



## **OFFICIAL PUBLIC NOTICE**

### **MEETING OF THE COMMON COUNCIL**

**TUESDAY, AUGUST 01, 2023 AT 6:30 PM**

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**COUNCIL ROOM, MUNICIPAL BUILDING, 450 S. MAIN ST., RICHLAND CENTER, WI 53581 & VIA WEBEX**

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#### **MICROSOFT TEAMS MEETING:**

[https://teams.microsoft.com/l/meetup-](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZTY1MTM2MjctMTA5NS00NThlLWE2Y2QtMmFkMjA2YjdjZDI5%40thread.v2/0?context=%7b%22Tid%22%3a%2214038f70-880a-4544-99f2-5408da444e94%22%2c%22Oid%22%3a%2220a2cb6e-5013-48b7-acae-ea44f9362dd0%22%7d)

[join/19%3ameeting\\_ZTY1MTM2MjctMTA5NS00NThlLWE2Y2QtMmFkMjA2YjdjZDI5%40thread.v2/0?context=%7b%22Tid%22%3a%2214038f70-880a-4544-99f2-5408da444e94%22%2c%22Oid%22%3a%2220a2cb6e-5013-48b7-acae-ea44f9362dd0%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZTY1MTM2MjctMTA5NS00NThlLWE2Y2QtMmFkMjA2YjdjZDI5%40thread.v2/0?context=%7b%22Tid%22%3a%2214038f70-880a-4544-99f2-5408da444e94%22%2c%22Oid%22%3a%2220a2cb6e-5013-48b7-acae-ea44f9362dd0%22%7d)

**Meeting ID:** 232 766 620 425

**Passcode:** dzAWHY

#### **AMENDED AGENDA**

**CALL TO ORDER:** *Pledge of Allegiance; Roll Call for the meeting, determine whether a quorum is present; determine whether the meeting has been properly noticed.*

**APPROVAL OF MINUTES:** *Entertain a motion to waive the reading of the minutes of the last meeting in lieu of printed copies and approve said minutes or correct and approve said minutes.*

- [1.](#) Minutes of July 11, 2023
- [2.](#) Minutes of July 18, 2023 Special Session

#### **APPROVAL OF AGENDA:**

#### **INFORMATIONAL PRESENTATION - RICHLAND HOSPITAL UPDATE**

#### **CITY AND UTILITY DEPARTMENT HEAD REPORTS AND CONCERNS:**

**MAYOR AND ALDERPERSONS:** *Committee/Commission/Board Reports and Comments and/or items to be discussed at a future meeting.*

#### **TREASURER'S REPORT:**

- [3.](#) Treasurer's Report 07/31/2023

#### **PAYMENT OF BILLS:**

- [4.](#) Bills 08 01 2023

#### **ITEMS FOR DISCUSSION AND ACTION:**

- [5.](#) Update on Housing Development Efforts

#### **ITEMS FOR DISCUSSION AND ACTION:**

- [6.](#) Temporary Class B Picnic License application for AD German Warehouse Conservancy at 177 E. Haseltine on September 16, 2023
- [7.](#) Tobacco License Application - Richland Smokes, LLC; 165 Richland Square
8. Class B Beer & Class C Wine License Application for Pine River Smoke Co., 249 W. Court Street; Douglas Kratochwill, Agent
9. Class B Beer & Class B Liquor License Application for TKO BBQ Bar & Grill, LLC, 165 W. Court Street; Tim Oman Agent
- [10.](#) Amendment to 101.04 Stop Sign at Sheldon and Seminary Streets

#### **FINANCE COMMITTEE RECOMMENDATIONS AND ACTION: (CAIRNS)**

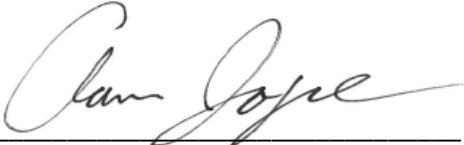
- [11.](#) Consider Offer to Purchase 460 W 1st Street
- [12.](#) Consider reallocation of funds from Police Outlay in 2023 budget to purchase police tasers
- [13.](#) Consider Request to Authorize an Application for the US Bank NASPO Commercial Card Program
- [14.](#) Consider Request to Authorize a Hotel Feasibility Study

**APPOINTMENTS TO COMMITTEES, COMMISSIONS, BOARDS AND CONFIRM APPOINTMENTS:**

**PUBLIC COMMENT:** *No Council action will be taken on any matter originating under this item.*

**ADJOURN:**

Posted this 28th day of July, 2023 by 4:30 PM.  
Copy to the official newspaper the Richland Observer.



Aaron Joyce, City Clerk/Treasurer

PLEASE NOTE: That upon reasonable notice, a minimum of 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service contact Ashley Oliphant, City Administrator at 450 S. Main St., Richland Center, WI. 53581 or call 608-647-3466. Notice is hereby given that the council members who are not members of this committee may attend this meeting so as to constitute a quorum of the city council. Any such council member attendance will be for information gathering, discussion, and/or related purposes and will not result in the direct decision making by the city council at the committee meeting. The City of Richland Center is an equal opportunity employer, provider, and lender.

## MINUTES

**CALL TO ORDER:** Meeting was called to order by Mayor Coppernoll at 6:30 PM. Members present were Karin Tepley, Tom McCarthy, Mark Chambers, Melony Walters, Kevin Melby, Steve Downs, and Ryan Cairns.

**APPROVAL OF MINUTES:** Motion by Chambers to approve the minutes of the June 6, 2023 Common Council meeting as presented. Seconded by Walters. Motion carried 7-0.

**APPROVAL OF AGENDA:** Mayor Coppernoll requested that appointments be moved up earlier in the agenda. Motion by Walters to approve the agenda with the Appointments being moved to earlier in the agenda. Seconded by Melby. Motion carried 7-0.

### PROCLAMATION FOR AMERICAN LEGION

2. **Proclamation of July 21<sup>st</sup> as "The American Legion Day":** Mayor Coppernoll read the proclamation and presented it to American Legion Post #13 Commander Dan Kramer.

**CITY AND UTILITY DEPARTMENT HEAD REPORTS AND CONCERNS:** None

**MAYOR AND ALDERPERSONS:** Karin Tepley, reporting for the Library Board, noted that circulation is up from last month. Children Programs have been well attended. Tepley said that the Brewer Library will see a decrease of about \$13,000 in library funding based on a formula on number of items checked out. Tepley reported that the "Walk your Wheels" artwork is done and has been distributed to downtown areas. She noted that the effort involved several local businesses and community groups and called it "a project well done". Melony Walters reported that the Symons Natatorium met Monday night. She stated that Symons is like other facilities that employ lifeguards and have a difficult time finding people to serve in that capacity. Walters said that there has been legislation in other states that allows certain adult swim sessions to take place with no lifeguard on duty. She hoped that a resolution could be proposed that would be forwarded to state officials Marklein and Kurtz to encourage them to propose a bill for "adult swim" legislation. Finally, Walters reported that there are still job openings in the city including Zoning Administrator, police officer, Director of Public Works, and street crew. Steve Downs stated that he has received an inquiry about the city's dog ordinance. He said that the unclear nature of the city's ordinance on the website in relation to a kennel permit has caused hardships for people. He hoped to either allow for the kennel permits to be allowed or make the ordinance clearer on the website. Administrator Oliphant noted that the current recodification processes the ordinances are going through will hopefully get rid of redundancies and help make the ordinances clearer for people to understand. Mayor Coppernoll reported that he has spoken to our local state representatives about the recent state budget in relation to local revenue share. He said the City of Richland Center will receive an approximate \$300,000 increase in state funding in 2024.

### TREASURER'S REPORT:

3. Motion by Downs to approve the Treasurer's Report as presented. Seconded by Tepley. Motion carried 7-0.

Item 1.

#### **PAYMENT OF BILLS:**

4. Motion by Walters to approve the bills as presented. Seconded by Chambers. Motion carried 7-0.

**APPOINTMENTS TO COMMITTEES, COMMISSIONS, BOARDS AND CONFIRM APPOINTMENTS:** Mayor Coppernoll said that two people were interested in the recent vacancy in the District 1 Alderperson seat, but one individual recently removed themselves from consideration. Coppernoll recommended Connie Hoppenjan to fill the seat for the remainder of the term and will need to be on the ballot in April 2024. Motion by Chambers to approve Connie Hoppenjan to fill the vacancy of District 1 Alderperson. Seconded by Downs. Motion carried 7-0. Motion by Tepley to appoint Connie Hoppenjan to the Public Works & Property Committee. Seconded by Melby. Motion carried 7-0.

Mayor Coppernoll recommended Karin Tepley to serve as the alternate on the 2023 Board of Review. Motion by Chambers to appoint Karin Tepley to serve as the alternate on the 2023 Board of Review. Seconded by Downs. Motion carried 7-0.

#### **HISTORIC PRESERVATION COMMISSION RECOMMENDATION:**

5. **Consider approval of designating the Albert J. Strang House at 255 S. Sheldon Street, present owner Robert Tober, be placed on the local historic register:** The application from Robert Tober was reviewed and approved at the most recent Historic Preservation Commission meeting. The home was constructed in 1894 and is considered American Foursquare style. Albert J. Strang was an early and prominent Richland Center businessman. His father, George Strang, started the local hardware store, Strang Hardware, in 1878. Albert had also studied electrical engineering and was involved in installing the first electric lighting system in Richland Center. It was noted that, while the Historic Preservation Commission is concerned with the exterior of a home only, the home's interior at 255 S. Sheldon Street remains period with much architecture. Motion by Tepley to approve designating the Albert J. Strang House at 255 S. Sheldon Street, present owner Robert Tober, placed on the local historic register. Seconded by Downs. Motion carried 7-0.

#### **ITEMS FOR DISCUSSION AND ACTION:**

6. **Richland Center Municipal Airport Flight Pattern:** Mayor met with several local pilots on Monday night regarding left-hand vs. right-hand flight pattern. Left hand is what it historically was, but was changed recently to right-turning. Markings are required on the ground if there is a right-hand pattern, which the city does not currently have. Pilot Mike Kaufman, who was a proponent of the right-hand flight pattern, stated that he would be ok with either way. Right hand would avoid the noise over the village and subdivision at Sextonville. There is also a hill in that area. Pilot Jason Perkins stated that an indicator is required for a right-handed pattern and the right-hand pattern would also conflict with the grass strip at the airport. Would not be easy to add the segmented circle. Alderperson Melby noted that it would be cheaper for the city and would get the airport back in compliance if the left-hand flight pattern is returned. In the meantime, Kaufman said that the current right-hand pattern at the Richland Airport needs to be in compliance regardless until the change back to left-hand takes place. Perkins noted that it would be costly to add that, but that could be made as a notice to airmen. It was noted that such changes in the future need to go through a committee first before any



action is taken, which the change to left-hand pattern was originally not. Cairns expressed the need to reinstate the city's Airport Commission to help deal with issues like this that arise at the airport. Motion by Downs to return the flight pattern at The Richland Airport to left-hand. Seconded by Melby. Motion carried 5-2, with Cairns and Teply voting no.

Item 1.

#### **FINANCE COMMITTEE RECOMMENDATIONS AND ACTION:**

7. **Utility Billing Error:** It was explained that a recent check and review of meters in the city resulted in the discovery of four meters that did not have a multiplier installed correctly. Three of those meters were at city-owned properties including the aquatic center and ballfield lights totaling \$32,028.28. It's likely the error went back several years, however the utility could only back-bill two years to recoup the incorrect charges. It was noted that the charges are for the electricity that was truly used and could be paid back over a 24-month period if desired. The Finance Committee reviewed the issue. It was noted that there was \$100,000 budgeted in the 2023 Contingency Fund that hasn't been used. Motion by Walters to pay \$16,014.14 out of the 2023 Contingency Fund and the remaining \$16,014.14 would be budgeted and paid out in 2024. Seconded by Downs. Motion carried 7-0.
8. **Funding for Vernon Thomson Memorial:** Bob Bellman spoke at the last City Council meeting regarding erecting a memorial for Richland Center native and former Wisconsin governor Vernon Thomson. There would need to be some funds allocated by the city for the application for the memorial. The cost for the memorial itself is dictated by the number of characters on the display and is figured to be approximately \$2,000, however Bellman indicated that that cost could be fundraised for. The funding needed from the city for the application of the memorial for Vernon Thomson is \$250. It was noted that funds could come from Mayor Discretionary line item in 2023 budget. Motion by Walters to approve \$250 for the Vernon Thomson Memorial with the funds coming from the Mayor's Discretionary line item in the 2023 budget. Seconded by Cairns. Motion carried 7-0.

#### **DEPARTMENT HEAD REPORTS:**

9. **Tourism – Marty Richards:** Richards said that Richland Center Tourism had a great past 12 months. He said that several indicators confirm that including website traffic and room tax dollars. He said that RC Tourism targets people who live within three hours of the community, including Milwaukee, Chicago, and Minneapolis. Advertising efforts have included digital billboards, print, social media. There is a targeted effort in the Milwaukee area for individuals with specific interests and age ranges. He said that those efforts have also been successful. Richards said that Richland County is an area where people want to come and disconnect and for serenity. He noted that 2023 as a whole is expected to be very strong, and said that the RC Tourism YouTube channel is growing very fast and has had lots of interest.

**PUBLIC COMMENT:** None

**CLOSED SESSION:** Motion by Melby to go into closed session pursuant to Wis. Stat, Sec 1985(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Council will discuss the topic of Land Procurement. Seconded by Chambers. Motion to go into closed session approved 7-0 at 7:44 PM.

**RECONVENE INTO OPEN SESSION:** Motion by Chambers to reconvene into open session. Seconded by Walters. Motion to reconvene into open session approved 7-0 at 11:13 PM. No action taken on matters discussed in closed session.

*Item 1.*

**ADJOURN:** Motion by Chambers to adjourn. Seconded by Melby. Motion to adjourn approved 7-0 at 11:14 PM.

Minutes respectfully submitted by Aaron Joyce, City Clerk/Treasurer.

TUESDAY, JULY 18, 2023 AT 6:00 PM

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COUNCIL ROOM, MUNICIPAL BUILDING, 450 S. MAIN ST., RICHLAND CENTER, WI 53581 & VIA WEBEX

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## MINUTES

**CALL TO ORDER:** Meeting was called to order by Mayor Coppernoll at 6:05 PM. Members present were Connie Hoppenjan, Karin Tepley, Tom McCarthy, Mark Chambers, Kevin Melby, Steve Downs, and Ryan Cairns. Alderperson Melony Walters was absent.

**CLOSED SESSION:** Motion by Tepley to enter into closed session pursuant to Wis. Stat, Sec 1985(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The purpose of closed session is for the topic of Land Procurement & Development Negotiations. Seconded by Chambers. Motion to go into closed session approved 7-0 at 6:06 PM.

**RECONVENE INTO OPEN SESSION:** Motion by Cairns to reconvene into open session. Seconded by Tepley. Motion to reconvene into open session carried 7-0 at 9:31 PM. No action was taken on matters discussed in closed session.

**ADJOURN:** Motion by Cairns to adjourn. Seconded by Chambers. Motion to adjourn carried 7-0 at 9:32 PM.

Minutes respectfully submitted by Aaron Joyce, City Clerk/Treasurer.

| CITY OF RICHLAND CENTER - TREASURER'S REPORT            |                        |                      |                      |                        |
|---|------------------------|----------------------|----------------------|------------------------|
|   | 7/31/2023              |                      |                      |                        |
| FUNDS   | BEG/MO BAL             | RECEIPTS             | DISBURSEMENTS        | END/MO BAL             |
| Deposits  |                        |                      |                      |                        |
| Disbursements   |                        |                      |                      |                        |
| <b>City General Unassigned:</b>                         | <b>\$ 522,205.78</b>   | <b>\$ 757,272.65</b> | <b>\$ 876,611.86</b> | <b>\$ 402,866.57</b>   |
| <b>State Investments #1 Unassigned</b>                  | <b>\$ 4,531,044.35</b> | <b>\$ 371,935.88</b> | <b>\$ 545,950.00</b> | <b>\$ 4,357,030.23</b> |
| Property Tax Account (partial unassigned)               | \$ 29,921.02           |                      |                      | \$ 29,921.02           |
| <b>#2 Landfill long term care (for landfill issues)</b> | <b>\$ 597,652.07</b>   | <b>\$ 2,498.95</b>   |                      | <b>\$ 600,151.02</b>   |
| <b>#3 TIF-Panorama Estates (TIF 6)</b>                  | <b>\$ 169,688.93</b>   | <b>\$ 709.52</b>     |                      | <b>\$ 170,398.45</b>   |
| <b>#6 TIF 2-5 (only #4)</b>                             | <b>\$ 136,548.20</b>   | <b>\$ 570.95</b>     |                      | <b>\$ 137,119.15</b>   |
| RLF Business Savings                                    | \$ 576,639.07          |                      |                      | \$ 576,639.07          |
| RLF Business Checking                                   | \$ 1,164.57            |                      |                      | \$ 1,164.57            |
| <b>RESTRICTED FUNDS: (by outside entity)</b>            |                        |                      |                      |                        |
| CDBG Housing RLF  | \$ 128,018.71          | \$ 100.00            |                      | \$ 128,118.71          |
| Landfill Long Term Care CD to 2045                      | \$ 304,212.56          | \$ 2,700.32          |                      | \$ 306,912.88          |
| Landfill Long Term Care CD to 2045                      | \$ 305,968.89          |                      |                      | \$ 305,968.89          |
| Library Checking  | \$ 371,441.70          | \$ 774.00            | \$ 25,847.41         | \$ 346,368.29          |
| Canine Fund   | \$ 40,694.84           | \$ 35.31             | \$ 436.31            | \$ 40,293.84           |
| Room Tax  | \$ 27,035.63           | \$ 18,974.10         |                      | \$ 46,009.73           |
| Greater Richland Tourism                                | \$ 26,119.81           |                      | \$ 3,133.00          | \$ 22,986.81           |
| Redevelopment Authority                                 | \$ 68,272.34           |                      |                      | \$ 68,272.34           |
| <b>#5 Renew RC Loan Program-Affordable Housi</b>        | <b>\$ 1,005,918.25</b> | <b>\$ 4,206.03</b>   |                      | <b>\$ 1,010,124.28</b> |
| <b>Renew RC Loan Program-Checking</b>                   | <b>\$ 43,360.63</b>    |                      |                      | <b>\$ 43,360.63</b>    |
| <b>COMMITTED: (by resolution of the Council)</b>        |                        |                      |                      |                        |
| <b>#4 Projects committed</b>                            | <b>\$ 1,630,549.44</b> | <b>\$ 6,782.08</b>   | <b>\$ 8,540.95</b>   | <b>\$ 1,628,790.57</b> |
| <b>ASSIGNED: (for specific use, not assigned)</b>       |                        |                      |                      |                        |
| Cemetery CDs  | \$ 4,837.04            |                      |                      | \$ 4,837.04            |
| Park/Rec/Comm Center                                    | \$ 10,094.75           |                      |                      | \$ 10,094.75           |
| Aquatic Center  | \$ 74,410.03           | \$ 1,000.00          |                      | \$ 75,410.03           |

Item 3.

| CITY OF RICHLAND CENTER              |  |                  |                   |                 |                               |                             |
|--------------------------------------|--|------------------|-------------------|-----------------|-------------------------------|-----------------------------|
| Utility Report - Month July 31, 2023 |  |                  |                   |                 |                               |                             |
| FUNDS                                | TREASURER BAL<br>BEG OF MONTH  | RECEIPTS         | TOTAL             | DISBURSEMENTS   | TREASURER BAL<br>END OF MONTH | Unrestricted<br>INVESTMENTS |
| GARBAGE                              |  | 22,443.79        |                   |                 |                               |                             |
| PUBLIC BENEFIT                       |  | 3,530.14         |                   |                 |                               |                             |
| ELECTRIC UTILITY                     | 111,106.08   | 1,287,169.09     | 1,424,249.10      | 1,137,475.27    | \$ 286,773.83                 | \$ 250,400.74               |
| WATER UTILITY                        | 455,929.37   | 564,638.76       | 1,020,568.13      | 667,561.75      | \$ 353,006.38                 | \$ 60,685.50                |
| SEWER UTILITY                        | 9,796.29   | 457,277.66       | 467,073.95        | 321,382.36      | \$ 145,691.59                 | \$ 86,942.15                |
|                                      |  |                  |                   |                 |                               |                             |
| <b>Restricted</b>                    |  | <b>Location</b>  | <b>% Interest</b> | <b>Due Date</b> |                               |                             |
| WWTP Replacement Fund                | 1,800,293.57   | State            | Variable 5.09     | None            |                               |                             |
| WWTP Bond Fund                       | 81,095.64  | State            | Variable 5.09     | None            |                               |                             |
| Electric Replacement Fund            | 512,864.12   | State            | Variable 5.09     | None            |                               |                             |
| Electric Bond Fund                   | 206,017.76   | State            | Variable 5.09     | None            |                               |                             |
| Electric                             | 222,582.30   | State            | Variable 5.09     | None            |                               |                             |
| Electric                             | 103,100.22   | Community First  | 1.13              | 07/20/23        |                               |                             |
| Electric                             | 24,628.71  | Community First  | Variable .30      | None            |                               |                             |
| Electric                             | 219,433.81   | State            | Variable 5.09     | None            |                               |                             |
| Electric - AMI                       | 288,430.31   | State            | Variable 5.09     | None            |                               |                             |
| Water Replacement Fund               | 287,837.46   | State            | Variable 5.09     | None            |                               |                             |
| Water                                | 415,485.68   | State            | Variable 5.09     | None            |                               |                             |
| Water - Clean Wa Loan#8 5-2028       | 41,149.36  | State            | Variable 5.09     | None            |                               |                             |
| Water                                | 56,921.31  | Community First  | Variable .30      | None            |                               |                             |
| Water - Reservoir Loan#5-2039        | 52,603.91  | State            | Variable 5.09     | None            |                               |                             |
| Water - AMI                          | 102,674.28   | State            | Variable 5.09     | None            |                               |                             |
| Water                                | 201,180.27   | Community First  | Variable .90      | 10/12/23        |                               |                             |
| Water DNR Loan                       | 10.00  | Richland Co Bank |                   |                 |                               |                             |
| WWTP                                 | 26,588.21  | Community First  | Variable .30      | None            |                               |                             |
| WWTP                                 | 55,874.01  | State            | Variable 5.09     | None            |                               |                             |
| USDA Reserve Acct                    | 625,000.00   | State            | Variable 5.09     | Restricted      |                               |                             |
| USDA 2015 Bond Fund                  | 157,004.73   | Richland Co Bank | Variable 0.25     | Restricted      |                               |                             |
| WWTP -RATE STABILIZATION             | 866,658.09   | State            | Variable 5.09     | Restricted      |                               |                             |
|                                      |  |                  |                   |                 |                               |                             |
|                                      |  | <b>Location</b>  | <b>% Interest</b> | <b>Due Date</b> |                               |                             |
| Electric                             | 3,189.73   | RC Money Mkt     | Variable .25      |                 |                               |                             |
| Water                                | 3,764.19   | RC Money Mkt     | Variable .25      |                 |                               |                             |
| WWTP                                 | 4,479.93   | RC Money Mkt     | Variable .25      |                 |                               |                             |
|                                      |  |                  |                   |                 |                               |                             |
| <b>Restricted</b>                    | Restricted Funds are for Projects, Bond Payments and Equipment Replacement |                  |                   |                 |                               |                             |
| Electric                             | 1,329,846.22   |                  |                   |                 |                               |                             |
| Water                                | 1,100,940.96   |                  |                   |                 |                               |                             |
| WWTP                                 | 3,530,052.03   |                  |                   |                 |                               |                             |
| TOTAL RESTRICTED FUNDS               | 5,960,839.21   |                  |                   |                 |                               |                             |

City of Richland Center

Invoice Register - Richland Center  
Input Dates: 8/1/2023 - 8/1/2023Page: 1  
Aug 01, 2023 11:45AM

| Name  | Description            | GL Account   | Invoice          | Invoice Date | Total Cost |
|---|------------------------|--------------|------------------|--------------|------------|
| <b>ASSOCIATED BALANCE HEARI (2999)</b>        |                        |              |                  |              |            |
| ASSOCIATED BALANCE HEARI                      | INV #49631-PD HEARING  | 10-52100-860 | 49631            | 06/26/23     | 395.50     |
| Total ASSOCIATED BALANCE HEARI (2999):        |                        |              |                  |              | 395.50     |
| <b>BAUER, K PATRICK (3137)</b>                |                        |              |                  |              |            |
| BAUER, K PATRICK                              | SAFETY BOOTS REIMB-B   | 10-51850-400 | 070523 BOOTS     | 07/05/23     | 141.37     |
| Total BAUER, K PATRICK (3137):                |                        |              |                  |              | 141.37     |
| <b>BOARDMAN &amp; CLARK LLP (3040)</b>        |                        |              |                  |              |            |
| BOARDMAN & CLARK LLP                          | INV #271290-TAX ASSMT  | 10-51760-570 | 271290           | 07/28/23     | 32.00      |
| Total BOARDMAN & CLARK LLP (3040):            |                        |              |                  |              | 32.00      |
| <b>CITY TREASURER-PETTY CASH (90)</b>         |                        |              |                  |              |            |
| CITY TREASURER-PETTY CASH                     | REPLENISH FUND         | 10-51300-390 | 07-2023          | 07/31/23     | 44.61      |
| Total CITY TREASURER-PETTY CASH (90):         |                        |              |                  |              | 44.61      |
| <b>CITY UTILITIES (91)</b>                    |                        |              |                  |              |            |
| CITY UTILITIES                                | INV #5627 CITY UNDER B | 10-59100-390 | 5627             | 07/14/23     | 16,014.14  |
| CITY UTILITIES                                | INV #5628-LANDFILL LEA | 10-54500-680 | 5628             | 07/19/23     | 962.50     |
| Total CITY UTILITIES (91):                    |                        |              |                  |              | 16,976.64  |
| <b>COMPUTER DOCTORS LLC (2323)</b>            |                        |              |                  |              |            |
| COMPUTER DOCTORS LLC                          | INV #5602-TEPLEY IPAD  | 10-51000-390 | 5602             | 06/28/23     | 32.50      |
| COMPUTER DOCTORS LLC                          | INV #5615-EQUIP UPGRA  | 10-51400-430 | 5615             | 07/10/23     | 3,786.16   |
| COMPUTER DOCTORS LLC                          | INV #5616-LICENSES     | 10-51400-580 | 5616             | 07/10/23     | 122.97     |
| Total COMPUTER DOCTORS LLC (2323):            |                        |              |                  |              | 3,941.63   |
| <b>COSGROVE, MICHELLE (3941)</b>              |                        |              |                  |              |            |
| COSGROVE, MICHELLE                            | BBALL TOURNAMENT RE    | 10-46610-000 | 072623 REFUND    | 07/26/23     | 25.00      |
| Total COSGROVE, MICHELLE (3941):              |                        |              |                  |              | 25.00      |
| <b>EHLERS (3131)</b>                          |                        |              |                  |              |            |
| EHLERS  | INV #94648-PANORAMA E  | 10-14600-000 | 94648            | 07/10/23     | 300.00     |
| Total EHLERS (3131):                          |                        |              |                  |              | 300.00     |
| <b>EMERGENCY COMMUNICATION SYSTEMS (3209)</b> |                        |              |                  |              |            |
| EMERGENCY COMMUNICATION SYST                  | INV #4010-ANNUAL SIRE  | 10-52500-480 | 4010             | 07/25/23     | 2,429.00   |
| Total EMERGENCY COMMUNICATION SYSTEMS (3209): |                        |              |                  |              | 2,429.00   |
| <b>HEDGCOTH, KEN (3938)</b>                   |                        |              |                  |              |            |
| HEDGCOTH, KEN                                 | CAMPSITE REFUND        | 10-46632-000 | 071423 REFUND    | 07/14/23     | 490.00     |
| Total HEDGCOTH, KEN (3938):                   |                        |              |                  |              | 490.00     |
| <b>JELINEK, GRETCHEN (209)</b>                |                        |              |                  |              |            |
| JELINEK, GRETCHEN                             | JUL ASSESSOR PYMT-G    | 10-51600-560 | 07-2023 ASSESSOR | 07/26/23     | 1,658.33   |
| Total JELINEK, GRETCHEN (209):                |                        |              |                  |              | 1,658.33   |

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| Name   | Description           | GL Account   | Invoice             | Invoice Date | Total Cost |
|--|-----------------------|--------------|---------------------|--------------|------------|
| <b>KOELSCH, BEN (3592)</b>                   |                       |              |                     |              |            |
| KOELSCH, BEN                                 | JUL CABLE SPONSORSH   | 10-55600-390 | 07-2023 VIDEO       | 07/28/23     | 1,933.75   |
| Total KOELSCH, BEN (3592):                   |                       |              |                     |              | 1,933.75   |
| <b>KUSTOM SIGNALS, INC (1846)</b>            |                       |              |                     |              |            |
| KUSTOM SIGNALS, INC                          | ACCT #18488-POLICE DE | 10-52100-430 | 605089              | 07/25/23     | 134.00     |
| Total KUSTOM SIGNALS, INC (1846):            |                       |              |                     |              | 134.00     |
| <b>MIDWEST RADAR &amp; EQUIPMEN (272)</b>    |                       |              |                     |              |            |
| MIDWEST RADAR & EQUIPMEN                     | POLICE INV #172216    | 10-52100-555 | 172216              | 07/14/23     | 200.00     |
| Total MIDWEST RADAR & EQUIPMEN (272):        |                       |              |                     |              | 200.00     |
| <b>MOON, CAROL (3939)</b>                    |                       |              |                     |              |            |
| MOON, CAROL                                  | CASE 2023-785A RESTIT | 10-52100-860 | 071823 RESTITUTION  | 07/18/23     | 82.00      |
| Total MOON, CAROL (3939):                    |                       |              |                     |              | 82.00      |
| <b>MOORE, GLEE (3940)</b>                    |                       |              |                     |              |            |
| MOORE, GLEE                                  | EQUIP RENT REFUND     | 10-46500-000 | 072123 REFUND       | 07/21/23     | 10.00      |
| Total MOORE, GLEE (3940):                    |                       |              |                     |              | 10.00      |
| <b>PIONEER PRINT CO LLC (3587)</b>           |                       |              |                     |              |            |
| PIONEER PRINT CO LLC                         | INV #4663-PD STICKERS | 10-52100-860 | 4663                | 07/07/23     | 190.00     |
| PIONEER PRINT CO LLC                         | INV #4694-PUBLIC WORK | 10-54200-110 | 4694                | 07/21/23     | 596.20     |
| Total PIONEER PRINT CO LLC (3587):           |                       |              |                     |              | 786.20     |
| <b>POLICE DEPT PETTY CASH (315)</b>          |                       |              |                     |              |            |
| POLICE DEPT PETTY CASH                       | REPLENISH FUND        | 10-52100-340 | 07-2023             | 07/31/23     | 40.22      |
| Total POLICE DEPT PETTY CASH (315):          |                       |              |                     |              | 40.22      |
| <b>REEDSBURG AREA MEDICAL CENTER (2969)</b>  |                       |              |                     |              |            |
| REEDSBURG AREA MEDICAL CENTER                | ACCT #8810016754-MOE  | 10-51900-170 | 062023              | 07/21/23     | 60.00      |
| Total REEDSBURG AREA MEDICAL CENTER (2969):  |                       |              |                     |              | 60.00      |
| <b>RHYME BUSINESS PRODUCTS-DALLAS (2921)</b> |                       |              |                     |              |            |
| RHYME BUSINESS PRODUCTS-DALL                 | POLICE COPIER INV #34 | 10-52100-480 | 34469509            | 07/17/23     | 242.09     |
| Total RHYME BUSINESS PRODUCTS-DALLAS (2921): |                       |              |                     |              | 242.09     |
| <b>RICHLAND COUNTY AMBULANCE (348)</b>       |                       |              |                     |              |            |
| RICHLAND COUNTY AMBULANCE                    | AUG AMBULANCE PAYM    | 10-52600-560 | 082023 AMBULANCE    | 07/25/23     | 9,590.00   |
| Total RICHLAND COUNTY AMBULANCE (348):       |                       |              |                     |              | 9,590.00   |
| <b>RICHLAND COUNTY CLERK (351)</b>           |                       |              |                     |              |            |
| RICHLAND COUNTY CLERK                        | 2ND 1/2 2023 SYMONS P | 10-55500-470 | 2023 SYMONS 2ND HAL | 07/14/23     | 16,147.65  |
| Total RICHLAND COUNTY CLERK (351):           |                       |              |                     |              | 16,147.65  |
| <b>RICHLAND FIRE DISTRICT (1629)</b>         |                       |              |                     |              |            |
| RICHLAND FIRE DISTRICT                       | FIRE CALL-C MARTINEZ  | 10-52300-905 | 07122023            | 07/12/23     | 600.00     |

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| Name                                       | Description            | GL Account   | Invoice    | Invoice Date | Total Cost |
|--|------------------------|--------------|------------|--------------|------------|
| RICHLAND FIRE DISTRICT                     | 2ND HALF 2023 ASSESS   | 10-52300-560 | 219200     | 07/17/23     | 69,827.25  |
| RICHLAND FIRE DISTRICT                     | FIRE CALL-HILLSIDE DEP | 10-52300-905 | 223117     | 07/17/23     | 300.00     |
| RICHLAND FIRE DISTRICT                     | FIRE CALL-FOREMOST F   | 10-52300-905 | 223120     | 07/25/23     | 300.00     |
| Total RICHLAND FIRE DISTRICT (1629):       |                        |              |            |              | 71,027.25  |
| <b>RICHLAND HOSPITAL, INC (358)</b>        |                        |              |            |              |            |
| RICHLAND HOSPITAL, INC                     | JUN LAB SERVICES-POLI  | 10-52100-810 | 17         | 07/10/23     | 160.00     |
| Total RICHLAND HOSPITAL, INC (358):        |                        |              |            |              | 160.00     |
| <b>SHOPPING NEWS, INC (392)</b>            |                        |              |            |              |            |
| SHOPPING NEWS, INC                         | ACCT #22251-WALK YOU   | 10-56500-380 | 062322251  | 06/20/23     | 279.17     |
| Total SHOPPING NEWS, INC (392):            |                        |              |            |              | 279.17     |
| <b>SIRCHIE ACQUISITION COMP (395)</b>      |                        |              |            |              |            |
| SIRCHIE ACQUISITION COMP                   | ACCT #00-A53581-POLIC  | 10-52100-810 | 0599221-IN | 07/05/23     | 92.96      |
| SIRCHIE ACQUISITION COMP                   | ACCT #00-A53581-POLIC  | 10-52100-810 | 0600097-IN | 07/11/23     | 57.42      |
| SIRCHIE ACQUISITION COMP                   | ACCT #00-A53581-POLIC  | 10-52100-810 | 0602319-IN | 07/26/23     | 47.25      |
| Total SIRCHIE ACQUISITION COMP (395):      |                        |              |            |              | 197.63     |
| <b>TC AUTOWORKS LLC (3622)</b>             |                        |              |            |              |            |
| TC AUTOWORKS, LLC                          | ACCT #01144-POLICE DE  | 10-52100-425 | 11754      | 07/25/23     | 61.92      |
| Total TC AUTOWORKS LLC (3622):             |                        |              |            |              | 61.92      |
| <b>TOTAL TECH (3942)</b>                   |                        |              |            |              |            |
| TOTAL TECH                                 | POLICE INV #17901      | 10-52100-425 | 17901      | 07/31/23     | 389.95     |
| TOTAL TECH (3942):                         |                        |              |            |              | 389.95     |
| <b>U S CELLULAR (433)</b>                  |                        |              |            |              |            |
| U S CELLULAR                               | ACCT #201978132-CELL/  | 10-55200-300 | 0593460388 | 07/18/23     | 54.50      |
| U S CELLULAR                               | ACCT #201978132-CELL/  | 10-51200-300 | 0593460388 | 07/18/23     | 38.99      |
| U S CELLULAR                               | ACCT #201978132-CELL/  | 10-51850-300 | 0593460388 | 07/18/23     | 48.49      |
| U S CELLULAR                               | ACCT #201978132-CELL/  | 10-54200-300 | 0593460388 | 07/18/23     | 52.14      |
| Total U S CELLULAR (433):                  |                        |              |            |              | 194.12     |
| <b>UNITED TACTICAL SYSTEMS, LLC (3943)</b> |                        |              |            |              |            |
| UNITED TACTICAL SYSTEMS, LLC               | POLICE INV #0086037-IN | 10-52100-410 | 0086037-IN | 07/27/23     | 549.00     |
| Total UNITED TACTICAL SYSTEMS, LLC (3943): |                        |              |            |              | 549.00     |
| <b>VERIZON WIRELESS (2693)</b>             |                        |              |            |              |            |
| VERIZON WIRELESS                           | POLICE ACCT #28318695  | 10-52100-300 | 9940156870 | 07/21/23     | 758.77     |
| Total VERIZON WIRELESS (2693):             |                        |              |            |              | 758.77     |
| <b>VIERBICHER ASSOCIATES, INC (447)</b>    |                        |              |            |              |            |
| VIERBICHER ASSOCIATES, INC                 | INV #5-ZONING ADMINIS  | 10-52450-000 | 230056-5   | 07/07/23     | 5,635.50   |
| VIERBICHER ASSOCIATES, INC                 | INV #4-ZONING ORDINAN  | 10-61000-990 | 230057-4   | 07/07/23     | 4,153.50   |
| Total VIERBICHER ASSOCIATES, INC (447):    |                        |              |            |              | 9,789.00   |



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| Name                                  | Description            | GL Account   | Invoice           | Invoice Date | Total Cost |
|---------------------------------------|------------------------|--------------|-------------------|--------------|------------|
| <b>W CHRIS MCGOUGH, LLC (3688)</b>    |                        |              |                   |              |            |
| W CHRIS MCGOUGH, LLC                  | INV #1916-COUNCIL/GEN  | 10-51700-570 | 1916              | 07/31/23     | 4,650.00   |
| W CHRIS MCGOUGH, LLC                  | INV #1917-TRAFFIC COU  | 10-51700-570 | 1917              | 07/31/23     | 2,075.00   |
| Total W CHRIS MCGOUGH, LLC (3688):    |                        |              |                   |              | 6,725.00   |
| <b>WEGNER AUTO SERVICE (1291)</b>     |                        |              |                   |              |            |
| WEGNER AUTO SERVICE                   | TOWING CHARGES-RC P    | 10-52100-860 | 5005-CAD #P230038 | 07/24/23     | 175.00     |
| Total WEGNER AUTO SERVICE (1291):     |                        |              |                   |              | 175.00     |
| <b>WI DEPT OF JUSTICE-CRIME (476)</b> |                        |              |                   |              |            |
| WI DEPT OF JUSTICE-CRIME              | ACCT #G2489-POLICE DE  | 10-52100-860 | 070423            | 07/04/23     | 7.00       |
| WI DEPT OF JUSTICE-CRIME              | ACCT #G2489-POLICE DE  | 10-52100-860 | 070523            | 07/05/23     | 7.00       |
| WI DEPT OF JUSTICE-CRIME              | ACCT #G2489-POLICE DE  | 10-52100-860 | 072023            | 07/20/23     | 28.00      |
| Total WI DEPT OF JUSTICE-CRIME (476): |                        |              |                   |              | 42.00      |
| <b>WICONNECT WIRELESS LLC (3381)</b>  |                        |              |                   |              |            |
| WICONNECT WIRELESS LLC                | INV #198082-AIRPORT IN | 10-54900-300 | 198082            | 08/01/23     | 56.86      |
| Total WICONNECT WIRELESS LLC (3381):  |                        |              |                   |              | 56.86      |
| <b>WIL-KIL PEST CONTROL (464)</b>     |                        |              |                   |              |            |
| WIL-KIL PEST CONTROL                  | ACCT #133002-LANDFILL  | 10-54500-560 | 4696017           | 07/12/23     | 63.30      |
| WIL-KIL PEST CONTROL                  | ACCT #131539-MUN BLD   | 10-51800-560 | 4696124           | 07/13/23     | 63.30      |
| WIL-KIL PEST CONTROL                  | ACCT #210363-COMM CE   | 10-55200-560 | 4697155           | 07/12/23     | 76.55      |
| Total WIL-KIL PEST CONTROL (464):     |                        |              |                   |              | 203.15     |
| <b>WILSON, JARED (3174)</b>           |                        |              |                   |              |            |
| WILSON, JARED                         | MILEAGE REIMB-J WILS   | 10-52100-410 | 07242023          | 07/24/23     | 208.75     |
| Total WILSON, JARED (3174):           |                        |              |                   |              | 208.75     |
| <b>WPPI ENERGY (3434)</b>             |                        |              |                   |              |            |
| WPPI ENERGY                           | LED PROJ INV #INV19645 | 10-51850-470 | INV19645          | 08/01/23     | 421.62     |
| Total WPPI ENERGY (3434):             |                        |              |                   |              | 421.62     |
| Grand Totals:                         |                        |              |                   |              | 146,899.18 |

## Report GL Period Summary

| GL Period     | Amount     |
|---------------|------------|
| 08/23         | 146,899.18 |
| Grand Totals: | 146,899.18 |

Vendor number hash: 103966  
Vendor number hash - split: 105265  
Total number of invoices: 54  
Total number of transactions: 57

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| Terms Description | Invoice Amount | Discount Amount | Net Invoice Amount |
|-------------------|----------------|-----------------|--------------------|
| Terms Description | Invoice Amount | Discount Amount | Net Invoice Amount |
| Open Terms        | 146,899.18     | .00             | 146,899.18         |
| Grand Totals:     | 146,899.18     | .00             | 146,899.18         |

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Payment Approval Report - Finance Committee (Post Payment)  
Report dates: 7/4/2023-7/4/2023

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## Report Criteria:

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

| Vendor Name                | Invoice Date | Description                 | GL Account and Title        | Net<br>Invoice Amount |
|----------------------------|--------------|-----------------------------|-----------------------------|-----------------------|
| <b>07/04/2023</b>          |              |                             |                             |                       |
| <b>07-03-23 LIBRARY BD</b> |              |                             |                             |                       |
| ENTRANCE TECHNOLOG         | 06/23/2023   | LIBRARY-PREVENTATIVE MAI    | 20-55100-470 LIBRARY/MAINT  | 150.00                |
| GENUINE TELECOM            | 06/20/2023   | ACCT #99900-LIBRARY         | 20-55100-300 LIBRARY/PHONE/ | 40.73                 |
| WI DEPT OF ADMINISTRA      | 06/12/2023   | LIB TEACH INV #505-00000804 | 20-55100-300 LIBRARY/PHONE/ | 600.00                |
| Total LIBRARY FUND:        |              |                             |                             | 790.73                |
| Grand Totals:              |              |                             |                             | 790.73                |

City of Richland Center

Payment Approval Report - Finance Committee (Post Payment)

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Report dates: 7/27/2023-7/27/2023

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## Report Criteria:

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

| Vendor Name                | Invoice Date | Description                | GL Account and Title         | Net Invoice Amount |
|----------------------------|--------------|----------------------------|------------------------------|--------------------|
| <b>07/27/2023</b>          |              |                            |                              |                    |
| <b>07-27-23 LIBRARY BD</b> |              |                            |                              |                    |
| BAKER & TAYLOR             | 06/08/2023   | ACCT #L408232-ADULT ACCT   | 20-55100-720 LIBRARY/BOOKS   | 412.29             |
| BAKER & TAYLOR             | 06/23/2023   | ACCT #L408232-ADULT ACCT   | 20-55100-720 LIBRARY/BOOKS   | 165.95             |
| BAKER & TAYLOR             | 06/24/2023   | ACCT #L408232-ADULT ACCT   | 20-55100-720 LIBRARY/BOOKS   | 709.59             |
| BAKER & TAYLOR             | 06/29/2023   | ACCT #L408232-ADULT ACCT   | 20-55100-720 LIBRARY/BOOKS   | 376.82             |
| BAKER & TAYLOR             | 06/15/2023   | ACCT #L4275042-YOUTH ACC   | 20-55100-720 LIBRARY/BOOKS   | 141.12             |
| BAKER & TAYLOR             | 06/23/2023   | ACCT #L4275042-YOUTH ACC   | 20-55100-720 LIBRARY/BOOKS   | 30.41              |
| BAKER & TAYLOR             | 06/29/2023   | ACCT #L4275042-YOUTH ACC   | 20-55100-720 LIBRARY/BOOKS   | 5.08               |
| CITY UTILITIES-BILLS       | 07/11/2023   | EL/WA/SE-LIBRARY           | 20-55100-320 LIBRARY/UTILITI | 1,376.59           |
| FIRE PROTECTION SPEC       | 06/22/2023   | LIBRARY INV #1144571792    | 20-55100-470 LIBRARY/MAINT   | 267.69             |
| FRONTIER                   | 07/01/2023   | ACCT #60864764440101655-LI | 20-55100-300 LIBRARY/PHONE/  | 273.87             |
| GENUINE TELECOM            | 07/20/2023   | ACCT #99900-LIBRARY        | 20-55100-300 LIBRARY/PHONE/  | 81.46              |
| MIDWEST TAPE               | 04/24/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 661.50             |
| MIDWEST TAPE               | 04/28/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 399.37             |
| MIDWEST TAPE               | 05/08/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 235.00             |
| MIDWEST TAPE               | 05/12/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 271.07             |
| MIDWEST TAPE               | 05/23/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 149.92             |
| MIDWEST TAPE               | 05/31/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 259.33             |
| MIDWEST TAPE               | 06/06/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 75.72              |
| MIDWEST TAPE               | 06/12/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 29.98              |
| MIDWEST TAPE               | 06/20/2023   | ACCT #2000006521-LIBRARY   | 20-55100-710 LIBRARY/AUDIO/  | 14.99              |
| RHYME BUSINESS PROD        | 07/10/2023   | LIB COPIER INV #34434303   | 20-55100-340 LIBRARY/OFFICE  | 141.52             |
| SCHINDLER ELEVATOR         | 08/01/2023   | ACCT #1149548-LIBRARY ELE  | 20-55100-470 LIBRARY/MAINT   | 2,313.41           |
| SOUTHWEST WI LIBRAR        | 07/10/2023   | LIBRARY INV #1089          | 20-55100-750 LIBRARY/COMPU   | 3,241.14           |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-340 LIBRARY/OFFICE  | 58.00              |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-390 LIBRARY/MISC E  | 41.99              |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-530 LIBRARY/JANITO  | 165.77             |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-710 LIBRARY/AUDIO/  | 14.96              |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-720 LIBRARY/BOOKS   | 127.66             |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-740 LIBRARY/CHILDR  | 152.34             |
| VISA                       | 06/30/2023   | LIBRARY ACCT ENDING #6931  | 20-55100-745 LIBRARY/ADULT   | 116.42             |
| WALSH'S ACE HARDWAR        | 06/02/2023   | ACCT #100115-LIBRARY       | 20-55100-530 LIBRARY/JANITO  | 56.00              |
| WE ENERGIES                | 07/07/2023   | ACCT #071370497000001-LIBR | 20-55100-310 LIBRARY/HEAT    | 413.00             |
| Total LIBRARY FUND:        |              |                            |                              | 12,779.96          |
| Grand Totals:              |              |                            |                              | 12,779.96          |

