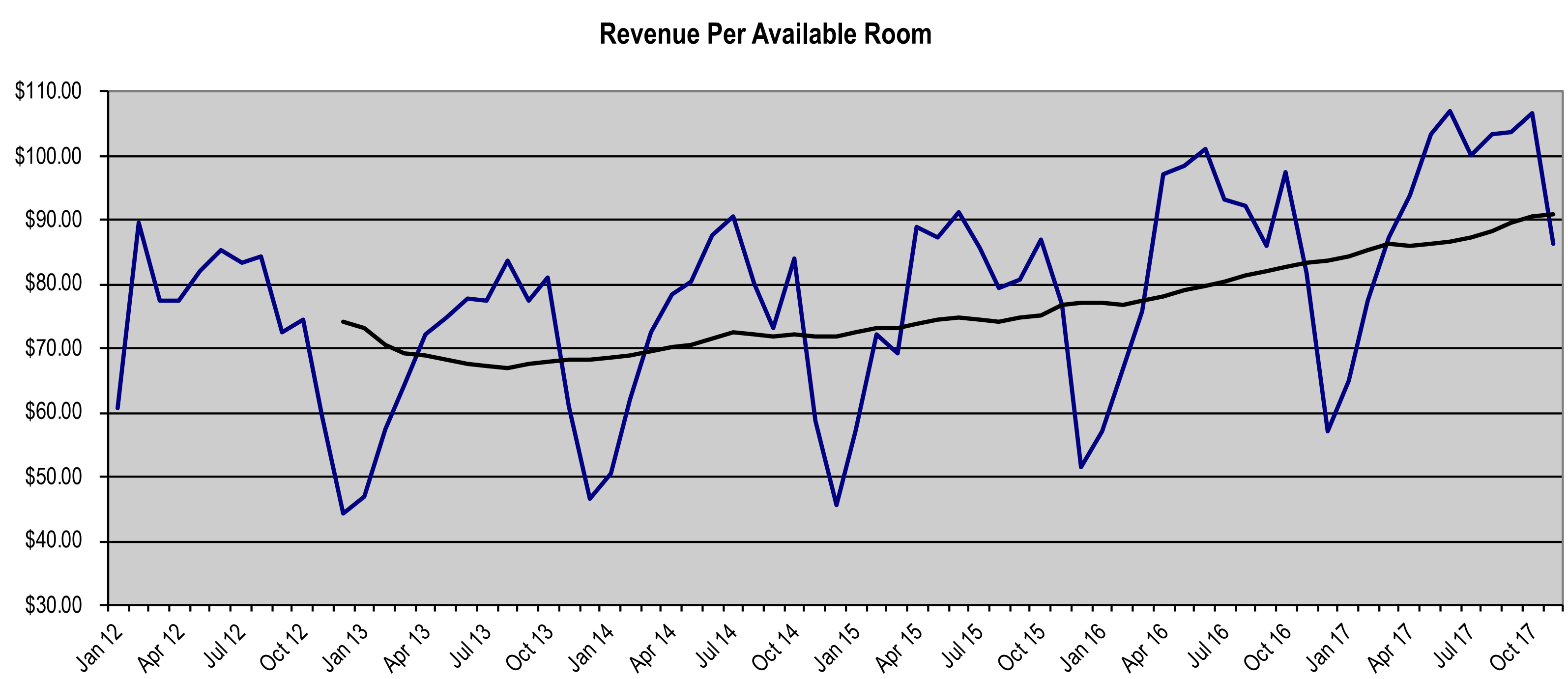
Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels

Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occ.	% Change	ADR	% Change	RevPar	% Change
2014	571	208,415	–	146,824	–	70.4	–	$102.16	–	$71.97	–
2015	571	208,415	0.0%	151,017	2.9%	72.5	2.9%	$106.48	4.2%	$77.16	7.2%
2016	571	208,415	0.0%	156,385	3.6%	75.0	3.6%	$111.59	4.8%	$83.73	8.5%
2017	571	208,415	0.0%	162,773	4.1%	78.1	4.1%	$117.44	5.2%	$91.72	9.5%
2018 YTD (June)	587	106,231	2.8%	82,768	4.0%	77.9	1.2%	$121.84	5.3%	$94.93	6.6%
CAGR* (2014-2017)	0.0%	0.0%	–	3.6%	–	3.6%	–	5.0%	–	9.1%	–

*Compound Annual Growth Rate

Sources: Smith Travel Research, Hunden Strategic Partners

Revenue Per Available Room



Source: Smith Travel Research, Hunden Strategic Partners

Heat Charts

Occupancy Percent by Day of Week by Month - July 2017 - June 2018

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Jul - 17	52.8%	81.6%	84.6%	90.8%	88.4%	85.4%	93.1%	81.8%
Aug - 17	59.2%	95.8%	98.3%	95.4%	94.7%	81.4%	83.8%	87.8%
Sep - 17	59.2%	81.2%	93.3%	96.2%	87.9%	84.2%	96.0%	85.7%
Oct - 17	50.6%	85.5%	94.4%	96.9%	93.1%	93.6%	96.4%	86.2%
Nov - 17	46.0%	82.2%	84.5%	84.3%	68.4%	77.6%	76.5%	74.3%
Dec - 17	40.3%	69.4%	73.5%	71.0%	60.4%	49.8%	59.2%	59.5%
Jan - 18	34.8%	69.2%	81.9%	84.0%	62.3%	35.1%	36.7%	59.7%
Feb - 18	43.2%	88.9%	96.4%	94.5%	81.1%	64.0%	59.3%	75.3%
Mar - 18	50.5%	86.1%	91.4%	89.8%	71.3%	67.6%	70.4%	74.8%
Apr - 18	66.7%	91.1%	98.4%	98.8%	95.0%	92.4%	94.7%	90.2%
May - 18	60.1%	83.0%	95.1%	95.4%	88.4%	91.8%	97.0%	87.8%
Jun - 18	57.4%	82.8%	86.0%	85.9%	76.7%	80.7%	85.6%	79.6%
Average	**51.9%**	**83.0%**	**90.0%**	**90.1%**	**80.6%**	**75.0%**	**79.3%**	

Sources: Smith Travel Research

(yellow)	75-80
(orange)	80-90
(red)	> 90

ADR by Day of Week by Month - July 2017 - June 2018

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Jul - 17	116.37	119.04	122.66	124.32	124.64	123.11	124.26	122.29
Jun - 17	110.90	120.80	122.08	119.35	120.64	110.91	113.63	117.82
Jul - 17	114.54	121.56	123.14	121.36	118.78	119.63	123.80	120.84
Aug - 17	115.94	120.91	125.74	124.56	121.47	126.40	128.60	123.78
Sep - 17	111.99	118.62	120.23	119.89	114.95	111.46	111.50	116.02
Oct - 17	111.30	116.40	116.37	115.89	109.91	104.25	103.97	111.27
Nov - 17	115.65	120.95	121.19	120.91	116.33	106.74	105.19	117.64
Dec - 17	114.09	120.55	124.59	124.49	115.36	106.25	106.99	117.41
Jan - 18	115.25	120.41	122.45	123.63	113.00	108.76	108.76	116.17
Feb - 18	112.87	121.29	123.08	124.36	118.22	118.68	118.97	119.85
Mar - 18	121.37	125.93	126.93	127.45	125.63	135.51	138.76	129.04
Apr - 18	118.46	126.64	128.75	126.36	122.41	131.27	133.51	127.59
Average	**114.98**	**121.18**	**123.37**	**122.85**	**118.98**	**118.77**	**120.49**	

Sources: Smith Travel Research

(yellow)	110-120
(orange)	120-130
(red)	> 130

hunden strategic partners

Market Feedback

The following feedback summarizes conversations with local hoteliers and community stakeholders regarding the potential development of a hotel in conjunction with a conference center.

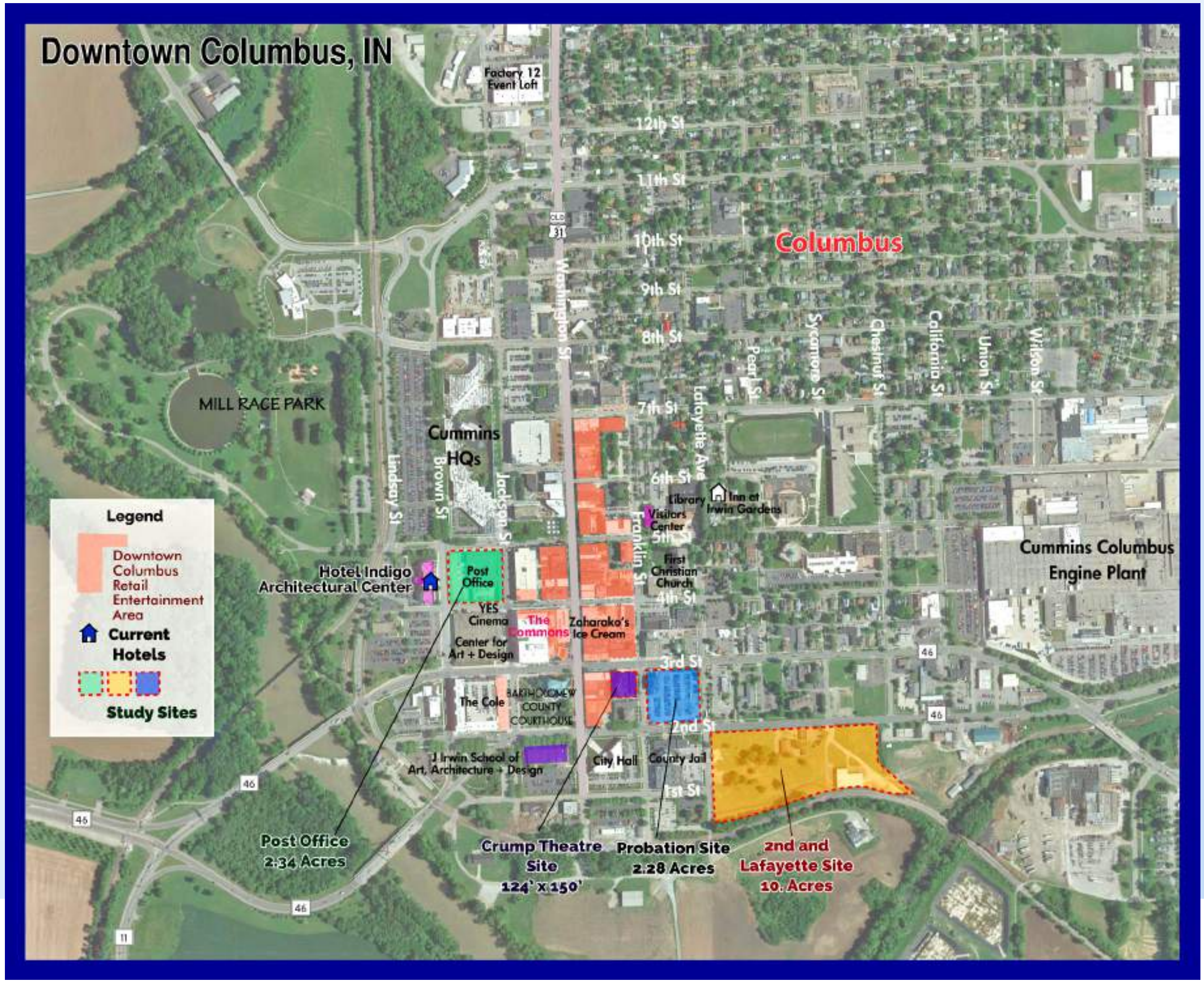
- The Columbus Hotel market actually improved after the Clarion shut down. Clarion was dragging rates down and was just trying to get "heads in beds" in last few months.
- Columbus market is heavily corporate driven – Tuesday and Wednesday are almost always sold out, Monday and Thursday are shoulder days and weekend demand is very variable on the season.
- A potential new hotel would likely garner rates near $145 to $155. If hotel development occurs, the visitor center needs to be aggressive in getting groups booked.
- Currently hotel performance is strong but may not be able to be sustained. Clarion closure and Comfort Inn remodeling led to the market losing 330 rooms in very short period of time. Fairfield opened in June 2018. Comfort Inn is being converted to Holiday Inn and adding 25 rooms (76 rooms to 101) and Home2Suites is in the pipeline and expected to open 12 months after Holiday Inn opening in Spring 2019.

Chapter 5

Site Analysis

Site Overviews

The adjacent map highlights potential site options.



Site Locations

The adjacent map shows the four site option locations as determined by HSP and the City of Columbus.

Probation Site

Strengths

- County owns the site. Makes acquisition easier than if a private entity owned.
- Lot size totals 2.28 acres. Gives the ability to utilize surface parking on-site but will not have enough room for all parking unless parking is structured. HSP recommends using the 2nd and Lafayette lot for additional surface parking for cost efficiency.
- The site is very connected to Downtown Columbus. It sits two blocks from the downtown retail and restaurants.