## Report Criteria:

Invoices with totals above \$0.00 included.  
Paid and unpaid invoices included.

| Vendor Name             | Invoice Date | Description               | GL Account and Title         | Net Invoice Amount |
|-------------------------|--------------|---------------------------|------------------------------|--------------------|
| <b>07/09/2023</b>       |              |                           |                              |                    |
| <b>07-10-23 PARK BD</b> |              |                           |                              |                    |
| AMAZON CAPITAL SERVI    | 06/19/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55200-640 COMM CTR/REC    | 263.21             |
| AMAZON CAPITAL SERVI    | 06/20/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55410-620 AQUA CTR/CHEM   | 111.92             |
| AMAZON CAPITAL SERVI    | 06/24/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-61000-963 OUTLAY/AQUATI   | 523.94             |
| AMAZON CAPITAL SERVI    | 06/25/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-61000-963 OUTLAY/AQUATI   | 60.38              |
| AMAZON CAPITAL SERVI    | 06/25/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55200-430 COMM CTR/EQUI   | 42.73              |
| AMAZON CAPITAL SERVI    | 06/25/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55410-620 AQUA CTR/CHEM   | 36.99              |
| AMAZON CAPITAL SERVI    | 07/02/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55200-520 COMM CTR/SUP    | 47.36              |
| AMAZON CAPITAL SERVI    | 07/02/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55200-640 COMM CTR/REC    | 8.95               |
| AMAZON CAPITAL SERVI    | 07/02/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-61000-963 OUTLAY/AQUATI   | 89.45              |
| AMAZON CAPITAL SERVI    | 07/05/2023   | CITY ACCT #A2D4H70ZB1JL0D | 10-55200-520 COMM CTR/SUP    | 56.98              |
| CULLIGAN WATER COND     | 06/30/2023   | JUL A/C WATER SOFTENER    | 10-55410-320 AQUA CTR/UTILIT | 208.92             |
| HOLIDAY WHOLESALE       | 06/14/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 1,051.35           |
| HOLIDAY WHOLESALE       | 06/15/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 791.60             |
| HOLIDAY WHOLESALE       | 06/15/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 29.10-             |
| HOLIDAY WHOLESALE       | 06/15/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 151.50-            |
| HOLIDAY WHOLESALE       | 06/21/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 1,035.46           |
| HOLIDAY WHOLESALE       | 06/28/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 2,487.40           |
| HOLIDAY WHOLESALE       | 07/04/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 1,124.20           |
| HOLIDAY WHOLESALE       | 07/06/2023   | ACCT #701409-AQUATIC CENT | 10-55410-700 AQUA CTR/CONC   | 35.10-             |
| JELINEK PLUMBING & HE   | 06/21/2023   | 06-2023-A/C REPAIR        | 10-55410-470 AQUA CTR/MAINT  | 311.15             |
| MIDWEST POOL SUPPLY     | 06/15/2023   | ACCT #RIC010-AQUATIC CENT | 10-55410-620 AQUA CTR/CHEM   | 2,239.30           |
| MIDWEST POOL SUPPLY     | 06/15/2023   | ACCT #RIC010-AQUATIC CENT | 10-55410-470 AQUA CTR/MAINT  | 177.97             |
| MIDWEST POOL SUPPLY     | 06/27/2023   | ACCT #RIC010-AQUATIC CENT | 10-55410-620 AQUA CTR/CHEM   | 159.95             |
| MIDWEST POOL SUPPLY     | 06/27/2023   | ACCT #RIC010-AQUATIC CENT | 10-55410-470 AQUA CTR/MAINT  | 622.95             |
| NEUMAN POOLS INC        | 06/30/2023   | ACCT #0000132-AQUATIC CTR | 10-55410-470 AQUA CTR/MAINT  | 2,383.04           |
| PEPSI-COLA OF LACROS    | 06/22/2023   | ACCT #13746-AQUATIC CENT  | 10-55410-700 AQUA CTR/CONC   | 963.40             |
| PEPSI-COLA OF LACROS    | 06/29/2023   | ACCT #13746-AQUATIC CENT  | 10-55410-700 AQUA CTR/CONC   | 262.45             |
| PEPSI-COLA OF LACROS    | 07/06/2023   | ACCT #13746-AQUATIC CENT  | 10-55410-700 AQUA CTR/CONC   | 397.50             |
| PIONEER PRINT CO LLC    | 06/27/2023   | INV #4639-RECREATION TSHI | 10-55200-640 COMM CTR/REC    | 1,240.40           |
| RHYME BUSINESS PROD     | 06/26/2023   | COMM CTR COPIER INV #3432 | 10-55200-480 COMM CTR/MAIN   | 157.76             |
| RHYME BUSINESS PROD     | 06/26/2023   | COMM CTR COPIER INV #3432 | 10-55200-520 COMM CTR/SUP    | 124.89             |
| RHYME BUSINESS PROD     | 06/06/2023   | ACCT #PTB051-COMM CENTE   | 10-55200-520 COMM CTR/SUP    | 108.64             |
| WAL-MART                | 06/24/2023   | ACCT #621034-RC PARKS & R | 10-55410-520 AQUA CTR/SUPP   | 9.62               |
| WAL-MART                | 06/23/2023   | ACCT #621034-RC PARKS & R | 10-55410-520 AQUA CTR/SUPP   | 55.51              |
| WAL-MART                | 06/30/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 293.77             |
| WAL-MART                | 07/07/2023   | ACCT #621034-RC PARKS & R | 10-61000-963 OUTLAY/AQUATI   | 86.34              |
| WAL-MART                | 06/23/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 243.41             |
| WAL-MART                | 06/23/2023   | ACCT #621034-RC PARKS & R | 10-55200-520 COMM CTR/SUP    | 17.91              |
| WAL-MART                | 06/30/2023   | ACCT #621034-RC PARKS & R | 10-55250-520 SENR CTR/SUPP   | 144.16             |
| WAL-MART                | 07/07/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 47.58              |
| WAL-MART                | 07/11/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 9.36               |
| WAL-MART                | 07/11/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 13.91              |
| WAL-MART                | 07/12/2023   | ACCT #621034-RC PARKS & R | 10-55410-390 AQUA CTR/MISC   | 5.29               |
| WAL-MART                | 07/12/2023   | ACCT #621034-RC PARKS & R | 10-55410-520 AQUA CTR/SUPP   | 3.12               |
| WAL-MART                | 07/12/2023   | ACCT #621034-RC PARKS & R | 10-61000-963 OUTLAY/AQUATI   | 22.53              |
| WAL-MART                | 07/14/2023   | ACCT #621034-RC PARKS & R | 10-55200-640 COMM CTR/REC    | 177.67             |
| WALSH'S ACE HARDWAR     | 06/29/2023   | ACCT #100567-PARKS DEPT   | 10-61000-963 OUTLAY/AQUATI   | 19.46              |

City of Richland Center

Payment Approval Report - Finance Committee (Post Payment)

Page: 2

Report dates: 7/9/2023-7/9/2023

Aug 01, 2023 11:54AM

| Vendor Name              | Invoice Date | Description | GL Account and Title | Net<br>Invoice Amount |
|--------------------------|--------------|-------------|----------------------|-----------------------|
| Total CITY GENERAL FUND: |              |             |                      | 18,024.18             |
| Grand Totals:            |              |             |                      | 18,024.18             |

## Report Criteria:

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.

City of Richland Center

Payment Approval Report - Finance Committee (Post Payment)  
Report dates: 7/12/2023-7/13/2023Page: 1  
Aug 01, 2023 11:54AM

## Report Criteria:

Invoices with totals above \$0.00 included.  
Paid and unpaid invoices included.

| Vendor Name              | Invoice Date | Description                | GL Account and Title        | Net Invoice Amount |
|--------------------------|--------------|----------------------------|-----------------------------|--------------------|
| <b>07/12/2023</b>        |              |                            |                             |                    |
| <b>07-13-23 PW COMM</b>  |              |                            |                             |                    |
| ALLSTATE PETERBILT G     | 06/09/2023   | ACCT #17906-STREET DEPT    | 10-54200-420 ROADWAYS/TRU   | 1,071.42           |
| AUTO VALUE PARTS STO     | 06/22/2023   | ACCT #529000051-STREET DE  | 10-54200-420 ROADWAYS/TRU   | 74.04              |
| BADGER WELDING SUPP      | 05/31/2023   | ACCT #12213-STREET DEPT    | 10-54100-520 GARAGE/SUPPLI  | 38.75              |
| BADGER WELDING SUPP      | 06/30/2023   | ACCT #12213-STREET DEPT    | 10-54100-520 GARAGE/SUPPLI  | 37.50              |
| BAILEY'S PAINT & DECO    | 06/14/2023   | STREET INV #15174          | 10-54200-520 ROADWAYS/SUP   | 7.99               |
| FIRE PROTECTION SPEC     | 06/22/2023   | STREET INV #1144571785     | 10-54100-560 GARAGE/CONTR   | 55.83              |
| G-PRO EXCAVATING         | 06/09/2023   | PAY REQ 1-CEDAR ST IMPRO   | 10-61000-942 OUTLAY/ST PROJ | 6,583.50           |
| G-PRO EXCAVATING         | 07/10/2023   | PAY REQ 2-CEDAR ST IMPRO   | 10-61000-942 OUTLAY/ST PROJ | 3,875.05           |
| M S A PROFESSIONAL S     | 06/06/2023   | INV #15-7TH/8TH/CEDAR IMPR | 10-61000-942 OUTLAY/ST PROJ | 2,144.74           |
| M S A PROFESSIONAL S     | 06/27/2023   | INV #16-7TH/8TH/CEDAR IMPR | 10-61000-942 OUTLAY/ST PROJ | 2,007.11           |
| NAPA AUTO PARTS          | 06/26/2023   | ACCT #1320-STREET DEPT     | 10-54200-500 ROADWAYS/GAS   | 51.96              |
| NATURE'S WAY PORTABL     | 05/31/2023   | LANDFILL INV #53428        | 10-54500-560 LANDFILL/CONT  | 200.00             |
| NATURE'S WAY PORTABL     | 06/30/2023   | LANDFILL INV #53791        | 10-54500-560 LANDFILL/CONT  | 160.00             |
| PREMIER CO-OP            | 06/29/2023   | ACCT #4671541-STREET DEPT  | 10-54240-520 TREE-BRSH/SUP  | 156.50             |
| SIMPSON'S TRACTOR, IN    | 06/15/2023   | STREET INV #WO21766        | 10-54900-440 AIRPORT/EQUIP  | 809.08             |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8735-GARBAGE         | 10-54500-560 LANDFILL/CONT  | 15,872.75          |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8784-LANDFILL        | 10-54500-660 LANDFILL/TRANS | 2,096.42           |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8783-RECYCLING       | 10-54700-560 RECYCLING/CON  | 7,575.90           |
| TOWN & COUNTRY SANI      | 07/03/2023   | ACCT #8735-GARBAGE         | 10-54600-560 GARBAGE/CONT   | 15,872.75          |
| TOWN & COUNTRY SANI      | 07/03/2023   | ACCT #8735-OPERATOR        | 10-54500-020 LANDFILL/TCS O | 839.00             |
| TOWN & COUNTRY SANI      | 07/03/2023   | ACCT #8735-UW CAMPUS       | 10-54600-560 GARBAGE/CONT   | 332.00             |
| TOWN & COUNTRY SANI      | 07/03/2023   | ACCT #8783-RECYCLING       | 10-54700-560 RECYCLING/CON  | 7,389.90           |
| TOWN & COUNTRY SANI      | 07/03/2023   | ACCT #8784-LANDFILL        | 10-54500-660 LANDFILL/TRANS | 7,202.66           |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8735-OPERATOR        | 10-54500-020 LANDFILL/TCS O | 839.00             |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8735-UW CAMPUS       | 10-54600-560 GARBAGE/CONT   | 332.00             |
| TOWN & COUNTRY SANI      | 06/01/2023   | ACCT #8735-LG ITEM PICKUP  | 10-54600-560 GARBAGE/CONT   | 40.00              |
| WALSH'S ACE HARDWAR      | 06/06/2023   | ACCT #100601-STREET DEPT   | 10-54100-520 GARAGE/SUPPLI  | 16.99              |
| WALSH'S ACE HARDWAR      | 06/08/2023   | ACCT #100601-STREET DEPT   | 10-54200-520 ROADWAYS/SUP   | 52.04              |
| WALSH'S ACE HARDWAR      | 06/09/2023   | ACCT #100601-STREET DEPT   | 10-54500-470 LANDFILL/REPAI | 16.73              |
| Total CITY GENERAL FUND: |              |                            |                             | 75,751.61          |

**07/13/2023****07-13-23 PROPERTY**

|                       |            |                            |                            |        |
|-----------------------|------------|----------------------------|----------------------------|--------|
| ALL AMERICAN DO IT CE | 06/12/2023 | ACCT #13005-PARKS DEPT     | 10-51850-470 BLDG-PROP/MAI | 11.99  |
| ALL AMERICAN DO IT CE | 06/19/2023 | ACCT #13005-PARKS DEPT     | 10-51850-470 BLDG-PROP/MAI | 12.48  |
| AUTO VALUE PARTS STO  | 06/12/2023 | ACCT #529000049-PARKS DEPT | 10-51850-440 BLDG-PROP/EQU | 164.55 |
| AUTO VALUE PARTS STO  | 06/29/2023 | ACCT #529000049-PARKS DEPT | 10-51850-440 BLDG-PROP/EQU | 25.99  |
| AUTO VALUE PARTS STO  | 06/29/2023 | ACCT #529000049-PARKS DEPT | 10-51850-440 BLDG-PROP/EQU | 98.05  |
| BAILEY'S PAINT & DECO | 06/16/2023 | PARKS INV #15183           | 10-51850-470 BLDG-PROP/MAI | 49.99  |
| BAILEY'S PAINT & DECO | 07/06/2023 | MUN BLDG INV #15283        | 10-51850-390 BLDG-PROP/MIS | 31.38  |
| DOG WASTE DEPOT       | 06/27/2023 | PARKS DEPT INV #556119     | 10-51850-520 BLDG-PROP/SUP | 432.94 |
| FIRE PROTECTION SPEC  | 06/22/2023 | INV #1144571784-PARK SHOP  | 10-51850-670 BLDG-PROP/INS | 103.31 |
| FIRE PROTECTION SPEC  | 06/22/2023 | AIRPORT INV #1144571790    | 10-51850-670 BLDG-PROP/INS | 52.35  |
| HOLIDAY WHOLESALE     | 06/06/2023 | ACCT #702701-PARKS DEPT    | 10-51850-520 BLDG-PROP/SUP | 602.92 |
| HOLIDAY WHOLESALE     | 06/14/2023 | ACCT #702701-PARKS DEPT    | 10-51850-520 BLDG-PROP/SUP | 440.50 |
| HOLIDAY WHOLESALE     | 06/21/2023 | ACCT #702701-PARKS DEPT    | 10-51850-520 BLDG-PROP/SUP | 99.05  |

City of Richland Center

Payment Approval Report - Finance Committee (Post Payment)  
Report dates: 7/12/2023-7/13/2023Page: 2  
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| Vendor Name              | Invoice Date | Description               | GL Account and Title       | Net Invoice Amount |
|--------------------------|--------------|---------------------------|----------------------------|--------------------|
| HOLIDAY WHOLESALE        | 06/28/2023   | ACCT #702701-PARKS DEPT   | 10-51850-520 BLDG-PROP/SUP | 572.59             |
| NATURE'S WAY PORTABL     | 05/31/2023   | INV #53259-PARK PORTABLES | 10-55300-655 PARKS/SHELTER | 1,479.00           |
| NATURE'S WAY PORTABL     | 06/30/2023   | INV #53855-PARK PORTABLES | 10-55300-655 PARKS/SHELTER | 1,244.00           |
| SIMPSON'S TRACTOR, IN    | 05/16/2023   | PARK INV #CT223505        | 10-51850-440 BLDG-PROP/EQU | 71.98              |
| SIMPSON'S TRACTOR, IN    | 05/25/2023   | PARK INV #WO21739         | 10-51850-440 BLDG-PROP/EQU | 144.64             |
| SIMPSON'S TRACTOR, IN    | 06/12/2023   | PARK INV #CT224296        | 10-51850-440 BLDG-PROP/EQU | 276.39             |
| WALSH'S ACE HARDWAR      | 06/02/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 11.31              |
| WALSH'S ACE HARDWAR      | 06/05/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 3.46               |
| WALSH'S ACE HARDWAR      | 06/06/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 83.79              |
| WALSH'S ACE HARDWAR      | 06/06/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 16.99              |
| WALSH'S ACE HARDWAR      | 06/07/2023   | ACCT #100567-PARKS DEPT   | 10-51850-440 BLDG-PROP/EQU | 14.18              |
| WALSH'S ACE HARDWAR      | 06/07/2023   | ACCT #100567-PARKS DEPT   | 10-51850-440 BLDG-PROP/EQU | 31.93              |
| WALSH'S ACE HARDWAR      | 06/08/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 9.54               |
| WALSH'S ACE HARDWAR      | 06/12/2023   | ACCT #100567-PARKS DEPT   | 10-61000-961 OUTLAY/PARKS  | 99.90              |
| WALSH'S ACE HARDWAR      | 06/12/2023   | ACCT #100567-PARKS DEPT   | 10-61000-961 OUTLAY/PARKS  | 43.16              |
| WALSH'S ACE HARDWAR      | 06/12/2023   | ACCT #100567-PARKS DEPT   | 10-61000-961 OUTLAY/PARKS  | 19.98              |
| WALSH'S ACE HARDWAR      | 06/13/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 14.39              |
| WALSH'S ACE HARDWAR      | 06/13/2023   | ACCT #100567-PARKS DEPT   | 10-51850-460 BLDG-PROP/BLD | 13.50              |
| WALSH'S ACE HARDWAR      | 06/13/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 32.39              |
| WALSH'S ACE HARDWAR      | 06/14/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 6.37               |
| WALSH'S ACE HARDWAR      | 06/14/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 6.37               |
| WALSH'S ACE HARDWAR      | 06/15/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 22.30              |
| WALSH'S ACE HARDWAR      | 06/15/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 17.25              |
| WALSH'S ACE HARDWAR      | 06/19/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 68.29              |
| WALSH'S ACE HARDWAR      | 06/19/2023   | ACCT #100567-PARKS DEPT   | 10-51850-520 BLDG-PROP/SUP | 20.75              |
| WALSH'S ACE HARDWAR      | 06/19/2023   | ACCT #100567-PARKS DEPT   | 10-51850-470 BLDG-PROP/MAI | 2.08               |
| WALSH'S ACE HARDWAR      | 06/21/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 6.37               |
| WALSH'S ACE HARDWAR      | 06/27/2023   | ACCT #100567-PARKS DEPT   | 10-51850-530 BLDG-PROP/WEE | 163.67             |
| WALSH'S ACE HARDWAR      | 06/28/2023   | ACCT #100567-PARKS DEPT   | 10-51850-390 BLDG-PROP/MIS | 27.18              |
| WALSH'S ACE HARDWAR      | 06/29/2023   | ACCT #100567-PARKS DEPT   | 10-61000-963 OUTLAY/AQUATI | 15.90              |
| WALSH'S ACE HARDWAR      | 06/27/2023   | ACCT #100567-PARKS DEPT   | 10-51850-520 BLDG-PROP/SUP | 52.70              |
| WALSH'S ACE HARDWAR      | 07/03/2023   | ACCT #100567-PARKS DEPT   | 10-51850-440 BLDG-PROP/EQU | 86.16              |
| WALSH'S ACE HARDWAR      | 07/06/2023   | ACCT #100567-PARKS DEPT   | 10-51850-440 BLDG-PROP/EQU | 87.94              |
| Total CITY GENERAL FUND: |              |                           |                            | 6,891.95           |
| Grand Totals:            |              |                           |                            | 82,643.56          |

## Report Criteria:

Invoices with totals above \$0.00 included.

Paid and unpaid invoices included.



# CITY OF RICHLAND CENTER

## AGENDA ITEM DATA SHEET

Item 5.

**Agenda Item:** Update on Housing Development Efforts

**Meeting Date:** Tuesday, 8/1/2023

**Requested by:** Jasen Glasbrenner, Economic Development Director

**Background:** A Review of the Efforts Undertaken to Promote and Secure Housing Development in the City of Richland Center.  
*Note: this is intended to be a snapshot of recent efforts and not an all-inclusive list of housing efforts.*

### 1. Shortage of Housing – All types

- a. The 2019 Richland Center Housing and Workforce Study outlined a growing need for housing of all types. This has been evidenced by numerous anecdotal reports from local employers, the general public, and even personal accounts from staff. The housing challenges affecting Richland Center have been exacerbated by changing workforce trends.
- b. Priorities of Economic Development
  - At the onset of April 2023 when the EDD transitioned to full City employment, it was apparent that housing was a critical issue warranting prioritization.
  - In 2023, the Personnel & Insurance Committee outlined the priorities of the Economic Development Director as follows:
    1. Housing
    2. Workforce Retention & Attraction
    3. Quality of Life
- c. Housing types pursued by Richland Center Economic Development
  - Single family homes and multifamily units on infill lots
  - Duplex dwellings on Stori Field and other City owned parcels
  - Apartment complexes on private and city owned parcels.

### 2. Panorama Estates – Duane Kleinsasser, Developer

Through partnership with the City, a development agreement was executed securing the construction of three 45-unit apartment buildings over 15 years.

- A TIF District was established
- Development agreement executed on 4/19/18

|                   | Building 1   | Building 2  | Building 3 |
|-------------------|--|---|------------|
| <b>STATUS:</b>    | Completed/In Compliance  | In Breach   | N/A        |
| <b>OCCUPANCY:</b> | 12/1/2018  | 4/15/2023   | 4/15/2033  |
| <b>INCENTIVE:</b> | 50% of infrastructure costs<br><i>*\$750,000 GO Bond Issued*</i><br>City's P&I: \$539,823.44<br>Dev's P&I: \$539,823.44  | TID was amended in 2022 to allow for incentives. None provided. <ul style="list-style-type: none"> <li>• City's financial advisor cautioned against fulfilling the requested incentive.</li> <li>• Developer unsuccessful in securing financing.</li> </ul>   | N/A        |
| <b>NOTES:</b>     | <ul style="list-style-type: none"> <li>• Rent increased in 2023 to approx. \$1200/\$1400.</li> <li>• Five tenants did not renew their leases but those vacancies were quickly filled.</li> </ul> | <ul style="list-style-type: none"> <li>• The City has aggressively pursued advancement of this project for 2 years without success.</li> <li>• The council requested the developer appear before them on 8/1/2023.</li> <li>• The developer has indicated a desire to extend the prescribed timeline but has not formally issued this request.</li> </ul> | N/A        |
| <b>REMEDIES:</b>  | N/A  | Consider requesting the Developer appear before Council on September 5 <sup>th</sup> to formally propose and discuss remedies.  | N/A        |

### 3. Multifamily Housing Development – Sites of 1.5 acres or greater

City personnel & elected officials have engaged with several developers and professional service firms to pursue multifamily housing development.

Various sites have been considered such as privately owned land as well as city owned land. Most recently considered was the city owned parcel at the corner of CTR AA and Industrial Drive and others.

Development Obstacles:

- Topography
- Construction costs and interest rates have continued to rise.
- Increased development costs have created a greater reliance on municipalities to offset the funding gap.
  - All major development projects reviewed by the City have required significantly more financial assistance than historically necessary.
  - Without significant municipal participation, it is unlikely that multifamily housing development will occur in the foreseeable future.

### 4. Duplex Housing Development – Stori Field

The Common Council determined a duplex housing development on Stori Field should be pursued.

- Conceptual Planning. Vierbicher was hired to conduct conceptual planning for Stori Field. The expected infrastructure cost using 2022 figures was \$700,000.
- RFP. An RFP was published seeking developers. No responses were received.
- Public Meetings. Open House meetings were held offering the public opportunities to learn more and ask questions regarding the potential development.

Due to a lack of interest from developers, it may be necessary to consider alternative development options. Single family homes?

### 5. Infill Housing – City Owned

#### 460 W 1<sup>st</sup> Street

- Listed April 2023
- Several inquiries & only one offer to date
- Single or multifamily home desired

#### 291 N Jefferson Street

- Listed April 2023
- Several inquiries, no offers
- Duplex, 4plex, or mixed commercial use desired

### 6. Financial Planning

In July 2023, the Common Council determined professional financial planning services should be obtained to review the City's current position and to provide strategic planning for all types of future development. Several firms have since been contacted to request service proposals.

- Items discussed/to be included: overall financial position of the City as a whole, capital improvement planning, TID planning, short & long-term goals and projects, education related to available financial tools, and policy establishment.
- In addition to City departments, Utility departments are to be included in this process.
- Anticipate Council selecting a firm at the September 5<sup>th</sup> meeting.
- The expected time to complete the process is 90-120 days.
- The budgeted 2023 outlay will be used for the expense of this service.

**Funding Source & Financial Impact:** Not applicable to this agenda item. A future request to authorize spending related to financial services will be submitted.

**Requested Action:** Consider a motion requesting Duane Kleinsasser appear before the Common Council at their regularly scheduled meeting on September 5, 2023 at 18:30 to discuss possible remedies.

# Application for Temporary Class "B" / "Class B" Retailer's License

See Additional Information on reverse side. Contact the municipal clerk if you have questions.

FEE \$ 10.-

Application Date: 7/26/23

☐ Town ☐ Village ☒ City of Richland Center

County of Richland

The named organization applies for: (check appropriate box(es).)

☒ A Temporary Class "B" license to sell fermented malt beverages at picnics or similar gatherings under s. 125.26(6), Wis. Stats.

☐ A Temporary "Class B" license to sell wine at picnics or similar gatherings under s. 125.51(10), Wis. Stats.

at the premises described below during a special event beginning 9-16-23 and ending 9-16-23 and agrees to comply with all laws, resolutions, ordinances and regulations (state, federal or local) affecting the sale of fermented malt beverages and/or wine if the license is granted.

## 1. Organization (check appropriate box) →

- ☒ Bona fide Club ☐ Church ☐ Lodge/Society  
☐ Veteran's Organization ☐ Fair Association or Agricultural Society  
☐ Chamber of Commerce or similar Civic or Trade Organization organized under ch. 181, Wis. Stats.

(a) Name AD German Warehouse Conservancy

(b) Address PO Box 312 RC WI 53581  
 (Street) ☐ Town ☐ Village ☒ City

(c) Date organized 2013

(d) If corporation, give date of incorporation 2013

(e) If the named organization is not required to hold a Wisconsin seller's permit pursuant to s. 77.54 (7m), Wis. Stats., check this box: ☒

(f) Names and addresses of all officers:

President Bary Zegahn, pro km 1807 W Fern St RC WI 53581

Vice President Jane Kintz 21945 Galway Ln RC WI 53581

Secretary Darb Marshall 25058 ~~1000~~ CTH N RC WI 53581

Treasurer Timothy Abair 18519 Wickaway Valley Rd RC WI 53581

(g) Name and address of manager or person in charge of affair: Jane Kintz

## 2. Location of Premises Where Beer and/or Wine Will Be Sold, Served, Consumed, or Stored, and Areas Where Alcohol Beverage Records Will be Stored:

(a) Street number 177 E Haseffine Street RC WI 53581 "The 1912"

(b) Lot \_\_\_\_\_ Block \_\_\_\_\_

(c) Do premises occupy all or part of building? Part → Main Level

(d) If part of building, describe fully all premises covered under this application, which floor or floors, or room or rooms, license is to cover:

Main level → venue space

## 3. Name of Event

(a) List name of the event Trivia Fundraiser

(b) Dates of event 9-16-23 to 9-16-23

## DECLARATION

An officer of the organization, declares under penalties of law that the information provided in this application is true and correct to the best of his/her knowledge and belief. Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

Officer Jane Kintz, V.P. 7/26/23 AD GWC  
 (Signature / Date) (Name of Organization)

Date Filed with Clerk 7/26/23 BP Date Reported to Council or Board 8-1-23

Date Granted by Council \_\_\_\_\_ License No. \_\_\_\_\_

# Application for Cigarette and Tobacco Products License

MUNICIPAL USE ONLY

Applicant's Wisconsin 15-digit Sales Tax Account Number

456 103 1154 11604

← This must be issued in the same  
Legal Name of the licensee below.

|                  |
|------------------|
| License Number   |
| Period Covered   |
| Date of Issuance |

|   |  |   |
|---|--|---|
| Legal Name (corporation, limited liability company, partnership or sole proprietorship)<br><b>Richland Smokes LLC</b> |  | Federal Employer Identification No. (FEIN)<br><b>93-1516403</b> |
| Trade or Business Name (if different than Legal Name)   |  | Telephone Number<br><b>(651) 8909694</b>                        |
| Business Address (Permit Location)<br><b>165 Richland Square</b>  | Business Located In<br><input checked="" type="checkbox"/> City <input type="checkbox"/> Village <input type="checkbox"/> Town<br>of: <b>Richland Center</b> | Business Telephone<br>( )                                       |
| City<br><b>Richland Center</b>  | State<br><b>WI</b>   | ZIP Code<br><b>53581</b>  |
| Mailing Address (if different than Business Address)<br><b>9601 Humboldt Ave S</b>                                    |  | City<br><b>Bloomington</b>                                      |
|   |  | State<br><b>MN</b>  |
|   |  | ZIP Code<br><b>55431</b>  |

Organization (check one)

☐ Sole Proprietor      ☒ Wisconsin Corporation – Enter date incorporated: **2023**  
☐ Partnership      ☐ Out-of-State Corporation – Are you registered to do business in Wisconsin? ☐ YES ☐ NO  
☐ Other (describe) \_\_\_\_\_

- ☒ YES ☐ NO      1. Does the applicant understand that they must purchase cigarettes only from manufacturers, distributors or jobbers who hold a permit with the Wisconsin Department of Revenue?
- ☒ YES ☐ NO      2. Does the applicant understand that they must obtain a Tobacco Products Distributor permit if purchasing untaxed tobacco products from an out-of-state company? (Tobacco Products Distributor permit is available from the Wisconsin Department of Revenue at 608-261-6435.)
- ☒ YES ☐ NO      3. Does the applicant understand that they cannot purchase/exchange cigarettes or tobacco products from another retailer, including transferring existing stock to a new owner?
- ☒ YES ☐ NO      4. Does the applicant understand that they must provide employees with tobacco sales training approved by the Wisconsin Department of Health and Family Services? (SmokeCheck.org)
- ☒ YES ☐ NO      5. Does the applicant understand that they may not sell, give or otherwise provide cigarettes/tobacco products to minors?
- ☒ YES ☐ NO      6. Does the applicant understand that they may not sell single cigarettes?
- ☒ YES ☐ NO      7. Does the applicant understand that cigarette and tobacco products invoices must be kept on the licensed premises for two years from the date of the invoice and be available for inspection by the Wisconsin Department of Revenue/law enforcement and that failure to comply can result in criminal penalties, including loss of cigarettes/tobacco products?
- ☒ YES ☐ NO      8. Does the applicant understand that only cigarettes and roll-your-own (RYO) tobacco products listed on the Wisconsin Department of Justice's website labeled "Directory of Certified Tobacco Manufacturers and Brands" at [www.doj.state.wi.us/dls/tobacco/index.html](http://www.doj.state.wi.us/dls/tobacco/index.html) may be sold in Wisconsin?

Cigarettes / Tobacco will be sold ☒ over counter ☐ through vending machine ☐ both

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the applicant. Applicant agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, cannot be assigned to another.

Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

SUBSCRIBED AND SWORN TO BEFORE ME

this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

(Clerk / Notary Public)

My commission expires \_\_\_\_\_

(Officer of Corporation/Member/Manager of Limited Liability Company/Partner/Individual)

**ORDINANCE 2023 – \_\_\_\_**

**AMENDING CHAPTER 101 OF THE CODE OF ORDINANCES OF THE CITY OF  
RICHLAND CENTER AUTHORIZING STOP SIGNS ON SOUTH SHELDON STREET  
AT ITS INTERSECTIONS WITH EAST SEMINARY STREET**

The Common Council of the City of Richland Center, Wisconsin, does hereby ordain as follows:

**SECTION I:**

Subparagraph 101.04(1)(qqqq) of the Code of Ordinances of the City of Richland Center relating to placement of additional stop signs is created to read:

(qqqq) on South Sheldon Street at its intersection with East Seminary Street and

**SECTION II: Effective Date.**

This ordinance shall be in full force and effect from and after its passage and publication.

Approved by the Common Council of the City of Richland Center on this \_\_\_\_ day of August, 2023.

\_\_\_\_\_  
Todd Coppernoll, Mayor

\_\_\_\_\_  
Aaron Joyce, City Clerk/Treasurer

AGENDA ITEM DATA SHEET

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**Agenda Items:** Review of Offer and Sale of City Owned Lot at 460 W. 1<sup>st</sup> ST. – Richland Center, WI

**Meeting Date:** Finance – Aug 1<sup>st</sup>, 2023  
City Council – Aug 1<sup>st</sup>, 2023

**Requested by:** Jasen Glasbrenner – Economic Development

**Background:**

- The property at 460 W. 1<sup>st</sup> St. came into the City's possession through partnership program with the Richland County.
  - The blighted home and property were taken by tax deed by the County and transferred to the City for one dollar with the understanding that the City would work towards having the property redeveloped
  - The single family dwelling and outbuildings were removed by Gary Manning Excavation
- An offer to purchase at \$5,000 has been communicated for construction of a spec home
  - Possible 30 day contingency to verify cost to construct
  - As part of the sale, a development agreement will be required
    - \$10,000 performance guarantee will be paid and held by the city until benchmarks are met
    - Performance requires occupancy permit withing 1.5 years of sales transaction

**Financial Impact:**

- Income from Sale of Land ≈ \$5,000 - less closing costs and legal fees
- Proceeds to be credited to the Business RLF Fund for future economic development projects

**Funding Source:** N/A

**Requested Action:** Motion to authorize the City Administrator and Economic Development Director to finalize the development agreement and to execute the sale of 460 W. 1<sup>st</sup> Street.

**Attachment(s):**

Draft of Development Agreement  
Curb view conceptual elevation image





**460 W 1st St. – RESIDENTIAL SINCLE FAMILY / DUPLEX LOT**

**(ZONED R2)**

**DEVELOPER’S AGREEMENT**

This Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the CITY OF RICHLAND CENTER, a municipal corporation of the State of Wisconsin, hereinafter called “City” and \_\_\_\_\_, hereinafter called “Developer”.

WHEREAS, Developer has purchased or acquired certain land owned by the City, hereinafter called the “Development Parcel”. The Development Parcel includes the lot at 460 W. 1<sup>st</sup> Street of the SCHOOLCRAFT BLOCK 84 E 1/2 OF LOTS 7 & 8 located in the City of Richland Center, Richland County, Wisconsin, and as further described [legal description] attached hereto and labeled as Exhibit No. 1; and

WHEREAS, Developer plans to improve the Development Parcel and the City imposes certain requirements which must be provided for; and

WHEREAS, City, at the Tuesday, August 1<sup>st</sup>, 2023 Common Council meeting, has given approval for the execution of this agreement for the purpose of development,

NOW, THEREFORE and in consideration of the approval of the City to sell the Development Parcel property, the Developer and City promises, covenants and agrees as follows:

**SECTION 1. PARTIES BOUND**

This Agreement shall be binding upon the Developer, its heirs, executors, administrators, successors or assigns.

A "Notice of Developer's Agreement" or the “Developer’s Agreement” shall be recorded at the Register of Deeds Office, Richland County, Wisconsin, which shall be legal notice of this agreement.



This Agreement is made in conjunction with the Offer to Purchase (alternatively referred to as “Sales Contract”) and made a part hereof and incorporated by reference herein as part of this Agreement.

## **SECTION 2. CONSTRUCTION REQUIREMENTS**

### **2.1 - Restricting Type of Development upon Lot.**

This lot may be used for the development of a **single family or a duplex home**. (Subject to City Zoning Ordinances).

### **2.2 - Minimum Building Standards.**

Developer agrees to construct the Development according to the following minimum building standards:

- Minimum roof pitch of 4/12;
- Exterior finishes and architectural design elements of front elevation must include multiple design features that may include architectural millwork, window and door trim, shutters, or multiple siding finishes including brick, stone or architectural siding.
- Color of finishes shall be substantially similar or complement the surrounding homes.
- Modular and prefabricated homes shall be allowed.
- Manufactured housing and single or double wide structures with permanent metal frames will not be allowed.

### **2.3 – Development Review and Approval.**

The following items must be reviewed and approved by the **Economic Development Director, the City Zoning Staff, and the City Building Inspector** prior to the commencement of construction:

- Building Design – Site Plan, Elevations, Construction Plans
- Height of concrete wall or footing above curb elevation
- Exterior Finish Types
- Color Schedules

## 2.4 – Time of Performance.

The developer shall perform all acts necessary and in good faith to complete construction of the Development within the following schedule:

- A. Developer shall acquire a **building permit** for the Development **within 272 days** from the date of execution of this Agreement.
- B. Developer shall **complete excavation, installation and backfill of the building foundation** within **365 days** from the date of execution of this Agreement.
- C. Developer shall **have construction completed, indicated by the issuance of an occupancy permit by the City of Richland Center Building Inspector** **within 545 days** from the date of execution of this Agreement.
- D. Time is of the essence.
- E. Failure of Developer to meet the agreed upon completion dates may result in liquidated damages charged against Developer's Performance Deposit as outlined in Section 3 below.

## **SECTION 3. PERFORMANCE DEPOSIT.**

Upon execution of the Development Agreement and Sales Contract, Developer shall deliver to the **City a Performance Deposit in the amount \$10,000.00**. The Performance Deposit shall be retained by the City as security for the faithful performance of Developer's obligations pursuant to the Development Agreement.

- A. Failure by Developer to perform in accordance with Section 2.4 above, shall result in liquidated damages charged against Developer's Performance Deposit as follows:
  - 1. Failure to perform according to Section 2.4 A, shall result in liquidated damages of **\$1,500.00**.
  - 2. Failure to perform according to Section 2.4 B, shall result in liquidated damages of **\$2,500.00**.
  - 3. Failure to perform according to Section 2.4 C, shall result in liquidated damages of **\$4,500.00**.
  - 4. In addition, each subsequent month Developer remains in breach by failing to perform according to Section 2.4 C. shall result in liquidated damages of

**\$500.00 per month.** If said breach continues monthly for a period of time in which the entire Performance Deposit amount is expended, Developer promises and agrees to pay City liquidated damages of \$500.00 per month, such damages remaining in effect until such time Developer performs according to Section 2.4 C.

5. If Developer fails to perform and the City exercises the right to claim the liquidated damages, the City shall notify Developer of the failure to perform and state the amount of liquidated damages charged against Developer.

B. If Developer performs in accordance with Section 2.4 above, the City shall release an amount of the Performance Deposit to Developer as follows:

1. Upon performance of Section 2.4 A the City shall release to Developer \$1,500.00.
2. Upon performance of Section 2.4 B the City shall release to Developer \$2,500.00.
3. Upon performance of Section 2.4 C the City shall release to Developer \$4,500.00.

C. Notwithstanding subsections A and B above, failure by Developer to perform in accordance with any other provision of this Agreement shall entitle the City to charge liquidated damages against Developer from the Performance Deposit in an amount reasonably related to the monetary loss suffered by the City. In addition, the City shall have the right to pursue all claims allowed by law.

#### **SECTION 4. NON-ASSIGNMENT.**

Without limiting the rights of the Developer under this Agreement, the Developer agrees that this Agreement and the rights, duties and obligations hereunder, including the grant of a security interest in any portion of the Property to any construction or permanent lender in order to secure indebtedness, may not and shall not be assigned by the Developer without the prior written approval of the City, which approval will not be unreasonably withheld, conditioned or denied.

In the case of a request for approval, any proposed transferee shall have all of the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations of the Developer, and, if the proposed transfer relates to a portion of the Property on which the Project is underway, such obligations to the extent that they relate to such property. Any proposed transferee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the City and assume all of the obligations of the Developer under this Agreement and agree to be subject to all the conditions and restrictions to which the Developer is subject (or, in the event the transfer is of or relates to a portion of the Property, such obligations, conditions and restrictions to the extent that they relate to such portion). In the event this Agreement is assigned in whole as provided in this Section, the Developer shall be released from any further obligations set forth in this Agreement accruing after the date of such assignment.

#### **SECTION 5. FORCE MAJEURE.**

If a Force Majeure Event prevents a party from complying with any one or more obligations under this Agreement, then that inability to comply will not constitute breach if: (a) that party uses reasonable efforts to perform those obligations, (b) that party's inability to perform those obligations is not due to its failure to (1) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (2) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (c) that party complies with its obligations under the sentences that follow. If a Force Majeure Event occurs, the non-complying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the non-complying party expects it to last. Thereafter the non-complying party shall update that information as reasonably necessary. During a Force Majeure Event, the non-complying party shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.

#### **SECTION 6. LAW APPLICABLE**

This Agreement shall be construed under the laws of the State of Wisconsin.

**SECTION 7. RECORDING OF AGREEMENT**

The City will record, at its expense, a copy of this Agreement, or notice of this Agreement, with the Register of Deeds for Richland County.

**SECTION 8. NOTICE & DEMANDS**

All notices, demands or other communications under this Agreement shall be sufficiently given or delivered when hand-delivered or when mailed by first class mail, postage prepaid, to the parties at the addresses indicated below:

City:               Richland Center City Clerk  
                      450 South Main Street  
                      Richland Center, WI 53581

Developer:

**SECTION 9. AGREEMENT BINDING.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and each party's respective representatives, successors, and assigns.

**SECTION 10. SEVERABILITY OF PROVISIONS**

In the event that one portion of this Agreement, or the application of this Agreement to any extent is deemed invalid or unenforceable by a court of competent jurisdiction, then (unless in the judgment of the Party adversely affected thereby such provision was a material part of the consideration for their entering into this Agreement that without it they would not have entered into the Agreement) the remainder of this Agreement or the application of such provision shall be valid and enforceable to the fullest extent permitted by law.

**SECTION 11. THIRD PARTIES**

This Agreement is made for the exclusive benefit of the Parties and is not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, expressed or implied, upon any other party.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be signed as of the date of the last signature below.

## FOR THE DEVELOPER:

---

Name: \_\_\_\_\_

---

Date \_\_\_\_\_

Title:

## ACKNOWLEDGMENT

STATE OF WISCONSIN )  
 ) ss  
COUNTY OF RICHLAND )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the above named \_\_\_\_\_, to me known to be the person who executed the foregoing instrument.

---

Notary Public, State of Wisconsin

Name: \_\_\_\_\_

My Commission: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be signed as of the date of the last signature below.

**FOR THE CITY:**

---

Name: \_\_\_\_\_

---

Date \_\_\_\_\_

Title:

## ACKNOWLEDGMENT

STATE OF WISCONSIN )  
 ) ss  
COUNTY OF RICHLAND )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2021, the above named \_\_\_\_\_  
\_\_\_\_\_, to me known to be the persons who executed the foregoing instrument.

Notary Public, State of Wisconsin

Name: \_\_\_\_\_

My Commission:

## EXHIBIT A: LEGAL DESCRIPTION

## AGENDA ITEM DATA SHEET

**Agenda Item:** Consider Reallocation of Funds from Police Outlay in 2023 Budget to Purchase Police Tasers

**Meeting Date:** 08/01/2023

**Requested by:** Chief Billy Jones with prior review by the City Administrator

**Background:** The Richland Center Police Department began utilizing tasers in 2008. Over the last fifteen years, the Police Department has maintained four X26 models which have been replaced approximately three times. Each replacement has been of the same model. The X26 tasers have been purchased from Axon, the only vendor for tasers available to law enforcement.

While the X26 model has been effective for the Police Department over the last 15 years, its technology has become outdated and is soon to be unsupported. After reviewing available taser models and changes in technology, it is recommended that the Police Department procure four T10s. The T10 model provides greater reliability and connection to the subject with a range of 45 feet rather than the current 25-foot range. This model has an improved wire storage design eliminating unnecessary wire from being expelled when the probes are deployed. Additionally, the T10 provides for 10 cartridges to be loaded at a given time allowing for multiple successive deployments to achieve neuromuscular incapacitation. The current X26 model only allows for one simultaneous deployment of two probes. This one deployment design requires an officer to reload before reengaging a subject. The reloading process is not lengthy but every second matters in situations in which a taser would be utilized. This design affects the composition of the taser making for a long and undesirable handle. Finally, the T10 comes with rechargeable batteries and unlimited cartridge replacements with a bundle package.

The four X26 tasers currently in use are all functioning but will require replacement with a newer and supported model. To proactively address the need for taser replacement, the purchase of four T10 tasers from Axon is being requested. The T10 package includes software, probs, holsters, and warranties under a 60-month plan. The plan requires annual payments but the City may elect to prepay some or pay in full.

| Date         | Subtotal           | Tax           | Total              |
|--------------|--------------------|---------------|--------------------|
| Jan 2024     | \$5,878.07         | \$0.00        | \$5,878.07         |
| Jan 2025     | \$6,113.21         | \$0.00        | \$6,113.21         |
| Jan 2026     | \$6,357.74         | \$0.00        | \$6,357.74         |
| Jan 2027     | \$6,612.05         | \$0.00        | \$6,612.05         |
| Jan 2028     | \$6,876.53         | \$0.00        | \$6,876.53         |
| <b>Total</b> | <b>\$31,837.60</b> | <b>\$0.00</b> | <b>\$31,837.60</b> |

**Financial Impact:** 60-month contract with annual payments between \$5,878.07 to \$6,876.53 for a total cost of \$31,837.60.

**Funding Source:** Police Outlay

- 2023 Police Outlay: \$50,000
- 2023 CRO Allocation (30% of total cost): \$15,736
- Remaining available balance: \$34,264

**Requested Action:** Motion to authorize the purchase of T10 taser bundles from Axon Enterprise at a cost not to exceed \$31,837.60 as quoted with funds from the Police Outlay.

**Attachment(s):** Quote from Axon Enterprise, Inc.





**Axon Enterprise, Inc.**  
17800 N 85th St.  
Scottsdale, Arizona 85255  
United States  
VAT: 86-0741227  
Domestic: (800) 978-2737  
International: +1.800.978.2737

Q-482007-4513

Item 12.

Issued: 07/24/2023

Quote Expiration: 09/01/2023

Estimated Contract Start Date: 02/01/2024

Account Number: 241724

Payment Terms: N30

Delivery Method:

| SHIP TO   | BILL TO   |
|---|---|
| Business;Delivery;Invoice-470 S Main St<br>470 S Main St<br>Richland Center,<br>WI<br>53581-2545<br>USA | Richland Police Department. - WI<br>470 S Main St<br>Richland Center<br>WI<br>53581-2545<br>USA<br>Email: |

| SALES REPRESENTATIVE                                    | PRIMARY CONTACT   |
|---|---|
| Cynthia Cote<br>Phone:<br>Email: ccote@axon.com<br>Fax: | Billy Jones<br>Phone: 608-647-2103<br>Email: jones@rcpolice.net<br>Fax: |

## Quote Summary

|                               |                    |
|-------------------------------|--------------------|
| Program Length                | 60 Months          |
| <b>TOTAL COST</b>             | <b>\$31,837.60</b> |
| <b>ESTIMATED TOTAL W/ TAX</b> | <b>\$31,837.60</b> |

## Discount Summary

|                          |                   |
|--------------------------|-------------------|
| Average Savings Per Year | \$1,127.04        |
| <b>TOTAL SAVINGS</b>     | <b>\$5,635.20</b> |

## Payment Summary

| Date         | Subtotal           | Tax           | Total              |
|--------------|--------------------|---------------|--------------------|
| Jan 2024     | \$5,878.07         | \$0.00        | \$5,878.07         |
| Jan 2025     | \$6,113.21         | \$0.00        | \$6,113.21         |
| Jan 2026     | \$6,357.74         | \$0.00        | \$6,357.74         |
| Jan 2027     | \$6,612.05         | \$0.00        | \$6,612.05         |
| Jan 2028     | \$6,876.53         | \$0.00        | \$6,876.53         |
| <b>Total</b> | <b>\$31,837.60</b> | <b>\$0.00</b> | <b>\$31,837.60</b> |

Quote Unbundled Price:  
 Quote List Price:  
 Quote Subtotal:

\$ Item 12.  
**\$31,837.60**  
**\$31,837.60**

## Pricing

*All deliverables are detailed in Delivery Schedules section lower in proposal*

| Item                       | Description                     | Qty | Term | Unbundled | List Price | Net Price | Subtotal           | Tax           | Total              |
|----------------------------|---------------------------------|-----|------|-----------|------------|-----------|--------------------|---------------|--------------------|
| <b>Program</b>             |                                 |     |      |           |            |           |                    |               |                    |
| T10Cert                    | TASER 10 Certification Bundle   | 4   | 60   | \$96.35   | \$75.83    | \$75.83   | \$18,199.20        | \$0.00        | \$18,199.20        |
| C00001                     | T10 CERTIFICATION ADD-ON BUNDLE | 8   | 60   | \$28.56   | \$27.08    | \$27.08   | \$12,998.40        | \$0.00        | \$12,998.40        |
| <b>A la Carte Hardware</b> |                                 |     |      |           |            |           |                    |               |                    |
| 100616                     | TASER 10 BLACKHAWK HOLSTER, RH  | 8   |      |           | \$80.00    | \$80.00   | \$640.00           | \$0.00        | \$640.00           |
| <b>Total</b>               |                                 |     |      |           |            |           | <b>\$31,837.60</b> | <b>\$0.00</b> | <b>\$31,837.60</b> |

## Delivery Schedule

### Hardware

| Bundle                          | Item   | Description   | QTY | Estimated Delivery Date |
|---------------------------------|--------|---|-----|-------------------------|
| T10 CERTIFICATION ADD-ON BUNDLE | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 80  | 01/01/2024              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 50  | 01/01/2024              |
| TASER 10 Certification Bundle   | 100390 | TASER 10 HANDLE, YLW, CLASS 3R                              | 4   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100393 | TASER 10 LIVE DUTY MAGAZINE BLACK                           | 4   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100394 | TASER 10 HALT TRN MAGAZINE BLUE (HOOK-AND-LOOP-TRAINING)    | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100395 | TASER 10 LIVE TRAINING MAGAZINE PURPLE                      | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100396 | TASER 10 INERT MAGAZINE RED                                 | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 80  | 01/01/2024              |
| TASER 10 Certification Bundle   | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 30  | 01/01/2024              |
| TASER 10 Certification Bundle   | 100401 | INERT UNITARY CARTRIDGE (TASER 10)                          | 2   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100616 | TASER 10 BLACKHAWK HOLSTER, RH                              | 4   | 01/01/2024              |
| TASER 10 Certification Bundle   | 100623 | ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)            | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 20018  | TASER BATTERY PACK, TACTICAL                                | 4   | 01/01/2024              |
| TASER 10 Certification Bundle   | 20018  | TASER BATTERY PACK, TACTICAL                                | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 70033  | WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK                 | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 71019  | NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 74200  | TASER 6-BAY DOCK AND CORE                                   | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 80087  | TASER TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)         | 1   | 01/01/2024              |
| TASER 10 Certification Bundle   | 80090  | TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7      | 1   | 01/01/2024              |
| A la Carte                      | 100616 | TASER 10 BLACKHAWK HOLSTER, RH                              | 8   | 01/01/2024              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2025              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 50  | 01/01/2025              |
| TASER 10 Certification Bundle   | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 10  | 01/01/2025              |
| TASER 10 Certification Bundle   | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2025              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2026              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 50  | 01/01/2026              |
| TASER 10 Certification Bundle   | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 10  | 01/01/2026              |
| TASER 10 Certification Bundle   | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 30  | 01/01/2026              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 10  | 01/01/2027              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 50  | 01/01/2027              |
| TASER 10 Certification Bundle   | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 10  | 01/01/2027              |
| TASER 10 Certification Bundle   | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2027              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2028              |
| T10 CERTIFICATION ADD-ON BUNDLE | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 40  | 01/01/2028              |
| TASER 10 Certification Bundle   | 100399 | LIVE UNITARY CARTRIDGE (TASER 10) - TBC                     | 10  | 01/01/2028              |
| TASER 10 Certification Bundle   | 100400 | HALT UNITARY CARTRIDGE (TASER 10) - TBC                     | 20  | 01/01/2028              |

### Software

| Bundle | Item | Description | QTY | Estimated Start Date | Estimated End Date |
|--------|------|-------------|-----|----------------------|--------------------|
|--------|------|-------------|-----|----------------------|--------------------|

**Software**

| Bundle                          | Item  | Description                  | QTY | Estimated Start Date | Estimated End Date |
|---------------------------------|-------|------------------------------|-----|----------------------|--------------------|
| T10 CERTIFICATION ADD-ON BUNDLE | 20248 | TASER 7 EVIDENCE.COM LICENSE | 8   | 02/01/2024           | 01/31/2029         |
| TASER 10 Certification Bundle   | 20248 | TASER 7 EVIDENCE.COM LICENSE | 4   | 02/01/2024           | 01/31/2029         |
| TASER 10 Certification Bundle   | 20248 | TASER 7 EVIDENCE.COM LICENSE | 1   | 02/01/2024           | 01/31/2029         |

**Services**

| Bundle                          | Item   | Description  | QTY |
|---------------------------------|--------|--|-----|
| T10 CERTIFICATION ADD-ON BUNDLE | 100751 | TASER 10 DUTY CARTRIDGE REPLACEMENT ACCESS PROGRAM | 8   |
| TASER 10 Certification Bundle   | 100751 | TASER 10 DUTY CARTRIDGE REPLACEMENT ACCESS PROGRAM | 4   |

**Warranties**

| Bundle                        | Item   | Description                        | QTY | Estimated Start Date | Estimated End Date |
|-------------------------------|--------|------------------------------------|-----|----------------------|--------------------|
| TASER 10 Certification Bundle | 100704 | EXT WARRANTY, TASER 10 HANDLE      | 4   | 01/01/2025           | 01/31/2029         |
| TASER 10 Certification Bundle | 80374  | EXT WARRANTY, TASER 7 BATTERY PACK | 4   | 01/01/2025           | 01/31/2029         |
| TASER 10 Certification Bundle | 80374  | EXT WARRANTY, TASER 7 BATTERY PACK | 1   | 01/01/2025           | 01/31/2029         |
| TASER 10 Certification Bundle | 80396  | EXT WARRANTY, TASER 7 SIX BAY DOCK | 1   | 01/01/2025           | 01/31/2029         |

## Payment Details

Item 12.

### Jan 2024

| Invoice Plan | Item    | Description                     | Qty | Subtotal          | Tax           | Total             |
|--------------|---------|---------------------------------|-----|-------------------|---------------|-------------------|
| Year 1       | 100616  | TASER 10 BLACKHAWK HOLSTER, RH  | 8   | \$118.16          | \$0.00        | \$118.16          |
| Year 1       | C00001  | T10 CERTIFICATION ADD-ON BUNDLE | 8   | \$2,399.88        | \$0.00        | \$2,399.88        |
| Year 1       | T10Cert | TASER 10 Certification Bundle   | 4   | \$3,360.03        | \$0.00        | \$3,360.03        |
| <b>Total</b> |         |                                 |     | <b>\$5,878.07</b> | <b>\$0.00</b> | <b>\$5,878.07</b> |

### Jan 2025

| Invoice Plan | Item    | Description                     | Qty | Subtotal          | Tax           | Total             |
|--------------|---------|---------------------------------|-----|-------------------|---------------|-------------------|
| Year 2       | 100616  | TASER 10 BLACKHAWK HOLSTER, RH  | 8   | \$122.89          | \$0.00        | \$122.89          |
| Year 2       | C00001  | T10 CERTIFICATION ADD-ON BUNDLE | 8   | \$2,495.87        | \$0.00        | \$2,495.87        |
| Year 2       | T10Cert | TASER 10 Certification Bundle   | 4   | \$3,494.45        | \$0.00        | \$3,494.45        |
| <b>Total</b> |         |                                 |     | <b>\$6,113.21</b> | <b>\$0.00</b> | <b>\$6,113.21</b> |

### Jan 2026

| Invoice Plan | Item    | Description                     | Qty | Subtotal          | Tax           | Total             |
|--------------|---------|---------------------------------|-----|-------------------|---------------|-------------------|
| Year 3       | 100616  | TASER 10 BLACKHAWK HOLSTER, RH  | 8   | \$127.80          | \$0.00        | \$127.80          |
| Year 3       | C00001  | T10 CERTIFICATION ADD-ON BUNDLE | 8   | \$2,595.68        | \$0.00        | \$2,595.68        |
| Year 3       | T10Cert | TASER 10 Certification Bundle   | 4   | \$3,634.26        | \$0.00        | \$3,634.26        |
| <b>Total</b> |         |                                 |     | <b>\$6,357.74</b> | <b>\$0.00</b> | <b>\$6,357.74</b> |

### Jan 2027

| Invoice Plan | Item    | Description                     | Qty | Subtotal          | Tax           | Total             |
|--------------|---------|---------------------------------|-----|-------------------|---------------|-------------------|
| Year 4       | 100616  | TASER 10 BLACKHAWK HOLSTER, RH  | 8   | \$132.92          | \$0.00        | \$132.92          |
| Year 4       | C00001  | T10 CERTIFICATION ADD-ON BUNDLE | 8   | \$2,699.54        | \$0.00        | \$2,699.54        |
| Year 4       | T10Cert | TASER 10 Certification Bundle   | 4   | \$3,779.59        | \$0.00        | \$3,779.59        |
| <b>Total</b> |         |                                 |     | <b>\$6,612.05</b> | <b>\$0.00</b> | <b>\$6,612.05</b> |

### Jan 2028

| Invoice Plan | Item    | Description                     | Qty | Subtotal          | Tax           | Total             |
|--------------|---------|---------------------------------|-----|-------------------|---------------|-------------------|
| Year 5       | 100616  | TASER 10 BLACKHAWK HOLSTER, RH  | 8   | \$138.23          | \$0.00        | \$138.23          |
| Year 5       | C00001  | T10 CERTIFICATION ADD-ON BUNDLE | 8   | \$2,807.53        | \$0.00        | \$2,807.53        |
| Year 5       | T10Cert | TASER 10 Certification Bundle   | 4   | \$3,930.77        | \$0.00        | \$3,930.77        |
| <b>Total</b> |         |                                 |     | <b>\$6,876.53</b> | <b>\$0.00</b> | <b>\$6,876.53</b> |

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

## Standard Terms and Conditions

### Axon Enterprise Inc. Sales Terms and Conditions

#### Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

#### ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

#### Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

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Signature

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Date Signed

7/24/2023



# CITY OF RICHLAND CENTER

## AGENDA ITEM DATA SHEET

**Agenda Item:** Consider Request to Authorize an Application for the US Bank NASPO Commercial Card Program

**Meeting Date:** Tuesday, August 1, 2023

**Requested by:** Ashley Oliphant

**Background:** For approximately 20 years, the City has utilized BMO's credit card services (previously M&I). Around late spring 2023, at the request of the Library Director, the Clerk/Treasurer's Office contacted BMO to deactivate the Library's credit card. When terminating the Library's credit card account, BMO mistakenly terminated the entire corporate account for the City. As a result, the City lost the ability to engage in credit card transactions. While inconvenient, it was determined that the account should not be reopened to allow alternative options to be explored.

Recommendation:

It is recommended that the City participate in the NASPO Commercial Credit Card Program offered by US Bank. This program has been in existence since 2002 with thirteen states participating. This program is a specialized & pre-negotiated contract the State of Wisconsin participates in. The State's participation provides all municipalities access to the program. Richland County is currently participating in this program. They were contacted requesting feedback on the program. No issues or concerns were cited.

Highlights of the program:

- No fees or interest charges
- 45-day payment cycle
- Quarterly rebates provided based on purchases and timeliness of payments (1.35%)
- Direct integration with accounting software
- Online access allowing for the issuance of cards, credit limit adjustments, statement viewing, etc

City's Credit Card Policy (effective 11/3/2020):

**Credit Cards:** The Chief of the Police Department will hold a credit card that may be used in urgent situations for Police business only. The City Clerk/Treasurer's Office will hold the City's Credit Card and is the only department authorized to make charges for the remaining city departments. The maximum credit limit is \$5,000.00 per card. At no time may a credit card be used if the purchase is not in compliance with this purchasing policy.

No invoice will be paid unless turned into the City Clerk/Treasure's Office signed by the employee who made the purchase and authorized by the department head. All contacts must be authorized by the City Council.

**Funding Source:** N/A

**Financial Impact:** No cost

**Requested Action:**

**Finance Motion:** To recommend to the Common Council to authorize the administrator to execute the application process necessary for the enrollment in US Bank's NASPO program.

**Council Motion:** To authorize the administrator to execute the application process necessary for the enrollment in US Bank's NASPO program.

**Attachment(s):** WI\_NASPO-Brochure



## Powerful solutions to help maximize your payment performance



U.S. Bank has partnered with State of Wisconsin to offer unique solutions to meet the payment needs of state and local agencies. Through the State of Wisconsin Commercial Card Program, we provide the most comprehensive payment solutions, including: Purchasing Card, One Card, Travel Card, Managed Spend Card, Emergency Card, Central Travel Accounts, Ghost Cards, and Virtual Pay.

### U.S. Bank NASPO ValuePoint Commercial card

U.S. Bank's NASPO ValuePoint Commercial Card Program, in existence since 2002, is a publicly bid and awarded contract for payment card services. This Visa® branded program is open to state agencies, political subdivisions, and higher education institutions.

The NASPO Program provides a standard contract to secure world-class commercial card services and competitive rebates without conducting a costly and time consuming RFP and review process. The program offers a convenient way to obtain the services of a trusted card issuer with the commitment to service and experience your program deserves.

#### Experience

U.S. Bank was the first bank-issuer of commercial card programs in 1989 and has led the way in developing commercial card best practices that today are standard throughout the public sector. U.S. Bank offers commercial card and payment processor services to 21 state commercial card programs and more than 60% of the Federal Government. With more than 3,300 public sector clients, this is the market that drives our commercial card products, technology and service enhancements. Our client base within the public sector includes numerous Federal Government agencies, state government agencies, county and city governments and local municipalities.

U.S. Bank offers commercial card and payment processor services to **more than 60%** of the Federal Government, making us their largest Commercial card service provider.

**Service**

U.S. Bank is dedicated to providing skilled personnel to support the strategic needs of program participants. Our Relationship Management and Client Services are specifically dedicated to support a diverse portfolio of Public Sector clients including government agencies, cities, counties and local municipalities. These resources are prepared to provide a consultative view of your procure to pay process and support everything from strategic program direction, implementation, training, and the daily administrative needs of any new or existing program participant.

**Competitive rebates**

The NASPO Program includes generous revenue sharing opportunities, which provide rebates to qualifying participants. The rebate structure also provides for rewards to each participant based on its individual spending and payment performance. Below are the rebates available to NASPO participants.

- Standard and Non-Standard Volume Incentive is 135 bps
- Prompt Payment Incentive is up to 45 bps depending on speed of reimbursement to the bank
- Payments are issued to participants on a quarterly basis, and payable to the agency.

**Features and benefits**

| Features                        | Benefits   |
|---------------------------------|--|
| U.S. Bank Access® Online        | Use the Access Online system in real time to: <ul style="list-style-type: none"> <li>• Monitor cardholder transactions</li> <li>• Review declined and disputed transactions</li> <li>• Manage card limits and MCCs</li> <li>• View electronic statements</li> <li>• Access up to six years of reporting</li> <li>• Attach electronic receipts</li> <li>• Set effective dating for account maintenance and limit adjustments</li> </ul> |
| Worldwide card acceptance       | Visa® branded card allows for unparalleled purchasing access   |
| Mobile application              | Gives you anytime access to your account, so you can quickly manage and stay on top of your business expenses.   |
| Visa® Liability Waiver Program  | Protects against eligible losses incurred should a terminated employee misuse the card   |
| Experienced U.S. Bank Resources | Implementation Manager, Relationship Managers, and Account Coordinators provide consultation and issue resolution, allowing for full program optimization  |
| 24-hour customer service        | Offers unparalleled 24/7 cardholder assistance and fraud support   |
| Zero cost program               | No annual fee or interest charges  |
| Favorable payment terms         | NASPO program allows for 45 days to pay, late payment penalties are 1% for each past due cycle or in accordance with the State Prompt Payment Act.   |
| Reduced paperwork               | Increases efficiencies in the procurement process by reducing paper-based transactions for micro-purchases   |

## State of Wisconsin Commercial Card Program includes:

The NASPO program provides a standard contract platform for public sector participants to secure a number of payment services. These innovative solutions are supported by web-based program management tools that allow participants to securely access information 24/7, and proactively manage payables and travel expenditures.

### Purchasing card

Helps reduce the time and costs associated with traditional procure-to-pay processes, eliminating paper-based purchase orders and invoice processing.

### Travel card

Provides an easy-to-implement and manage payment and cost management alternative for participants seeking to increase efficiency and control. Offers complete online account management and reporting capabilities.

### One Card

A single card with powerful flexibility that can be used for anything the cardholder is authorized to purchase – goods, services, airfare, supplies, fuel and more.

### Virtual Pay

Replaces checks and paper-based processes with cardless account numbers that allow you to pay suppliers electronically. Highly-secure and widely accepted, this virtual payment method gives you complete control over spending amounts and timing while vastly simplifying the reconciliation process.

### Managed spend card

Covers expenses relating to buying trips, product launches, events, incentive programs, and others that often fall beyond the scope of traditional purchasing and travel card programs. Enjoy control with firm credit limits, expiration dates and restrictions by merchant category code (MCC). It is an efficient way to manage payments and limit risk.

### Emergency cards

Provides specific cards you can activate in case of an emergency to cover related expenses such as urgent on-demand payments or unexpected expenses at headquarters, satellite offices and field locations; remote employee purchasing needs at disaster recovery hot sites and emergency response team expenses.

### Payment analytics

Provides enhanced reporting and analytics that allow program managers to easily audit and track payments and purchases as well as detect potential fraud or misuse.

## Contact U.S. Bank to get started

Name

Title

Phone

Email

[usbank.com](https://usbank.com)

# CITY OF RICHLAND CENTER

## AGENDA ITEM DATA SHEET

**Agenda Item:** Consider Request to Authorize a Hotel Feasibility Study

**Meeting Date:** Tuesday, August 1, 2023

**Requested by:** Ashley Oliphant

**Background:** The City currently has a total of three hotels and motels. There are approximately five short-term rentals (Airbnb) within the City. With less than a combined approximate total of 80 hotel/motel rooms available for occupancy – many of which are utilized for housing – the City lacks an adequate supply of hotel/motel accommodation. This shortage negatively impacts tourism opportunities and limits potential room tax collection.

In 2022, the Environmental Protection Agency (EPA) began collaborating with the City to review areas for potential redevelopment. Several potential development options and sites were assessed for viability. Considering the existing and potential future conditions related to hotels, the EPA assessed the viability of a new hotel development. It is anticipated that the EPA will soon release their findings in a report supporting the development of a hotel.

While the EPA's analysis is valuable in determining the viability of a hotel development, it is necessary to conduct a more comprehensive hotel feasibility study if this type of development is to be pursued. A feasibility study will demonstrate whether a community has the capacity to support a hotel development and is generally required by franchises prior to serious engagement. It is not the City's intent to be a developer but, rather, to create the conditions conducive to development. A hotel feasibility study will assist the City in attracting potential investors and/or developers.

| Hotels/Motels within the City of Richland Center  |  |  |   |
|---|--|--|---|
| <u>Ramada</u>   | <u>Center Lodge</u>  | <u>Starlite Motel</u>  | <u>Parkview Motel</u>   |
| <ul style="list-style-type: none"> <li>• Improvements made</li> <li>• Excellent occupancy rate (approx. 2023 avg of 85%)</li> <li>• 43 Rooms</li> <li>• Opting not to offer 30+ day stays during peak season</li> </ul> | <ul style="list-style-type: none"> <li>• No longer a hotel</li> <li>• Providing workforce housing (30+ day stays)</li> <li>• Under new ownership</li> <li>• Previous occupancy rates unknown</li> <li>• 45 Rooms</li> <li>• Delinquent room tax</li> </ul> | <ul style="list-style-type: none"> <li>• Occupancy rates unknown</li> <li>• 19 Rooms</li> <li>• Delinquent room tax</li> </ul> | <ul style="list-style-type: none"> <li>• Under new ownership</li> <li>• Healthy occupancy rate</li> <li>• Approximately half of stays are 30+ days</li> </ul> |
| <i>Stays of 30 days or more are likely a result of insufficient housing within the City.</i>  |  |  |   |

In June 2023, Richland Center Tourism Coordinator Marty Richards stated the following:

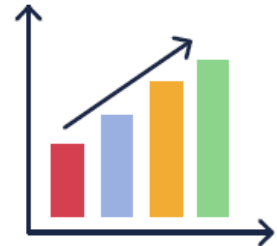
*"As the Tourism Director, I feel very strongly that a modern hotel that offers an exceptional experience would flourish in Richland Center. It is obvious from our growth numbers as mentioned above, and our continuation of the marketing campaign that we have been employing, including streaming advertising, digital billboards, and print marketing, there will be continued growth as potential visitors learn about our offerings. However, we are beginning to hear potential visitors raise concerns about the lack of lodging options."*

According to [Statista](#), as of August 2022, the national occupancy rate of hotels was 67%. [Hotel Tech Report](#) states a good occupancy rate for hotels is between 70% and 95% depending on factors like the number of rooms, location, type of hotel, target guests, etc. Based on this information, the Ramada is performing well by industry standards.

## DIRECT REVENUE

When considering the potential Direct Economic Impact of a new hotel in the community, look at the direct tax revenue the community is gaining from the project. This takes into consideration lodging/bed taxes (when applicable), sales taxes, and real estate taxes. Below you will find the estimated tax revenue\* of this project broken out into each category (Ramp Up Year):

|                             |             |
|-----------------------------|-------------|
| NEW HOTEL REVENUE           | \$1,140,000 |
| NEW SALES TAX REVENUE       | \$64,350    |
| NEW LODGING/BED TAX REVENUE | \$35,100    |
| NEW REAL ESTATE TAX REVENUE | \$75,000    |



\*All taxes based on a new 50 room, upper mid-scale hotel, with an average daily rate of \$100 at 65% occupancy. Sales tax estimates based on 5.5% Sales Tax. Lodging tax estimates based on 3% Lodging Tax. Real Estate Taxes also an estimate based on Real Estate/Property Taxes from a past project of Core Distinction Group in Iowa.

Two proposals have been received for the purpose of conducting a hotel feasibility study.

1. Patek Hospitality: \$10,000 for study, \$660 for required report, and \$150/hr. for attending meetings or other needs outside of proposal.
2. Core Distinction Group: \$12,500 (all inclusive).

Both firms require half of their fee as a retainer but will not charge beyond that if it is determined that the project would not be viable within the City.

**Funding Source:** ARPA funds

**Financial Impact:** Up to \$14,000

| ARPA Funds as of 7/19/2023 |                        |                       |                                      |
|----------------------------|------------------------|-----------------------|--------------------------------------|
| <u>Total Awarded</u>       | <u>Total Allocated</u> | <u>Total Expended</u> | <u>Total Remaining (unallocated)</u> |
| \$518,214                  | \$334,422              | \$140,333             | \$183,792                            |

### Requested Action:

**Finance Motion:** to recommend to the Common Council to authorize the administrator to contract with a vendor for the purpose of conducting a hotel feasibility study at a cost not to exceed \$14,000 utilizing ARPA funds.

**Council Motion:** to authorize the administrator to contract with a vendor for the purpose of conducting a feasibility study for a hotel at a cost not to exceed \$14,000 utilizing ARPA funds.

**Attachment(s):** Proposals from Core Distinction Group and Patek Hospitality

**Proposal for a Proposed Cobblestone Hotel  
To be located in  
Richland Center, Wisconsin**

**July 13, 2023**

**Prepared for:**

**Ms. Candace Fagerlind and  
City of Richland Center, Wisconsin**

**Patek Hospitality Consultants, Inc.**

**N57 W27841 Walnut Grove Court  
Sussex, Wisconsin 53089  
(262) 538-0445**

**Patek Hospitality Consultants, Inc.**  
N57 W27841 Walnut Grove Court  
Sussex, Wisconsin 53089  
(262) 538-0445

July 13, 2023

City of Richland Center  
Ms. Candace Fagerlind  
City of Richland Center Municipal Building  
450 South Main Street  
Richland Center, Wisconsin 53581

Dear Ms. Fagerlind and the City of Richland Center:

We are pleased to submit this proposal to conduct a study of potential market demand and prepare a statement of estimated annual operating results for a proposed Cobblestone Hotel to be located in Richland Center, Wisconsin. In addition, we will prepare a Breakeven Analysis and an Economic Financial Analysis for the proposed hotel, two analyses that Cobblestone Hotels requires as part of the feasibility study. We understand you have had discussions with Cobblestone Hotels and will keep this brand in mind as we conduct our research.

To assist you in evaluating the potential demand for the project and to provide critical planning parameters for you and other interested parties, we have provided the following proposal. This document would identify potential market demand for the subject hotel including a discussion on the market and potential site, recommendations on the type of property best suited for the market, a supply and demand analysis, a five-year estimate of occupancy and average daily rate, and a statement of estimated annual operating results that could be used to obtain financing, a franchise or management agreement. In addition, we would provide you with a breakeven analysis, and an analysis of the economic feasibility of the project. We intend to conduct a study as detailed below.

#### **APPROACH TO THE STUDY**

The study would be concerned with the determination of current and potential future demand for hotel accommodations in the market area; assessment of existing and potential future competitive supply; and the share of the market that could reasonably be attained by the proposed hotel. We would visit Richland Center and meet with you, city officials and other interested parties to gather information about the community and the potential need for a hotel. We would tour the community and conduct our research and analysis. Our approach to such a study would be as follows:



**Site Analysis:** We understand you have identified a block in downtown Richland Center as a potential site. The following attributes of this site will be evaluated: access, visibility, surrounding area, present use, relationship to demand generators, relationship to area amenities, and advantages/disadvantages of the site. As we tour Richland Center, we will discuss with you if there are additional sites/areas of the community that could be considered and provide a recommendation on the most appropriate site for hotel development.

**Area Review:** Based on economic data gathered during the fieldwork, it will be determined whether the market area appears to be economically viable to support hotel development. Economic data is also assembled using local, city, and county websites, state agency websites, U.S. Census Bureau, U.S. Bureau of Labor Statistics, and other sources deemed relevant.

**Primary Research:** Primary research would consist of interviews with key demand generators and those persons knowledgeable with the local economic development situation and local hotel market. These interviews could be done in person or by telephone and include, but not be limited to city officials in economic development and planning, Chamber of Commerce, Convention & Visitors Bureau or comparable tourism organization, competitive hotels including an inspection of the hotel properties, and potential demand generators.

During our fieldwork, we will discuss with you and local officials the potential demand generators (corporate, leisure, and group) that are in Richland Center and Richland County. We would need to call on these demand generators and would ask for assistance in this process. We have found that we have more success when we receive contact names and phone numbers from local officials and in many cases, an introduction will be made that our company would be calling on them. We usually ask to speak with the person within the organization that is making hotel reservations. The survey that we would conduct would be to garner information on that company's needs for hotel rooms, rates they are willing to pay, and the type of amenities and facilities they would like to see developed. This task is something that we will discuss further during our fieldwork. The information obtained through this telephone survey would be summarized and presented in our report.

**Competitive Market** - The present supply of hotel rooms in the market area, the potential additions to supply and the markets served or to be served by those properties will be reviewed. An inspection of the competitive hotels will be conducted during our fieldwork. A competitive property profile and projections of growth in supply will be prepared. Through interviews, file data, and a STR\* report, an estimate of market occupancy and average daily rate (ADR) will be provided.

**Demand** - We will determine the major segments of demand and discuss the growth in demand for each of those segments, based on historical data. Based on our research, we will estimate demand for hotel rooms over a five- to seven-year period.

**Recommended Facilities:** Recommendations for appropriate facilities will be provided for the proposed hotel, based on our market findings which will best meet demonstrated market



demand. These facilities could include: type of hotel (i.e. limited-service, extended-stay, all-suite), number and type of guest rooms, meeting rooms, and other amenities and facilities deemed appropriate such as food and beverage outlets and recreational features. These recommendations could assist an architect and planner with the basis for a design program for the subject hotel and will provide the basis for our estimate of occupancy and average daily rate.

We understand you have had discussions with Cobblestone Hotels, and we will keep this brand in mind as we conduct our fieldwork and research. Should we determine there could be other hotel brand options that would be appropriate for the Richland Center market, we will discuss this with you and provide that information in a separate letter. This letter would provide you with contact information for franchise representatives of these hotel companies; we would be happy to provide an introduction to these individuals and assist in whatever way we can to facilitate a discussion. If it is determined during our fieldwork that more than one hotel company would be appropriate and potentially interested in the market, the report will address the development as a proposed "limited-service" hotel, otherwise if a Cobblestone Hotel is the recommendation, the report will be addressed as a Cobblestone Hotel. This determination will be made during our research and the report will be referenced accordingly.

**Market Position of the Subject Property (Occupancy and Average Daily Rate):** After completing the estimate of the future supply and demand for rooms in the market area, we will estimate the share of the market that the subject property should reasonably be expected to capture, by market segment, for the first five years of operation. Occupancy and average daily rate for the subject hotel for each of those five years will be estimated. This is intended to be representative of potential results that may be achieved assuming efficient and competent management and an effective marketing program. Our analysis will include an evaluation of the future market position of the subject hotel versus the existing competition.

**Statement of Estimated Annual Operating Results:** Using the market research as a basis, we would prepare a statement of estimated annual operating results that would include occupancy, average daily rate, sales and operating expenses for each of the first five years of operation. This statement would include all revenues and expenses and result in a "bottom line" of Income Before Rent, Depreciation, Interest and Taxes on Income. Since the estimated operating results would be based on estimates and assumptions that are subject to uncertainty and variation, we would not represent them as results that will actually be achieved. The report that includes the statement of estimated annual operating results could be used in obtaining mortgage financing, or in negotiating a lease, franchise or management agreement.

**Breakeven Analysis:** Included in this financial assessment, we will provide you with a break-even analysis to determine the margin of safety for the proposed hotel based on the revenues collected and the associated fixed costs.

**Economic Feasibility Analysis:** A development budget will be provided based on the number of rooms and facilities recommended (provided by Cobblestone Hotels) and assumptions will

be made regarding debt and equity for the project to determine the economic feasibility of the hotel development and the return on investment.

## **REPORT**

The information will be presented in a report for your internal use and guidance to determine whether to proceed with development of this hotel. The report will also be appropriate to share with hotel companies, developers, management companies, and lenders/investors. The report will include a discussion of the market area, the site, the competitive hotel market, recommendations on the type of property best suited for the market, estimates of occupancy and average daily rate for the first five years of operation, a statement of estimated annual operating results, a breakeven analysis, and an economic feasibility analysis.

Two copies of the report will be delivered to you at the completion of the assignment as well as an electronic version of the report. The following section headings will appear in the final report.

- Executive Summary
- Project Concept and Recommendations
- Site Location Analysis
- Market Area Overview
- Hotel Supply and Demand Analysis
- Market Position and Penetration of the Proposed Hotel
- Statement of Estimated Annual Operating Results/Breakeven Analysis
- Economic Financial Feasibility

## **ASSUMPTIONS AND LIMITATIONS OF THE STUDY**

The report will be subject to the following limitations.

1. The conclusions reached are based upon our present knowledge of the lodging market in the competitive area as of the completion of fieldwork.
2. As in all studies of this type, the estimated operating results are based upon competent and efficient management and assume no significant change in the competitive position of the lodging industry in the immediate area from that set forth in the study.
3. Estimated operating results are also based on an evaluation of the present general economy of the area and do not take into account, or make provision for the effect of any sharp rise or decline in local or general economic conditions which may occur.
4. The estimates of operating results, to the best of our knowledge and belief, reflect our best judgment, based on present circumstances of the expected conditions and the expected course of action for the operation of the hotel. There will usually be differences

between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

5. We do not warrant that our estimates will be attained; they will be developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel developer/investor as of the report date.
6. It is understood that the report will be prepared primarily for your internal use and guidance as well as that of developers, hotel companies, and lenders/investors. The report and material submitted may not be used in any prospectus or printed material used in connection with the sale of real estate, securities or participation interests to the public or through advertising, public relations, news, sales, or other media without our prior written consent.
7. The scope of the study would not include the possible impact of zoning or environmental regulations, licensing requirements or other such matters unless they have been brought to our attention and are disclosed in the report.
8. We have no obligation to update the findings regarding changes in market conditions that occur subsequent to the completion of fieldwork.
9. Any drafts or preliminary information communicated to you during the course of the assignment are for internal management use only, and may not be disclosed to any outside third parties without our prior written consent.
10. The Client (City of Richland Center and Ms. Candace Fagerlind) has disclosed to Patek Hospitality Consultants, Inc. (PHC) all relevant information, conditions, data, and other information that Client deems relevant to PHC's production of the Report. Unless specifically brought to the attention of PHC, PHC will assume that there are no hidden or unexpected conditions or information that would adversely or otherwise affect the study and analysis leading to the Report. PHC expresses no opinion and gives no advice concerning matters that require legal or specialized expertise, investigation or knowledge such as, without limitation, engineering, tax, accounting, zoning, signage, hazardous substance/waste, wetlands, franchise or other technical or developmental matters. Market studies involve the interpretation of evolving events and the research and review of highly confidential information, the accuracy of which cannot be assured. The risk of unknown or unanticipated events or conditions is an additional variable for which there is no remedy. Client understands these limitations and interprets all research, analysis, and projections accordingly.
11. Our liability with respect to this report is limited to the total fees as set forth herein. Our responsibility is limited to the Client and use of this report by third parties shall be solely at the risk of the Client and/or third parties.

12. Payment of our fees and expenses billed to conduct this assignment are payable within 30 days. Fees and expenses are due and payable regardless of whether or not conclusions reached by PHC coincide with Client's expectations. Fees and expenses are in no way related to conclusions reached or projections provided by PHC.

## FEES AND STUDY TIMETABLE

At the beginning of this study, we will plan to meet with you to discuss your plans for the proposed hotel and how to proceed with the project. We will keep you informed of the progress of our work by telephone. If at any time during the course of the study, we form an initial opinion that there is insufficient demand for the project, all work will be stopped at that point and the findings will be discussed with you. If you would like the assignment to be terminated at that time, you will be billed only for the time actually incurred to date at a fee not to exceed \$5,000.

Our fee for this project will be \$10,000 inclusive of out-of-pocket expenses such as travel, hotel, meals, telephone, postage, and report production.

A Smith Travel Research (STR\*) historical trend report is an outside resource that we usually commission to supplement our research and analysis regarding occupancy and average daily rate trends for hotels in a market area. The cost of this report is \$660, which will be billed to you in our final invoice; the cost of the STR report is not included in the all-inclusive fee stated above. It will be determined during fieldwork whether a STR report could be ordered for the competitive market, and this will be discussed with you prior to commissioning the STR report.

\*STR is a research company based in Hendersonville, Tennessee that began collecting data in the 1980s and today 68,000 hotels with 9.1 million rooms globally submit monthly data to the STR program. STR reports are specific to a market, and we would include those hotels, which would be determined by the demand interviews, of where demand from Richland Center is currently staying. The report would provide historical performance for a competitive set including occupancy, average daily rate, supply and demand changes, revenue, and weekday versus weekend demand. We believe this would be beneficial for this hotel project in order to have a better understanding of the historical competitive market performance and to prepare estimates of future performance for the proposed hotel. The report presents the information as an aggregate and does not provide individual property data.

Our fees include meetings with city officials that are conducted during our fieldwork. Our fees do not include attending additional meetings requested such as city council, economic development, or similar such meetings to discuss/present our findings and recommendations. Should you require our attendance at such meetings, you would be billed for our time and travel at our regular per diem rate of \$150 per hour.

A retainer of \$5,000 is requested at the start of the assignment. The remaining fees and expenses will be billed at the completion of the assignment and will be payable within 30 days. A draft of the report will be sent to you for your review. If you do not respond to the draft report within 30 days, we may be required to update our findings at an additional fee.

Based on our present scheduling, we could begin the assignment in early September pending receipt of your signed proposal and requested retainer. We anticipate discussing our preliminary findings within two to three weeks from the start of the assignment with a draft report to follow within two to three weeks from our preliminary results, barring unforeseen circumstances. Upon receiving your approval of the draft report, an additional week would be required for printing the final report.

### **ACCEPTANCE**

If this proposal, valid until, September 30, 2023, is correct in stating the type of work you are requesting and if the arrangements are satisfactory, please sign a copy of this proposal and return it to us, together with the retainer, as our authorization to schedule the assignment. If you have any questions, please call us at (262) 538-0445. We appreciate the opportunity to submit this proposal and look forward to working with you.

Sincerely,

*Patek Hospitality Consultants, Inc.*

Patek Hospitality Consultants, Inc.

**ACCEPTED:**

**BY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_



# HOTEL MARKET FEASIBILITY STUDY PROPOSAL

**PREPARED BY**

Jessica Junker - Managing Partner  
Core Distinction Group, LLC  
[j.junker@coredistinctiongroup.com](mailto:j.junker@coredistinctiongroup.com)  
920-740-1647



# WHAT CAN A NEW HOTEL DO FOR YOUR COMMUNITY?

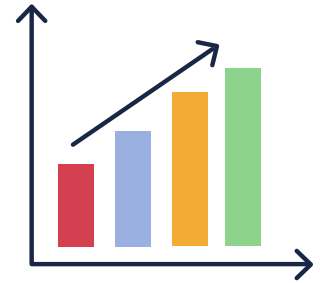
## ESTIMATED ECONOMIC IMPACT

A new hotel in your community can have a very large Direct Economic Impact and an even larger Indirect Economic Impact. To help you understand this impact, Core Distinction Group compiles Estimated Economic Impact within our reporting. These estimates help community leaders understand the impact to the local economy and economic development. Below is a sample of what a new hotel can bring to your community:

### DIRECT REVENUE

When considering the potential Direct Economic Impact of a new hotel in the community, look at the direct tax revenue the community is gaining from the project. This takes into consideration lodging/bed taxes (when applicable), sales taxes, and real estate taxes. Below you will find the estimated tax revenue\* of this project broken out into each category (Ramp Up Year):

|                             |             |
|-----------------------------|-------------|
| NEW HOTEL REVENUE           | \$1,140,000 |
| NEW SALES TAX REVENUE       | \$64,350    |
| NEW LODGING/BED TAX REVENUE | \$35,100    |
| NEW REAL ESTATE TAX REVENUE | \$75,000    |



\*All taxes based on a new 50 room, upper mid-scale hotel, with an average daily rate of \$100 at 65% occupancy. Sales tax estimates based on 5.5% Sales Tax. Lodging tax estimates based on 3% Lodging Tax. Real Estate Taxes also an estimate based on Real Estate/Property Taxes from a past project of Core Distinction Group in Iowa.

### INDIRECT REVENUE

When considering the potential Indirect Economic Impact of a new hotel in the community, look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining, entertainment/activities and alcoholic beverages (if applicable). Below you will find the estimated revenue\*\* brought into your community indirectly by a new hotel broken down into each category (Ramp Up Year):

|  |           |
|--|-----------|
| ESTIMATED NEW FOOD/DINING REVENUE              | \$540,000 |
| ESTIMATED NEW ENTERTAINMENT/ACTIVITIES REVENUE | \$540,000 |
| ESTIMATED NEW ALCOHOLIC BEVERAGE REVENUE       | \$252,000 |

|  |          |
|--|----------|
| ESTIMATED NEW INDIRECT FULL-TIME EQUIVALENT JOBS CREATED | 18.4     |
| ESTIMATED NEW SALES TAX FROM INDIRECT REVENUE            | \$73,260 |

\*\* Indirect revenue based on the "Ramp Up Year" of a new 50 room, upper mid-scale hotel at 65% occupancy. New estimated revenues in Food/Dining, Entertainment/Activities, and Alcoholic Beverages based on one person per room sold at the current average amount spent per traveler according to [budgetyourtravel.com](http://budgetyourtravel.com). Estimated indirect job creation based on industry standard labor percentage of revenue and current wages collected from [salary.com](http://salary.com). Estimated additional sales taxes from indirect revenue based on 5.5% Sales Taxes.

## LEADERSHIP

### LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.



### JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.





## TESTIMONIALS AND REFERENCES

### **URBANA, OH/CHAMPAIGN ECONOMIC PARTNERSHIP MARCIA BAILEY**

"For quite some time we had been looking at the possibility of a new hotel in our community. We hired Core Distinction Group to perform a hotel feasibility study for us. Jessica did a great job in answering questions, touring the city and conducting demand generator interviews. The analysis that was completed gave us the information we needed to begin the process of working on the project. We would highly recommend using their services."

### **FAIRFIELD BAY, AR MAYOR PAUL WELLENBERGER**

"I called Core Distinction Group with a need for a new Feasibility study and a pretty unrealistic time frame. We had interested investors and interested bankers, but they wanted an updated study reflecting the hotel specifics. Not only was Ms. Junker responsive, she and her team worked over the July 4th weekend to get us what we needed, when we needed it. I highly recommend this company. We had a study done two years earlier. That study cost twice as much, took twice as long and the product was not nearly as thorough and complete as what we received from Core Distinction Group."

### **METAMORA, IL KEN MAURER**

"Core Distinction Group did a great job for the Village of Metamora. The study was a quality study accepted by all of the hotel chains I contacted."