Weaknesses

- Although the site is ample sized, it is not large enough to accommodate all parking needs.

Site Analysis – Probation Site

American Structurepoint

Option A – First Floor

Probation Site

Option A | First Floor Plan

Site Analysis – Probation Site

American Structurepoint

Option A – 2^{nd} – 4^{th} Floor

Probation Site

Option A | 2nd - 4th Floor Plan

Site Analysis – Probation Site

American Structurepoint

Option A – 5th Floor Plan

Probation Site

Option A | 5th Floor Plan

hunden strategic partners

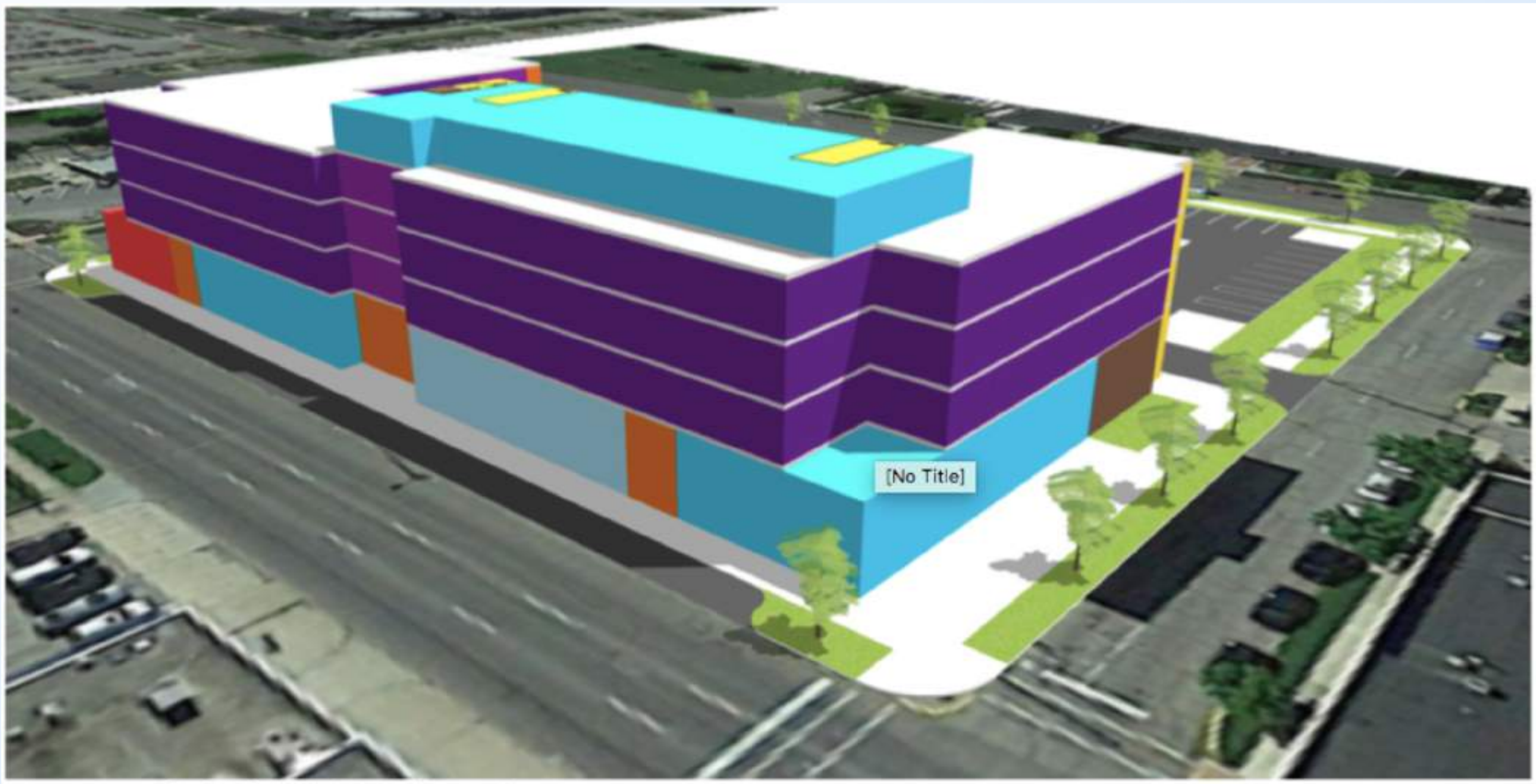
STRUCTUREPOINT

Site Analysis – Probation Site

American Structurepoint

Option A – Aerial

Probation Site



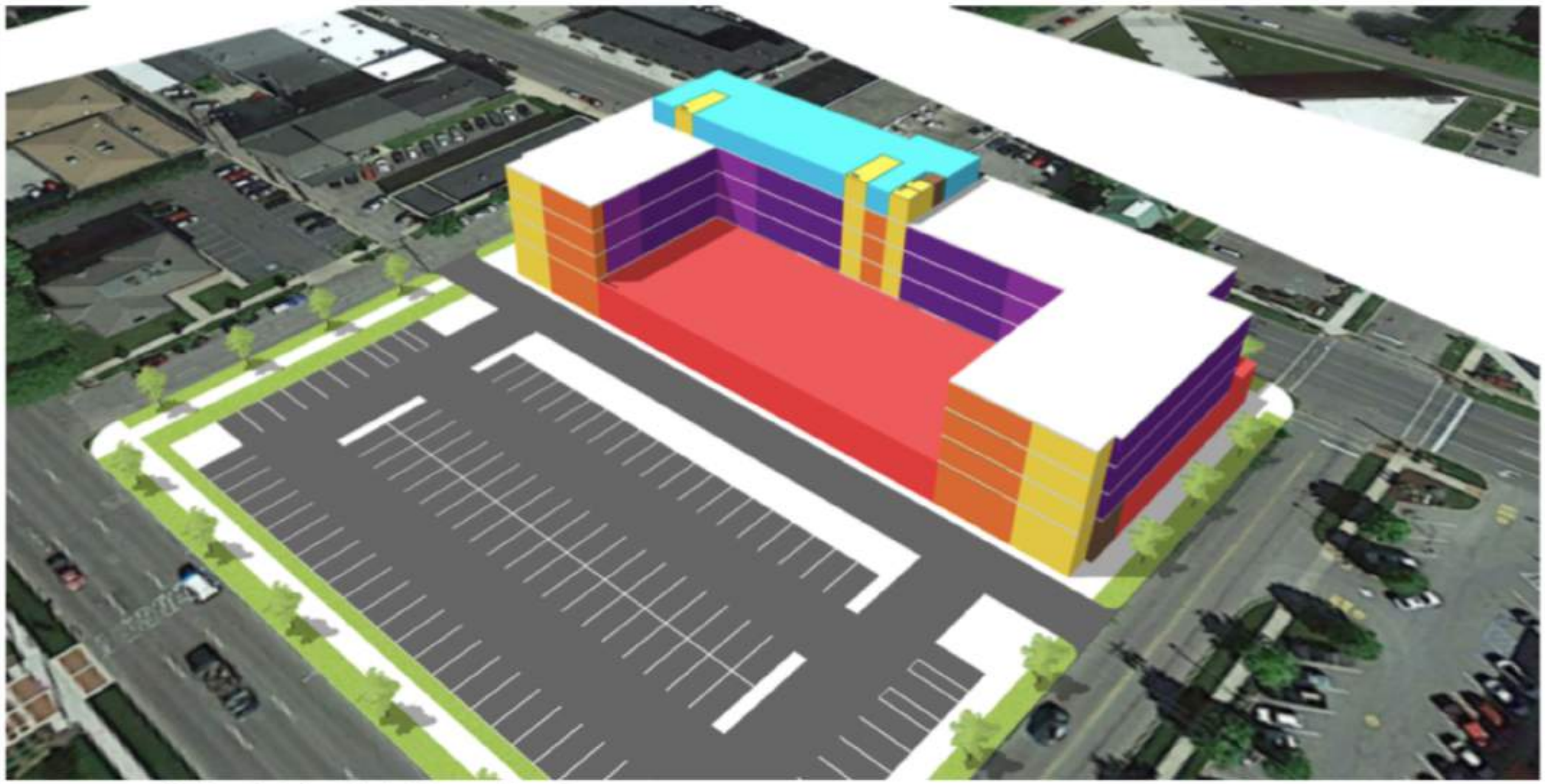
Option A | Aerial - looking southeast

Site Analysis – Probation Site

American Structurepoint

Option A – Aerial

Probation Site



Option A | Aerial - looking northwest

Post Office Site

Strengths

- The post office site is in closest proximity with Downtown Columbus' key landmarks. The site is adjacent to Cummins and is one block west of Downtown Columbus retail and restaurants.
- The site is fairly large spanning 2.34 acres. Structured parking will need to be utilized in order to accommodate all on-site parking needs.

Weaknesses

- Owned by the State Teachers Retirement Fund and leased by the Federal Government. Negotiation of land could potentially present challenges.
- Before development occurs, Columbus will need to either demolish current post office or creatively repurpose for conference center. A new post office site will also need to be selected.