## ADDITIONAL REFERENCES

HUTCHINSON, MN - BRIAN FORCIER  
PHONE: 218-590-8205

ERIE, PA - TOM KENNEDY  
PHONE: 814-451-1100

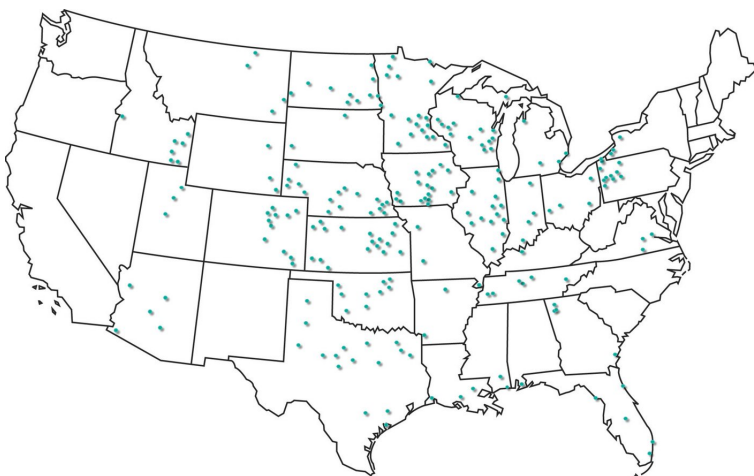
SAUK CITY, WI - VICKI BREUNIG  
PHONE: 608-643-3932

ST. MARY'S, PA - BOOKA HANES  
PHONE: 814-335-6405

WAYNE COUNTY, TN - CHRISTINE CHAPMAN  
PHONE: 931-722-3575

GLADSTONE, MO - JOSH BERGER  
PHONE: 402-405-1823

URBANA, OH - MARCIA BAILEY  
PHONE: 937-653-7200



# SCOPE OF WORK



Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thoughtout and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

## **KICKOFF MEETING, RESEARCH & COMMUNITY OUTREACH**

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. Research and Community Outreach is conducted within the first one to two weeks following receipt of the retainer.

## **SITE VISIT & COMMUNITY INTERVIEWS**

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community and need for lodging. The tour also includes a detailed analysis of potential sites for the project.

## **DEMAND GENERATOR INTERVIEWS**

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process. In some cases, interviews are done during visit as well.

## **DATA COMPILATION**

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

## **\*DATA RECEIVING & REPORTING**

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

## **COST GATHERING**

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

## **PROJECT PRO FORMA**

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

## **DRAFT COMPLETION/SUBMITTAL**

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

## **FINAL**









After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

\*If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted (Cost) and will receive a report indicating the reasoning behind the decision.

## ALL-INCLUSIVE PRICING

The cost to complete your community's Comprehensive Hotel Market Feasibility Study would be \$12,500. This fee is all-inclusive and will give you every tool you would need to bring a hotel to your community. Once your organization has decided to move forward in hiring Core Distinction Group, LLC to conduct your study, we will require a signed contract and 50% (\$6,250) non-refundable retainer. The remaining 50% (\$6,250) will be required prior to your organization receiving the Final Draft. If at any given point after the Site Visit and Community Tour, our company believes that a new hotel project in your community does not make good business sense, we will reach out to you to discuss. If after the discussion of all data with your organization, all parties believe that we have come to the proper determination, we will cease all project work and you will not be responsible for the remainder of the fee/cost. In addition, Core Distinction Group, LLC does not charge for additional time spend on the project after questions from investors, bankers, brands and so on are complete. Core Distinction Group, LLC will also include one additional Pro Forma update with-in a year of the project completion at no additional charge of changes in fees or costs.

Below you will find a breakdown of what is included in our pricing:

|   |  |
|---|--|
| Travel - Airfare, Accommodations, Rental Car, Meals and any Out of Pocket Expenses  |  |
| Industry Reports  |  |
| Community Visit and Site Analysis   |  |
| Data Compilation/Gathering  |  |
| Hotel Market Feasibility Study Completion   |  |
|  | Introduction/Objective                             |
|  | Market Overview                                    |
|  | Site Analysis                                      |
|  | Economic Overview                                  |
|  | Lodging Demand Overview                            |
|  | Community Interview/Survey Details                 |
|  | Lodging Supply Overview                            |
|  | Conclusion/Scale, Size and Amenity Recommendations |
| Financial Projections/Proforma ( 2 Separate Brand Specific Proformas )              |  |
| Total All-In Project Cost   | \$ 12,500  |

## SUMMARY

With over 500 Hotel Market Feasibility Studies complete for municipalities and organizations across the United States, Core Distinction Group has developed a wonderful reputation for our professionalism, knowledge, and customer service. Our completed reports offer each person involved a complete understanding and detailed description of what makes the most business sense in your community. Once your study is complete, you will have the pieces you need to develop a new hotel including but not limited to the following:

- Introduction/Objective
- Executive Summary
- Community Overview
- Market Demand Area
- Site Analysis
- Economic Overview
- Lodging Demand Overview
- Demand Generator Survey Details
- Lodging Supply Overview
- Industry Trend Data
- Conclusion/Recommendations
- Estimated Economic Impact
- Development Cost Breakdown
- Complete Financial Projections/Pro Forma



## SAMPLES

Please review the samples provided following this page. We have included a sample of our Hotel Market Feasibility Study and our Financial Projections.

**CONTACT US TODAY TO SCHEDULE YOUR FIRST STEP TO DEVELOP A NEW HOTEL!**  
**JESSICA JUNKER - MANAGING PARTNER**  
**920-740-1647 - J.JUNKER@COREDISTINCTIONGROUP.COM**  
**WWW.COREDISTINCTIONGROUP.COM**



# COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY

## PREPARED FOR

BELLINGHAM, WASHINGTON

## PREPARED BY

Core Distinction Group, LLC

Lisa Pennau - Founding Partner

[l.pennau@coredistinctiongroup.com](mailto:l.pennau@coredistinctiongroup.com)

Jessica Junker - Managing Partner

[j.junker@coredistinctiongroup.com](mailto:j.junker@coredistinctiongroup.com)

Offices in Wisconsin

## INCLUDES

Introduction/Objective

Community Overview

Executive Summary

Economic Overview

Market Demand

Site Analysis

Lodging Demand

Lodging Supply

Room Share Overview

Economic Impact

Conclusion



**Date** Thursday, February 3, 2022

**Attn:** Eric Heiborn (Waypoint Views LLC)

**Address** 1201 11th Street #201

**City, State, Zip** Bellingham, WA 98225

In accordance with our agreement, Core Distinction Group, LLC. has completed a Comprehensive Hotel Market Feasibility Study to determine if Bellingham, WA has the potential to support a new hotel. In addition, the aforementioned study includes a complete Pro Forma based on construction costs and operating costs provided by the brand(s) requested by you.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in January & February 2022. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether hotel development should be pursued in your community and to share with developers, hotel franchise companies, and potential lenders/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

Please do not hesitate to call if Core Distinction Group can be of any further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during the course of our agreement and look forward to working with you again in the future.

Sincerely,

Jessica Junker  
Partner



|   |              |
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|  |                    |
|--|--------------------|
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## Introduction

The following Comprehensive Lodging Feasibility Study Report will review the potential development of a hotel in Bellingham, WA.

Intended Use - This report is to be used by the Client for determining feasibility and attracting a new hotel.

Intended User - Waypoint Views LLC is the only intended user for this report.

Core Distinction Group LLC (CDG) has been engaged to provide this Comprehensive Lodging Feasibility Study Report for the Bellingham, WA market area. This Lodging Feasibility Study provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

The consultant from Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. Comprehensive research was performed and reviewed regarding the community's economic indicators, competitive lodging supply, and lodging demand generators. CDG performed field research to determine the relationship between the community and its lodging need. Economic indicators were studied to determine the stability and future growth potential of the general market. The research was conducted as a macro and micro market analysis of the Bellingham, WA and the areas immediately surrounding area to determine their viability to support the potential of a hotel development.

This report will present projections for stabilized hotel operation based upon current operating performance in the market area. Occupancy, Average Daily Room Rate, and Sales Revenue projections for the hotel were based upon a detailed review of the field research data. Also, recommendations as to the property type, suggested property size, services, and amenities were included. These projections and recommendations were based upon the market demand research for a potential lodging facility.

This report provides statistical and highlighted narratives to support the conclusions regarding the market area and its ability to support potential hotel development.

General Assumptions - For the purpose of this assignment, we assumed the proposed property will be operated as an upper-mid scaled to upper scaled, franchised hotel with a central reservations system that is fully-integrated with a recognized marketing platform. If this or any of the following are not followed, it could affect the overall feasibility of subject property.

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## Introduction (continued)

Operational Assumptions - For the purpose of this assignment, we assume the subject property would be managed by a professional hotel management company at an industry standard fee between five and seven percent.

Franchise Fees - For the purpose of this assignment, we assume the subject property would pay franchise fees quoted to Core Distinction Group, LLC by either the developer or franchise representative. In the event that Core Distinction Group is not able to receive a quote, fees will be based on the franchise's registered Franchise Disclosure Document.

SAMPLE

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## Community Overview

For the purpose of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC representatives gathered information and history about the market to give readers a brief summary. This section offers that Community Overview.

SAMPLE

## Community Overview and History

Bellingham is a coastal city in Washington State, near the Canadian border. It's a port for ferries to Alaska. East is Mount Baker, a huge snow-capped volcano with ski runs.

The city of Bellingham, incorporated in 1903, consolidated four settlements: Bellingham, Whatcom, Fairhaven, and Sehome. It takes its name from Bellingham Bay, named by George Vancouver in 1792, for Sir William Bellingham, the Controller of Storekeeper Accounts of the Royal Navy during the Vancouver Expedition. Today, Bellingham is the northernmost city with a population of more than 50,000 people in the contiguous United States. It is a popular tourist destination known for its easy access to outdoor recreation in the San Juan Islands and North Cascades. Bellingham is undergoing redevelopment on more than 100 acres of former industrial land in its Waterfront District, with a hotel, conference center, condos, retirement living, retail and commercial development planned for the site.

Downtown Bellingham offers a vibrant and abundant amount of events and attractions. The Bellingham Farmers Market is open on Saturdays from early April to late December. Originally opened in 1993, the Farmers Market now features more than fifty vendors, music and community events. The association also operates a weekly Wednesday market in nearby Fairhaven. Wednesday nights in the summer see Downtown Sounds, a family-friendly concert series featuring food booths and a beer garden with local breweries held on Bay Street. From May to September, the Downtown Bellingham Partnership runs the Commercial Street Night Market, with local food, artisan vendors, live music and performances.

Bellingham is bisected by Interstate 5, which connects it to Seattle, Vancouver, and Portland, Oregon. The city also has three state highways: State Route 11, a scenic byway through the Chuckanut Mountains; State Route 539, which connects to Lynden and the Canadian border; and State Route 542, which travels east to the Mount Baker Ski Area. The Bellingham International Airport offers scheduled commuter flights to and from Seattle and Friday Harbor, Washington, and regularly scheduled jet service to various West Coast airports via Alaska Airlines, Allegiant Air, and Southwest Airlines. Alaska Airlines and Allegiant Air used to fly to Hawaii from Bellingham, serving Honolulu, Kahului, and Kona at various times, but this service ceased by 2019. The airport is home of the first Air and Marine Operations Center, to assist the US Department of Homeland Security with border surveillance.

## Executive Summary

For the purpose of this Comprehensive Hotel Market Feasibility Study, an executive summary will provide an overview of the document to follow. The Executive Summary will contain the following information:



**Current Hotel Segment Recommendations for Market Studied**



**Current Hotel Size Recommendations for Market Studied**



**Current Hotel Room Configuration Recommendations for Market Studied**



**Current Economic Impact of Hotel for Market Studied**

Further detailed information on findings from research analysis conducted will be highlighted throughout this report. Further detail on the projections and conclusions can be found in the Projections section of this report.

## Executive Summary

**Property segment recommended** for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Bellingham, WA. Additionally, the newness of the hotel should be well received in the marketplace. Its location will be ideal to serve Bellingham and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

**Property size recommendation** of a newly developed hotel was researched to be between 70-90 guestrooms in this report. This would position it to be similar in size to the average room size of 60-104 noted by the competitive sets surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

**The recommended Sleeping Room Configuration** should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of extended stay guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

**Economic Impact Potential:** There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 20-35 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

## Economic Overview

For the purpose of this Comprehensive Hotel Market Feasibility Study, an Economic Overview will provide an overview of the economic condition of the market studied. The Economic Overview will contain the following information:



Consumer Spending Report



Daytime Employment Report



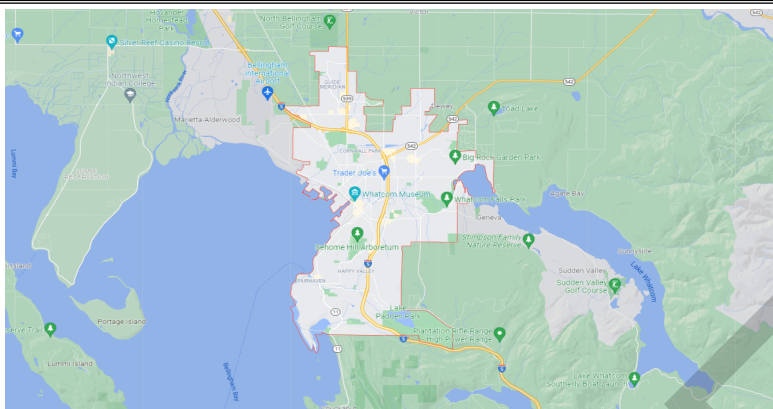
Demographic Detail Report



Demographic Market Comparison Report

# Consumer Spending Report

Bellingham, WA 98225



| 2021 Annual Spending (\$000s)            | 1 Mile           | 3 Mile             | 5 Mile             |
|--|------------------|--------------------|--------------------|
| <b>Total Specified Consumer Spending</b> | <b>\$202,556</b> | <b>\$1,106,437</b> | <b>\$1,472,970</b> |
| <b>Total Apparel</b>                     | <b>\$10,071</b>  | <b>\$53,653</b>    | <b>\$70,208</b>    |
| Women's Apparel                          | 3,717            | 20,634             | 27,314             |
| Men's Apparel                            | 2,026            | 11,038             | 14,544             |
| Girl's Apparel                           | 732              | 3,669              | 4,712              |
| Boy's Apparel                            | 568              | 2,787              | 3,564              |
| Infant Apparel                           | 654              | 2,889              | 3,600              |
| Footwear                                 | 2,373            | 12,635             | 16,474             |
| <b>Total Entertainment &amp; Hobbies</b> | <b>\$31,331</b>  | <b>\$169,505</b>   | <b>\$226,092</b>   |
| Entertainment                            | 4,707            | 25,866             | 35,150             |
| Audio & Visual Equipment/Service         | 6,898            | 35,655             | 46,740             |
| Reading Materials                        | 583              | 3,116              | 4,147              |
| Pets, Toys, & Hobbies                    | 5,673            | 30,113             | 39,919             |
| Personal Items                           | 13,470           | 74,755             | 100,135            |
| <b>Total Food and Alcohol</b>            | <b>\$58,120</b>  | <b>\$305,411</b>   | <b>\$400,253</b>   |
| Food At Home                             | 30,146           | 158,164            | 206,817            |
| Food Away From Home                      | 23,796           | 125,756            | 165,296            |
| Alcoholic Beverages                      | 4,178            | 21,491             | 28,141             |
| <b>Total Household</b>                   | <b>\$29,468</b>  | <b>\$172,406</b>   | <b>\$234,789</b>   |
| House Maintenance & Repair               | 4,137            | 30,411             | 43,654             |
| Household Equip & Furnishings            | 12,225           | 68,314             | 91,696             |
| Household Operations                     | 9,680            | 53,322             | 71,494             |
| Housing Costs                            | 3,427            | 20,359             | 27,945             |



## Consumer Spending Report

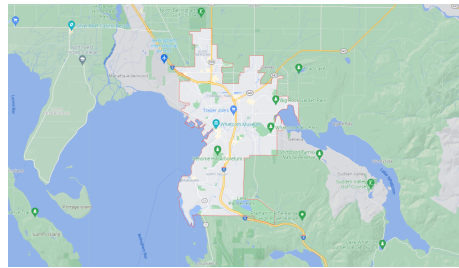
Bellingham, WA 98225

| 2021 Annual Spending (000s)        | 1 Mile          | 3 Mile           | 5 Mile           |
|------------------------------------|-----------------|------------------|------------------|
| <b>Total Transportation/Maint.</b> | <b>\$52,982</b> | <b>\$284,764</b> | <b>\$377,791</b> |
| Vehicle Purchases                  | 25,623          | 138,298          | 184,087          |
| Gasoline                           | 14,059          | 73,281           | 95,841           |
| Vehicle Expenses                   | 955             | 5,845            | 8,288            |
| Transportation                     | 5,608           | 31,675           | 42,722           |
| Automotive Repair & Maintenance    | 6,737           | 35,665           | 46,854           |
| <b>Total Health Care</b>           | <b>\$9,362</b>  | <b>\$52,970</b>  | <b>\$71,271</b>  |
| Medical Services                   | 5,583           | 31,680           | 42,653           |
| Prescription Drugs                 | 2,806           | 15,725           | 21,131           |
| Medical Supplies                   | 973             | 5,565            | 7,487            |
| <b>Total Education/Day Care</b>    | <b>\$11,223</b> | <b>\$67,728</b>  | <b>\$92,566</b>  |
| Education                          | 6,477           | 40,311           | 55,303           |
| Fees & Admissions                  | 4,747           | 27,417           | 37,263           |

# Daytime Employment Report

1 Mile Radius

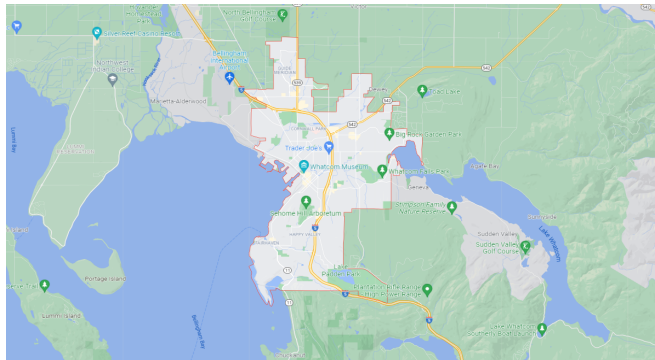
Bellingham, WA 98225



| Business Employment by Type      | # of Businesses | # Employees | #Emp/Bus |
|----------------------------------|-----------------|-------------|----------|
| Total Businesses                 | 2,283           | 18,383      | 8        |
| Retail & Wholesale Trade         | 256             | 2,107       | 8        |
| Hospitality & Food Service       | 160             | 2,138       | 13       |
| Real Estate, Renting, Leasing    | 79              | 648         | 8        |
| Finance & Insurance              | 169             | 1,163       | 7        |
| Information                      | 48              | 506         | 11       |
| Scientific & Technology Services | 347             | 1,534       | 4        |
| Management of Companies          | 1               | 3           | 3        |
| Health Care & Social Assistance  | 614             | 2,434       | 4        |
| Educational Services             | 62              | 2,526       | 41       |
| Public Administration & Sales    | 75              | 2,142       | 29       |
| Arts, Entertainment, Recreation  | 55              | 357         | 6        |
| Utilities & Waste Management     | 58              | 673         | 12       |
| Construction                     | 72              | 492         | 7        |
| Manufacturing                    | 59              | 538         | 9        |
| Agriculture, Mining, Fishing     | 4               | 26          | 7        |
| Other Services                   | 224             | 1,096       | 5        |

# Demographic Detail Report

## Bellingham, WA 98225



| Radius                 | 1 Mile |        | 3 Mile |        | 5 Mile  |        |
|------------------------|--------|--------|--------|--------|---------|--------|
| Population             |        |        |        |        |         |        |
| 2026 Projection        | 19,880 |        | 95,363 |        | 121,907 |        |
| 2021 Estimate          | 18,139 |        | 87,197 |        | 111,562 |        |
| 2010 Census            | 15,270 |        | 74,283 |        | 95,860  |        |
| Growth 2021 - 2026     | 9.60%  |        | 9.37%  |        | 9.27%   |        |
| Growth 2010 - 2021     | 18.79% |        | 17.38% |        | 16.38%  |        |
| 2021 Population by Age |        |        |        |        |         |        |
| Age 0 - 4              | 1,421  | 7.83%  | 5,761  | 6.61%  | 6,959   | 6.24%  |
| Age 5 - 9              | 1,179  | 6.50%  | 5,132  | 5.89%  | 6,320   | 5.67%  |
| Age 10 - 14            | 884    | 4.87%  | 4,502  | 5.16%  | 5,766   | 5.17%  |
| Age 15 - 19            | 759    | 4.18%  | 4,505  | 5.17%  | 5,955   | 5.34%  |
| Age 20 - 24            | 1,446  | 7.97%  | 7,252  | 8.32%  | 9,241   | 8.28%  |
| Age 25 - 29            | 2,036  | 11.22% | 8,314  | 9.53%  | 10,048  | 9.01%  |
| Age 30 - 34            | 2,032  | 11.20% | 7,705  | 8.84%  | 9,137   | 8.19%  |
| Age 35 - 39            | 1,869  | 10.30% | 7,192  | 8.25%  | 8,611   | 7.72%  |
| Age 40 - 44            | 1,468  | 8.09%  | 6,100  | 7.00%  | 7,523   | 6.74%  |
| Age 45 - 49            | 1,037  | 5.72%  | 4,845  | 5.56%  | 6,214   | 5.57%  |
| Age 50 - 54            | 805    | 4.44%  | 4,206  | 4.82%  | 5,597   | 5.02%  |
| Age 55 - 59            | 707    | 3.90%  | 4,067  | 4.66%  | 5,551   | 4.98%  |
| Age 60 - 64            | 666    | 3.67%  | 4,141  | 4.75%  | 5,730   | 5.14%  |
| Age 65 - 69            | 621    | 3.42%  | 4,128  | 4.73%  | 5,757   | 5.16%  |
| Age 70 - 74            | 511    | 2.82%  | 3,616  | 4.15%  | 5,081   | 4.55%  |
| Age 75 - 79            | 334    | 1.84%  | 2,551  | 2.93%  | 3,607   | 3.23%  |
| Age 80 - 84            | 183    | 1.01%  | 1,538  | 1.76%  | 2,181   | 1.95%  |
| Age 85+                | 180    | 0.99%  | 1,642  | 1.88%  | 2,285   | 2.05%  |
| Age 65+                | 1,829  | 10.08% | 13,475 | 15.45% | 18,911  | 16.95% |
| Median Age             | 33.30  |        | 35.30  |        | 36.40   |        |
| Average Age            | 34.50  |        | 37.50  |        | 38.50   |        |

## Demographic Detail Report

| Bellingham, WA 98225                         |        |        |        |        |         |        |
|--|--------|--------|--------|--------|---------|--------|
| Radius                                       | 1 Mile |        | 3 Mile |        | 5 Mile  |        |
| 2021 Population By Race                      | 18,139 |        | 87,197 |        | 111,562 |        |
| White  | 15,623 | 86.13% | 74,134 | 85.02% | 94,898  | 85.06% |
| Black  | 357    | 1.97%  | 1,489  | 1.71%  | 1,807   | 1.62%  |
| Am. Indian & Alaskan                         | 423    | 2.33%  | 1,516  | 1.74%  | 1,872   | 1.68%  |
| Asian  | 738    | 4.07%  | 5,538  | 6.35%  | 7,314   | 6.56%  |
| Hawaiian & Pacific Island                    | 46     | 0.25%  | 267    | 0.31%  | 371     | 0.33%  |
| Other  | 952    | 5.25%  | 4,252  | 4.88%  | 5,301   | 4.75%  |
| Population by Hispanic Origin                | 18,139 |        | 87,197 |        | 111,562 |        |
| Non-Hispanic Origin                          | 16,670 | 91.90% | 78,947 | 90.54% | 101,559 | 91.03% |
| Hispanic Origin                              | 1,468  | 8.09%  | 8,249  | 9.46%  | 10,003  | 8.97%  |
| 2021 Median Age, Male                        | 33.80  |        | 34.70  |        | 35.50   |        |
| 2021 Average Age, Male                       | 34.60  |        | 36.70  |        | 37.50   |        |
| 2021 Median Age, Female                      | 32.80  |        | 35.90  |        | 37.30   |        |
| 2021 Average Age, Female                     | 34.40  |        | 38.40  |        | 39.50   |        |
| 2021 Population by Occupation Classification | 14,501 |        | 70,898 |        | 91,324  |        |
| Civilian Employed                            | 8,200  | 56.55% | 42,631 | 60.13% | 54,589  | 59.78% |
| Civilian Unemployed                          | 879    | 6.06%  | 2,947  | 4.16%  | 3,788   | 4.15%  |
| Civilian Non-Labor Force                     | 5,417  | 37.36% | 25,250 | 35.61% | 32,851  | 35.97% |
| Armed Forces                                 | 5      | 0.03%  | 70     | 0.10%  | 96      | 0.11%  |
| Households by Marital Status                 |        |        |        |        |         |        |
| Married                                      | 1,458  |        | 11,981 |        | 17,268  |        |
| Married No Children                          | 933    |        | 7,569  |        | 10,875  |        |
| Married w/Children                           | 525    |        | 4,412  |        | 6,393   |        |
| 2021 Population by Education                 | 14,214 |        | 65,530 |        | 83,768  |        |
| Some High School, No Diploma                 | 818    | 5.75%  | 3,390  | 5.17%  | 4,046   | 4.83%  |
| High School Grad (Incl Equivalency)          | 2,148  | 15.11% | 11,162 | 17.03% | 14,062  | 16.79% |
| Some College, No Degree                      | 4,175  | 29.37% | 19,702 | 30.07% | 25,707  | 30.69% |
| Associate Degree                             | 1,765  | 12.42% | 5,487  | 8.37%  | 6,447   | 7.70%  |
| Bachelor Degree                              | 3,244  | 22.82% | 15,579 | 23.77% | 20,361  | 24.31% |
| Advanced Degree                              | 2,064  | 14.52% | 10,210 | 15.58% | 13,145  | 15.69% |

## Demographic Detail Report

| Bellingham, WA 98225           |        |        |        |        |         |        |
|--------------------------------|--------|--------|--------|--------|---------|--------|
| Radius                         | 1 Mile |        | 3 Mile |        | 5 Mile  |        |
| 2021 Population by Occupation  | 14,979 |        | 79,832 |        | 102,194 |        |
| Real Estate & Finance          | 286    | 1.91%  | 1,767  | 2.21%  | 2,377   | 2.33%  |
| Professional & Management      | 3,632  | 24.25% | 20,429 | 25.59% | 26,920  | 26.34% |
| Public Administration          | 294    | 1.96%  | 2,011  | 2.52%  | 2,629   | 2.57%  |
| Education & Health             | 2,158  | 14.41% | 11,476 | 14.38% | 14,682  | 14.37% |
| Services                       | 2,583  | 17.24% | 9,423  | 11.80% | 11,353  | 11.11% |
| Information                    | 173    | 1.15%  | 843    | 1.06%  | 1,016   | 0.99%  |
| Sales                          | 1,521  | 10.15% | 9,057  | 11.35% | 11,611  | 11.36% |
| Transportation                 | 673    | 4.49%  | 2,122  | 2.66%  | 2,227   | 2.18%  |
| Retail                         | 896    | 5.98%  | 5,476  | 6.86%  | 6,901   | 6.75%  |
| Wholesale                      | 162    | 1.08%  | 1,101  | 1.38%  | 1,372   | 1.34%  |
| Manufacturing                  | 593    | 3.96%  | 4,022  | 5.04%  | 5,270   | 5.16%  |
| Production                     | 923    | 6.16%  | 5,173  | 6.48%  | 6,883   | 6.74%  |
| Construction                   | 383    | 2.56%  | 2,580  | 3.23%  | 3,060   | 2.99%  |
| Utilities                      | 208    | 1.39%  | 1,310  | 1.64%  | 1,844   | 1.80%  |
| Agriculture & Mining           | 51     | 0.34%  | 492    | 0.62%  | 660     | 0.65%  |
| Farming, Fishing, Forestry     | 38     | 0.25%  | 303    | 0.38%  | 429     | 0.42%  |
| Other Services                 | 405    | 2.70%  | 2,247  | 2.81%  | 2,960   | 2.90%  |
| 2021 Worker Travel Time to Job | 7,788  |        | 39,881 |        | 51,059  |        |
| <30 Minutes                    | 6,402  | 82.20% | 32,862 | 82.40% | 41,926  | 82.11% |
| 30-60 Minutes                  | 1,051  | 13.50% | 5,704  | 14.30% | 7,417   | 14.53% |
| 60+ Minutes                    | 335    | 4.30%  | 1,315  | 3.30%  | 1,716   | 3.36%  |
| 2010 Households by HH Size     | 6,352  |        | 31,538 |        | 40,524  |        |
| 1-Person Households            | 2,767  | 43.56% | 11,059 | 35.07% | 13,458  | 33.21% |
| 2-Person Households            | 1,911  | 30.09% | 11,074 | 35.11% | 14,548  | 35.90% |
| 3-Person Households            | 785    | 12.36% | 4,432  | 14.05% | 5,775   | 14.25% |
| 4-Person Households            | 531    | 8.36%  | 3,200  | 10.15% | 4,359   | 10.76% |
| 5-Person Households            | 225    | 3.54%  | 1,137  | 3.61%  | 1,547   | 3.82%  |
| 6-Person Households            | 85     | 1.34%  | 411    | 1.30%  | 541     | 1.34%  |
| 7 or more Person Households    | 48     | 0.76%  | 225    | 0.71%  | 296     | 0.73%  |
| 2021 Average Household Size    | 2.00   |        | 2.20   |        | 2.20    |        |
| Households                     |        |        |        |        |         |        |
| 2026 Projection                | 8,463  |        | 40,048 |        | 50,995  |        |
| 2021 Estimate                  | 7,699  |        | 36,633 |        | 46,697  |        |
| 2010 Census                    | 6,352  |        | 31,538 |        | 40,525  |        |
| Growth 2021 - 2026             | 9.92%  |        | 9.32%  |        | 9.20%   |        |
| Growth 2010 - 2021             | 21.21% |        | 16.16% |        | 15.23%  |        |

## Demographic Detail Report

| Bellingham, WA 98225           |              |               |               |  |
|--------------------------------|--------------|---------------|---------------|--|
| Radius                         | 1 Mile       | 3 Mile        | 5 Mile        |  |
| 2021 Households by HH Income   | 7,698        | 36,634        | 46,698        |  |
| <\$25,000                      | 2,139 27.79% | 7,824 21.36%  | 9,230 19.77%  |  |
| \$25,000 - \$50,000            | 1,677 21.78% | 7,307 19.95%  | 8,761 18.76%  |  |
| \$50,000 - \$75,000            | 1,436 18.65% | 7,338 20.03%  | 9,486 20.31%  |  |
| \$75,000 - \$100,000           | 1,108 14.39% | 5,035 13.74%  | 6,643 14.23%  |  |
| \$100,000 - \$125,000          | 509 6.61%    | 3,261 8.90%   | 4,294 9.20%   |  |
| \$125,000 - \$150,000          | 279 3.62%    | 1,771 4.83%   | 2,390 5.12%   |  |
| \$150,000 - \$200,000          | 273 3.55%    | 2,205 6.02%   | 3,069 6.57%   |  |
| \$200,000+                     | 277 3.60%    | 1,893 5.17%   | 2,825 6.05%   |  |
| 2021 Avg Household Income      | \$65,265     | \$77,576      | \$82,016      |  |
| 2021 Med Household Income      | \$50,531     | \$58,355      | \$61,007      |  |
| 2021 Occupied Housing          | 7,699        | 36,633        | 46,697        |  |
| Owner Occupied                 | 2,158 28.03% | 15,882 43.35% | 22,753 48.72% |  |
| Renter Occupied                | 5,541 71.97% | 20,751 56.65% | 23,944 51.28% |  |
| 2010 Housing Units             | 7,863        | 36,968        | 47,166        |  |
| 1 Unit                         | 3,071 39.06% | 19,218 51.99% | 26,289 55.74% |  |
| 2 - 4 Units                    | 1,162 14.78% | 4,486 12.13%  | 5,460 11.58%  |  |
| 5 - 19 Units                   | 1,589 20.21% | 6,150 16.64%  | 6,970 14.78%  |  |
| 20+ Units                      | 2,041 25.96% | 7,114 19.24%  | 8,447 17.91%  |  |
| 2021 Housing Value             | 2,158        | 15,881        | 22,753        |  |
| <\$100,000                     | 151 7.00%    | 1,048 6.60%   | 1,214 5.34%   |  |
| \$100,000 - \$200,000          | 100 4.63%    | 647 4.07%     | 870 3.82%     |  |
| \$200,000 - \$300,000          | 283 13.11%   | 1,352 8.51%   | 2,014 8.85%   |  |
| \$300,000 - \$400,000          | 593 27.48%   | 4,161 26.20%  | 5,851 25.72%  |  |
| \$400,000 - \$500,000          | 489 22.66%   | 3,850 24.24%  | 5,327 23.41%  |  |
| \$500,000 - \$1,000,000        | 490 22.71%   | 4,475 28.18%  | 6,669 29.31%  |  |
| \$1,000,000+                   | 52 2.41%     | 348 2.19%     | 808 3.55%     |  |
| 2021 Median Home Value         | \$391,905    | \$419,026     | \$426,797     |  |
| 2021 Housing Units by Yr Built | 7,949        | 38,074        | 48,725        |  |
| Built 2010+                    | 1,251 15.74% | 4,663 12.25%  | 5,769 11.84%  |  |
| Built 2000 - 2010              | 707 8.89%    | 5,395 14.17%  | 8,043 16.51%  |  |
| Built 1990 - 1999              | 439 5.52%    | 6,361 16.71%  | 9,258 19.00%  |  |
| Built 1980 - 1989              | 256 3.22%    | 3,495 9.18%   | 4,604 9.45%   |  |
| Built 1970 - 1979              | 700 8.81%    | 5,478 14.39%  | 6,789 13.93%  |  |
| Built 1960 - 1969              | 626 7.88%    | 2,583 6.78%   | 3,008 6.17%   |  |
| Built 1950 - 1959              | 430 5.41%    | 1,994 5.24%   | 2,407 4.94%   |  |
| Built <1949                    | 3,540 44.53% | 8,105 21.29%  | 8,847 18.16%  |  |
| 2021 Median Year Built         | 1959         | 1982          | 1986          |  |

# Demographic Market Comparison Report

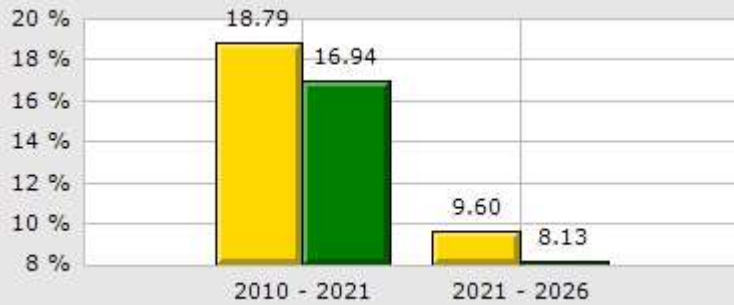
1 mile radius

Bellingham, WA 98225

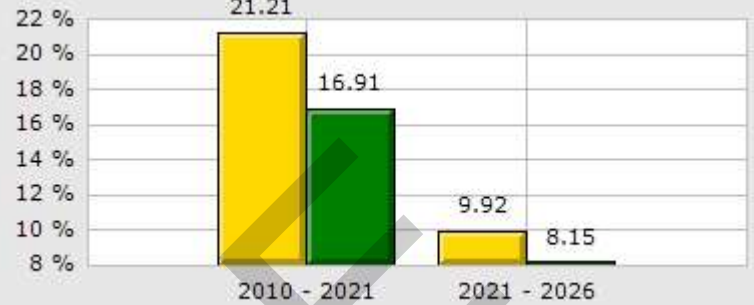
Type: Retail  
County: Whatcom

1 Mile  
County

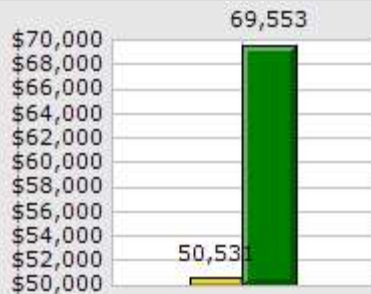
Population Growth



Household Growth



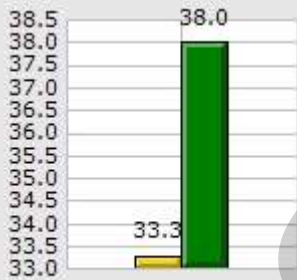
2021 Med Household Inc



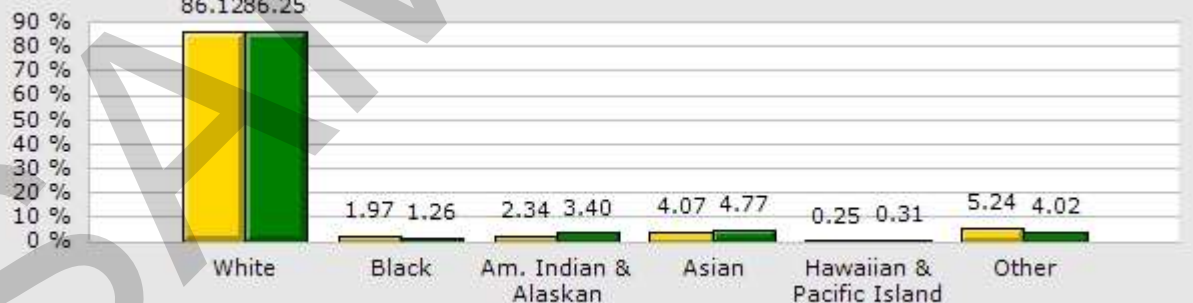
2021 Households by Household Income



2021 Median Age



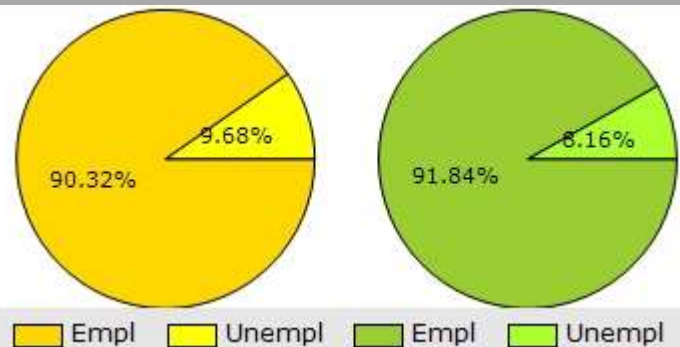
2021 Population by Race



2021 Renter vs. Owner



2021 Employed vs. Unemployed



# Demographic Market Comparison Report

1 mile radius

Bellingham, WA 98225

Type: Retail  
County: Whatcom

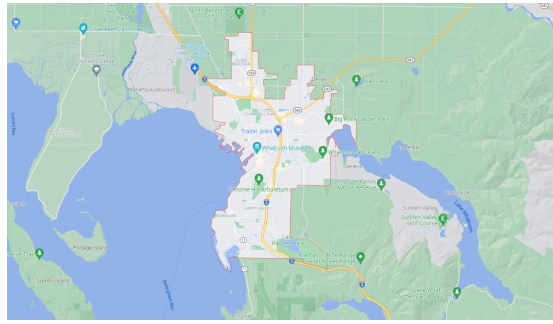
|                                     | 1 Mile   |        | County   |        |
|-------------------------------------|----------|--------|----------|--------|
| Population Growth                   |          |        |          |        |
| Growth 2010 - 2021                  | 18.79%   |        | 16.94%   |        |
| Growth 2021 - 2026                  | 9.60%    |        | 8.13%    |        |
| Empl                                | 8,200    | 90.32% | 110,957  | 91.84% |
| Unempl                              | 879      | 9.68%  | 9,859    | 8.16%  |
| 2021 Population by Race             |          |        |          |        |
| White                               | 15,623   | 86.12% | 201,998  | 86.25% |
| Black                               | 357      | 1.97%  | 2,956    | 1.26%  |
| Am. Indian & Alaskan                | 424      | 2.34%  | 7,955    | 3.40%  |
| Asian                               | 739      | 4.07%  | 11,165   | 4.77%  |
| Hawaiian & Pacific Island           | 46       | 0.25%  | 729      | 0.31%  |
| Other                               | 951      | 5.24%  | 9,411    | 4.02%  |
| Household Growth                    |          |        |          |        |
| Growth 2010 - 2021                  | 21.21%   |        | 16.91%   |        |
| Growth 2021 - 2026                  | 9.92%    |        | 8.15%    |        |
| Renter Occupied                     | 5,541    | 71.97% | 35,596   | 38.04% |
| Owner Occupied                      | 2,158    | 28.03% | 57,969   | 61.96% |
| 2021 Households by Household Income |          |        |          |        |
| Income <\$25K                       | 2,139    | 27.79% | 15,099   | 16.14% |
| Income \$25K - \$50K                | 1,677    | 21.78% | 16,546   | 17.68% |
| Income \$50K - \$75K                | 1,436    | 18.65% | 18,519   | 19.79% |
| Income \$75K - \$100K               | 1,108    | 14.39% | 14,747   | 15.76% |
| Income \$100K - \$125K              | 509      | 6.61%  | 10,375   | 11.09% |
| Income \$125K - \$150K              | 279      | 3.62%  | 6,067    | 6.48%  |
| Income \$150K - \$200K              | 273      | 3.55%  | 6,592    | 7.05%  |
| Income \$200K+                      | 277      | 3.60%  | 5,620    | 6.01%  |
| 2021 Med Household Inc              | \$50,531 |        | \$69,553 |        |
| 2021 Median Age                     | 33.30    |        | 38.00    |        |



# Demographic Trend Report

1 Mile Radius

## Bellingham, WA 98225



| Description                 | 2010   |        | 2021   |        | 2026   |        |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Population                  | 15,270 |        | 18,139 |        | 19,880 |        |
| Age 0 - 4                   | 475    | 3.11%  | 1,421  | 7.83%  | 1,534  | 7.72%  |
| Age 5 - 9                   | 415    | 2.72%  | 1,179  | 6.50%  | 1,430  | 7.19%  |
| Age 10 - 14                 | 386    | 2.53%  | 884    | 4.87%  | 1,200  | 6.04%  |
| Age 15 - 19                 | 1,491  | 9.76%  | 759    | 4.18%  | 969    | 4.87%  |
| Age 20 - 24                 | 4,402  | 28.83% | 1,446  | 7.97%  | 1,070  | 5.38%  |
| Age 25 - 29                 | 1,756  | 11.50% | 2,036  | 11.22% | 1,513  | 7.61%  |
| Age 30 - 34                 | 1,057  | 6.92%  | 2,032  | 11.20% | 1,895  | 9.53%  |
| Age 35 - 39                 | 823    | 5.39%  | 1,869  | 10.30% | 2,004  | 10.08% |
| Age 40 - 44                 | 752    | 4.92%  | 1,468  | 8.09%  | 1,834  | 9.23%  |
| Age 45 - 49                 | 714    | 4.68%  | 1,037  | 5.72%  | 1,484  | 7.46%  |
| Age 50 - 54                 | 690    | 4.52%  | 805    | 4.44%  | 1,125  | 5.66%  |
| Age 55 - 59                 | 676    | 4.43%  | 707    | 3.90%  | 876    | 4.41%  |
| Age 60 - 64                 | 578    | 3.79%  | 666    | 3.67%  | 736    | 3.70%  |
| Age 65 - 69                 | 321    | 2.10%  | 621    | 3.42%  | 656    | 3.30%  |
| Age 70 - 74                 | 195    | 1.28%  | 511    | 2.82%  | 570    | 2.87%  |
| Age 75 - 79                 | 166    | 1.09%  | 334    | 1.84%  | 440    | 2.21%  |
| Age 80 - 84                 | 154    | 1.01%  | 183    | 1.01%  | 283    | 1.42%  |
| Age 85+                     | 216    | 1.41%  | 180    | 0.99%  | 259    | 1.30%  |
| Age 15+                     | 13,991 | 91.62% | 14,654 | 80.79% | 15,714 | 79.04% |
| Age 20+                     | 12,500 | 81.86% | 13,895 | 76.60% | 14,745 | 74.17% |
| Age 65+                     | 1,052  | 6.89%  | 1,829  | 10.08% | 2,208  | 11.11% |
| Median Age                  | 26     |        | 33     |        | 36     |        |
| Average Age                 | 32.60  |        | 34.50  |        | 35.70  |        |
| Population By Race          | 15,270 |        | 18,139 |        | 19,880 |        |
| White                       | 13,547 | 88.72% | 15,623 | 86.13% | 16,967 | 85.35% |
| Black                       | 244    | 1.60%  | 357    | 1.97%  | 408    | 2.05%  |
| Am. Indian & Alaskan        | 324    | 2.12%  | 423    | 2.33%  | 469    | 2.36%  |
| Asian                       | 466    | 3.05%  | 738    | 4.07%  | 850    | 4.28%  |
| Hawaiian & Pacific Islander | 31     | 0.20%  | 46     | 0.25%  | 55     | 0.28%  |
| Other                       | 645    | 4.22%  | 952    | 5.25%  | 1,131  | 5.69%  |

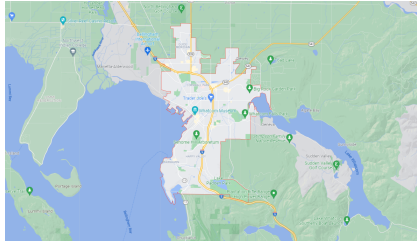
# Demographic Trend Report

1 Mile Radius

| Bellingham, WA 98225          |          |        |          |        |              |
|-------------------------------|----------|--------|----------|--------|--------------|
| Description                   | 2010     |        | 2021     |        | 2026         |
| Population by Race (Hispanic) | 936      |        | 1,468    |        | 1,722        |
| White                         | 778      | 83.12% | 1,200    | 81.74% | 1,401 81.36% |
| Black                         | 24       | 2.56%  | 40       | 2.72%  | 49 2.85%     |
| Am. Indian & Alaskan          | 45       | 4.81%  | 86       | 5.86%  | 104 6.04%    |
| Asian                         | 13       | 1.39%  | 19       | 1.29%  | 22 1.28%     |
| Hawaiian & Pacific Islander   | 12       | 1.28%  | 21       | 1.43%  | 26 1.51%     |
| Other                         | 64       | 6.84%  | 103      | 7.02%  | 120 6.97%    |
| Household by Household Income | 6,354    |        | 7,698    |        | 8,461        |
| <\$25,000                     | 2,768    | 43.56% | 2,139    | 27.79% | 2,277 26.91% |
| \$25,000 - \$50,000           | 1,684    | 26.50% | 1,677    | 21.78% | 1,815 21.45% |
| \$50,000 - \$75,000           | 894      | 14.07% | 1,436    | 18.65% | 1,603 18.95% |
| \$75,000 - \$100,000          | 615      | 9.68%  | 1,108    | 14.39% | 1,244 14.70% |
| \$100,000 - \$125,000         | 164      | 2.58%  | 509      | 6.61%  | 578 6.83%    |
| \$125,000 - \$150,000         | 98       | 1.54%  | 279      | 3.62%  | 315 3.72%    |
| \$150,000 - \$200,000         | 93       | 1.46%  | 273      | 3.55%  | 309 3.65%    |
| \$200,000+                    | 38       | 0.60%  | 277      | 3.60%  | 320 3.78%    |
| Average Household Income      | \$41,422 |        | \$65,265 |        | \$66,643     |
| Median Household Income       | \$30,306 |        | \$50,531 |        | \$52,031     |