Site Analysis – Post Office Site

American Structurepoint

Option B – First Floor

Post Office Site

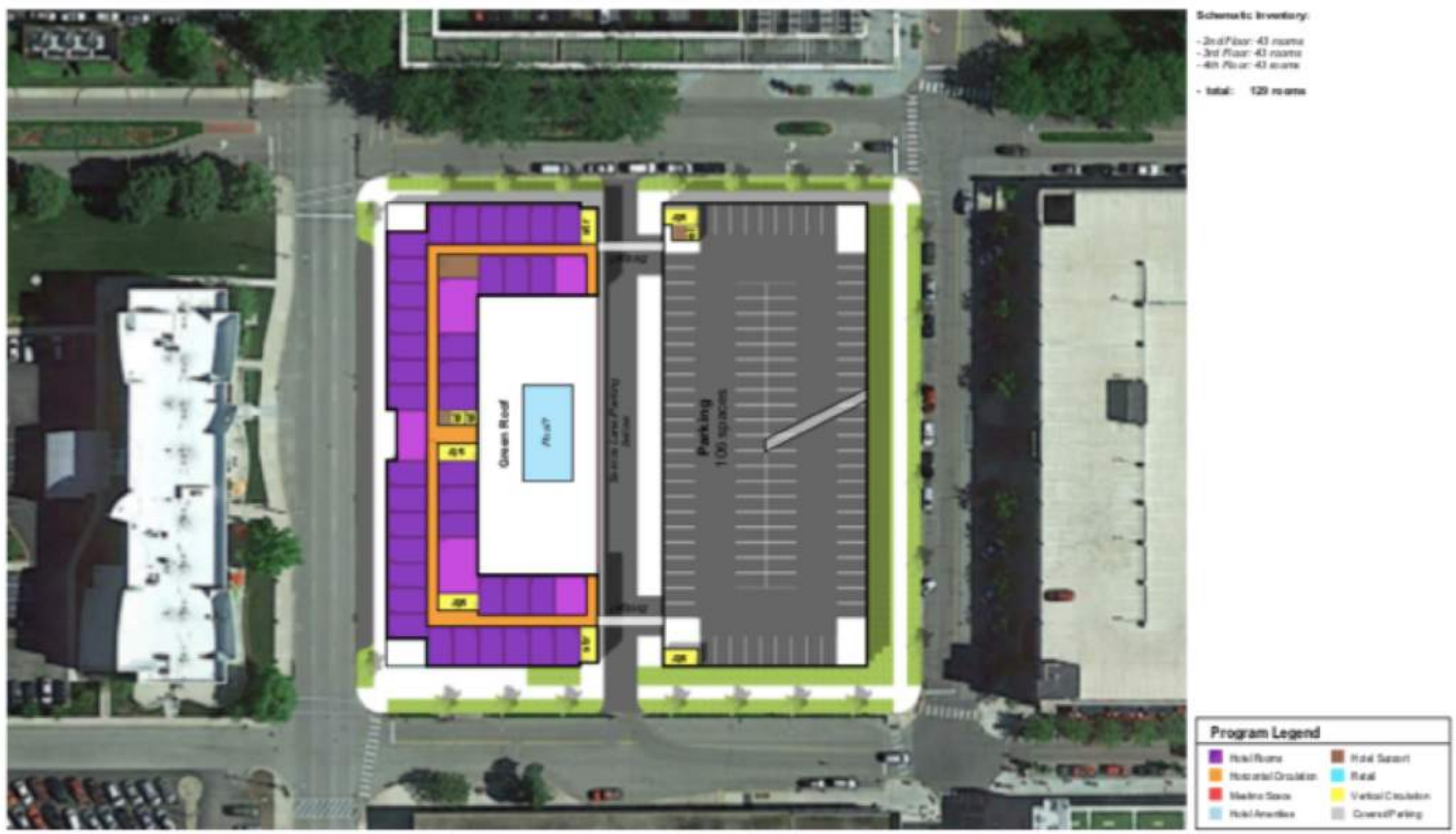
Option B | First Floor Plan

Site Analysis – Post Office Site

American Structurepoint

Option B – 2nd – 4th Floor Plan

Post Office Site



Option B | 2nd - 4th Floor Plan

Site Analysis – Post Office Site

American Structurepoint

Option B – 5th floor plan

Post Office Site

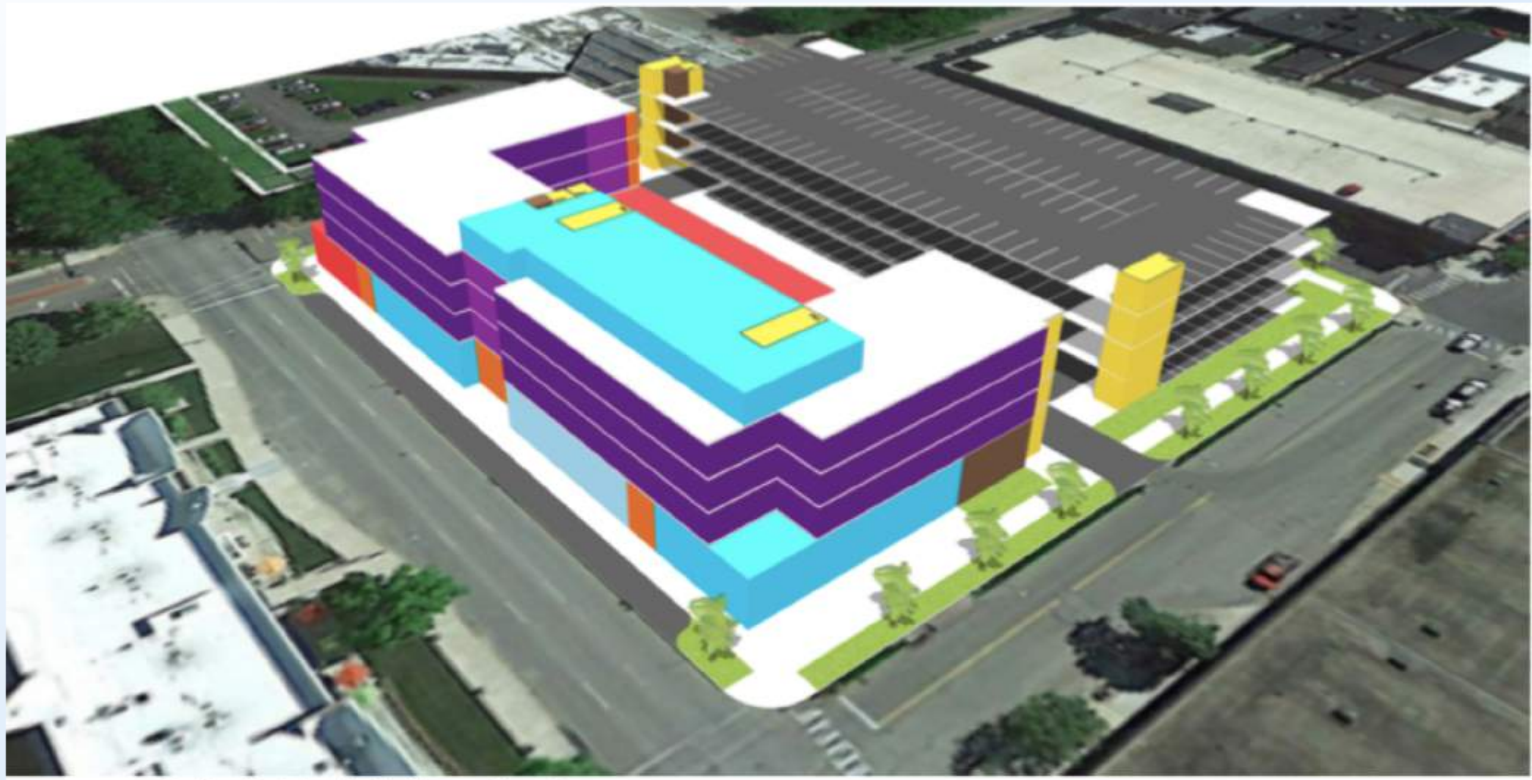
Option B | 5th Floor Plan

Site Analysis – Post Office Site

American Structurepoint

Option B – Aerial

Post Office Site



Option B | Aerial - looking northeast

Site Analysis – Post Office Site

American Structurepoint

Option B – Aerial

Post Office Site

Option B | Aerial - looking southeast

2nd and Lafayette Site

Strengths

- City owns the site. Makes acquisition easier than if a private entity owned.
- The 2nd and Lafayette site is by far the largest contiguous site with 10.24 acres. This allows the ability to construct all surface parking necessary on-site.
- Site is adjacent to the Flatrock river. Ability to help strengthen the connection between the city and the river.