# Demographic Summary Report

Bellingham, WA 98225



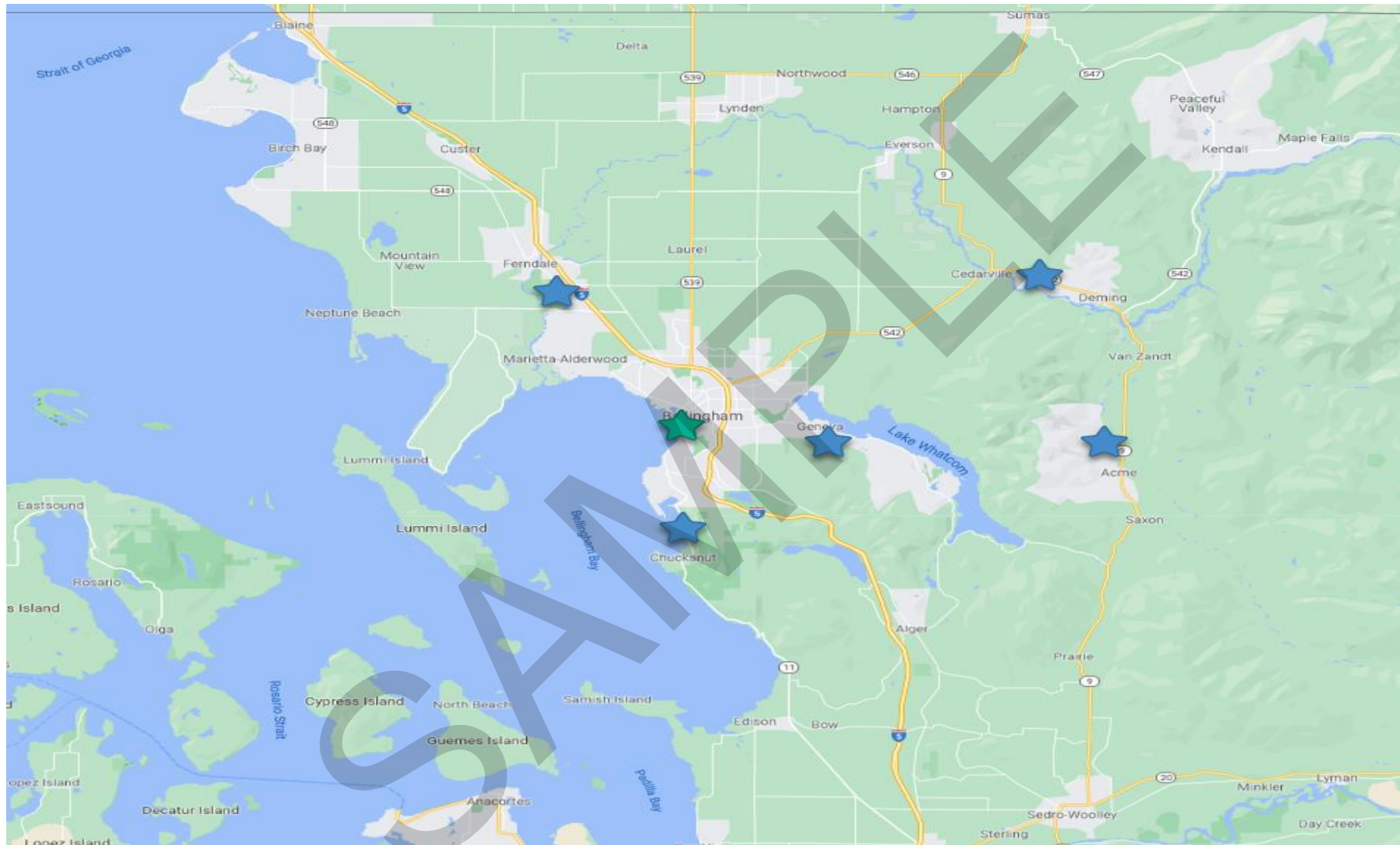
| Radius                             | 1 Mile        | 3 Mile        | 5 Mile        |
|------------------------------------|---------------|---------------|---------------|
| <b>Population</b>                  |               |               |               |
| 2026 Projection                    | 19,880        | 95,363        | 121,907       |
| 2021 Estimate                      | 18,139        | 87,197        | 111,562       |
| 2010 Census                        | 15,270        | 74,283        | 95,860        |
| Growth 2021 - 2026                 | 9.60%         | 9.37%         | 9.27%         |
| Growth 2010 - 2021                 | 18.79%        | 17.38%        | 16.38%        |
| 2021 Population by Hispanic Origin | 1,469         | 8,250         | 10,002        |
| 2021 Population                    | 18,139        | 87,197        | 111,562       |
| White                              | 15,623 86.13% | 74,134 85.02% | 94,898 85.06% |
| Black                              | 357 1.97%     | 1,489 1.71%   | 1,807 1.62%   |
| Am. Indian & Alaskan               | 423 2.33%     | 1,516 1.74%   | 1,872 1.68%   |
| Asian                              | 738 4.07%     | 5,538 6.35%   | 7,314 6.56%   |
| Hawaiian & Pacific Island          | 46 0.25%      | 267 0.31%     | 371 0.33%     |
| Other                              | 952 5.25%     | 4,252 4.88%   | 5,301 4.75%   |
| U.S. Armed Forces                  | 5             | 74            | 101           |
| <b>Households</b>                  |               |               |               |
| 2026 Projection                    | 8,463         | 40,048        | 50,995        |
| 2021 Estimate                      | 7,699         | 36,633        | 46,697        |
| 2010 Census                        | 6,352         | 31,538        | 40,525        |
| Growth 2021 - 2026                 | 9.92%         | 9.32%         | 9.20%         |
| Growth 2010 - 2021                 | 21.21%        | 16.16%        | 15.23%        |
| Owner Occupied                     | 2,158 28.03%  | 15,882 43.35% | 22,753 48.72% |
| Renter Occupied                    | 5,541 71.97%  | 20,751 56.65% | 23,944 51.28% |
| 2021 Households by HH Income       | 7,698         | 36,634        | 46,698        |
| Income: <\$25,000                  | 2,139 27.79%  | 7,824 21.36%  | 9,230 19.77%  |
| Income: \$25,000 - \$50,000        | 1,677 21.78%  | 7,307 19.95%  | 8,761 18.76%  |
| Income: \$50,000 - \$75,000        | 1,436 18.65%  | 7,338 20.03%  | 9,486 20.31%  |
| Income: \$75,000 - \$100,000       | 1,108 14.39%  | 5,035 13.74%  | 6,643 14.23%  |
| Income: \$100,000 - \$125,000      | 509 6.61%     | 3,261 8.90%   | 4,294 9.20%   |
| Income: \$125,000 - \$150,000      | 279 3.62%     | 1,771 4.83%   | 2,390 5.12%   |
| Income: \$150,000 - \$200,000      | 273 3.55%     | 2,205 6.02%   | 3,069 6.57%   |
| Income: \$200,000+                 | 277 3.60%     | 1,893 5.17%   | 2,825 6.05%   |
| 2021 Avg Household Income          | \$65,265      | \$77,576      | \$82,016      |
| 2021 Med Household Income          | \$50,531      | \$58,355      | \$61,007      |

## Market Demand

The economic vitality of the market and the surrounding markets or feeder markets, is an important consideration in forecasting lodging demand and future revenue potential. The market lodging demand area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. In the following document you will find a map of the estimated market lodging demand area for the subject market.

SAMPLE

## Market Lodging Demand Area: (Focus Area of Sales Efforts of Additional Lodging)



★ Immediate Feeder Market

★ Secondary Feeder Market

\*\* Feeder Market = Outlying Community that feeds travelers into desired market (Sales Focus Area)

Source: Google Maps; Core Distinction Group, LLC.

## Site Analysis

For the purposes of this Comprehensive Hotel Market Feasibility Study, a representative with Core Distinction Group LLC evaluated all sites and, although a site has not yet been selected, we recommend that all the selected sites will be improved with a limited-service lodging facility. The potential locations are detailed in the following pages including analysis of each site.



**Site Rating, Location, Land**



**Frontage, Topography, Drainage**



**Environmental Hazards, Ground Stability, Utilities**



**Parking, Easements/Encroachments/Restrictions**



**Traffic Counts**

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. A detail of traffic information will follow the individual site information in this report.

| Site - 1215 Commercial St. Bellingham WA 98225 |   |   |     |    |    |
|--|---|---|-----|----|----|
| Visibility                                     | 1 | 2 | 3   | 4  | 5  |
| Accessibility                                  | 1 | 2 | 3   | 4  | 5  |
| Traffic Counts                                 | 1 | 2 | 3   | 4  | 5  |
| Site Prep                                      | 1 | 2 | 3   | 4  | 5  |
| Major Utilities                                | 1 | 2 | 3   | 4  | 5  |
| Zoning   | 1 | 2 | 3   | 4  | 5  |
| Area Support Services                          | 1 | 2 | 3   | 4  | 5  |
| Demand Generator Position                      | 1 | 2 | 3   | 4  | 5  |
| Competition Position                           | 1 | 2 | 3   | 4  | 5  |
| Overall Result                                 |   |   | 96% | 43 | 45 |

|   |  |
|---|--|
| Location                                  | Located in the vicinity of the Highway 50, west entrance to Bellingham, near the fairgrounds.  |
| Land Area                                 | The recommended site size for proposed property is one to two acres.   |
| Frontage                                  | This proposed should offer frontage or high visibility to Highway 50.  |
| Topography                                | The area offers many options with very little issues. The topography does not appear to have development issues at this time.  |
| Drainage                                  | No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.   |
| Environmental Hazards                     | An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these hazards. |
| Ground Stability                          | A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that property is not adversely affected by these hazards.                      |
| Utilities                                 | It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.  |
| Parking                                   | This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.  |
| Easements, Encroachments and Restrictions | Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affect this site.  |



## Traffic Count Report

1215 Commercial St, Bellingham, WA 98225

Building Type: General Retail

Secondary: -

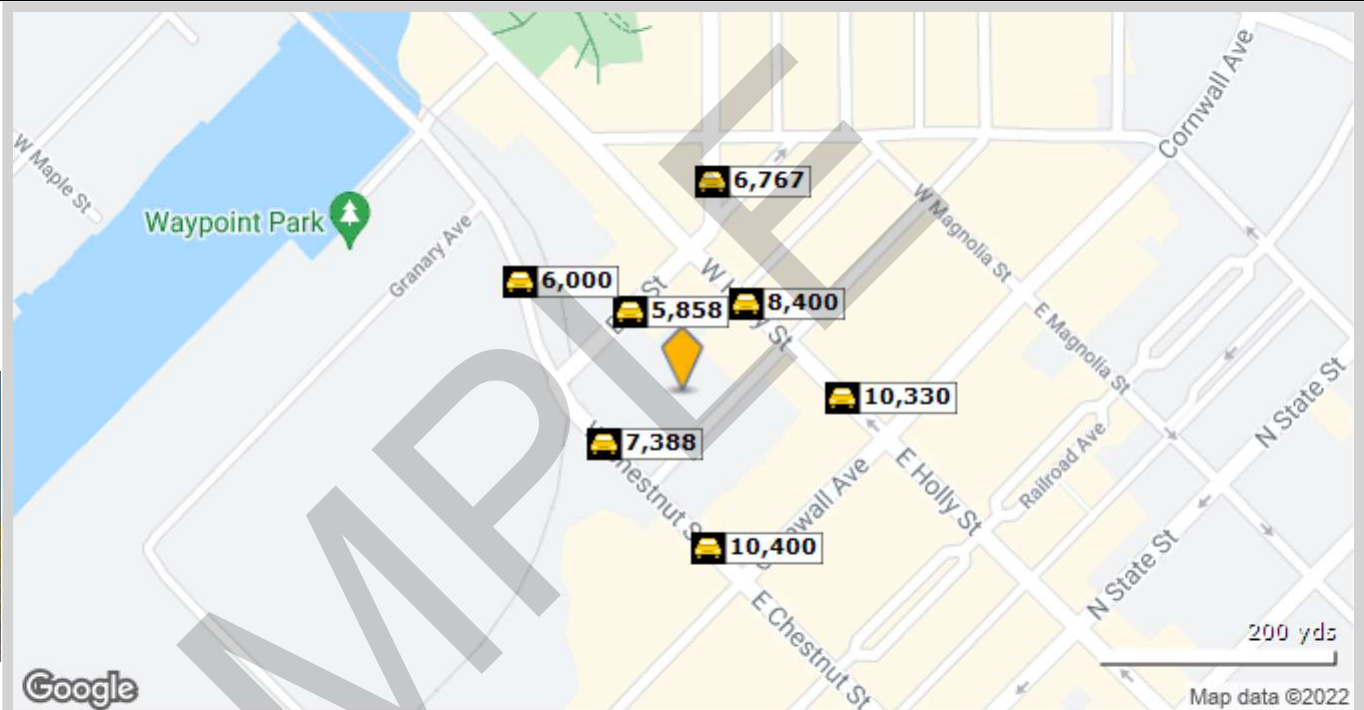
GLA: 11,000 SF

Year Built: 1920

Total Available: 11,000 SF

% Leased: 100%

Rent/SF/Yr: \$18.00



|    | Street      | Cross Street  | Cross Str Dist | Count Year | Avg Daily Volume | Volume Type | Miles from Subject Prop |
|----|-------------|---------------|----------------|------------|------------------|-------------|-------------------------|
| 1  | Chestnut St | W Chestnut St | 0.03 NW        | 2018       | 7,388            | MPSI        | .04                     |
| 2  | Bay St      | W Holly St    | 0.04 NE        | 2018       | 5,858            | MPSI        | .05                     |
| 3  | W Holly St  | Commercial St | 0.03 SE        | 2018       | 8,264            | MPSI        | .06                     |
| 4  | W Holly St  | Commercial St | 0.03 SE        | 2014       | 8,400            | ADT         | .06                     |
| 5  | Chestnut St | Cornwall Ave  | 0.02 SE        | 2014       | 10,400           | ADT         | .08                     |
| 6  | W Holly St  | Commercial St | 0.04 NW        | 2015       | 10,824           | MPSI        | .08                     |
| 7  | W Holly St  | Cornwall Ave  | 0.03 SE        | 2018       | 10,330           | MPSI        | .08                     |
| 8  | Chestnut St | W Chestnut St | 0.06 S         | 2018       | 6,750            | MPSI        | .10                     |
| 9  | Chestnut St | W Chestnut St | 0.05 S         | 2015       | 6,000            | MPSI        | .10                     |
| 10 | Prospect St | W Champion St | 0.02 N         | 2018       | 6,767            | MPSI        | .11                     |



## Lodging Demand

For the purposes of this Comprehensive Hotel Market Feasibility Study, it is important to understand the overall demand of lodging in the market as well as surrounding markets. This section reviews need in the areas based on the following market segments:



### Major Events



### Demand Generators and Attractions

In addition to a breakdown and overview of the market's lodging demand segmentation, this sections also details the sources of said lodging demand and in some cases, identifies when the demand peaks.

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## Annual (Large) Events:

**Polar Bear Plunge at Birch Bay** - This annual Birch Bay ritual draws hundreds of participants and onlookers each year. The Polar Bear Plunge is becoming a destination spot for the holiday. Participants come from as far away as Germany, Tokyo, Chicago, and British Columbia to plunge into the bay's chilly water.

**Padden Polar Dip & Resolution Run** - Celebrate New Year's Day with a quick chilly dip in the swim area at Lake Padden, then enjoy some coffee and hot cocoa to help everyone stay warm. Before the Dip join us for the Resolution Run-Walk around beautiful Lake Padden (2.6-mile loop).

**Bellingham Human Rights Film Festival** - This 10-day film festival features 20 documentary films shown for free admission in February with post-screening discussions led by the filmmaker and/or local people who are involved with the issues raised by the films. Opening night is held at the Pickford Film Center and showings continue for the next nine days at Fairhaven College Auditorium and other venues in Whatcom County. This film festival has been recognized by "Audience Awards" as one of nine "film festivals that make a difference".

**Bellingham Cocktail Week** is a community-wide celebration that unites talented humans, fine spirits, and fresh products to create delicious handcrafted cocktails showcasing the best our region has to offer. What began as a small, downtown-focused event in 2015 has steadily grown into a city-wide affair encompassing all of their unique neighborhoods.

**Whatcom Cultural Arts Festival** - Kicking off after the Historic Fairhaven Fourth Friday, Allied Arts' Whatcom Cultural Art Festival is two-day celebration of Whatcom County's arts, music, performances and food. Learn about the diverse cultural communities in Whatcom county while promoting and supporting cultural diversity.

**Whatcom County Home and Garden Show** - The largest home show north of Seattle and it's in Lynden! Come see the biggest and best display of products for your home and garden in Northwest Washington. With over 200 vendors there is something for everyone.

**Bellingham's St. Patrick's Day Parade** is a "green" parade to honor our police and fire departments. Featuring the grand marshal, dancers, pipe and marching bands, plus human- and green-powered floats. All are welcome.

**Spring Craft & Antique Show** - Welcome spring with over 100 of the Northwest's finest artisans selling handcrafted gifts, home decor, garden and vintage treasures. Creativity and inspiration abound in Lynden with live entertainment.

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## Annual (Large) Events:

**The Wings Over Water Birding Festival** in Blaine celebrates the incredible variety of migratory birds, which flock to Drayton Harbor and Semiahmoo Bay each winter and spring. Visit the festival for a day-long birding expo with free activities for the whole family, including wildlife demonstrations, bird viewing stations, exhibits, displays, craft vendors and more. For a small fee, wildlife cruises of Drayton Harbor are available on the MV Plover Ferry.

**Dirty Dan Day Seafood Festival** - Food and games, live music, fish fillet contest, salmon toss, cupcake eating contest, toy boat building, interactive fish art, 1800's dress up, cooking demos, chili cook-off, and the world's only piano race!

**April Brew's Day** - Join local and regional brewers as they share their micro-brews for a fundraising event benefiting the Max Higbee Center, a nonprofit agency that provides recreational opportunities for teens and adults with developmental disabilities. Admission includes a collectible tasting glass and tickets for tasting beer. Local talent by various bands will be there, as well as food from some of Bellingham's finest food trucks.

**Bellingham Beer Week** - Bellingham loves beer so much that there's a whole week dedicated to our local brewers. Bellingham Beer Week began in September 2012 and has recently changed to occur in April with a like-minded group of publicans, craft brewers, and supporters of great beers from Bellingham's Tap Trail. Previously, Bellingham's many craft breweries and pubs (Chuckanut, Boundary Bay, Kulshan, K2, Aslan, Wander, Structures, Menace, Stones Throw, Elizabeth Station and McKays Tap house) plan to participate, as well as numerous beer pubs, restaurants, and supporting businesses.

**Recreation Northwest Expo** - Check out the best and the brightest in local and regional outdoor recreation. Hear captivating speakers. Meet face-to-face with health professionals, nutrition experts, local gyms, personal trainers, bike shops, running stores, paddling outfitters, outdoor media, outdoor activity clubs, stewardship organizations and representatives from your favorite local recreation events and races.

**Procession of the Species Parade** - is a joyous, spontaneous artistic pageant where community members celebrate their relationships with each other and with the natural world.

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## Annual (Large) Events:

**The WWU Alumni Weekend** (formerly known as Back2Bellingham) is a Western Washington University alumni event filled with over 100 offerings that provide opportunities to reconnect with classmates, friends, faculty, staff, and students while taking advantage of diverse activities designed to help you reconnect with Western. The weekend is also a great time to share your Western Experience and the fun of the weekend with your family.

**Bellingham Technical College Welding Rodeo** - The Welding Rodeo features an array of industry vendor booths, forged items, public welding opportunities and the up-close-and-personal view of welding and art in action. Friday showcases 10 amateur or high school/college level teams, and Saturday showcases 10 professional-level teams competing for prizes and cash over eight hours. The public is invited both days.

**Ski to Sea Race & Fairhaven Festival** - Bellingham's annual Ski to Sea Race is a 93.5-mile, 8-person relay encompassing seven different sports from the snowfields of Mount Baker, down Highway 542 and the Nooksack River and across Bellingham Bay via downhill skiing, cross-country skiing, running, canoeing, bike riding and kayaking. The Fairhaven Festival is near the Ski to Sea race finish line, with live music on two stages, food and crafts booths, beer garden and more. Ski to Sea attracts not only high-caliber athletes, but teams seeking non-competitive adventure and fun. The Ski to Sea Race is held on the Sunday of Memorial Day weekend every year. The Ski to Sea Junior Race is the weekend prior to Memorial Day weekend with the Ski to Sea Junior Parade is the evening before. The Ski to Sea Blossomtime Parade is held Saturday of Memorial Day weekend, as is the Ski to Sea Block Party at Boundary Bay Brewery. The Fairhaven Festival is held near the finish line, during the Ski to Race on the Sunday of Memorial Day Weekend.

**Lummi Stommish Water Festival** – Lummi Nation - The Lummi Stommish Water Festival began back in 1946 when World War II veterans were coming home and Lummi World War I veterans decided to gather in celebration of their safe return. Stommish is a Cowichan word meaning “warrior,” and it has become an internationally renowned gathering, which includes the “War Canoe races,” a “Sla-hal Bone Game” tournament, and an “Honoring All Veterans” Pow Wow. Stommish is a multi-cultural contemporary Coast Salish gathering which includes fun and enjoyment for the whole family. This annual event features athletic events, traditional singing and dancing, a traditional Lummi-Style salmon barbeque, a carnival and a moonlight concert series featuring Native comedians and local musicians all throughout the weekend. Admission is free and Stommish is open to the public.

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## Annual (Large) Events:

**Deming Logging Show** - features 31 events and exhibitions demonstrating the talents and strengths of local loggers. Don't miss axe throwing, speed climbing, log rolling, chainsaw bucking and the ironman.

**The Padden Triathlon** is an excellent first, second or twenty-second triathlon. Short Course and Long Course available with relay teams welcome. Athena and Clydesdale divisions now offered. Registration capped at 325 entrants per race.

**Bellingham Swim Run** - Discovered by the Swedes in 2006, they called it Swim Run, because you swim and run, swim and run, swim and run. Utilizing Lake Padden and the beautiful forested trails that surround the lake, Bellingham Swim Run participants are treated to an inspiring and challenging course. You have your choice of the 15 km sprint length event (yes in the world of Swim Run, 15 km is seen as a sprint), or the user friendly 5 km super sprint.

**Kulshan Quest Adventure Racing** - Explore the NW corner of Washington State as only an adventure race can offer. Find adventure, challenge, and beauty in our 3-hour and 12-hour races.

**Bellingham Festival of Music** - Under the direction of maestro Michael Palmer, the Bellingham Festival Orchestra brings together principal players from major American and European orchestras and exceptional musicians from regional and national ensembles to present concerts of classical music at the highest caliber of artistic excellence.

**Bellingham's Haggen Family 4th of July Celebration** - Each year, the Port of Bellingham partners with Haggen Food and Pharmacy and the Bellingham Regional Chamber of Commerce to put on the Haggen Family Fourth of July Festival at Zuanich Point Park. Festivities run from 1:00 pm to 10:00 pm, ending with an evening fireworks show over Bellingham Bay at around 10:30 pm. Activities include art and photo display in the Squalicum Boathouse, arts and crafts, beer garden, kids zone, live music and vendors for food.

**Blaine's Old Fashioned 4th Festival & Street Fair** - Come to spend the day celebrating the 4th of July in Blaine with day-long activities that include a pancake breakfast, a parade at noon, an art and crafts fair with over 80 vendors, a show and shine, live entertainment, and plenty of good food.

**Downtown Sounds** is a series of free outdoor concerts for the entire family to enjoy. The event is celebrated in the Arts District of Bellingham, on the 1300 block of Bay Street. Each night will feature performances from popular bands and music from various genres, local food vendors, and a 21+ beverage garden.

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## Annual (Large) Events:

**The Bellingham Pride Parade** began in 1999 with just a half-dozen picnic tables at Fairhaven Park. Today, the festivities have grown and Bellingham Pride is now the second largest pride event in Washington State. The parade starts at Ohio Street and travels south on Cornwall Avenue heading towards Railroad Avenue in Downtown Bellingham. The festival takes place at Depot Market Square with live music, food, vendors and more.

**Northwest Raspberry Festival** - July is National Raspberry Month and at the peak of the summer harvest season, Lynden hosts the Northwest Raspberry Festival, filled with delicious family-friendly fun! Savor fresh raspberry sundaes on locally-produced ice cream, listen to live jazz, sidewalk shop and taste in downtown Lynden. Kids' activities include inflatable games, face painting, a Rookies 3-on-3 basketball tournament, and Very Berry Storytime at the Lynden Library. Annual Curt Maberry Memorial Classic 3-on-3 Basketball Tournament. Raspberry pancake breakfast at the Lynden Community Center, followed by a 5K fun run/walk, Razz & Shine car show, and wine tasting at Samson Estates located on a working raspberry farm.

**Tour De Whatcom** - Enjoy all the NW has to offer in one beautiful ride: Mt. Baker, Lake Whatcom, valleys, rivers, lush farmland, beaches and the Puget Sound. Rides vary from 22 to 100 miles – you'll find a great ride for every member of the family on this supported ride which features rest stops benefiting local charities and an After Party at Boundary Bay Brewery.

**Lake Whatcom Triathlon** - This is how Bellingham does Olympic-Distance triathlon. The event welcomes beginner to elite athletes in individual and relay divisions. TRI Bellingham! New for 2019: Individual Sprint Course, Aqua bike and Youth Splash & Dash.

**Ferndale Old Settler's Picnic** - Pioneer Park is the spotlight of this annual community celebration in Ferndale, occurring the last weekend of July. Ferndale Heritage Society volunteers open the park's historic cabins for public viewing. The overall event is organized by the Old Settler's Association. It includes a parade, baseball tournaments, crafts, food vendors, a talent show, musical entertainment, nonprofit expo, flower show and beer garden. It is the longest continually running annual picnic in the state.

**Puget Sound Antique Tractor Show & Pull** - Learn how farming was done in the good old days. This annual threshing bee and tractor show is held at Berthussen Park and includes threshing demonstrations, antique tractors and parades daily, steam-powered sawmill demonstrations, antique and tractor pulls and more.

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## Annual (Large) Events:

**The Northwest Washington Fair** is a six-day event located in Lynden, WA. Highlights include local ice cream by the Whatcom County Dairy Women, draft horse competitions, livestock judging, food and craft displays, a demolition derby and nightly entertainment in the grandstands.

**Chuckanut Classic** (formerly know as Chuckanut Century) is hosted every each year by the Mt Baker Bicycle Club. There are distance options including 25, 50, 62, 100, and the double-metric century of 124 miles. All versions begin at Boundary Bay Brewery in downtown Bellingham. Riders may then choose to travel either north to Birch Bay or south along scenic Chuckanut Drive past Samish Bay and Padilla Bay.

**Birch Bay Days and Crab Festival** - Birch Bay Discovery Days is a great weekend for the entire family. Fun activities abound with a grand parade down Birch Bay Drive, arts and crafts fair (Saturday & Sunday) and a variety of food vendors. There's plenty of more to do this day; kite flying on the beach, clamming, wakeboarding and lots of family fun.

**Whatcom County Farm Tour** is an annual event where over a dozen farms around Whatcom County open their doors to the public. The farm tour is a festive day of fresh flavors and local food explorations. See the bounty of Whatcom County on this free, family-friendly self-guided tour. Enjoy a leisurely strolls through fields and orchards, exciting interactive activities and the chance to discover the roots of abundant food grown in Northwest Washington. Choose a favorite few stops or be ambitious and hit them all. Held the second Saturday of September and organized by Sustainable Connections.

**Bellingham Traverse** - The Traverse is a multi-sport event for solo, tandem and relay teams. The event has a strong salmon theme running through it. Participants, aka spawners, are encouraged to "think like fish" as they go through the course. This is a community event that displays a wide range of athletic abilities from the hard-core to those out in costumes just for fun. The public is encouraged to come out and cheer on the spawners. The event starts at noon at the Bellingham Farmers Market and makes its way through Boulevard Park, Fairhaven, Lake Padden, around Lake Samish, to Fairhaven and Marine Park. Finishers complete the last leg together up Wharf Street to finish at Boundary Bay.

**Bellingham Bay Marathon** - Often called "the most beautiful marathon in the Pacific Northwest," the Bellingham Bay Marathon offers scenic courses, with views of Bellingham Bay, San Juan islands, and North Cascade mountains.



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## Annual (Large) Events:

**Bellingham Sea Feast** is a celebration of Bellingham's maritime heritage legacy, bustling working waterfront, internationally-renowned fishing & seafood industries, unsurpassed culinary bounty, and top-drawer regional entertainment. The waterfront has defined Bellingham from its very beginnings, and this two-day festival shows from sea-to-plate why the ocean, the bay, and Salish Sea set Bellingham apart.

**Mt. Baker Hill Climb** - Ascend 4,098 feet from Glacier to Artist Point in just over 22 miles. This timed race offers Recreational and Competitive division including cash prizes for the top 3 Male and Female finishers. Scenic Hwy 542 is closed to traffic for this event.

**Whatcom Artists Studio Tour** brings the public into artists' working studios for a two weekend, self-guided tour and sale. The Tour began with ten artists and has grown to be a well-orchestrated tour featuring over 50 artists working in more than a dozen different media, and featuring 41 studios scattered throughout Bellingham and Whatcom County. The tour includes both emerging and established area artists. Each studio features the work of the primary artist, and some may include additional artists as well, providing a unique variety of artwork.

**Cloud Mountain Farm Fruit Festival** is an annual event that has been held for over 20 years. They have close to 200 varieties of common and uncommon fruits, cider, nuts, plus rare fruit jellies and sauces for you to taste and enjoy. These are all fruits you can grow in NW Washington. Live music provides a pleasant background to this event. This is a festive family outing that many people annually attend.

**Fall Craft & Antique Show** during the Fall is at the Northwest Washington Fairgrounds. Over 100 artisans. Enjoy shopping for that special handcrafted gift or unique vintage treasure for your home. Have lunch or a latte in the cafe while enjoying ongoing entertainment.

**Allied Arts Holiday Festival of the Arts** -The Annual Holiday Festival of the Arts is a six-week-long (mid-Nov-Dec) festival featuring the work of over one hundred local artisans and craftspeople. The affordable handmade products range from jewelry to paintings and wearable art to specialty foods. Weekends are packed with activities; hear live local music, catch some artists in action, and bring the kids in for fun art projects.



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## Annual (Large) Events:

**Holiday Port Festival & Gingerbread House Contest** - The annual Holiday Port Festival is the first weekend in December and takes place at the Bellingham Cruise Terminal in the historic Fairhaven district. It features performances by local choirs, orchestras, bands and dance groups. Meanwhile, sugar plum fairies transform the Bellingham Cruise Terminal into a sweet gingerbread house contest during the first weekend of December.

**Fairhaven Winterfest** - It kicks off on the day after Thanksgiving, when Black Friday morning turns into a glittering Friday evening in Bellingham's Fairhaven Historic District and the Victorian-era streets of Fairhaven are officially lit with thousands of tiny lights. The festival begins with an evening art walk through the district's unique shops. Jingle bells and the familiar clop of hooves set the tone each Saturday in Fairhaven, (end of Nov-Dec), as shoppers and families enjoy free horse-drawn wagon rides through city blocks built in the 1800s, as well as appearances by Santa at the Fairhaven Village Inn.

**Olde Fashioned Christmas in Ferndale** - Bring your sweet tooth to celebrate Olde Fashioned Christmas in Ferndale during the first weekend of December. The city is home to Pioneer Park, featuring a collection of actual log cabins built by the first settlers to the region in the late 1800s. Each year, members of the Ferndale Heritage Society spend weeks decorating the cabins for the holidays as the pioneers would have done, then don period costumes to welcome visitors with traditional holiday cheer.

**Lynden's Lighted Parade** - Lynden's annual holiday celebration begins at 6:00 p.m. on the first Saturday of December with the beloved Lighted Christmas Parade. This event captures the ultimate charm of a farming community, as well as honoring Lynden's Dutch roots. The procession starts at Fairway Center and travels along Front Street throughout downtown Lynden. Visitors should bundle up in warm clothes and bring their own hot cocoa and lawn chairs! In addition, don't forget to take a tour of unique light displays and decorated storefronts throughout the city during Lynden in Lights; illuminated designs including Nativity sets, Dutch children, poinsettias, and windmills shine brightly throughout the holiday season for all to see.

**Annual Ring of Fire & Hope** - Celebrating the transition of the New Year, the community of Birch Bay presents two unique activities. On December 31, the Annual Ring of Fire & Hope takes place after dark. The crescent-shaped shoreline of the bay is lit with hundreds of road flares to signify hope for the coming year. On January 1, at noon, the Annual Birch Bay Polar Bear Plunge promises to wake up participants with a quick jump into the bay's frigid and refreshing water.

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## Attractions & Demand Generators:

**Mount Baker Theatre** - A 1,517-seat performing arts venue and national historic landmark in Bellingham, Washington. The theater hosts professional productions and concerts as well as community performances from the north of Puget Sound. The theater's main stage is the largest theatrical venue in Washington north of Seattle's Paramount and 5th Avenue. The Mount Baker Theatre occupies half a city block. It has three distinct facilities for concerts, live theater, films, receptions, and other events. All public facilities, except the balcony, are fully ADA accessible. Some non-public facilities, such as backstage and storage spaces, may not be accessible. The Mount Baker Theatre hosts a variety of events including live theater, concerts, movies, arts festivals, and comedy shows.

**SPARK Museum of Electrical Invention** (formerly the American Museum of Radio and Electricity) - An interactive museum located in Bellingham, Washington, United States, which offers educational experiences for audiences of all ages through galleries and public programs that illustrate the development and use of electricity, radio and the related inventions that changed the course of human history. The museum features a collection of artifacts showcasing four centuries of human innovation from 1580 into the 1950s.

**Whatcom Museum** - Housed in the Old City Hall, Light catcher building and Syre Education Center, was originally built in 1892 as the city hall for the former town of New Whatcom, before it was joined with surrounding towns to form Bellingham. In 2009, The Whatcom Museum opened a location in the newly designed Light catcher building. The Light catcher, designed by Seattle-based Olson Kundig Architects, is named for its 37 feet high and 180 feet long translucent wall, which facilitates a number of energy saving strategies. Currently, the Whatcom Museum is a three building campus that includes Old City Hall, Syre Education Center and Light catcher which encloses the Family Interactive Gallery.

**Bellingham Railway Museum** displays a pictorial and text history of railroad traffic in Bellingham and Whatcom/Skagit Counties, as well as a large electric model railroad, an exhibit of railroad lanterns, and a train simulator based on Microsoft Train Simulator software. A research library is also hosted. It opened in 2003 and is volunteer operated.

**Whatcom Falls Park** - A 241-acre park in Bellingham, Washington, United States. The falls are on Whatcom Creek, which leads from Lake Whatcom to Bellingham Bay. The park has four sets of waterfalls and several miles of well maintained walking trails.

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## Attractions & Demand Generators:

**Larrabee State Park** - A public recreation area located on Samish Bay on the western side of Chuckanut Mountain, 6 mi south of the city of Bellingham, Washington. It was created in 1915 as Washington's first state park. The park covers 2,748 acres and features fishing, boating, and camping as well as mountain trails for hiking and biking.

**Lake Padden** - A lake located in Bellingham, Washington, United States. It was named for a homesteader in the area, Michael Padden. The park is popular during the spring and summer, and features numerous picnic areas as well as playgrounds. There are also numerous trails located around the lake and throughout the surrounding forest that are used for hiking and biking. A public golf course is located along the eastern shore. A significant piece of geography besides the lake itself is a 1,000-foot ridge that separates the lake from Interstate 5 to the south.

**Lake Samish** - A lake south of Bellingham, Washington, United States. Visible to the west of Interstate 5 when travelling between Alger and Bellingham, Lake Samish is heavily used for recreation in the summer months by local residents. The lake shoreline is heavily developed and home sites cover almost the entire shoreline. Lake Samish is bordered on the south by Blanchard Mountain and on the north by Chuckanut Pass. Public access is limited but a Whatcom County park with a rough boat launch is located along the northern shore.

**Lake Whatcom** - Located in Whatcom County, Washington, United States. It is the drinking water source for approximately 85,000 residents in the city of Bellingham as well as Whatcom County. It is approximately 10 miles in length and 1 mile in width at its widest. Lake Whatcom is located and managed within three political jurisdictions: the city of Bellingham, Whatcom County, and the Lake Whatcom Water and Sewer District. The lake is a popular area for motor boating, swimming, fishing, and other recreational activities.

**Bellingham Bay** - A bay of the Salish Sea located in Washington State in the United States. It is separated from the Strait of Georgia on the west by the Lummi Peninsula, Portage Island, and Lummi Island. It is bordered on the east by Bellingham, Washington, to the south-east by the Chuckanut Mountains, and to the south by Samish Bay. The Nooksack River empties into the bay, as does Whatcom Creek. Bellingham Bay is named for Sir William Bellingham, who was controller of the storekeeper's account for the Royal Navy at the time that the Vancouver Expedition visited the bay in June 1792. The first European entry of the bay was by the Spanish schooner Santa Saturnina under José María Narváez, during the 1791 expedition of Francisco de Eliza. Narváez named it Seno Gaston.

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## Attractions & Demand Generators:

**Mount Baker** - Also known as Koma Kulshan or simply Kulshan, is a 10,781 ft. active glacier-covered andesitic stratovolcano in the Cascade Volcanic Arc and the North Cascades of Washington in the United States. Mount Baker has the second-most thermally active crater in the Cascade Range after Mount St. Helens. About 30 miles due east of the city of Bellingham, Whatcom County, Mount Baker is the youngest volcano in the Mount Baker volcanic field. While volcanism has persisted here for some 1.5 million years, the current volcanic cone is likely no more than 140,000 years old, and possibly no older than 80–90,000 years. Older volcanic edifices have mostly eroded away due to glaciation. After Mount Rainier, Mount Baker has the heaviest glacier cover of the Cascade Range volcanoes; the volume of snow and ice on Mount Baker, is greater than that of all the other Cascades volcanoes (except Rainier) combined. Mt. Baker Ski Area is a ski resort in the northwest United States, located in Whatcom County, Washington, at the end of State Route 542. The base elevation is at 3,500 feet, while the peak of the resort is at 5,089 feet. It is about ten miles south of the 49th parallel, the international border with Canada. Despite its name, the Mt. Baker Ski Area is actually closer to Mount Shuksan than Mount Baker. The ski area is home to the world's greatest recorded snowfall in one season, 1,140 inches, during the 1998–99 season. Mt. Baker also enjoys one of the highest average annual snowfall of any resort in the world, with 641 inches. The ski area is known for numerous challenging in-bounds routes and for the many backcountry opportunities that surround it. The backcountry is accessible from several chairlifts, and access is permitted from the resort following the Mt. Baker Ski Area backcountry policy.

**Mount Shuksan** - A glaciated massif in the North Cascades National Park. Shuksan rises in Whatcom County, Washington immediately to the east of Mount Baker, and 11.6 miles south of the Canada–US border. The mountain's name Shuksan is derived from the Lummi word, said to mean "high peak". The highest point on the mountain is a three sided peak known as Summit Pyramid. The mountain is composed of Shuksan greenschist, oceanic basalt that was metamorphosed when the Easton terrane collided with the west coast of North America, approximately 120 million years ago. The Mount Baker Highway, State Route 542, is kept open during the winter to support Mt. Baker Ski Area. In late summer, the road to Artist Point allows visitors to travel a few miles higher for a closer view of the peak. Picture Lake is accessible on the highway and reflects the mountain, making it a popular site for photography. Sulphide Creek Falls, one of the tallest waterfalls in North America, plunges off the southeastern flank of Mount Shuksan. There are four other tall waterfalls that spill off Mount Shuksan and neighboring Jagged Ridge and Seahpo Peak, mostly sourced from small snowfields and glaciers.

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## Attractions & Demand Generators:

**Bellingham Bells** - The Bells play in the West Coast League: a summer, college, wood-bat league for up-and-coming college baseball players. The WCL season runs from early June to late August, with Bells home games being played at the newly renovated Joe Martin Field. In 2014, the Bells won their first WCL Championship with a 2-1 series win over Corvallis.

**Bellingham Bulldogs** - Playing in the semi-professional Pacific Football League, the Bulldogs are Bellingham's football team. You can see the Bulldogs in action from mid-April to late June at Civic Stadium. The Bulldogs also offer a youth camp and cheerleading.

**Bellingham Blazers** - The Blazers play in the Northern Pacific Hockey League, an American Tier III Junior Hockey League. Since joining the NPHL in 2012, the Blazers have won two NPHL titles. They play at the Bellingham Sportsplex from mid-September to early April and games are often played on Friday or Saturday nights.

**Bellingham Roller Betties** - The Roller Betties are a female, flat-track roller derby league. The Roller Betties host bouts at the Lynden Skate way and Bellingham Sportsplex. Part of the Women's Flat Track Derby Association, an international roller derby league, the Betties season begins in late January and goes to late June.

**Chuckanut Bay Rugby** is made up of seven youth teams and a men's and a women's team. It is part of USA Rugby, the Pacific Northwest Rugby Football Union and the British Columbia Rugby Union. The teams play home games in Ferndale, and admission is always free. Chuckanut Bay also hosts a Can/Ams 7's Tournament every second Saturday in July.

**Bellingham United FC** - Known to fans as the "Hammers," Bellingham United FC is the local semi-pro soccer team and plays in the Evergreen Premier League Washington, of which it is a founding member. The EPLWA season runs from mid-April to late-July, and United plays its home games at Civic Stadium. Bellingham United FC often fields current and former local college players.

**Bellingham Figure Skating Club** - This club is a USFSA Recreational Competitive Club. The BFSC is a club sanctioned by US Figure Skating. We are a 501(c)3 non-profit volunteer-run organization whose purpose is to support and build awareness of figure skating in our community. The club also attracts annual events brining in competitors from the region.

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## Attractions & Demand Generators:

**Bellingham Slam** - A semi-professional basketball team that formerly competed for seven seasons in the International Basketball League. Before joining the IBL, they played two seasons in the American Basketball Association. They were originally expected to play in Everett, Washington, but were relocated to Bellingham, Washington under the ownership of John Dominguez.

**Whatcom Pavilion** - A 1,200 seat multi-purpose arena located in Bellingham, Washington, United States on the campus of Whatcom Community College. It is home to the Whatcom Community College Orcas and the Bellingham Slam of the International Basketball League, as well as the Bellingham Roller Betties roller derby league.

**Bellingham Sportsplex** - An American multi-use sports facility located in Bellingham, Washington. The Sportsplex contains two turf fields, primarily used for indoor soccer, and an ice rink, used by local amateur ice hockey teams, figure skating lessons and performances, and home games for the Whatcom Soccer Academy Rapids soccer games and Western Washington University hockey teams. Bellingham Sportsplex offer a large ice skating rink and two different sized indoor soccer fields. All fields/rinks are labeled and easy to find once you enter the complex. SaviBank Ice Arena, Judd & Black Field, & Performance PT Field.

**Joe Martin Field** - A baseball park in the northwest United States, located in Bellingham, Washington. It was a minor league ballpark in the Class A-Short Season Northwest League for 24 seasons, from 1973 through 1996. The ballpark hosted three different NWL teams. In 1999, it became the home of the Bellingham Bells of the Pacific International League (PIL). The Bells played in the PIL for six years. In 2005, the team chose to become one of the founding franchises of the West Coast Collegiate Baseball League. Today, the league was later renamed the West Coast League and features some of the finest collegiate players in the country. Each summer the Bells play around 30 home games at Joe Martin Field as part of their WCL schedule which features teams from Washington, Oregon, and British Columbia. In 2014, the natural grass playing surface was replaced with synthetic Field Turf; the renovation cost about \$1.44 million and was completed in March 2015. The field has an unorthodox southwest alignment (home plate to center field); the recommended alignment is east-northeast, nearly opposite. Its elevation is approximately 140 feet above sea level.



## Attractions & Demand Generators:

**Western Washington University (WWU or Western)** - A public university in Bellingham. WWU offers a variety of bachelor's and master's degrees. In 2019, there were 16,142 students, 15,240 of whom were undergraduate students, and 664 full time faculty. Its athletic teams are known as the Vikings, which compete in division II of the National Collegiate Athletic Association. The main campus is located on 215 acres in Bellingham, Washington. Branch campuses are located in Anacortes and Lakewood, Washington. The university is accredited by the Northwest Commission on Colleges and Universities.

**Whatcom Community College (WCC or Whatcom)** - A public community college in Bellingham, Washington, in Whatcom County. Established in 1967, Whatcom has been accredited by the Northwest Commission on Colleges and Universities since 1976. Whatcom offers transfer degrees, professional and technical training programs, basic education, job skills, online courses, and Community & Continuing Education classes.

**Bellingham Technical College (Bellingham Tech or BTC)** - A public technical college in Bellingham, Washington. Although it awards some bachelor's degrees, it primarily awards associate degrees.