Weaknesses

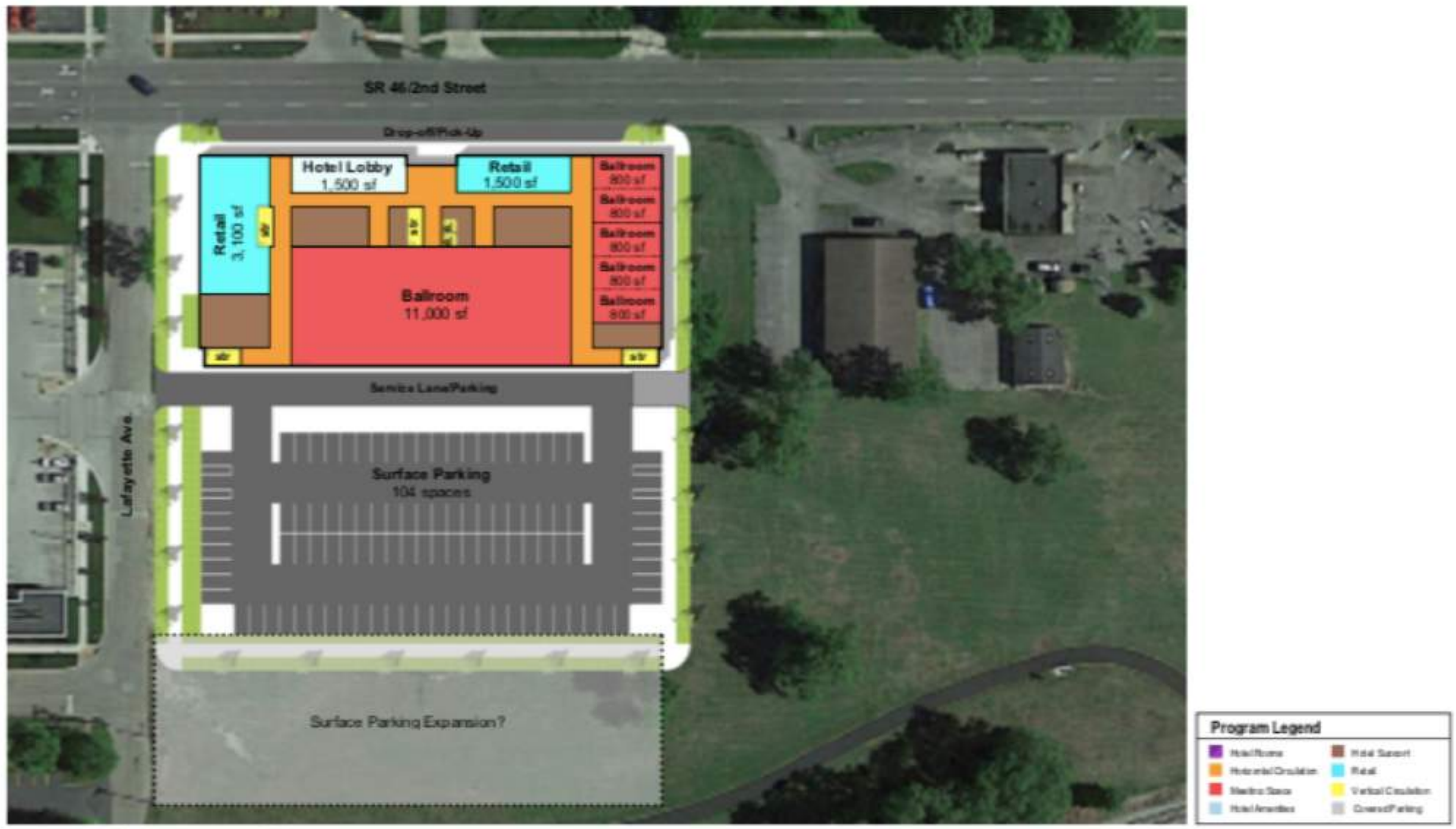
- The site has potential brownfield issues. Will likely need to construct parking if or when issues arise.
- The site sits the farthest from downtown Columbus. Although not significantly further, the distance greats a barrier to downtown activities.
- The Bartholomew County Jail sits adjacent to the site. The jail is also in between Downtown Columbus and the 2nd and Lafayette site. This forces guests to interact with the jail during and after meetings.