**Top Employers** will be a factor in the success of this potential project. The top employers in the area are:

|                                      |  |
|--------------------------------------|--|
| <b>3M</b>                            | <b>General Motors</b>                  |
| <b>Alcoa</b>                         | <b>General Electric</b>                |
| <b>Alpha Technologies</b>            | <b>Haggen</b>                          |
| <b>Anvil</b>                         | <b>Halliburton</b>                     |
| <b>ARAMARK</b>                       | <b>Honeywell</b>                       |
| <b>Bellingham Public Schools</b>     | <b>IBM</b>                             |
| <b>Bellingham Technical Collage</b>  | <b>Johnson &amp; Johnson</b>           |
| <b>Bellis Fair Mall</b>              | <b>LSC Communications</b>              |
| <b>Boehringer Ingelheim</b>          | <b>McDonalds</b>                       |
| <b>BP Cherry Point</b>               | <b>Nestle</b>                          |
| <b>Caterpillar</b>                   | <b>Oracle</b>                          |
| <b>Chevron</b>                       | <b>Perken Elmer</b>                    |
| <b>Coca Cola</b>                     | <b>Prudential Financial</b>            |
| <b>CSC</b>                           | <b>RR Donnelly</b>                     |
| <b>Deloitte</b>                      | <b>St. Joseph Hospital</b>             |
| <b>Donnelley Financial Solutions</b> | <b>United Technologies Corporation</b> |
| <b>Ecolab</b>                        | <b>United Parcel Service</b>           |
| <b>ExxonMobil</b>                    | <b>Verizon</b>                         |
| <b>Family Care Network</b>           | <b>Western Washington University</b>   |
| <b>FIS</b>                           | <b>Whatcom County</b>                  |
| <b>Fred Meyer</b>                    | <b>Zodiac Interiors</b>                |

## Lodging Supply

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

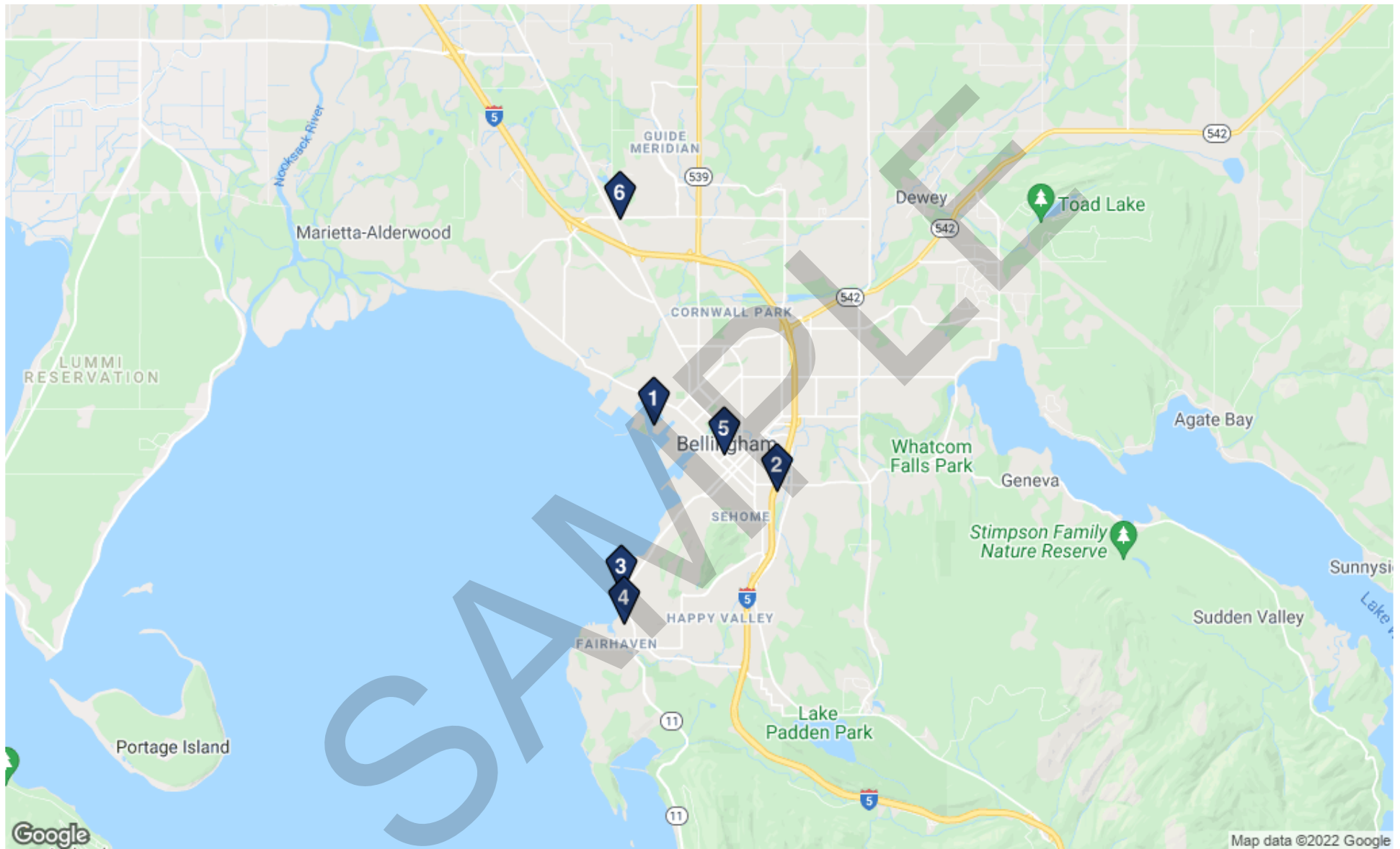
In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:



### Primary Competitive Set Property Overviews



## Property Map Overview



# Property Summary Report

## Hotel Bellwether

1 Bellwether Way  
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upscale  
Class



### HOSPITALITY

|                  |             |
|------------------|-------------|
| Hotel Opened     | Aug 2001    |
| Operation Type   | Independent |
| Operation Status | Open        |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 2000     |
| Rooms             | 66       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |
| Meeting Space     | 6,844 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 0.88 AC            |
| Zoning     | PCM                |
| Parcel     | 380225-301323-0000 |

### EXPENSES

|       |                        |
|-------|------------------------|
| Taxes | \$1,339.80/Room (2020) |
|-------|------------------------|

### SPACE FEATURES

- Business Center
- On-Site Bar
- Restaurant
- Fitness Center
- On-Site Retail
- Spa

### TRANSPORTATION

|                |  |
|----------------|--|
| Airport        | 11 min drive to Bellingham International Airport |
| Walk Score®    | Car-Dependent (38)                               |
| Transit Score® | Some Transit (33)                                |

### TENANTS

|                        |          |
|------------------------|----------|
| Lighthouse Bar & Grill | 1,500 SF |
|------------------------|----------|

### PROPERTY CONTACTS

|                     |  |                |  |
|---------------------|--|----------------|--|
| True Owner          | Molnar Group<br>1285 W Broadway<br>Vancouver, BC V6H 3X8<br>1 (604) 730-7333 (p)<br>1 (604) 730-7339 (f) | Recorded Owner | Harbor Bellwether/Investments LLP<br>570-1285 W Broadway<br>Vancouver, BC V5Z1E9<br>1 (604) 730-7333 (p) |
| Previous True Owner | Molnar Group<br>1285 W Broadway<br>Vancouver, BC V6H 3X8<br>1 (604) 730-7333 (p)<br>1 (604) 730-7339 (f) | Developer      | Molnar Group<br>1285 W Broadway<br>Vancouver, BC V6H 3X8<br>1 (604) 730-7333 (p)<br>1 (604) 730-7339 (f) |

# Property Summary Report

## Four Points by Sheraton Bellingham Hotel & Conference Center

Upscale  
Class

714 Lakeway Dr  
Bellingham, WA 98229 - Bellingham/Northwest Submarket



### HOSPITALITY

|                  |                         |
|------------------|-------------------------|
| Brand            | Four Points by Sheraton |
| Hotel Opened     | Jun 1977                |
| Operation Type   | Franchise               |
| Operation Status | Open                    |

### BUILDING

|                   |           |
|-------------------|-----------|
| Type              | Hotel     |
| Year Built        | Jun 1977  |
| Rooms             | 132       |
| Location          | Suburban  |
| Stories           | 4         |
| Primary Corridors | Interior  |
| Meeting Space     | 11,916 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 6.38 AC            |
| Zoning     | PC                 |
| Parcel     | 380331-525455-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$861.10/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center
- Meeting Event Space
- Pool
- Fitness Center
- On-Site Bar
- Restaurant

### TRANSPORTATION

|                |  |
|----------------|--|
| Airport        | 11 min drive to Bellingham International Airport |
| Walk Score®    | Car-Dependent (41)                               |
| Transit Score® | Some Transit (48)                                |

### PROPERTY CONTACTS

|            |  |
|------------|--|
| True Owner | Today's VI LLC<br>835 Airport Blvd<br>Burlingame, CA 94010 |
|------------|--|

|                |                        |
|----------------|------------------------|
| Parent Company | Marriott International |
|----------------|------------------------|

# Property Summary Report

## Curio Collection by Hilton The Chrysalis Inn & Spa Bellingham

Upper Upscale  
Class804 10th St  
Bellingham, WA 98225 - Bellingham/Northwest Submarket

### HOSPITALITY

|                  |                            |
|------------------|----------------------------|
| Brand            | Curio Collection by Hilton |
| Hotel Opened     | Jun 2001                   |
| Operation Type   | Franchise                  |
| Operation Status | Open                       |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 2001     |
| Rooms             | 45       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |
| Meeting Space     | 2,310 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 0.67 AC            |
| Zoning     | UV                 |
| Parcel     | 370201-060357-0000 |

### EXPENSES

|       |                           |
|-------|---------------------------|
| Taxes | \$2,375.08/Room<br>(2021) |
|-------|---------------------------|

### PARKING

|        |            |
|--------|------------|
| Spaces | 25 Surface |
| Ratio  | 0.56/Room  |

### SPACE FEATURES

- Beach (direct access)
- Meeting Event Space
- On-Site Retail
- Spa
- Business Center
- On-Site Bar
- Restaurant

### TRANSPORTATION

|                |  |
|----------------|--|
| Parking        | 25 available (Surface); Ratio of 0.56/Room       |
| Airport        | 16 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (66)                           |
| Transit Score® | Some Transit (37)                                |

### TENANTS

|                  |        |
|------------------|--------|
| Keenan's At Pier | 500 SF |
|------------------|--------|

### PROPERTY CONTACTS

|                |   |                |   |
|----------------|---|----------------|---|
| True Owner     | Keenke LLC<br>804 10th St<br>Bellingham, WA 98225<br>(360) 676-8844 (p) | Recorded Owner | Keenke LLC<br>804 10th St<br>Bellingham, WA 98225<br>(360) 676-8844 (p) |
| Parent Company | Hilton Worldwide  |                |   |



# Property Summary Report

## Fairhaven Village Inn

1200 10th St  
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |             |
|------------------|-------------|
| Operation Type   | Independent |
| Operation Status | Open        |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 1999     |
| Rooms             | 22       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 0.32 AC            |
| Zoning     | CC                 |
| Parcel     | 370201-075115-0000 |

### EXPENSES

|       |                           |
|-------|---------------------------|
| Taxes | \$1,548.15/Room<br>(2021) |
|-------|---------------------------|

### PARKING

|        |            |
|--------|------------|
| Spaces | 26 Surface |
| Ratio  | 1.18/Room  |

### TRANSPORTATION

|                |  |
|----------------|--|
| Parking        | 26 available (Surface); Ratio of 1.18/Room       |
| Airport        | 17 min drive to Bellingham International Airport |
| Walk Score®    | Very Walkable (85)                               |
| Transit Score® | Some Transit (38)                                |

### PROPERTY CONTACTS

|            |  |                |  |
|------------|--|----------------|--|
| True Owner | Shannon Gene V & Constance L<br>98 Morey Ave<br>Bellingham, WA 98225<br>(360) 738-6430 (p) | Recorded Owner | Shannon Gene V<br>1140 10th St<br>Bellingham, WA 98225 |
|------------|--|----------------|--|

# Property Summary Report

## The Leo

1224 Cornwall Ave  
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |             |
|------------------|-------------|
| Hotel Opened     | Jun 1883    |
| Operation Type   | Independent |
| Operation Status | Open        |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Jun 1883 |
| Year Renov        | 2019     |
| Rooms             | 39       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 0.49 AC            |
| Zoning     | CC                 |
| Parcel     | 380330-166103-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$392.87/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center

### TRANSPORTATION

|                |  |
|----------------|--|
| Airport        | 11 min drive to Bellingham International Airport |
| Walk Score®    | Walker's Paradise (96)                           |
| Transit Score® | Good Transit (56)                                |

### PROPERTY CONTACTS

|            |  |
|------------|--|
| True Owner | Daylight Properties<br>1155 N State St<br>Bellingham, WA 98225<br>(360) 734-6600 (p) |
|------------|--|



|                |  |
|----------------|--|
| Recorded Owner | Oakland Llc<br>1224 Cornwall Ave<br>Bellingham, WA 98225 |
|----------------|--|

# Property Summary Report

## SpringHill Suites Bellingham

4040 Northwest Ave  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upscale  
Class



### HOSPITALITY

|                  |                   |
|------------------|-------------------|
| Brand            | SpringHill Suites |
| Hotel Opened     | Oct 2013          |
| Operation Type   | Franchise         |
| Operation Status | Open              |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Oct 2013 |
| Rooms             | 122      |
| Location          | Suburban |
| Stories           | 5        |
| Primary Corridors | Interior |
| Meeting Space     | 2,820 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.56 AC            |
| Zoning     | PCM2.5             |
| Parcel     | 380213-053522-0000 |

### EXPENSES

|       |                        |
|-------|------------------------|
| Taxes | \$1,755.43/Room (2021) |
|-------|------------------------|

### SPACE FEATURES

- Business Center
- Meeting Event Space
- Pool
- Fitness Center
- On-Site Bar
- Restaurant

### TRANSPORTATION

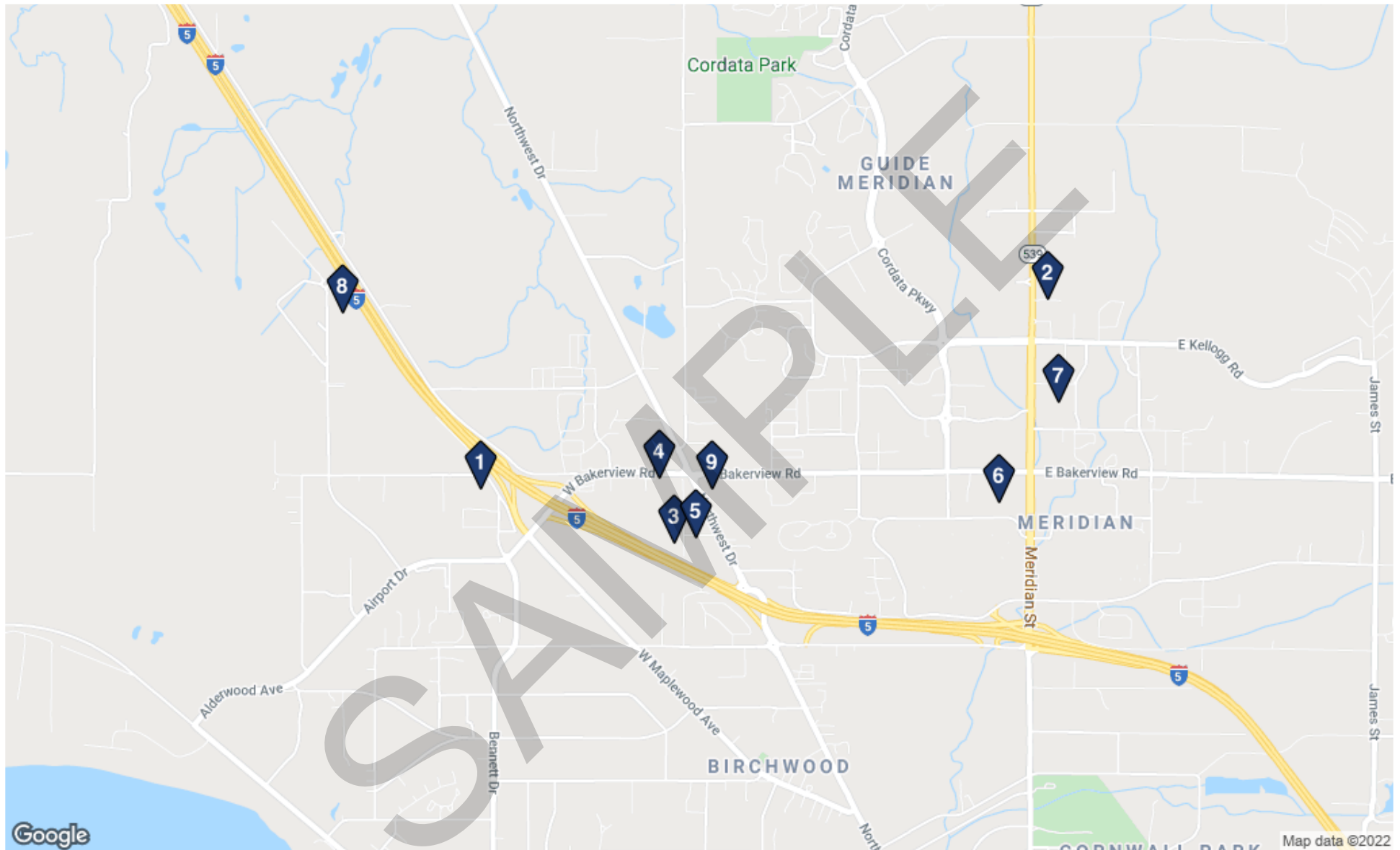
|                |   |
|----------------|---|
| Airport        | 5 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (61)                          |
| Transit Score® | Some Transit (41)                               |

### PROPERTY CONTACTS

|                     |  |
|---------------------|--|
| True Owner          | 360 Hotel Group<br>9600 Harbour Pl<br>Mukilteo, WA 98275<br>(425) 775-9600 (p)<br>(425) 775-9669 (f)           |
| Previous True Owner | Marriott International<br>7750 Wisconsin Ave<br>Bethesda, MD 20814<br>(301) 380-3000 (p)<br>(301) 380-3967 (f) |
| Parent Company      | Marriott International   |

|                |  |
|----------------|--|
| Recorded Owner | Bellingham Owner LLC<br>3500 SW 188th St<br>Lynnwood, WA 98037 |
| Architect      | Baggen Associates<br>9914 NE 134th Ct<br>Kirkland, WA 98034    |

## Property Map Overview





# Property Summary Report

## Best Western Plus Bellingham Airport Hotel

3985 Bennett Dr  
Bellingham, WA 98225 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                   |
|------------------|-------------------|
| Brand            | Best Western Plus |
| Hotel Opened     | Dec 1991          |
| Operation Type   | Franchise         |
| Operation Status | Open              |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 1991     |
| Year Renov        | 2005     |
| Rooms             | 132      |
| Location          | Suburban |
| Stories           | 4        |
| Primary Corridors | Interior |
| Meeting Space     | 5,375 SF |

### LAND

|            |         |
|------------|---------|
| Land Acres | 3.90 AC |
| Zoning     | GI      |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$681.98/Room (2021) |
|-------|----------------------|

### PARKING

|        |             |
|--------|-------------|
| Spaces | 250 Surface |
| Ratio  | 1.89/Room   |

### PARCEL

380214-193543-0000, 380214-211526-0000

### SALE

|            |                             |
|------------|-----------------------------|
| Sold Price | \$8,566,886 (\$64,901/Room) |
| Date       | Apr 2018                    |
| Sale Type  | Investment                  |

### SPACE FEATURES

- Business Center
- Fitness Center
- Pool

### TRANSPORTATION

|             |   |
|-------------|---|
| Parking     | 250 available (Surface); Ratio of 1.89/Room     |
| Airport     | 4 min drive to Bellingham International Airport |
| Walk Score® | Car-Dependent (26)                              |

### TENANTS

|                         |   |                  |   |
|-------------------------|---|------------------|---|
| Fox Hall At Hampton Inn | - | Hotel Bellingham | - |
|-------------------------|---|------------------|---|

# Property Summary Report

## Comfort Inn Bellingham

4282 Meridian St  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |             |
|------------------|-------------|
| Brand            | Comfort Inn |
| Hotel Opened     | Nov 1992    |
| Operation Type   | Franchise   |
| Operation Status | Open        |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Nov 1992 |
| Rooms             | 85       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |
| Meeting Space     | 420 SF   |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.68 AC            |
| Zoning     | PC                 |
| Parcel     | 380307-026248-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$616.82/Room (2021) |
|-------|----------------------|

### PARKING

|        |            |
|--------|------------|
| Spaces | 50 Surface |
| Ratio  | 0.59/Room  |

### SPACE FEATURES

- Business Center
- Fitness Center
- Pool

### SALE

|            |   |
|------------|---|
| Sold Price | \$8,400,000 (\$98,824/Room)   |
| Date       | Apr 2016  |
| Sale Type  | Investment  |
| Cap Rate   | 8.58%   |
| Financing  | Down Payment of \$950,370 (15.9%)<br>1st Mortgage: The Peoples Bank |

### TRANSPORTATION

|                |   |
|----------------|---|
| Parking        | 50 available (Surface); Ratio of 0.59/Room      |
| Airport        | 9 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (65)                          |
| Transit Score® | Some Transit (45)                               |

# Property Summary Report

## Hampton by Hilton Bellingham Airport

1055 W Bakerview Rd  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                   |
|------------------|-------------------|
| Brand            | Hampton by Hilton |
| Hotel Opened     | May 2021          |
| Operation Type   | Franchise         |
| Operation Status | Open              |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | May 2021 |
| Rooms             | 98       |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |
| Meeting Space     | 600 SF   |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 5.52 AC            |
| Zoning     | IC                 |
| Parcel     | 380214-492427-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$161.47/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

### TRANSPORTATION

|             |   |
|-------------|---|
| Airport     | 5 min drive to Bellingham International Airport |
| Walk Score® | Car-Dependent (38)                              |

### TENANTS

|                  |        |
|------------------|--------|
| Baker Roofing Co | 500 SF |
|------------------|--------|

### PROPERTY CONTACTS

|                |   |                |  |
|----------------|---|----------------|--|
| True Owner     | Erck Hotels<br>8214 O'Reilly Dr<br>Helena, MT 59602<br>(406) 546-4448 (p) | Recorded Owner | Bakerview Road Lodging Investors LLC   |
| Developer      | Erck Hotels<br>8214 O'Reilly Dr<br>Helena, MT 59602<br>(406) 546-4448 (p) | Architect      | Johnson Braund Design Group, Inc.<br>15200 52nd Ave S<br>Tukwila, WA 98188<br>(206) 766-8300 (p)<br>(206) 766-8080 (f) |
| Parent Company | Hilton Worldwide  |                |  |

# Property Summary Report

## La Quinta Inns & Suites Bellingham

1063 W Bakerview Rd  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                         |
|------------------|-------------------------|
| Brand            | La Quinta Inns & Suites |
| Hotel Opened     | Dec 2013                |
| Operation Type   | Franchise               |
| Operation Status | Open                    |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Dec 2013 |
| Rooms             | 81       |
| Location          | Suburban |
| Stories           | 4        |
| Primary Corridors | Interior |
| Meeting Space     | 1,288 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.16 AC            |
| Zoning     | PIC                |
| Parcel     | 380214-488506-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$833.97/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center
- Meeting Event Space
- Public Access Wifi
- Fitness Center
- Pool

### TRANSPORTATION

|                |   |
|----------------|---|
| Airport        | 6 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (59)                          |
| Transit Score® | Some Transit (36)                               |

### PROPERTY CONTACTS

|                     |   |
|---------------------|---|
| True Owner          | Pacific Inns<br>2333 NW Vaughn St<br>Portland, OR 97210<br>(503) 484-1107 (p)   |
| Previous True Owner | Harinder Bains<br>321 N Johnson St<br>Kennewick, WA 99336<br>(253) 326-7297 (p) |
| Parent Company      | Wyndham Hotels & Resorts  |

|                |   |
|----------------|---|
| Recorded Owner | Parador Inc   |
| Architect      | Dale Sweeney Design<br>4165 178th Ln SE<br>Bellevue, WA 98008 |

# Property Summary Report

## Home2 Suites by Hilton Bellingham Airport

805 Home Ln  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                        |
|------------------|------------------------|
| Brand            | Home2 Suites by Hilton |
| Hotel Opened     | Mar 2015               |
| Operation Type   | Franchise              |
| Operation Status | Open                   |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Mar 2015 |
| Rooms             | 105      |
| Location          | Suburban |
| Stories           | 4        |
| Primary Corridors | Interior |
| Meeting Space     | 348 SF   |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.83 AC            |
| Zoning     | PIC                |
| Parcel     | 380213-016455-0000 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$884.44/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

### TRANSPORTATION

|                |   |
|----------------|---|
| Airport        | 6 min drive to Bellingham International Airport |
| Walk Score®    | Car-Dependent (47)                              |
| Transit Score® | Some Transit (39)                               |

### PROPERTY CONTACTS

|            |   |
|------------|---|
| True Owner | Erck Hotels<br>8214 O'Reilly Dr<br>Helena, MT 59602<br>(406) 546-4448 (p) |
| Architect  | Jensen/Fey<br>7730 Leary Way<br>Redmond, WA 98052                         |

|                |  |
|----------------|--|
| Recorded Owner | Home Lane Lodging Investors Llc<br>4825 Reserve St<br>Missoula, MT 59808 |
| Parent Company | Hilton Worldwide   |



# Property Summary Report

## Oxford Suites Bellingham

4051 Meridian St  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                  |
|------------------|------------------|
| Brand            | Oxford Suites    |
| Hotel Opened     | Aug 2015         |
| Operation Type   | Chain Management |
| Operation Status | Open             |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 2015     |
| Rooms             | 99       |
| Location          | Suburban |
| Stories           | 6        |
| Primary Corridors | Interior |
| Meeting Space     | 1,861 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.92 AC            |
| Zoning     | PC                 |
| Parcel     | 380213-520517-0000 |

### EXPENSES

|       |                        |
|-------|------------------------|
| Taxes | \$1,125.76/Room (2021) |
|-------|------------------------|

### SPACE FEATURES

- Fitness Center
- On-Site Bar
- Restaurant
- Meeting Event Space
- Pool

### TRANSPORTATION

|                |   |
|----------------|---|
| Airport        | 7 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (69)                          |
| Transit Score® | Some Transit (45)                               |

# Property Summary Report

## Holiday Inn Express Bellingham

4160 Meridian St  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                     |
|------------------|---------------------|
| Brand            | Holiday Inn Express |
| Hotel Opened     | Aug 1993            |
| Operation Type   | Franchise           |
| Operation Status | Open                |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 1993     |
| Rooms             | 101      |
| Location          | Suburban |
| Stories           | 3        |
| Primary Corridors | Interior |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 6.07 AC            |
| Zoning     | C                  |
| Parcel     | 380307-036100-0002 |

### EXPENSES

|       |                      |
|-------|----------------------|
| Taxes | \$332.48/Room (2021) |
|-------|----------------------|

### SPACE FEATURES

- Business Center
- Pool

### TRANSPORTATION

|                |   |
|----------------|---|
| Airport        | 8 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (69)                          |
| Transit Score® | Some Transit (45)                               |

### PROPERTY CONTACTS

|                |  |                |  |
|----------------|--|----------------|--|
| True Owner     | Masaji Kaihata<br>205 W Smith Rd<br>Bellingham, WA 98226 | Recorded Owner | Masaji Kaihata<br>205 W Smith Rd<br>Bellingham, WA 98226 |
| Parent Company | IHG Hotels & Resorts                                     |                |  |

# Property Summary Report

## Holiday Inn & Suites Bellingham

4260 Mitchell Way  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |             |
|------------------|-------------|
| Brand            | Holiday Inn |
| Hotel Opened     | Mar 2017    |
| Operation Type   | Franchise   |
| Operation Status | Open        |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | Mar 2017 |
| Rooms             | 153      |
| Location          | Suburban |
| Stories           | 4        |
| Primary Corridors | Interior |
| Meeting Space     | 7,698 SF |

### LAND

|            |                   |
|------------|-------------------|
| Land Acres | 4.69 AC           |
| Zoning     | AO                |
| Parcel     | 380211-010245-001 |

### SPACE FEATURES

- Business Center
- Meeting Event Space
- On-Site Retail
- Restaurant
- Fitness Center
- On-Site Bar
- Pool

### TRANSPORTATION

|             |   |
|-------------|---|
| Airport     | 4 min drive to Bellingham International Airport |
| Walk Score® | Car-Dependent (13)                              |

### TENANTS

|                                 |           |            |          |
|---------------------------------|-----------|------------|----------|
| Holiday Inn & Suites Bellingham | 19,000 SF | Northwater | 1,000 SF |
|---------------------------------|-----------|------------|----------|

### PROPERTY CONTACTS

|                |  |           |  |
|----------------|--|-----------|--|
| True Owner     | Hotel Services Group<br>1111 Cleveland Ave<br>Mount Vernon, WA 98273<br>(360) 404-2117 (p)<br>(360) 404-2055 (f) | Developer | Hotel Services Group<br>1111 Cleveland Ave<br>Mount Vernon, WA 98273<br>(360) 404-2117 (p) |
| Parent Company | IHG Hotels & Resorts   |           |  |



# Property Summary Report

## TownePlace Suites Bellingham

4040 Northwest Ave  
Bellingham, WA 98226 - Bellingham/Northwest Submarket

Upper Midscale  
Class



### HOSPITALITY

|                  |                   |
|------------------|-------------------|
| Brand            | TownePlace Suites |
| Hotel Opened     | Feb 2015          |
| Operation Type   | Franchise         |
| Operation Status | Open              |

### BUILDING

|                   |          |
|-------------------|----------|
| Type              | Hotel    |
| Year Built        | 2013     |
| Rooms             | 83       |
| Location          | Suburban |
| Stories           | 5        |
| Primary Corridors | Interior |
| Meeting Space     | 3,760 SF |

### LAND

|            |                    |
|------------|--------------------|
| Land Acres | 1.00 AC            |
| Zoning     | PCM2.5             |
| Parcel     | 380213-053522-0000 |

### EXPENSES

|       |                        |
|-------|------------------------|
| Taxes | \$2,580.27/Room (2021) |
|-------|------------------------|

### SPACE FEATURES

- Business Center
- Fitness Center
- Pool

### TRANSPORTATION

|                |   |
|----------------|---|
| Airport        | 5 min drive to Bellingham International Airport |
| Walk Score®    | Somewhat Walkable (61)                          |
| Transit Score® | Some Transit (41)                               |

### PROPERTY CONTACTS

|                |  |
|----------------|--|
| True Owner     | 360 Hotel Group<br>9600 Harbour PI<br>Mukilteo, WA 98275<br>(425) 775-9600 (p)<br>(425) 775-9669 (f) |
| Developer      | 360 Hotel Group Ltd<br>19009 33rd Ave W<br>Lynnwood, WA 98036  |
| Parent Company | Marriott International   |

|                |  |
|----------------|--|
| Recorded Owner | Bellingham Owner LLC<br>3500 SW 188th St<br>Lynnwood, WA 98037 |
| Architect      | Baggen Associates<br>9914 NE 134th Ct<br>Kirkland, WA 98034    |

## STR/COSTAR Global Data

For the purposes of this Comprehensive Hotel Market Feasibility Study, as stated previously, the competitive set includes those midscale and upper midscale properties that were determined could be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community interviews, and/or market orientation. Core Distinction Group must follow specific guidelines in order to access accurate CoStar/STR Global Data. The following guidelines must be followed:



**Property Minimum** - A trend or a competitive set must include a minimum of three participating properties, not including the subject property if selecting a competitive set. Of the three, there must be a minimum of two properties not affiliated with the subject property (brand, parent, management, ownership and/or asset manager). The minimum number of properties must report data before performance data will be released.



**Company Minimum** - A trend or a competitive set must include a minimum of two companies not affiliated with the request or the subject property (brand, parent, management, ownership and/or asset manager).



**Property** - No single property can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).



**Brand** - No single brand (e.g. Holiday Inn, Comfort Inn) can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject and other properties from the same company as the subject.



**Company** - No single company (e.g. Hilton Worldwide, Interstate Hotels & Resorts, Host Hotels & Resorts) can account for more than 70% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).

This section will include the data provided by CoStar/STR Global.

## Star Global - CoStar - Data by Measure - Primary Comp Set

| Occupancy (%) |         |          |       |       |       |       |       |        |           |         |          |          |       |
|---------------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|-------|
| YR.           | January | February | March | April | May   | June  | July  | August | September | October | November | December | YTD   |
| 2017          | 50.8%   | 65.2%    | 68.0% | 69.7% | 69.8% | 74.3% | 78.8% | 80.5%  | 75.2%     | 67.0%   | 54.9%    | 52.6%    | 67.2% |
| 2018          | 48.8%   | 57.2%    | 63.9% | 71.3% | 70.8% | 75.6% | 78.9% | 83.0%  | 75.7%     | 67.9%   | 58.1%    | 52.4%    | 67.0% |
| 2019          | 50.1%   | 56.4%    | 70.0% | 70.1% | 68.6% | 72.7% | 78.4% | 82.4%  | 72.9%     | 66.8%   | 59.1%    | 53.7%    | 66.8% |
| 2020          | 49.9%   | 61.9%    | 33.6% | 18.3% | 24.4% | 37.6% | 48.7% | 59.0%  | 57.4%     | 52.4%   | 39.0%    | 34.9%    | 43.1% |
| 2021          | 39.8%   | 45.7%    | 55.8% | 66.2% | 61.8% | 72.1% | 81.1% | 78.5%  | 69.0%     | 60.8%   | 60.5%    | 57.5%    | 62.9% |
| Avg           | 47.9%   | 57.3%    | 58.3% | 59.1% | 59.1% | 66.5% | 73.2% | 76.7%  | 70.0%     | 63.0%   | 54.3%    | 50.2%    | 61.3% |

| ADR (\$) |          |          |          |          |          |          |          |          |           |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| YR.      | January  | February | March    | April    | May      | June     | July     | August   | September | October  | November | December | YTD      |
| 2017     | \$104.31 | \$105.82 | \$107.87 | \$111.13 | \$117.15 | \$128.87 | \$142.83 | \$143.80 | \$129.92  | \$116.01 | \$109.86 | \$111.16 | \$119.06 |
| 2018     | \$105.66 | \$107.44 | \$111.79 | \$116.76 | \$122.39 | \$132.01 | \$145.75 | \$146.36 | \$129.80  | \$116.81 | \$108.59 | \$107.70 | \$120.92 |
| 2019     | \$105.56 | \$107.24 | \$111.93 | \$116.70 | \$122.60 | \$134.89 | \$143.64 | \$147.47 | \$128.89  | \$115.95 | \$109.48 | \$109.14 | \$121.12 |
| 2020     | \$105.98 | \$109.67 | \$105.01 | \$89.37  | \$95.60  | \$105.60 | \$119.77 | \$120.30 | \$112.02  | \$104.97 | \$97.31  | \$98.11  | \$105.31 |
| 2021     | \$97.32  | \$99.93  | \$101.34 | \$107.30 | \$115.44 | \$127.93 | \$152.58 | \$155.99 | \$137.63  | \$122.65 | \$114.06 | \$112.56 | \$124.63 |
| Avg      | \$103.77 | \$106.02 | \$107.59 | \$108.25 | \$114.64 | \$125.86 | \$140.91 | \$142.78 | \$127.65  | \$115.28 | \$107.86 | \$107.73 | \$117.36 |

| RevPAR (\$) |         |          |         |         |         |         |          |          |           |         |          |          |         |
|-------------|---------|----------|---------|---------|---------|---------|----------|----------|-----------|---------|----------|----------|---------|
| YR.         | January | February | March   | April   | May     | June    | July     | August   | September | October | November | December | YTD     |
| 2017        | \$53.00 | \$68.95  | \$73.35 | \$77.41 | \$81.80 | \$95.80 | \$112.54 | \$115.79 | \$97.70   | \$77.74 | \$60.33  | \$58.47  | \$81.07 |
| 2018        | \$51.60 | \$61.46  | \$71.46 | \$83.23 | \$86.66 | \$99.74 | \$115.07 | \$121.51 | \$98.26   | \$79.37 | \$63.09  | \$56.45  | \$82.33 |
| 2019        | \$52.91 | \$60.51  | \$78.39 | \$81.80 | \$84.10 | \$98.07 | \$112.66 | \$121.52 | \$93.95   | \$77.43 | \$64.73  | \$58.64  | \$82.06 |
| 2020        | \$52.85 | \$67.85  | \$35.32 | \$16.32 | \$23.28 | \$39.74 | \$58.30  | \$71.00  | \$64.25   | \$55.01 | \$37.96  | \$34.29  | \$46.35 |
| 2021        | \$38.78 | \$45.69  | \$56.57 | \$71.01 | \$71.30 | \$92.18 | \$123.69 | \$122.49 | \$94.94   | \$74.58 | \$69.00  | \$64.67  | \$78.45 |
| Avg         | \$49.83 | \$60.89  | \$63.02 | \$65.95 | \$69.43 | \$85.11 | \$104.45 | \$110.46 | \$89.82   | \$72.83 | \$59.02  | \$54.50  | \$73.78 |

| Revenue (\$) |           |             |             |             |             |             |             |             |              |              |              |              |              |
|--------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| YR.          | January   | February    | March       | April       | May         | June        | July        | August      | September    | October      | November     | December     | YTD          |
| 2017         | \$696,610 | \$1,515,153 | \$2,479,205 | \$3,463,914 | \$4,539,087 | \$5,757,655 | \$7,236,925 | \$8,758,878 | \$10,001,605 | \$11,023,464 | \$11,790,850 | \$12,559,434 | \$79,822,780 |
| 2018         | \$678,230 | \$1,407,836 | \$2,347,115 | \$3,405,743 | \$4,544,799 | \$5,813,516 | \$7,325,977 | \$8,923,076 | \$10,172,894 | \$11,216,098 | \$12,018,553 | \$12,760,468 | \$80,614,305 |
| 2019         | \$695,419 | \$1,413,818 | \$2,444,235 | \$3,489,606 | \$4,600,280 | \$5,853,590 | \$7,341,312 | \$8,946,061 | \$10,146,771 | \$11,169,247 | \$11,996,503 | \$12,770,887 | \$80,867,729 |
| 2020         | \$697,993 | \$1,507,349 | \$1,973,803 | \$2,160,316 | \$2,467,755 | \$2,975,579 | \$3,745,482 | \$4,683,076 | \$5,504,174  | \$6,230,639  | \$6,715,731  | \$7,168,532  | \$45,830,429 |
| 2021         | \$512,106 | \$1,057,151 | \$1,804,195 | \$2,711,661 | \$3,653,312 | \$4,831,397 | \$6,464,810 | \$8,082,452 | \$9,295,801  | \$10,280,700 | \$11,162,514 | \$12,016,500 | \$71,872,599 |
| Avg          | \$656,072 | \$1,380,261 | \$2,209,711 | \$3,046,248 | \$3,961,047 | \$5,046,347 | \$6,422,901 | \$7,878,709 | \$9,024,249  | \$9,984,030  | \$10,736,830 | \$11,455,164 | \$71,801,568 |

| Name of Property             | Class          | Date Opened | Rooms |
|------------------------------|----------------|-------------|-------|
| Hotel Bellwether             | Independent    | 2001        | 66    |
| Curio Collection by Hilton   | Upper Upscale  | 2001        | 45    |
| Fairhaven Village Inn        | Upper Midscale | 1999        | 22    |
| The Leo                      | Upper Midscale | 1883        | 39    |
| Springhill Suites Bellingham | Upscale        | 2013        | 122   |
| Average Rooms:               |                |             | 59    |

## Star Global - CoStar - 12 Month Moving Average - Primary Comp Set

| Occupancy (%) |         |          |       |       |       |       |       |        |           |         |          |          |       |
|---------------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|-------|
| YR.           | January | February | March | April | May   | June  | July  | August | September | October | November | December | YTD   |
| 2017          | 66.4%   | 66.8%    | 67.3% | 67.4% | 67.3% | 67.4% | 67.3% | 67.1%  | 67.0%     | 67.3%   | 67.1%    | 67.2%    | 67.1% |
| 2018          | 67.1%   | 66.5%    | 66.1% | 66.2% | 66.3% | 66.4% | 66.4% | 66.7%  | 66.7%     | 66.8%   | 67.0%    | 67.0%    | 66.6% |
| 2019          | 67.1%   | 67.1%    | 67.6% | 67.5% | 67.3% | 67.1% | 67.0% | 67.0%  | 66.8%     | 66.7%   | 66.7%    | 66.9%    | 67.1% |
| 2020          | 66.8%   | 67.2%    | 64.1% | 60.2% | 56.5% | 53.6% | 51.0% | 49.0%  | 47.7%     | 46.5%   | 44.8%    | 43.2%    | 54.2% |
| 2021          | 42.3%   | 41.1%    | 43.0% | 46.7% | 49.9% | 52.7% | 55.5% | 57.1%  | 58.1%     | 58.8%   | 60.6%    | 62.5%    | 50.9% |
| Avg           | 61.9%   | 61.7%    | 61.6% | 61.6% | 61.5% | 61.4% | 61.4% | 61.4%  | 61.3%     | 61.2%   | 61.2%    | 61.4%    | 61.5% |

| ADR (\$) |          |          |          |          |          |          |          |          |           |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| YR.      | January  | February | March    | April    | May      | June     | July     | August   | September | October  | November | December | YTD      |
| 2017     | \$118.93 | \$118.98 | \$119.01 | \$119.02 | \$119.10 | \$119.16 | \$119.33 | \$119.55 | \$119.89  | \$120.11 | \$120.44 | \$120.70 | \$119.52 |
| 2018     | \$120.82 | \$121.06 | \$121.46 | \$121.46 | \$122.40 | \$122.70 | \$123.00 | \$123.34 | \$123.33  | \$123.39 | \$123.25 | \$123.02 | \$122.44 |
| 2019     | \$122.99 | \$122.99 | \$122.91 | \$122.92 | \$122.94 | \$123.17 | \$122.95 | \$123.06 | \$122.96  | \$122.89 | \$122.94 | \$123.00 | \$122.98 |
| 2020     | \$123.03 | \$123.10 | \$123.33 | \$123.20 | \$122.24 | \$119.85 | \$116.71 | \$112.65 | \$110.53  | \$109.32 | \$108.44 | \$107.65 | \$116.67 |
| 2021     | \$106.98 | \$106.06 | \$105.61 | \$106.27 | \$107.68 | \$110.07 | \$114.63 | \$118.96 | \$121.34  | \$122.70 | \$123.33 | \$123.69 | \$92.13  |
| Avg      | \$118.55 | \$118.44 | \$118.46 | \$118.57 | \$118.87 | \$118.99 | \$119.32 | \$119.51 | \$119.61  | \$119.68 | \$119.68 | \$119.61 | \$119.11 |

| RevPAR (\$) |         |          |         |         |         |         |         |         |           |         |          |          |         |
|-------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|---------|
| YR.         | January | February | March   | April   | May     | June    | July    | August  | September | October | November | December | YTD     |
| 2017        | \$78.94 | \$79.49  | \$80.05 | \$80.19 | \$80.13 | \$80.29 | \$80.31 | \$80.20 | \$80.34   | \$80.79 | \$80.86  | \$81.15  | \$80.23 |
| 2018        | \$81.04 | \$80.46  | \$80.30 | \$80.30 | \$81.19 | \$81.52 | \$81.73 | \$82.22 | \$82.26   | \$82.40 | \$82.63  | \$82.45  | \$81.54 |
| 2019        | \$82.56 | \$82.49  | \$83.08 | \$82.96 | \$82.75 | \$82.62 | \$82.42 | \$82.44 | \$82.09   | \$81.92 | \$82.05  | \$82.23  | \$82.47 |
| 2020        | \$82.21 | \$82.77  | \$79.11 | \$74.23 | \$69.02 | \$64.18 | \$59.52 | \$55.20 | \$52.73   | \$50.81 | \$48.59  | \$46.51  | \$63.74 |
| 2021        | \$45.30 | \$43.59  | \$45.41 | \$49.65 | \$53.73 | \$58.04 | \$63.59 | \$67.97 | \$70.49   | \$72.15 | \$74.70  | \$77.28  | \$46.88 |
| Avg         | \$74.01 | \$73.76  | \$73.59 | \$73.47 | \$73.36 | \$73.33 | \$73.51 | \$73.61 | \$73.58   | \$73.61 | \$73.77  | \$73.92  | \$73.63 |

| Revenue (\$) |              |              |              |              |              |              |              |              |              |              |              |              |               |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| YR.          | January      | February     | March        | April        | May          | June         | July         | August       | September    | October      | November     | December     | YTD           |
| 2017         | \$12,216,160 | \$12,301,776 | \$12,387,783 | \$12,410,249 | \$12,401,678 | \$12,425,829 | \$12,428,064 | \$12,411,944 | \$12,433,743 | \$12,503,391 | \$12,514,502 | \$12,559,434 | \$148,994,553 |
| 2018         | \$12,541,054 | \$12,452,117 | \$12,427,344 | \$12,501,263 | \$12,565,147 | \$12,615,295 | \$12,648,486 | \$12,723,632 | \$12,730,724 | \$12,752,069 | \$12,787,137 | \$12,760,468 | \$151,504,736 |
| 2019         | \$12,777,657 | \$12,766,450 | \$12,857,588 | \$12,844,331 | \$12,815,949 | \$12,800,541 | \$12,775,803 | \$12,783,453 | \$12,734,345 | \$12,713,617 | \$12,738,417 | \$12,770,887 | \$153,379,038 |
| 2020         | \$12,773,460 | \$12,864,417 | \$12,300,454 | \$11,441,596 | \$10,638,361 | \$9,892,876  | \$9,175,057  | \$8,507,902  | \$8,128,289  | \$7,832,278  | \$7,490,115  | \$7,168,532  | \$118,213,337 |
| 2021         | \$6,982,645  | \$6,718,334  | \$6,998,924  | \$7,719,877  | \$8,354,089  | \$9,024,349  | \$9,887,860  | \$10,567,908 | \$10,960,160 | \$11,218,593 | \$11,615,315 | \$12,016,500 | \$112,064,554 |
| Avg          | \$11,458,195 | \$11,420,619 | \$11,394,419 | \$11,383,463 | \$11,355,045 | \$11,351,778 | \$11,383,054 | \$11,398,968 | \$11,397,452 | \$11,403,990 | \$11,429,097 | \$11,455,164 | \$136,831,244 |

## Star Global - CoStar - Data by Measure - Secondary Comp Set

| Occupancy (%) |         |          |       |       |       |       |       |        |           |         |          |          |       |
|---------------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|-------|
| YR.           | January | February | March | April | May   | June  | July  | August | September | October | November | December | YTD   |
| 2017          | 53.6%   | 68.2%    | 70.9% | 71.9% | 71.6% | 77.1% | 80.4% | 81.6%  | 76.6%     | 69.4%   | 55.5%    | 52.1%    | 69.1% |
| 2018          | 51.3%   | 58.2%    | 66.6% | 74.3% | 72.4% | 77.3% | 80.0% | 84.6%  | 77.4%     | 70.1%   | 60.2%    | 53.8%    | 68.9% |
| 2019          | 53.1%   | 58.8%    | 73.4% | 73.2% | 70.7% | 73.2% | 79.4% | 83.6%  | 73.4%     | 67.2%   | 60.2%    | 55.0%    | 68.4% |
| 2020          | 52.4%   | 64.0%    | 37.2% | 19.9% | 26.5% | 41.6% | 52.0% | 62.8%  | 62.3%     | 56.9%   | 43.9%    | 38.4%    | 46.5% |
| 2021          | 44.4%   | 49.9%    | 61.3% | 72.1% | 65.0% | 76.1% | 85.9% | 83.0%  | 73.1%     | 64.5%   | 65.3%    | 61.5%    | 67.8% |
| Avg           | 51.0%   | 59.8%    | 61.9% | 62.3% | 61.2% | 69.1% | 75.5% | 79.1%  | 72.6%     | 65.6%   | 57.0%    | 52.2%    | 63.9% |

| ADR (\$) |          |          |          |          |          |          |          |          |           |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| YR.      | January  | February | March    | April    | May      | June     | July     | August   | September | October  | November | December | YTD      |
| 2017     | \$99.24  | \$100.54 | \$102.32 | \$105.47 | \$109.52 | \$120.22 | \$134.94 | \$136.86 | \$123.31  | \$110.06 | \$103.85 | \$103.34 | \$112.47 |
| 2018     | \$101.49 | \$102.64 | \$106.43 | \$111.95 | \$116.04 | \$124.67 | \$138.80 | \$140.61 | \$123.82  | \$110.49 | \$102.41 | \$100.12 | \$114.96 |
| 2019     | \$101.18 | \$101.55 | \$106.49 | \$110.83 | \$113.67 | \$125.90 | \$134.74 | \$138.71 | \$120.57  | \$107.70 | \$102.03 | \$100.75 | \$113.68 |
| 2020     | \$100.29 | \$102.67 | \$100.26 | \$89.47  | \$89.63  | \$97.59  | \$107.69 | \$107.58 | \$102.22  | \$97.09  | \$92.60  | \$91.35  | \$98.20  |
| 2021     | \$91.97  | \$93.67  | \$96.66  | \$102.24 | \$108.48 | \$122.13 | \$147.70 | \$149.83 | \$131.58  | \$114.70 | \$106.60 | \$105.28 | \$119.04 |
| Avg      | \$98.83  | \$100.21 | \$102.43 | \$103.99 | \$107.47 | \$118.10 | \$132.77 | \$134.72 | \$120.30  | \$108.01 | \$101.50 | \$100.17 | \$110.71 |

| RevPAR (\$) |         |          |         |         |         |         |          |          |           |         |          |          |         |
|-------------|---------|----------|---------|---------|---------|---------|----------|----------|-----------|---------|----------|----------|---------|
| YR.         | January | February | March   | April   | May     | June    | July     | August   | September | October | November | December | YTD     |
| 2017        | \$53.19 | \$68.61  | \$72.56 | \$75.85 | \$78.37 | \$92.71 | \$108.51 | \$111.67 | \$94.44   | \$76.35 | \$57.60  | \$53.89  | \$78.65 |
| 2018        | \$52.01 | \$59.77  | \$70.85 | \$83.13 | \$83.99 | \$96.40 | \$111.03 | \$118.90 | \$95.84   | \$77.48 | \$61.65  | \$53.86  | \$80.41 |
| 2019        | \$53.68 | \$59.74  | \$78.19 | \$81.16 | \$80.33 | \$92.13 | \$107.02 | \$116.02 | \$88.53   | \$72.39 | \$61.42  | \$55.44  | \$78.84 |
| 2020        | \$52.56 | \$65.73  | \$37.33 | \$17.78 | \$23.79 | \$40.64 | \$56.04  | \$67.52  | \$63.69   | \$55.21 | \$40.66  | \$35.10  | \$46.34 |
| 2021        | \$40.87 | \$46.75  | \$59.25 | \$73.74 | \$70.50 | \$92.98 | \$126.86 | \$124.37 | \$96.18   | \$74.00 | \$69.56  | \$64.73  | \$80.76 |
| Avg         | \$50.46 | \$60.12  | \$63.64 | \$66.33 | \$67.40 | \$82.97 | \$101.89 | \$107.70 | \$87.74   | \$71.09 | \$58.18  | \$52.60  | \$72.51 |

| Revenue (\$) |             |             |             |             |             |             |             |             |             |             |             |             |              |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| YR.          | January     | February    | March       | April       | May         | June        | July        | August      | September   | October     | November    | December    | YTD          |
| 2017         | \$1,131,158 | \$1,317,886 | \$1,887,127 | \$1,909,092 | \$2,038,361 | \$2,333,538 | \$2,822,166 | \$2,904,340 | \$2,377,110 | \$1,985,757 | \$1,449,805 | \$1,401,564 | \$23,557,904 |
| 2018         | \$1,352,813 | \$1,404,121 | \$1,842,696 | \$2,092,406 | \$2,184,398 | \$2,426,480 | \$2,887,780 | \$3,092,522 | \$2,412,174 | \$2,015,059 | \$1,551,732 | \$1,400,940 | \$24,663,121 |
| 2019         | \$1,396,235 | \$1,403,361 | \$2,033,688 | \$2,042,673 | \$2,089,299 | \$2,318,817 | \$2,783,544 | \$3,017,490 | \$2,228,418 | \$1,882,705 | \$1,545,888 | \$1,442,017 | \$24,184,135 |
| 2020         | \$1,367,035 | \$1,544,025 | \$971,033   | \$447,614   | \$618,884   | \$1,022,914 | \$1,457,542 | \$1,756,028 | \$1,603,105 | \$1,435,906 | \$1,023,335 | \$912,821   | \$14,160,242 |
| 2021         | \$1,062,886 | \$1,098,172 | \$1,541,118 | \$1,855,947 | \$2,047,818 | \$2,613,563 | \$3,685,007 | \$3,612,497 | \$2,703,620 | \$2,149,504 | \$1,955,403 | \$1,880,329 | \$26,205,864 |
| Avg          | \$1,262,025 | \$1,353,513 | \$1,655,132 | \$1,669,546 | \$1,795,752 | \$2,143,062 | \$2,727,208 | \$2,876,575 | \$2,264,885 | \$1,893,786 | \$1,505,233 | \$1,407,534 | \$22,554,253 |

| Name of Property                          | Class          | Date Opened | Rooms |
|---|----------------|-------------|-------|
| Best Western Plus Bellingham Airport      | Upper Midscale | 1991        | 132   |
| Comfort Inn Bellingham                    | Upper Midscale | 1992        | 85    |
| Hampton by Hilton Bellingham Airport      | Upper Midscale | 2021        | 98    |
| LaQuinta Inns & Suites Bellingham         | Upper Midscale | 2013        | 81    |
| Home2 Suites by Hilton Bellingham Airport | Upper Midscale | 2015        | 105   |
| Oxford Suites Bellingham                  | Upper Midscale | 2015        | 99    |
| Holiday Inn Express Bellingham            | Upper Midscale | 1993        | 101   |
| Holiday Inn Express Bellingham            | Upper Midscale | 2017        | 153   |
| TownPlace Suites Bellingham               | Upper Midscale | 2015        | 83    |
| Average Rooms:                            |                |             | 104   |

## Star Global - CoStar - 12 Month Moving Average - Secondary Comp Set

| Occupancy (%) |         |          |       |       |       |       |       |        |           |         |          |          |       |
|---------------|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|-------|
| YR.           | January | February | March | April | Mam   | June  | July  | August | September | October | November | December | MTD   |
| 2017          | 68.8%   | 69.3%    | 69.8% | 69.9% | 69.8% | 70.1% | 70.1% | 70.0%  | 69.9%     | 70.2%   | 69.7%    | 69.3%    | 69.7% |
| 2018          | 68.9%   | 68.1%    | 67.7% | 67.9% | 68.0% | 68.0% | 68.0% | 68.2%  | 68.3%     | 68.4%   | 68.7%    | 68.9%    | 68.3% |
| 2019          | 69.0%   | 69.1%    | 69.7% | 69.6% | 69.4% | 69.1% | 69.1% | 69.0%  | 68.6%     | 68.4%   | 68.4%    | 68.5%    | 69.0% |
| 2020          | 68.5%   | 68.8%    | 65.8% | 61.4% | 57.6% | 55.1% | 52.7% | 51.0%  | 50.0%     | 49.2%   | 47.8%    | 46.4%    | 56.2% |
| 2021          | 45.7%   | 44.6%    | 46.7% | 51.0% | 54.4% | 57.3% | 60.4% | 62.3%  | 63.2%     | 63.9%   | 65.5%    | 67.3%    | 56.9% |
| Avg           | 64.2%   | 64.0%    | 63.9% | 64.0% | 63.8% | 63.9% | 64.1% | 64.1%  | 64.0%     | 64.0%   | 64.0%    | 64.1%    | 64.0% |

| ADR (\$) |          |          |          |          |          |          |          |          |           |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|
| YR.      | January  | February | March    | April    | Mam      | June     | July     | August   | September | October  | November | December | MTD      |
| 2017     | \$111.94 | \$112.04 | \$111.97 | \$111.90 | \$111.86 | \$111.98 | \$112.54 | \$113.29 | \$113.87  | \$114.04 | \$114.23 | \$114.33 | \$112.83 |
| 2018     | \$114.34 | \$114.44 | \$114.84 | \$115.40 | \$115.98 | \$116.40 | \$116.78 | \$117.25 | \$117.30  | \$117.33 | \$117.15 | \$116.91 | \$116.18 |
| 2019     | \$116.85 | \$116.77 | \$116.69 | \$116.60 | \$116.39 | \$116.46 | \$116.05 | \$115.83 | \$115.50  | \$115.29 | \$115.26 | \$115.28 | \$116.08 |
| 2020     | \$115.23 | \$115.23 | \$115.34 | \$115.10 | \$114.25 | \$111.94 | \$108.67 | \$104.37 | \$102.19  | \$101.05 | \$100.31 | \$99.64  | \$108.61 |
| 2021     | \$98.94  | \$98.08  | \$97.77  | \$98.56  | \$100.04 | \$102.82 | \$108.36 | \$113.47 | \$116.17  | \$117.40 | \$117.75 | \$117.93 | \$107.27 |
| Avg      | \$111.46 | \$111.31 | \$111.32 | \$111.51 | \$111.70 | \$111.92 | \$112.48 | \$112.84 | \$113.01  | \$113.02 | \$112.94 | \$112.82 | \$112.19 |

| RevPAR (\$) |         |          |         |         |         |         |         |         |           |         |          |          |         |
|-------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|---------|
| YR.         | January | February | March   | April   | Mam     | June    | July    | August  | September | October | November | December | MTD     |
| 2017        | \$77.06 | \$77.67  | \$78.14 | \$78.24 | \$78.09 | \$78.46 | \$78.89 | \$79.26 | \$79.61   | \$80.00 | \$79.62  | \$79.26  | \$78.69 |
| 2018        | \$78.75 | \$77.93  | \$77.79 | \$78.39 | \$78.86 | \$79.17 | \$79.38 | \$80.00 | \$80.11   | \$80.21 | \$80.54  | \$80.54  | \$79.31 |
| 2019        | \$80.68 | \$80.68  | \$81.30 | \$81.14 | \$80.83 | \$80.48 | \$80.13 | \$79.89 | \$79.29   | \$78.86 | \$78.84  | \$78.97  | \$80.09 |
| 2020        | \$78.88 | \$79.34  | \$75.87 | \$70.66 | \$65.86 | \$61.62 | \$57.29 | \$53.18 | \$51.13   | \$49.67 | \$47.97  | \$46.24  | \$61.48 |
| 2021        | \$45.25 | \$43.79  | \$45.65 | \$50.25 | \$54.38 | \$58.96 | \$65.46 | \$70.67 | \$73.45   | \$74.96 | \$77.13  | \$79.35  | \$61.61 |
| Avg         | \$72.12 | \$71.88  | \$71.75 | \$71.74 | \$71.60 | \$71.74 | \$72.23 | \$72.60 | \$72.72   | \$72.74 | \$72.82  | \$72.87  | \$72.23 |

| Revenue (\$) |              |              |              |              |              |              |              |              |              |              |              |              |               |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| YR.          | January      | February     | March        | April        | Mam          | June         | July         | August       | September    | October      | November     | December     | MTD           |
| 2017         | \$19,295,483 | \$19,448,771 | \$19,936,504 | \$20,321,772 | \$20,651,501 | \$21,111,317 | \$21,599,354 | \$22,077,724 | \$22,541,205 | \$23,030,389 | \$23,287,354 | \$23,557,905 | \$256,859,279 |
| 2018         | \$23,779,560 | \$23,865,794 | \$23,821,363 | \$24,004,677 | \$24,150,714 | \$24,243,656 | \$24,309,270 | \$24,497,452 | \$24,532,516 | \$24,561,818 | \$24,663,745 | \$24,663,120 | \$291,093,685 |
| 2019         | \$24,706,542 | \$24,705,782 | \$24,896,774 | \$24,847,042 | \$24,751,942 | \$24,644,279 | \$24,540,043 | \$24,465,011 | \$24,281,255 | \$24,148,901 | \$24,143,057 | \$24,184,134 | \$294,314,762 |
| 2020         | \$24,154,935 | \$24,295,599 | \$23,232,944 | \$21,637,884 | \$20,167,469 | \$18,871,567 | \$17,545,564 | \$16,284,102 | \$15,658,789 | \$15,211,990 | \$14,689,437 | \$14,160,241 | \$225,910,521 |
| 2021         | \$13,856,092 | \$13,410,239 | \$13,980,324 | \$15,388,657 | \$16,817,592 | \$18,408,240 | \$20,635,705 | \$22,492,175 | \$23,592,690 | \$24,306,288 | \$25,238,356 | \$26,205,865 | \$234,332,223 |
| Avg          | \$21,158,522 | \$21,145,237 | \$21,173,582 | \$21,240,006 | \$21,307,844 | \$21,455,812 | \$21,725,987 | \$21,963,293 | \$22,121,291 | \$22,251,877 | \$22,404,390 | \$22,554,253 | \$260,502,094 |

## Primary Competitive Set Date

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency. The following information will be analyzed in Competitive Set Analysis:



Key Performance Indicators



Supply & Demand/Supply & Demand Changes



Occupancy/Occupancy Changes



Average Daily Rate/Average Daily Rate Changes

## Primary Competitive Hotel Properties Data Summary

| Primary Competitive Set                          |                  |           |            |
|--|------------------|-----------|------------|
| Property Name                                    | Industry Segment | Open Date | Room Count |
| Hotel Bellwether                                 | Independent      | 2001      | 66         |
| Four Points Bellingham Hotel & Conference Center | Upscale          | 1977      | 132        |
| Springhill Suites Bellingham                     | Upscale          | 2013      | 122        |
| Curio Collection by Hilton                       | Upper Upscale    | 2001      | 45         |
| Fairhaven Village Inn                            | Upper Midscale   | 1999      | 22         |
| The Leo  | Upper Midscale   | 1883      | 39         |
| Primary Competitive Set Room Count Average       |                  |           | 71         |
| Source: CoStar/STR Core Distinction Group, LLC   |                  |           |            |

| Primary Competitive Set Current                |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| YTD  | 62.5%     | \$123.69           | \$77.28                    |
| 3 Month Average                                | 59.6%     | \$116.53           | \$69.42                    |
| 12 Month Average                               | 62.5%     | \$123.69           | \$77.28                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Primary Competitive Set Prior Year             |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| 12 Month Average                               | 44.8%     | \$108.00           | \$49.00                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Primary Competitive Set Year Over Year Percentage Change |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame   | Occupancy | Average Daily Rate | Revenue Per Available Room |
| Percent of Change  | 39.4%     | 14.1%              | 59.0%                      |
| Source: CoStar/STR Core Distinction Group, LLC           |           |                    |                            |



## Primary Competitive Hotel Quoted Rates

| Primary Competitive Set Listed Rates             |        |        |        |        |
|--|--------|--------|--------|--------|
| Property Name                                    | May-22 | Jul-22 | Sep-22 | Nov-22 |
| Hotel Bellwether                                 | \$269  | \$399  | \$499  | \$309  |
| Four Points Bellingham Hotel & Conference Center | \$155  | \$199  | \$199  | \$155  |
| Springhill Suites Bellingham                     | \$134  | \$170  | \$170  | \$134  |
| Curio Collection by Hilton                       | \$225  | \$320  | \$280  | \$220  |
| Fairhaven Village Inn                            | \$199  | \$329  | \$229  | \$189  |
| The Leo  | \$98   | \$116  | \$116  | \$159  |
| Average Independent                              | \$269  | \$399  | \$499  | \$309  |
| Average Upscale                                  | \$145  | \$185  | \$185  | \$145  |
| Average Upper Midscale                           | \$174  | \$255  | \$208  | \$189  |
| Primary Competitive Set Average                  | \$180  | \$256  | \$249  | \$194  |
| Primary Competitive Set Rate Average             |        |        |        | \$220  |
| Source: Google Travel                            |        |        |        |        |

| Primary Competitive Set Trend                  |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| YTD  | 62.5%     | \$123.69           | \$77.28                    |
| 3 Month Average                                | 59.6%     | \$116.53           | \$69.42                    |
| 12 Month Average                               | 62.5%     | \$123.69           | \$77.28                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Projected Primary Competitive Set Rates                      |                    |
|--|--------------------|
| Time Frame   | Average Daily Rate |
| 3 Month Average  | \$116.53           |
| 12 Month Average   | \$123.69           |
| Future Quoted Rate Average                                   | \$219.67           |
| Projected Average Daily Rates                                | \$153.30           |
| Source: Google Travel/CoStar/STR Core Distinction Group, LLC |                    |

## Search Analytics

INVENTORY ROOMS  
**426** +0%  
Prior Period 426

UNDER CONSTRUCTION ROOMS  
**0** -  
Prior Period 0

12 MO OCC RATE  
**62.5%** +39.4%  
Prior Period 44.8%

12 MO ADR  
**\$124** +14.1%  
Prior Period \$108

12 MO REVPAR  
**\$77** +59.0%  
Prior Period \$49

MARKET SALE PRICE/ROOM  
**\$131K** -0.6%  
Prior Period \$132K

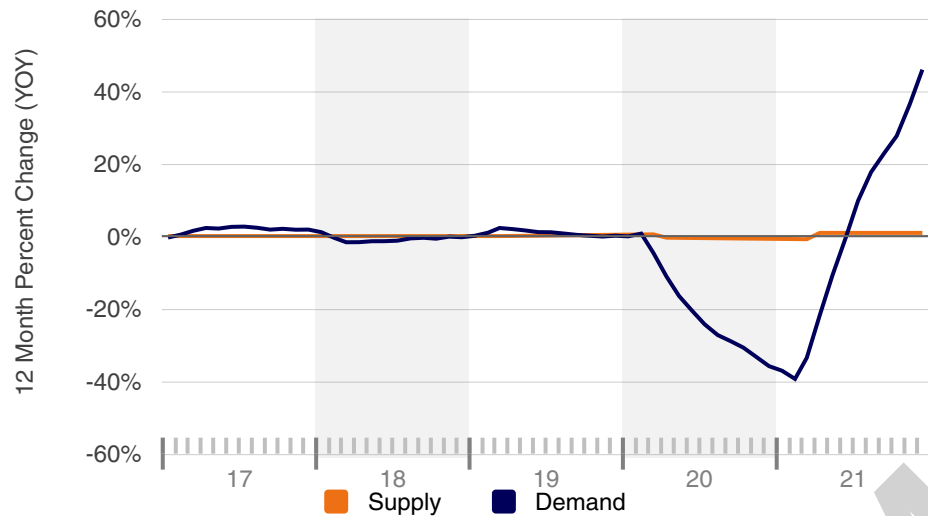
MARKET CAP RATE  
**8.7%** -0.1%  
Prior Period 8.8%

## Key Metrics

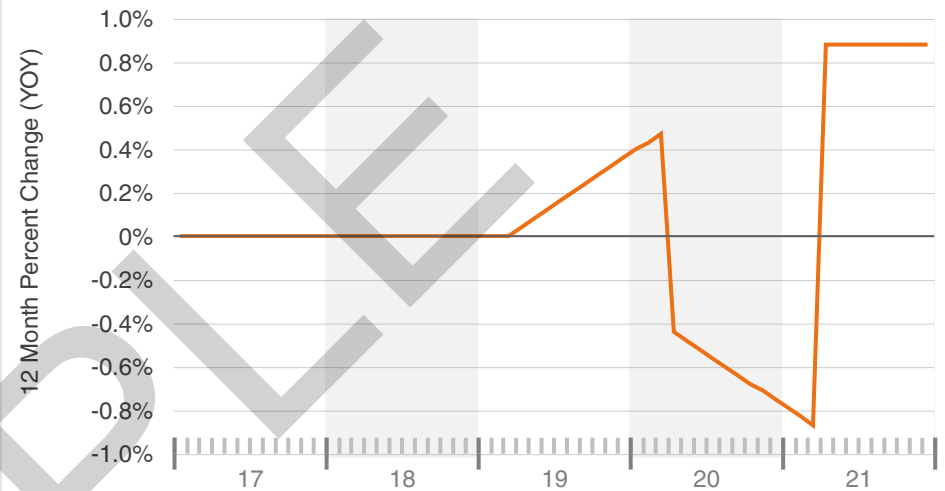
| Inventory                        |   | Sales Past Year            |        |
|----------------------------------|---|----------------------------|--------|
| Existing Properties              | 6 | Sales Volume               | \$0    |
| 12 Mo Delivered Rooms            | 0 | Properties Sold            | 0      |
| 12 Mo Delivered Properties       | 0 | Months to Sale             | -      |
| 12 Mo Recently Opened Rooms      | 0 | Average Price Per Building | -      |
| 12 Mo Recently Opened Properties | 0 | Market Price Per Room      | \$131K |
| Under Construction Properties    | 0 | Market Cap Rate            | 8.7%   |

| Performance Trend          |          |
|----------------------------|----------|
| Occupancy Rate             | 57.5%    |
| Average Daily Rate         | \$112.56 |
| Revenue Per Available Room | \$64.67  |
| YTD Occupancy Rate         | 62.5%    |
| YTD Average Daily Rate     | \$123.69 |
| YTD RevPAR                 | \$77.28  |
| 3 Mo Occupancy Rate        | 59.6%    |
| 3 Mo Average Daily Rate    | \$116.53 |
| 3 Mo RevPAR                | \$69.42  |
| 12 Mo Occupancy Rate       | 62.5%    |
| 12 Mo Average Daily Rate   | \$123.69 |
| 12 Mo RevPAR               | \$77.28  |

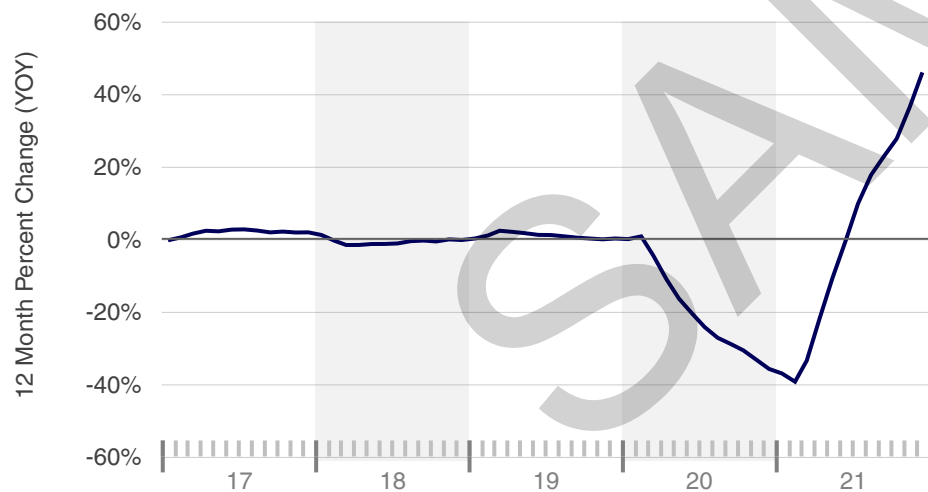
## Supply & Demand Change



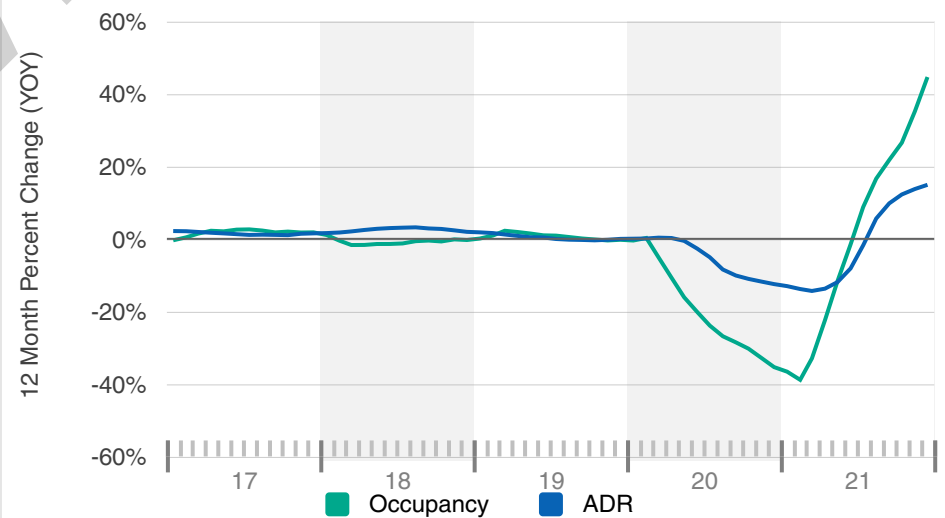
## Supply Change



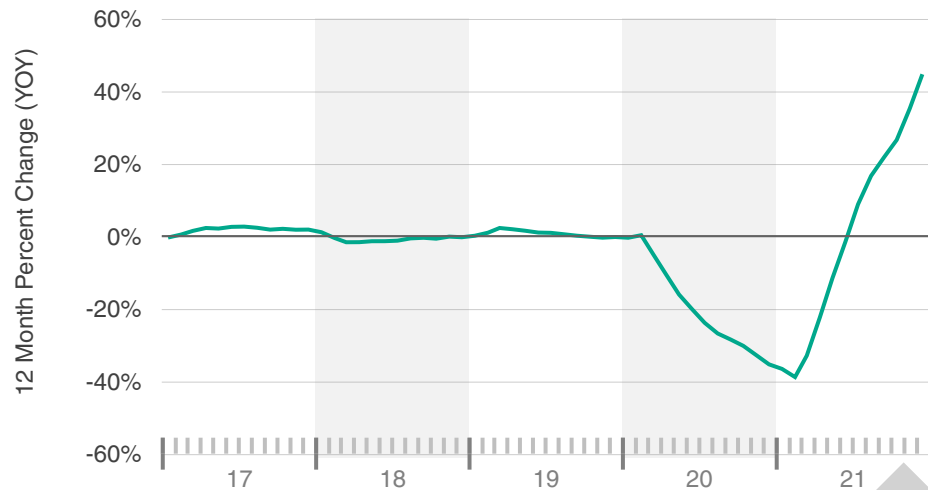
## Demand Change



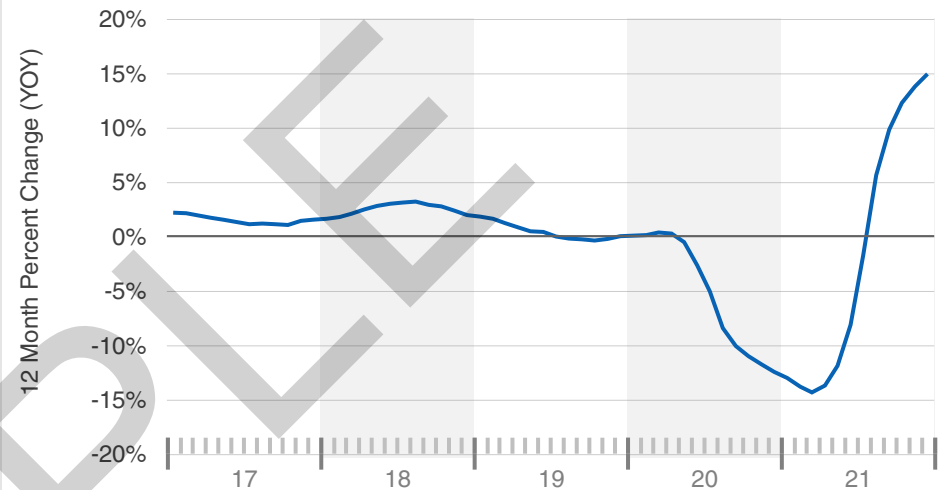
## Occupancy & ADR Change



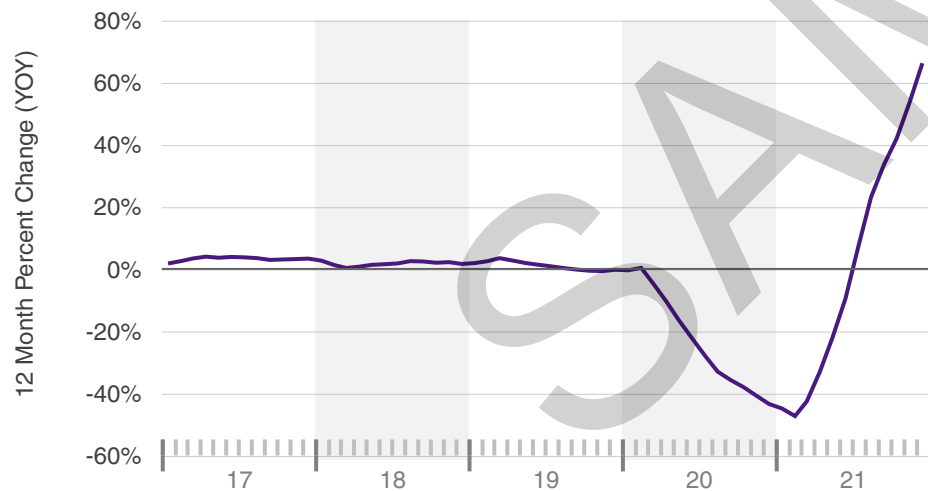
## Occupancy Change



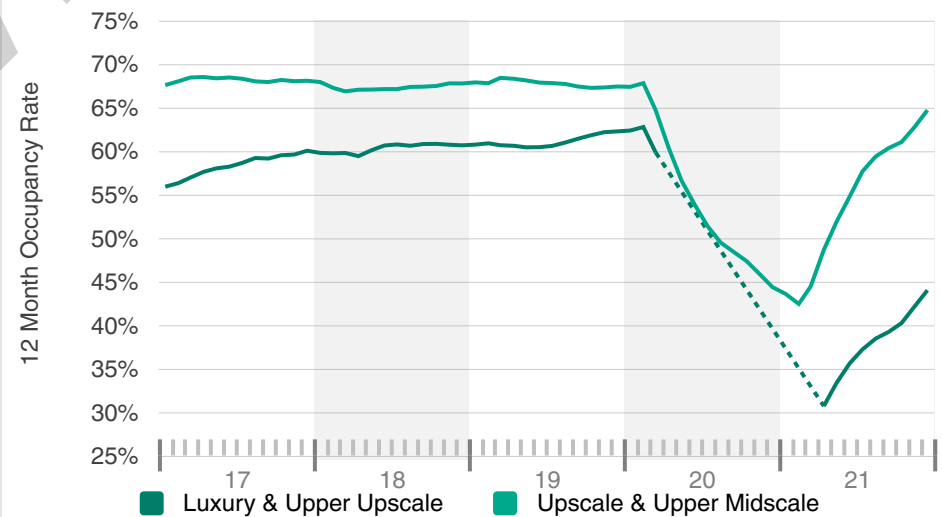
## ADR Change



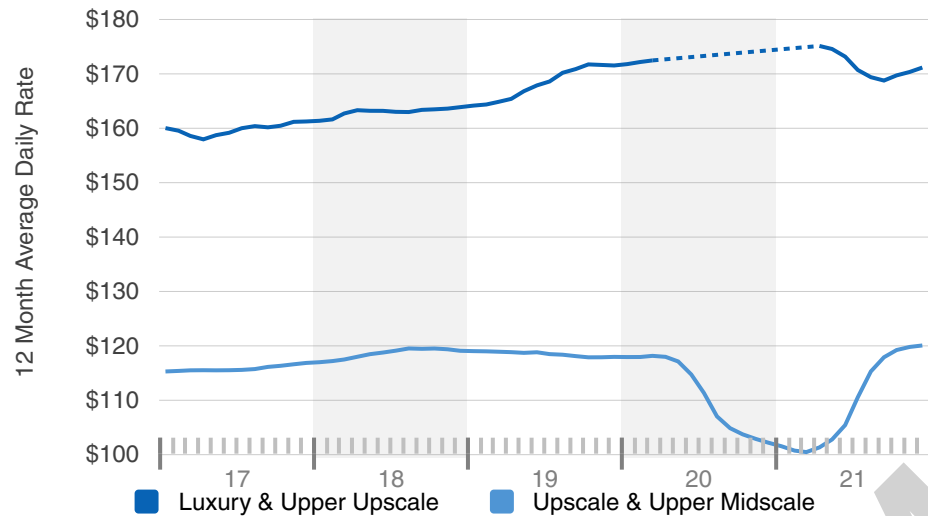
## RevPAR Change



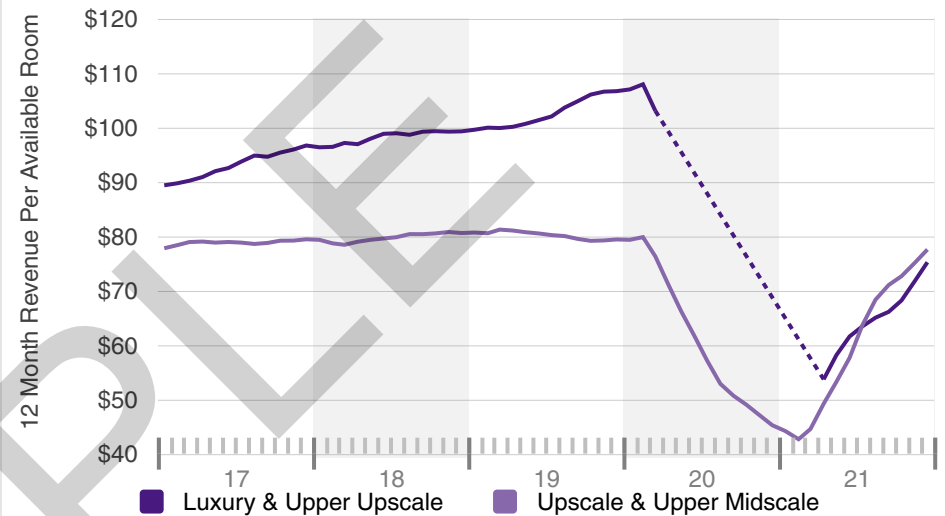
## Occupancy By Class



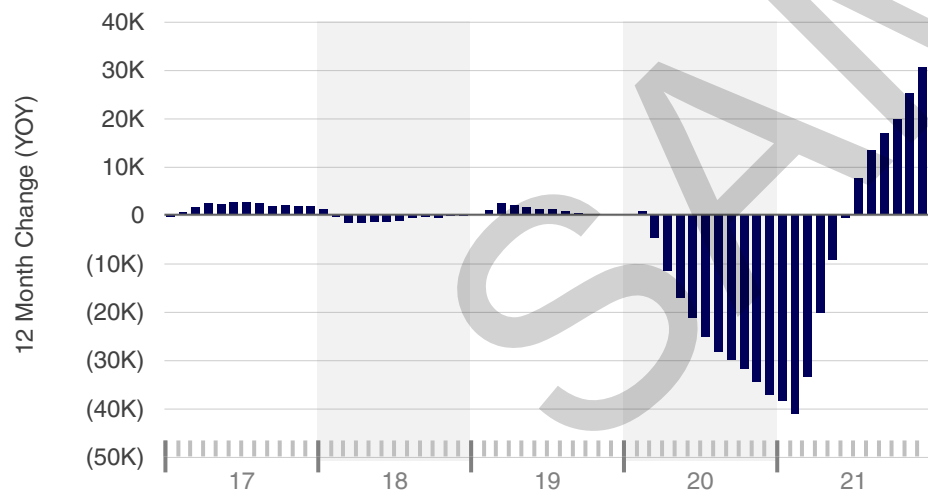
## ADR By Class



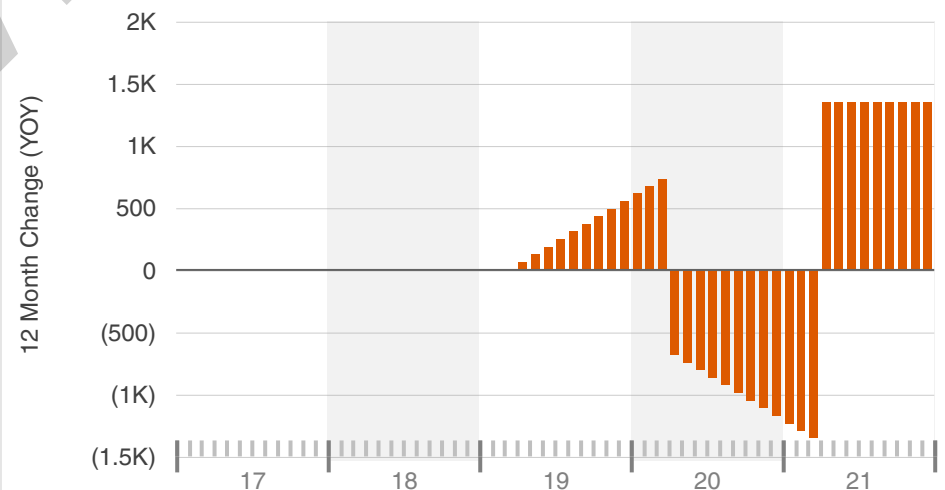
## RevPAR By Class



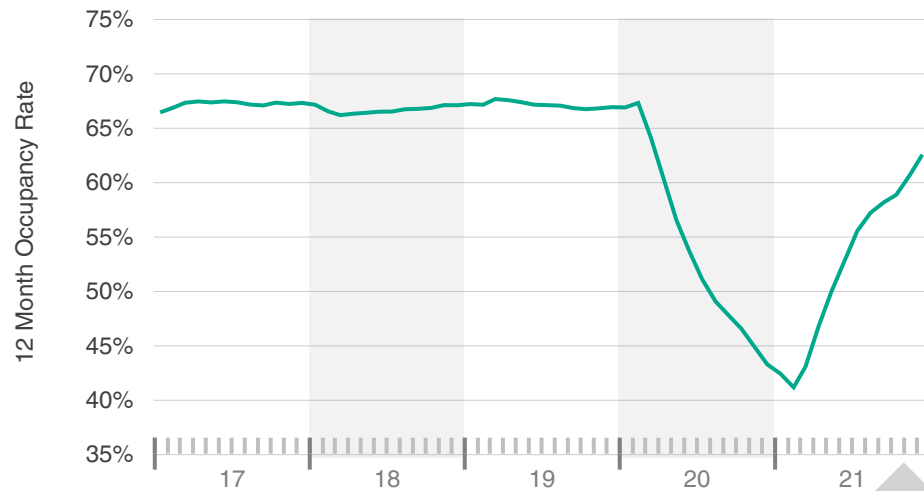
## Demand Change



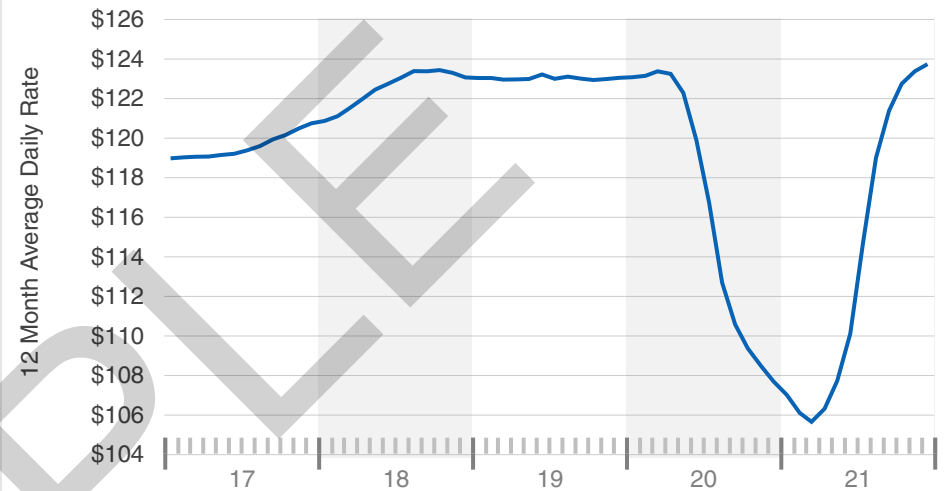
## Supply Change



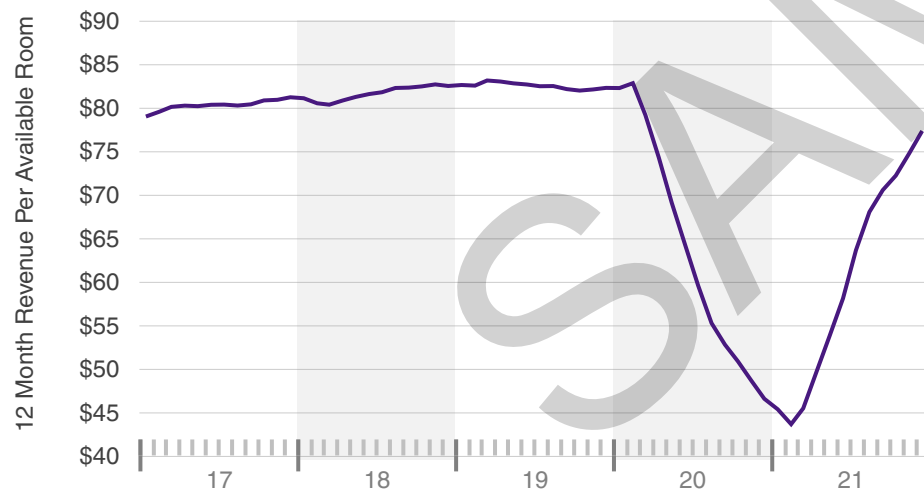
## Occupancy



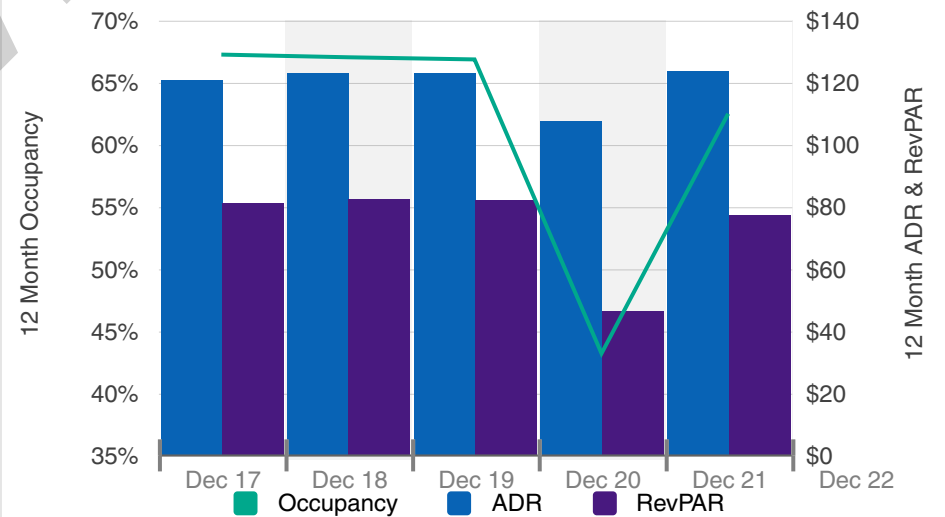
## ADR



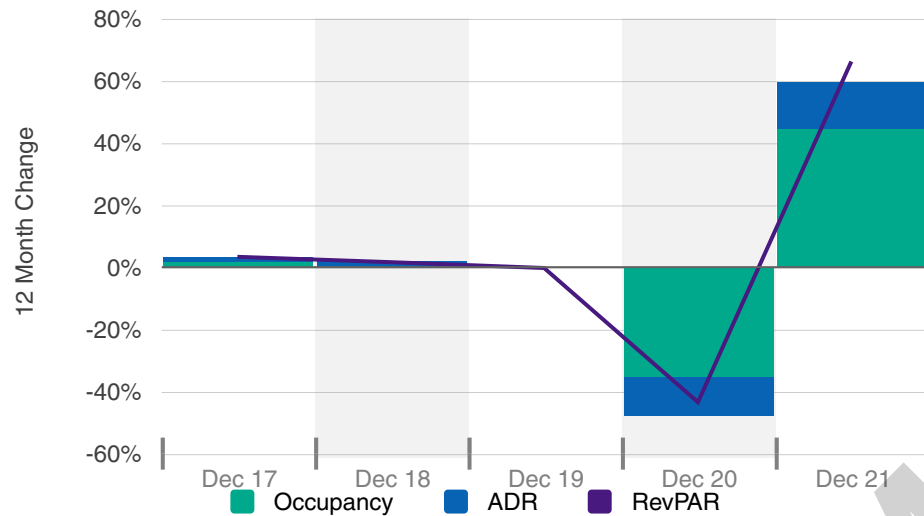
## RevPAR



## Occupancy, ADR & RevPAR



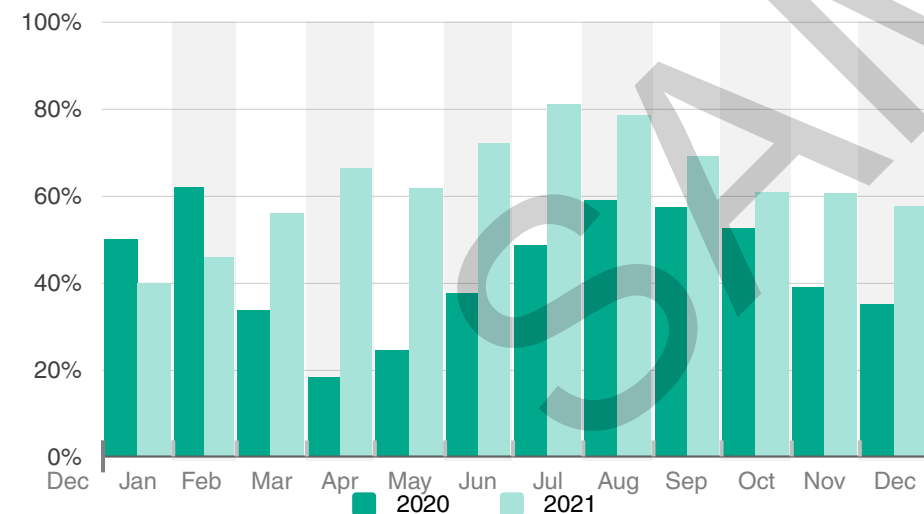
## RevPAR Growth Composition



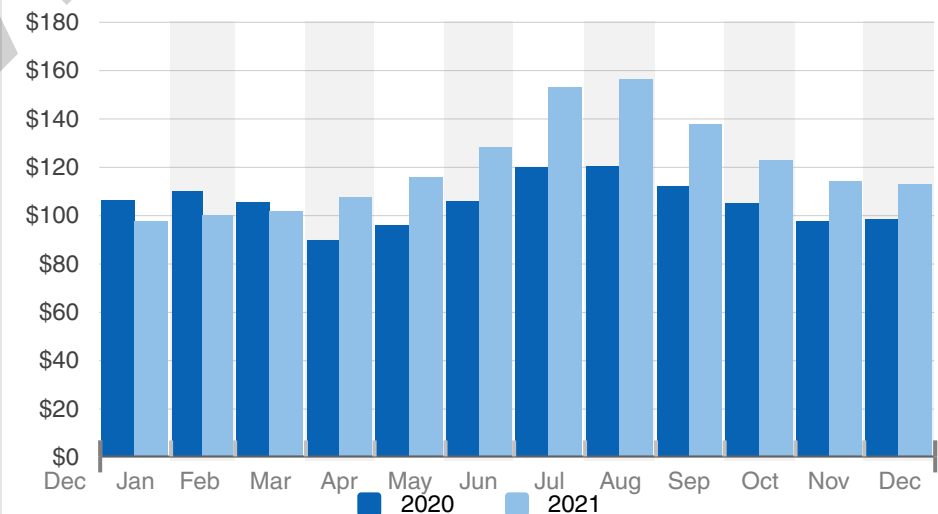
## Occupancy, ADR & RevPAR Annualized vs YTD