Site Analysis – 2nd and Lafayette

American Structurepoint

Option C – First Floor

2nd and Lafayette



Option C | First Floor Plan

Site Analysis – 2nd and Lafayette

American Structurepoint

Option C – 2nd – 4th Floors

2nd and Lafayette

Option C | 2nd - 4th Floor Plan

Site Analysis – 2nd and Lafayette

American Structurepoint

Option C – 5th Floor Plan

2nd and Lafayette

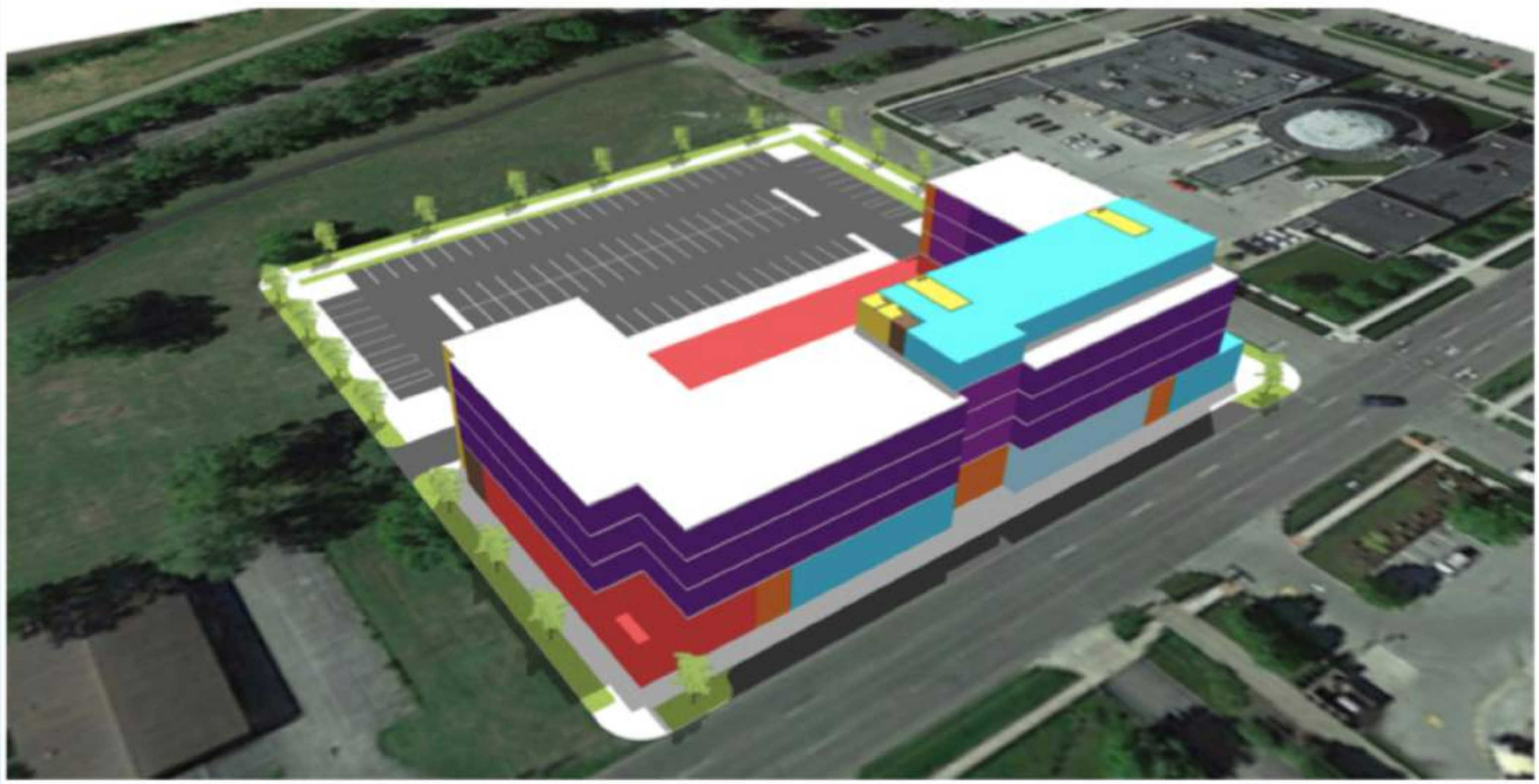
Option C | 5th Floor Plan

Site Analysis – 2nd and Lafayette

American Structurepoint

Option C – Aerial

2nd and Lafayette



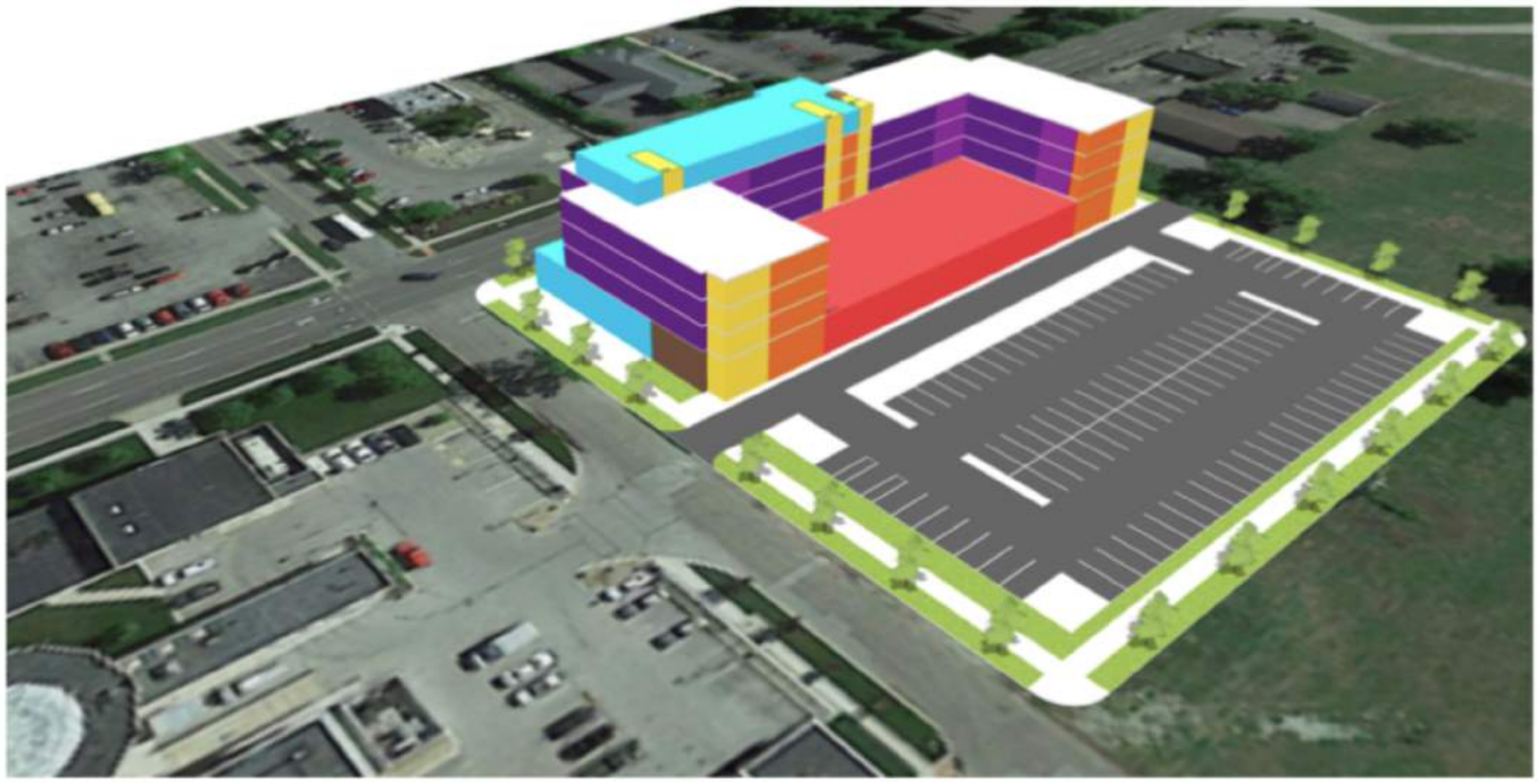
Option C | Aerial - looking southwest

Site Analysis – 2nd and Lafayette

American Structurepoint

Option C – Aerial

2nd and Lafayette



Option C | Aerial - looking northeast

Crump Site

Strengths

- The Crump is very connected to Downtown. The site is one block west of the probation site and one block south of the Downtown Columbus restaurants and retail.
- The Crump site provides the most unique footprint. From a design standpoint, the site forces vertical development which would create an exciting development for Columbus.

Weaknesses

- The Crump lot size is very small at 150 feet by 124 feet, in total. This provides no room for structured or surface parking on-site.
- Vertical development requires the use of steel structure which significantly increases development costs.
- The site is not city or county owned, providing challenges.
- Many unknowns surrounding the Crump building.

Site Analysis – Crump Site

American Structurepoint

Option D – First Floor

Crump Site

Option D | First Floor Plan

Site Analysis – Crump Site

American Structurepoint

Option D – 2nd – 9th floors

Crump Site

Option C | 2nd - 9th Floor Plan

Site Analysis – Crump Site

American Structurepoint

Option D – 5th floor

Crump Site

Option C | 5th Floor Plan

Site Analysis – Crump Site

American Structurepoint

Option D – Aerial

Crump Site

Option D | Aerial - looking northeast

Site Analysis – Crump Site

American Structurepoint

Option D – Aerial

Crump Site

Option D | Aerial - looking southwest

Chapter 7

Comparable Developments

Columbus Comparable Facilities

Facility	Location	Opened	Rooms	Ballroom Space (SF)	Meeting Space (SF)	# of Meeting Rooms
Hilton Garden Inn Louisville Airport	Louisville, KY	2003	208	7,148	6,120	6
Hilton Garden Inn + Bancorp Conferene Center and Arena*	Tupelo, MS	2006	158	10,230	17,303	14
Aloft Newport on the Levee	Newport, KY	2017	144	--	2,250	3
Hilton Garden Inn Manhattan	Manhattan, KS	2011	135	14,512	16,382	11
Hilton Garden Inn / Johnny's Italian Steakhouse	Sun Prarie, WI	n/a	124	--	7,315	2
Average		**2009**	**154**	**10,630**	**9,874**	**7**

*The hotel and convention center are adjacent, but not connected

Source: Cvent; Various Sources; Hunden Strategic Partners

Hilton Garden Inn + BancorpSouth Conference Center and Arena – Tupelo, MS

Opened: November 2006

Rooms: 158

Owned by: Peachtree Hotel Group
Operated by: Peachtree Hotel Group Management

City of Tupelo Population (2016): 38,842
Lee County Population (2015): 85,300

Ballroom space (Adjacent, not connected) – 10,000 SF; breaks into 9 meeting rooms
Bancorp South – 5,600 SF and breaks into 5-meeting rooms
Arena Space – 55,000 SF

Renovated in August 2014, the 158-room hotel is located in downtown Tupelo in close proximity to a plethora of retail options and Elvis' birthplace.

hunden strategic partners

Aloft Newport on the Levee – Newport, KY

Opened: January 2017

Rooms: 144

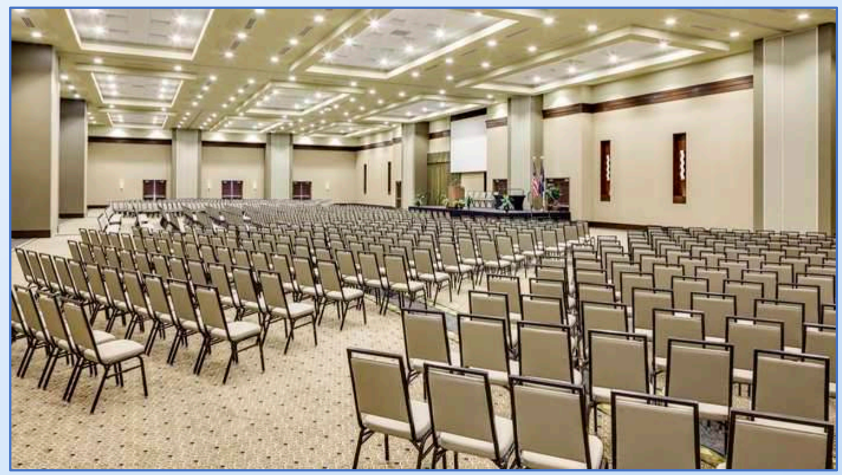
Owned by: Musselman Hotels
Operated by: Musselman Hotels Management

City of Newport Population (2016): 15,241
County Population (2015): 92,066

Meeting Space – 2,250 SF and can be divided into 3 rooms

The Aloft Newport on the Levee is just a mile walk across the river from Downtown Cincinnati, Bengals and Reds games, and the Duke Energy Convention Center. One of the hotel's key partners is the famous German beer hall, Hofbrauhaus. The hotel is part of a larger $80 million mixed use development.

Hilton Garden Inn Manhattan – Manhattan, KS



Opened: November 2011

Rooms: 135

Owned by: n/a
Operated by: n/a

City of Manhattan Population (2016): 54,983
County Population (2015): 75,247

Ballroom – 15,000 SF
Meeting Space – 16,000 between 11 rooms (rooms range in size from 426 SF to 3,558 SF)

The venue is located conveniently off of Interstate I-70 from Kansas State and the hotel provides shuttle services to and from the Manhattan, KS Regional Airport.

Hilton Garden Inn / Johnny's Italian Steakhouse – Sun Prairie, WI

Opened: U/C 2018 (August Open Date)

Rooms: 124

Owned by: Heart of America Group
Operated by: Heart of America Group

City of Sun Prairie Population (2016): 32,820
Dane County Population (2015): 523,643

The 124-room proposed Sun Prairie project broke ground in July of 2017. In addition to a Johnny's Italian Steakhouse, the hotel will offer meeting room space. The budget is between $22 and $24 million which includes $5 million in incentives. The project is expected to generate nearly $25 million in tax increment using the current 4% hotel occupancy tax. The developers have recommended that the City of Sun Prairie increase their pillow tax to 7% or 8%.

Hilton Garden Inn – Kokomo, IN

Opened: Announced – No Time Frame

Rooms: 123

Owned by: Dora Hotel Company
Operated by: Dora Hotel Company

City of Kokomo Population (2016): 57,799
Howard County Population (2015): 82,556

The 123-room proposed Kokomo has not broken ground but were confirmed publicly in July 2018. The $26 million development will include the Hilton Garden Inn, conference center capable of accommodating 560 people and auto museum. Kokomo has played an active role in preparing the land for the project by purchasing properties and demolishing them to clear the area. The CVB reduced its operating budget by 50 percent starting in 2015 to raise over $1.5 million for project funding.

Source: Indiana Public Media

Chapter 8

Hotel Demand and Financial Projections

hunden strategic partners

Demand and Financial Projections

Performance Projections

Year	Average Daily Rate	Occupancy	Revenue per Available Room	Annual Increase
Year 1	$149	65%	$97	–
Year 2	$153	72%	$109	12.5%
Year 3	$156	74%	$115	5.7%
Year 4	$160	75%	$119	3.3%
Year 5	$163	75%	$122	2.2%
Year 6	$167	75%	$125	2.2%
Year 7	$171	75%	$127	2.2%
Year 8	$174	75%	$130	2.2%
Year 9	$178	75%	$133	2.2%
Year 10	$182	75%	$136	2.2%

Source: Hunden Strategic Partners

Chapter 9

Economic, Fiscal, and Employment Impact

Economic, Fiscal, and Employment Impact

Summary of 10-Year Impacts	
Net New Spending	**(millions)**
Direct	$181
Indirect	$61
Induced	$71
Total	**$312**
Net New Earnings	**(millions)**
From Direct	$56
From Indirect	$20
From Induced	$21
Total	**$97**
Net New FTE Jobs	**Actual**
From Direct	300
From Indirect	102
From Induced	118
Total	**519**
Taxes Collected	**(millions)**
City Hotel Tax (5%)	$4.5
Property Tax	$2.9
Total	**$9.5**
Construction Impact	**(millions)**
New Materials Spending	$24.2
New Labor Spending	$21.0
Job-Years, Actual	**388**

Source: Hunden Strategic Partners

THANK YOU