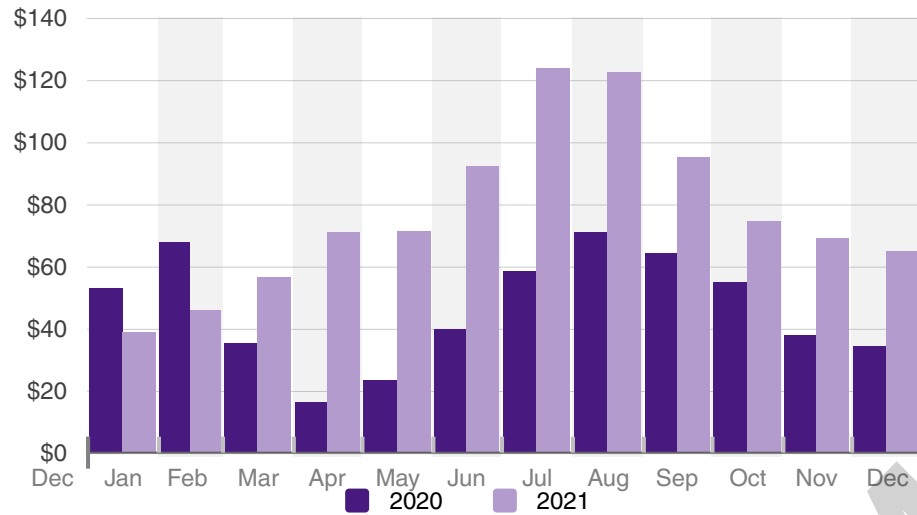
## Occupancy Monthly



## ADR Monthly



## RevPAR Monthly



## Rooms Delivered

No Data Available

No data available for the past 5 years

## Rooms Under Construction

No Data Available

No data available for the past 5 years

## Delivered, Demolished & Net Delivered Rooms

No Data Available

No data available for the past 5 years



## Rooms Delivered By Class

No Data Available



No data available for the past 5 years

## Demolished Rooms

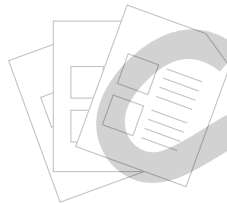
No Data Available



No data available for the past 5 years

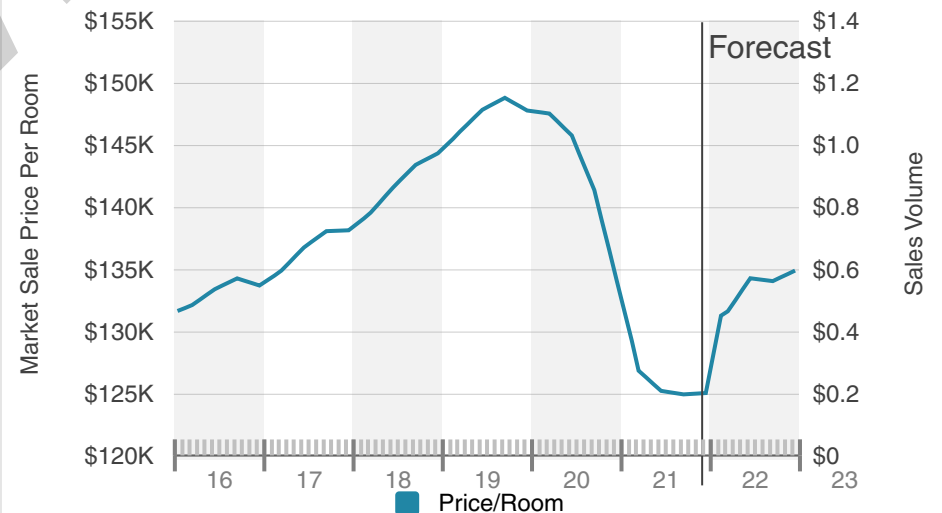
## Rooms Under Construction % of Inventory

No Data Available

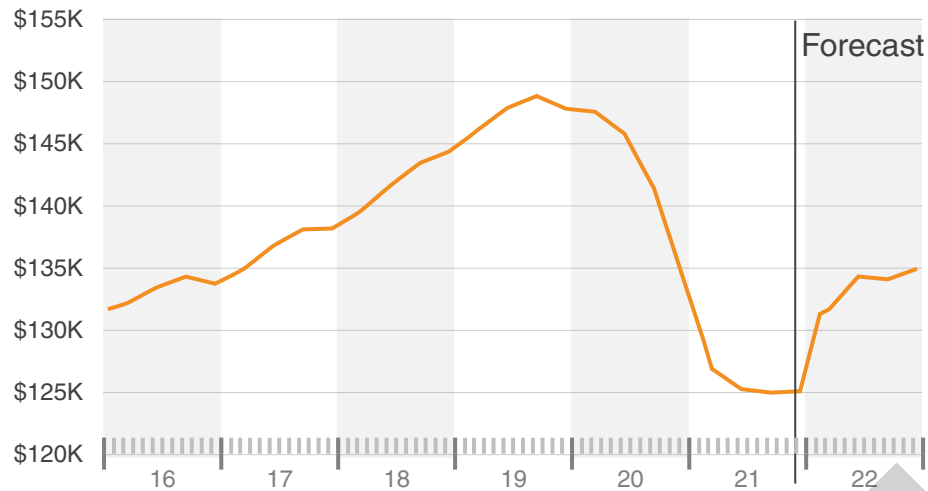


No data available for the past 5 years

## Sales Volume & Market Sale Price Per Room



## Market Sale Price Per Room

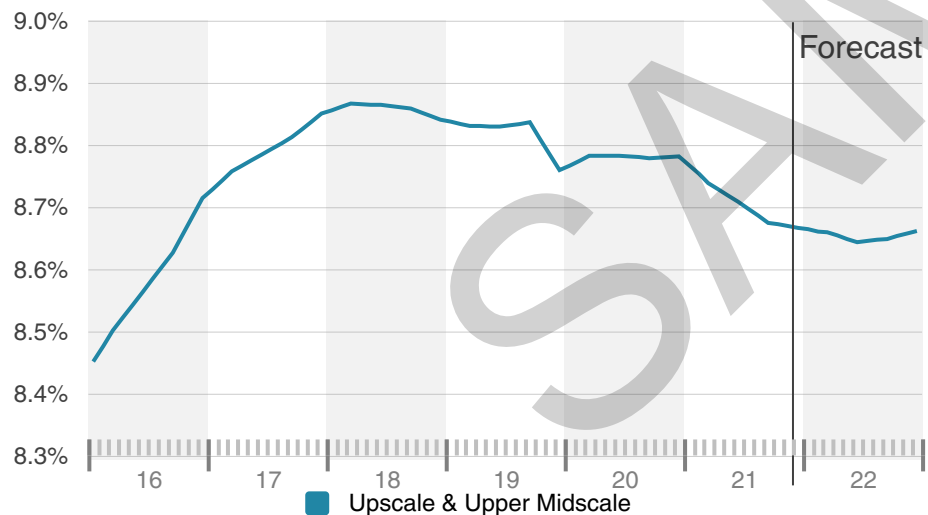


## Sales Volume

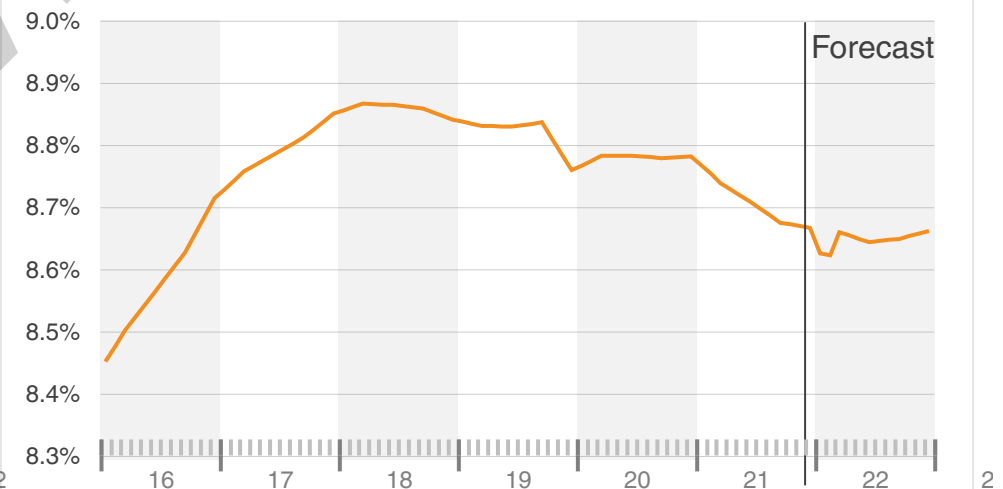
No Data Available



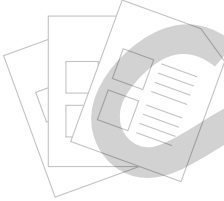

No data available for the past 5 years

## Market Cap Rate By Class



## Market Cap Rate



|  |  |
|--|--|
| <div>Top Brand Delivered</div> <div>No Data Available</div> <div></div> <div>No data available for the current selection</div>  | <div>Top Sellers</div> <div>No Data Available</div> <div></div> <div>No data available for the current selection</div>  |
| <div>Top Seller Brokers</div> <div>No Data Available</div> <div></div> <div>No data available for the current selection</div> | <div>Top Buyers</div> <div>No Data Available</div> <div></div> <div>No data available for the current selection</div> |

Top Buyer Brokers

No Data Available



No data available for the current selection

SAMPLE

## Report Criteria

- 6 Properties / 0 Spaces
- Property Type: Hospitality
- Scale: Upper Upscale +2
- City: Bellingham, WA

SAMPLE

## Secondary Competitive Set Data

For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or market orientation. In some cases, Core Distinction Group must access data from surrounding or Secondary market hotels to obtain Smith Travel Research (STR)/CoStar data. This can, in some cases require a Competitive Set and Secondary Competitive Set. The following information will be analyzed in Secondary Competitive Set Analysis:



**Key Performance Indicators**



**Supply & Demand/Supply & Demand Changes**



**Occupancy/Occupancy Changes**



**Average Daily Rate/Average Daily Rate Changes**

## Secondary Competitive Hotel Properties Data Summary

| Secondary Competitive Set                      |                  |           |            |
|--|------------------|-----------|------------|
| Property Name                                  | Industry Segment | Open Date | Room Count |
| Best Western Plus Bellingham Airport           | Upper Midscale   | 1991      | 132        |
| Comfort Inn Bellingham                         | Upper Midscale   | 1992      | 85         |
| Hampton by Hilton Bellingham Airport           | Upper Midscale   | 2021      | 98         |
| LaQuinta Inns & Suites Bellingham              | Upper Midscale   | 2013      | 81         |
| Home2 Suites by Hilton Bellingham Airport      | Upper Midscale   | 2015      | 105        |
| Oxford Suites Bellingham                       | Upper Midscale   | 2015      | 99         |
| Holiday Inn Express Bellingham                 | Upper Midscale   | 1993      | 101        |
| Holiday Inn Express Bellingham                 | Upper Midscale   | 2017      | 153        |
| TownPlace Suites Bellingham                    | Upper Midscale   | 2015      | 83         |
| Secondary Competitive Set Room Count Average   |                  |           | 104        |
| Source: CoStar/STR Core Distinction Group, LLC |                  |           |            |

| Secondary Competitive Set Current              |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| YTD  | 67.3%     | \$117.93           | \$79.35                    |
| 3 Month Average                                | 63.7%     | \$108.93           | \$69.43                    |
| 12 Month Average                               | 67.3%     | \$117.93           | \$79.35                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Secondary Competitive Set Prior Year           |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| 12 Month Average                               | 46.9%     | \$100.00           | \$47.00                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Secondary Competitive Set Year Over Year Percentage Change |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame   | Occupancy | Average Daily Rate | Revenue Per Available Room |
| Percent of Change  | 43.5%     | 18.1%              | 69.5%                      |
| Source: CoStar/STR Core Distinction Group, LLC             |           |                    |                            |

## Secondary Competitive Hotel Quoted Rates

| Secondary Competitive Set Listed Rates    |        |        |        |        |
|---|--------|--------|--------|--------|
| Property Name                             | May-22 | Jul-22 | Sep-22 | Nov-22 |
| Best Western Plus Bellingham Airport      | \$110  | \$185  | \$105  | \$105  |
| Comfort Inn Bellingham                    | \$110  | \$130  | \$120  | \$110  |
| Hampton by Hilton Bellingham Airport      | \$139  | \$155  | \$150  | \$120  |
| LaQuinta Inns & Suites Bellingham         | \$120  | \$125  | \$125  | \$100  |
| Home2 Suites by Hilton Bellingham Airport | \$150  | \$165  | \$145  | \$145  |
| Oxford Suites Bellingham                  | \$160  | \$180  | \$180  | \$125  |
| Holiday Inn Express Bellingham            | \$129  | \$135  | \$145  | \$129  |
| Holiday Inn Express Bellingham            | \$140  | \$150  | \$155  | \$125  |
| TownPlace Suites Bellingham               | \$180  | \$180  | \$180  | \$135  |
| Secondary Competitive Set Average         | \$138  | \$156  | \$145  | \$122  |
| Secondary Competitive Set Rate Average    |        |        |        | \$143  |
| Source: Google Travel                     |        |        |        |        |

| Secondary Competitive Set Trend                |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| YTD  | 67.3%     | \$117.93           | \$79.35                    |
| 3 Month Average                                | 63.7%     | \$108.93           | \$69.43                    |
| 12 Month Average                               | 67.3%     | \$117.93           | \$79.35                    |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Projected Secondary Competitive Set Rates                    |                    |
|--|--------------------|
| Time Frame   | Average Daily Rate |
| 3 Month Average  | \$108.93           |
| 12 Month Average   | \$117.93           |
| Future Quoted Rate Average                                   | \$142.50           |
| Projected Average Daily Rates                                | \$123.12           |
| Source: Google Travel/CoStar/STR Core Distinction Group, LLC |                    |



## Search Analytics

INVENTORY ROOMS

**937** +11.7%

Prior Period 839

UNDER CONSTRUCTION ROOMS

**0** -100.0%

Prior Period 98

12 MO OCC RATE

**67.3%** +43.5%

Prior Period 46.9%

12 MO ADR

**\$118** +18.1%

Prior Period \$100

12 MO REVPAR

**\$79** +69.5%

Prior Period \$47

MARKET SALE PRICE/ROOM

**\$121K** -4.5%

Prior Period \$127K

MARKET CAP RATE

**8.6%** -0.2%

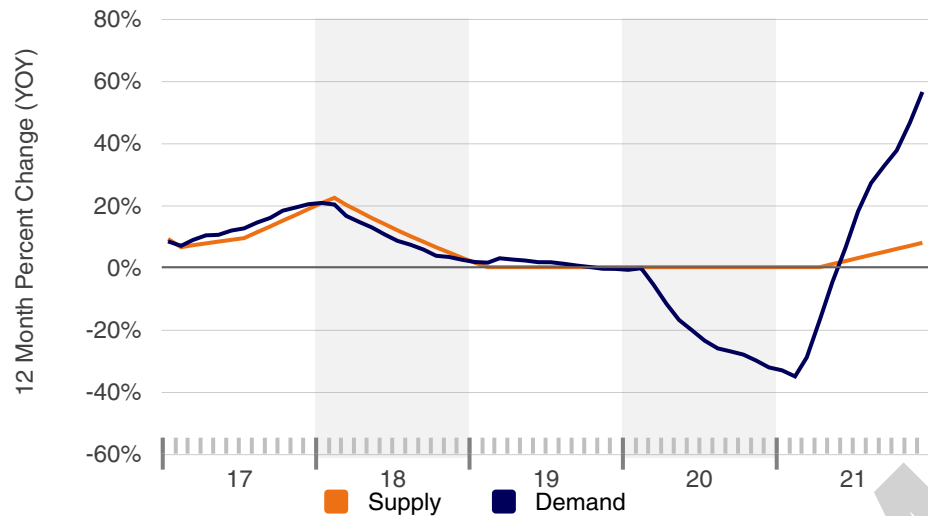
Prior Period 8.8%

## Key Metrics

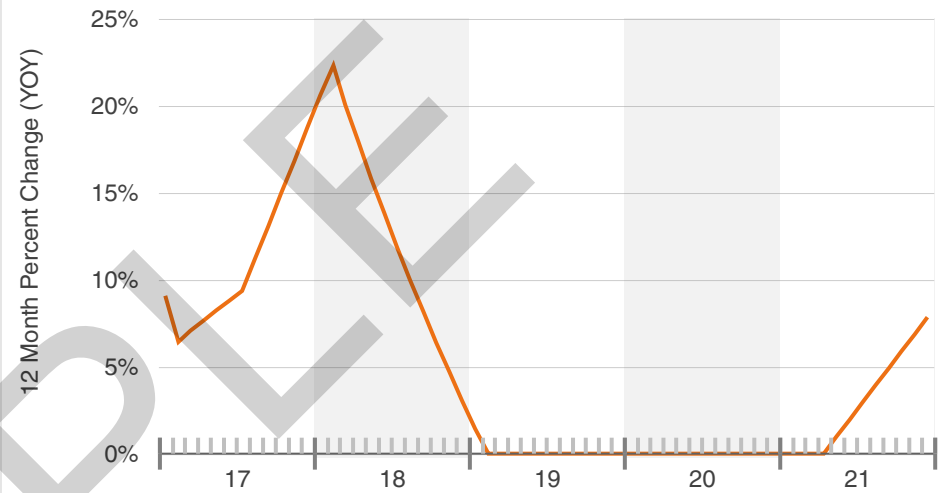
| Inventory                        |      | Sales Past Year            |          |
|----------------------------------|------|----------------------------|----------|
| Existing Properties              | 9 ↑  | Sales Volume               | \$0 ↑    |
| 12 Mo Delivered Rooms            | 98 ↑ | Properties Sold            | 0 ↑      |
| 12 Mo Delivered Properties       | 1 ↑  | Months to Sale             | -        |
| 12 Mo Recently Opened Rooms      | 98 ↑ | Average Price Per Building | -        |
| 12 Mo Recently Opened Properties | 1 ↑  | Market Price Per Room      | \$121K ↓ |
| Under Construction Properties    | 0 ↓  | Market Cap Rate            | 8.6% ↓   |

| Performance Trend          |            |
|----------------------------|------------|
| Occupancy Rate             | 61.5% ↑    |
| Average Daily Rate         | \$105.28 ↑ |
| Revenue Per Available Room | \$64.73 ↑  |
| YTD Occupancy Rate         | 67.3% ↑    |
| YTD Average Daily Rate     | \$117.93 ↑ |
| YTD RevPAR                 | \$79.35 ↑  |
| 3 Mo Occupancy Rate        | 63.7% ↑    |
| 3 Mo Average Daily Rate    | \$108.93 ↑ |
| 3 Mo RevPAR                | \$69.43 ↑  |
| 12 Mo Occupancy Rate       | 67.3% ↑    |
| 12 Mo Average Daily Rate   | \$117.93 ↑ |
| 12 Mo RevPAR               | \$79.35 ↑  |

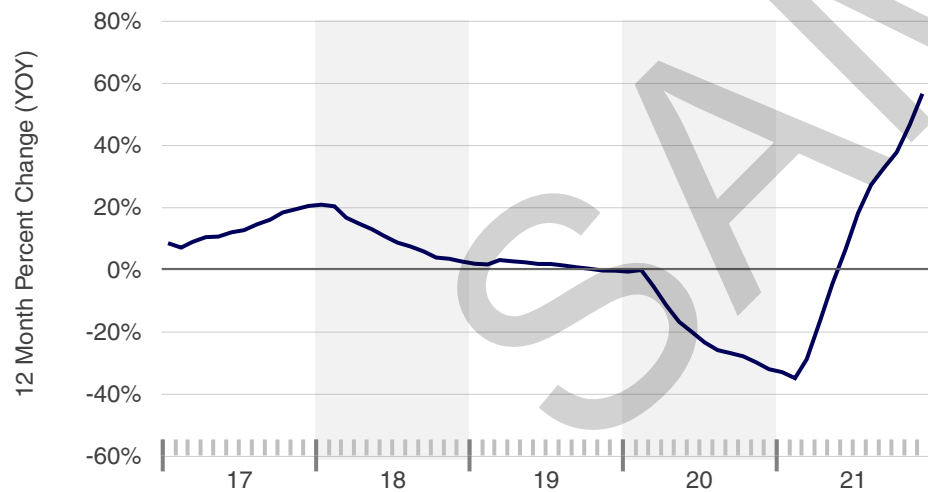
## Supply & Demand Change



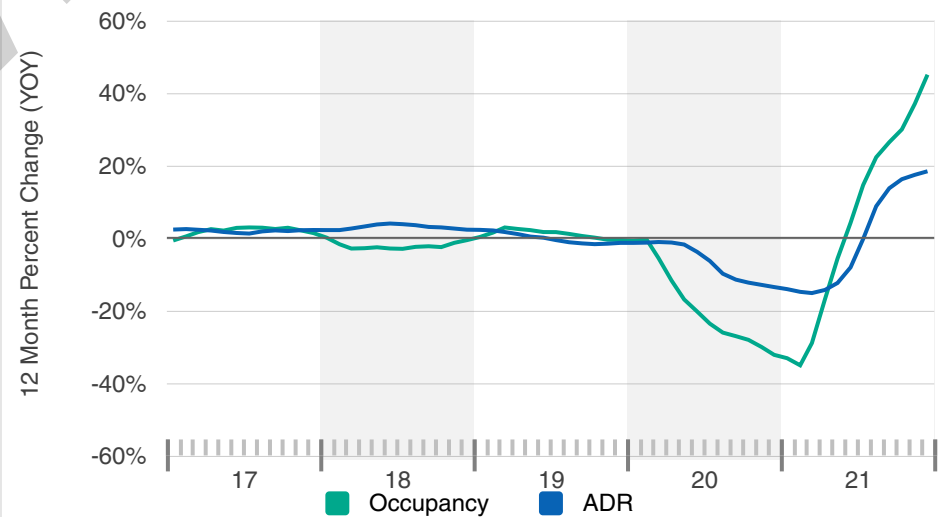
## Supply Change



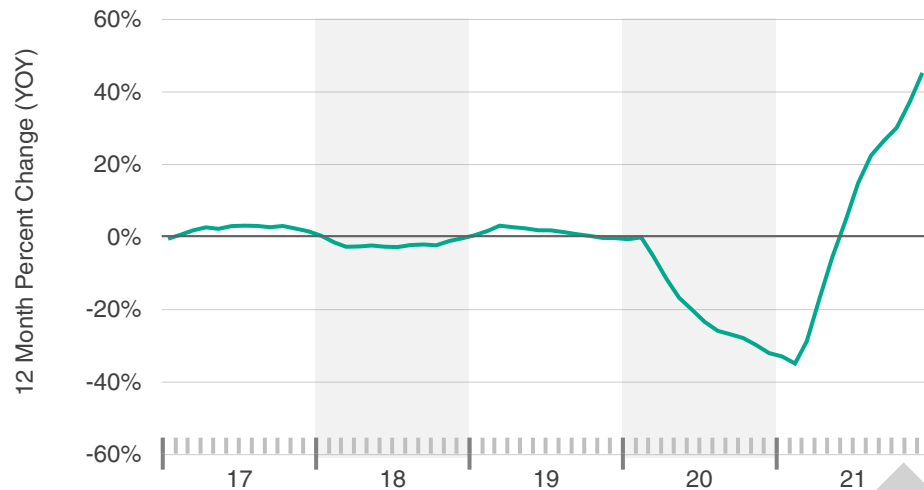
## Demand Change



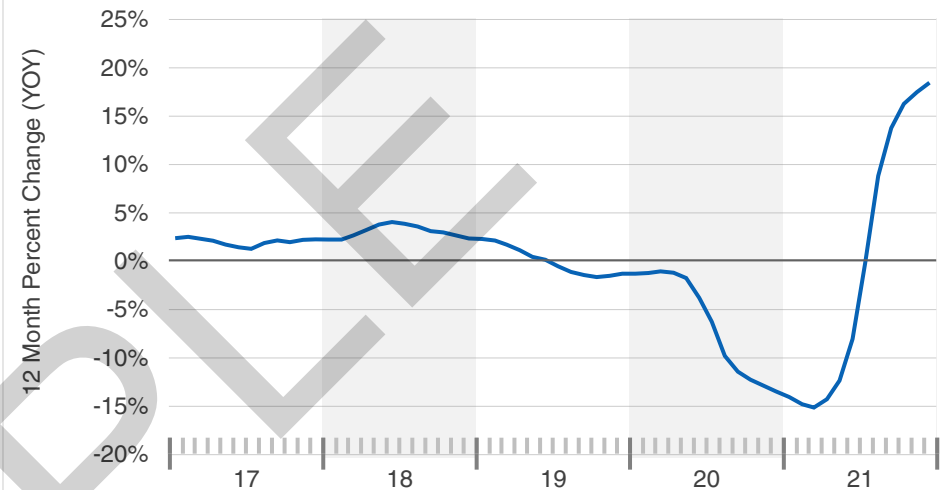
## Occupancy & ADR Change



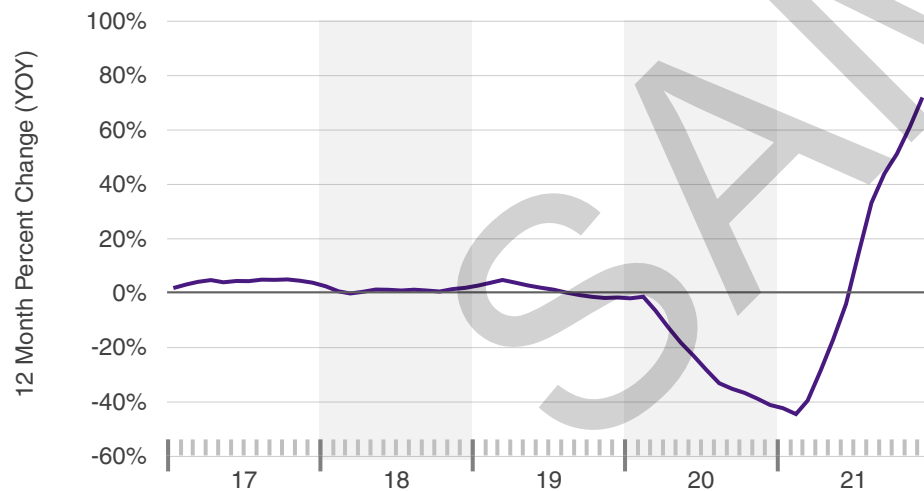
## Occupancy Change



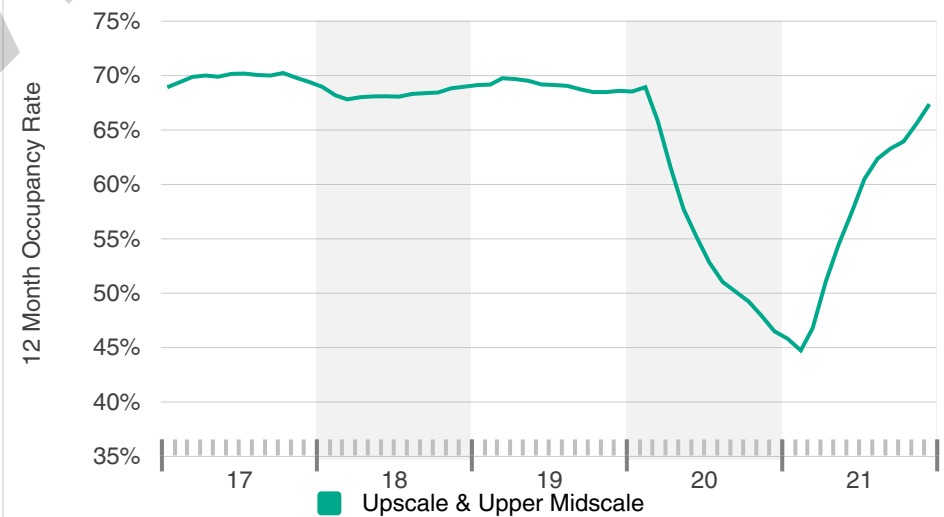
## ADR Change



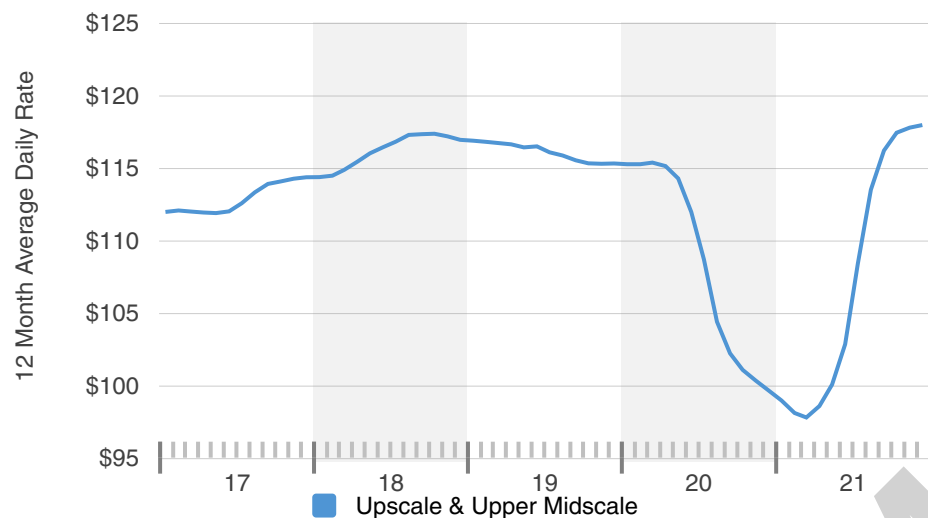
## RevPAR Change



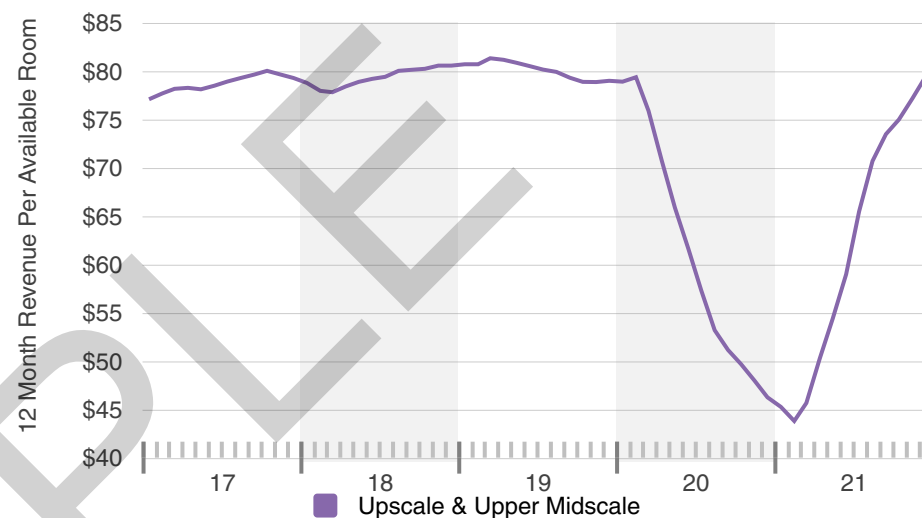
## Occupancy By Class



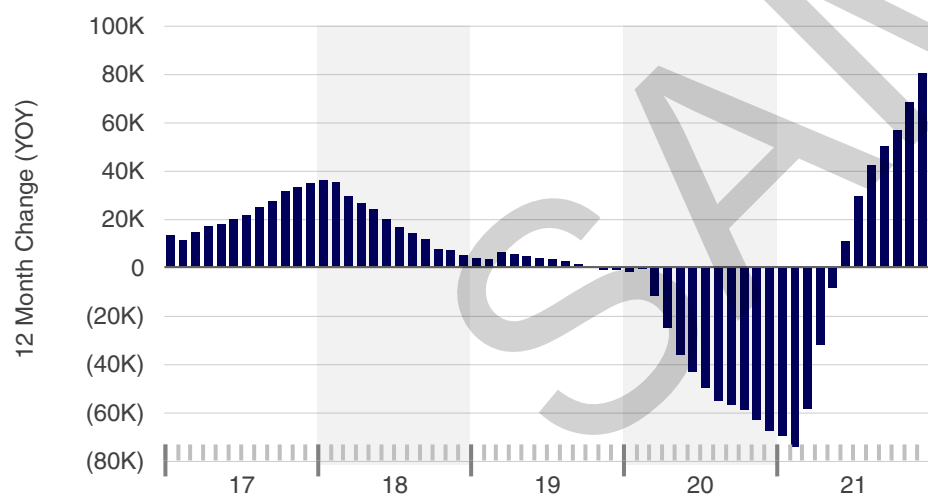
## ADR By Class



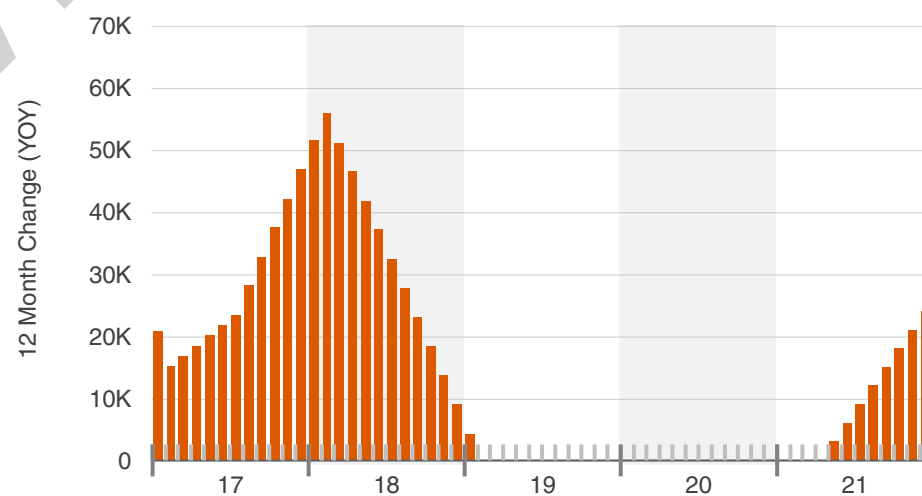
## RevPAR By Class



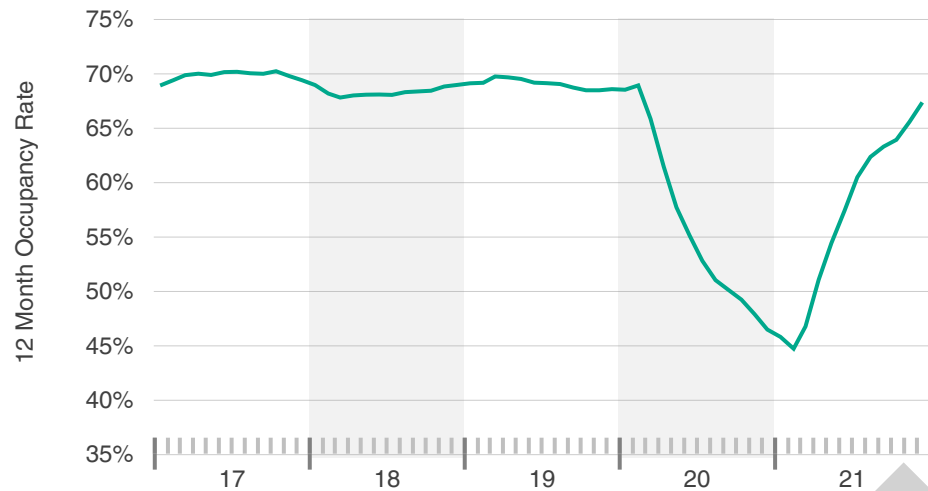
## Demand Change



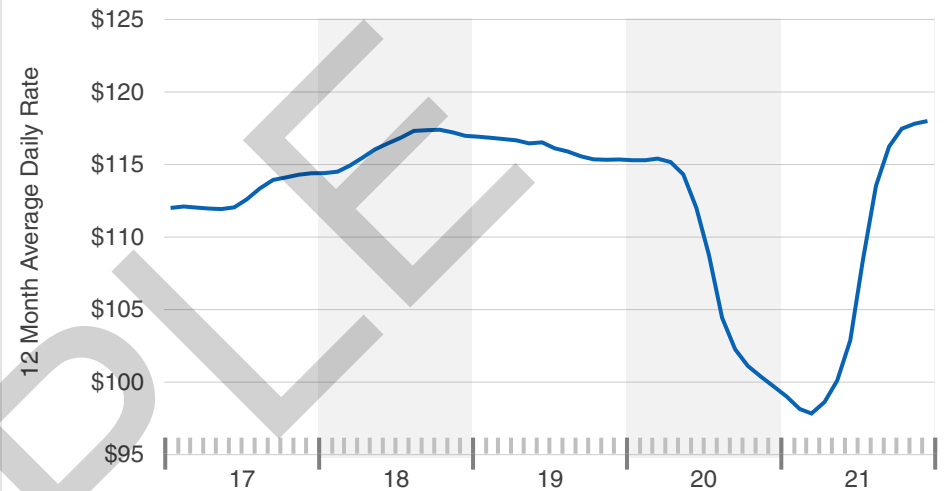
## Supply Change



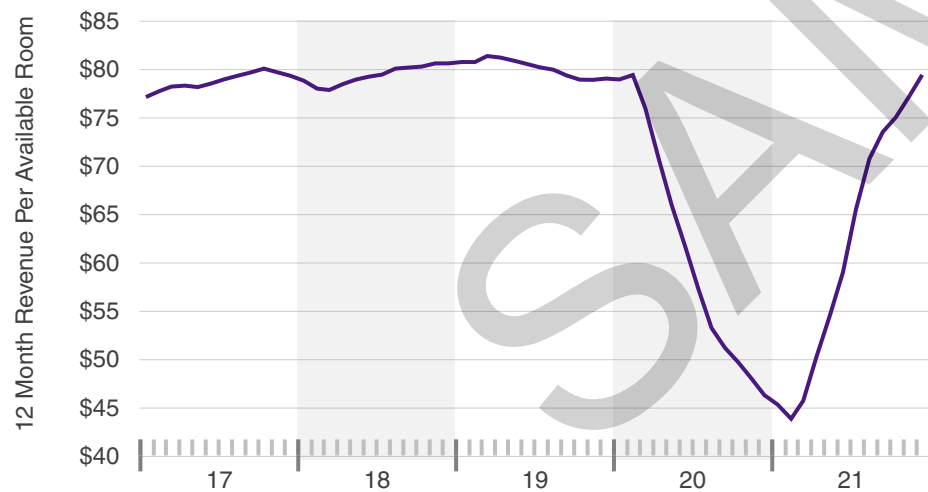
## Occupancy



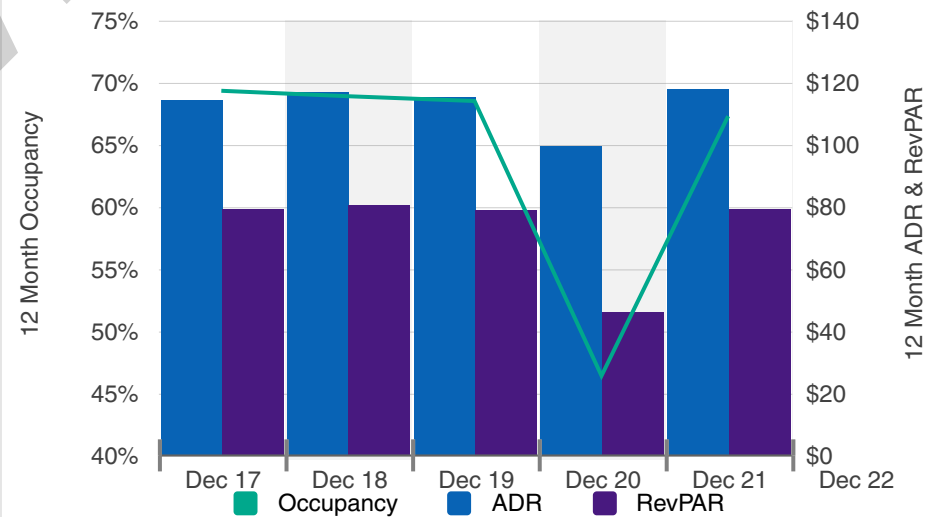
## ADR



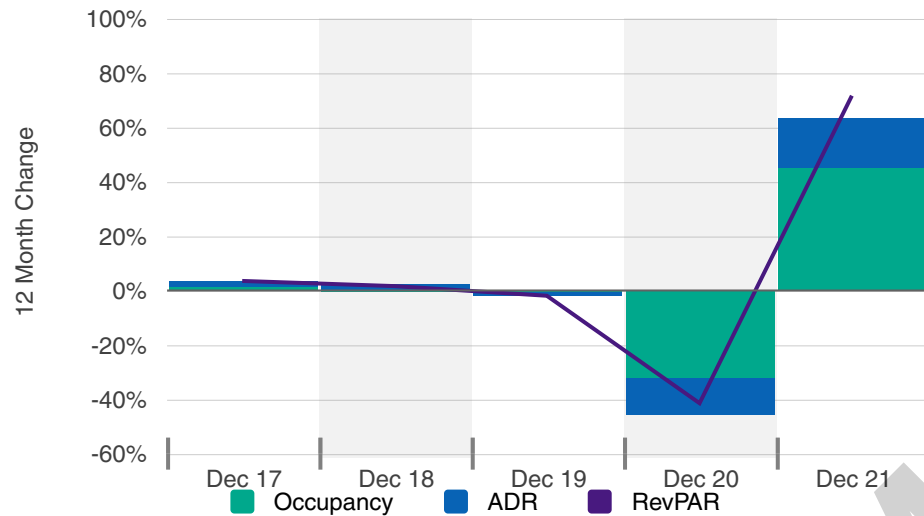
## RevPAR



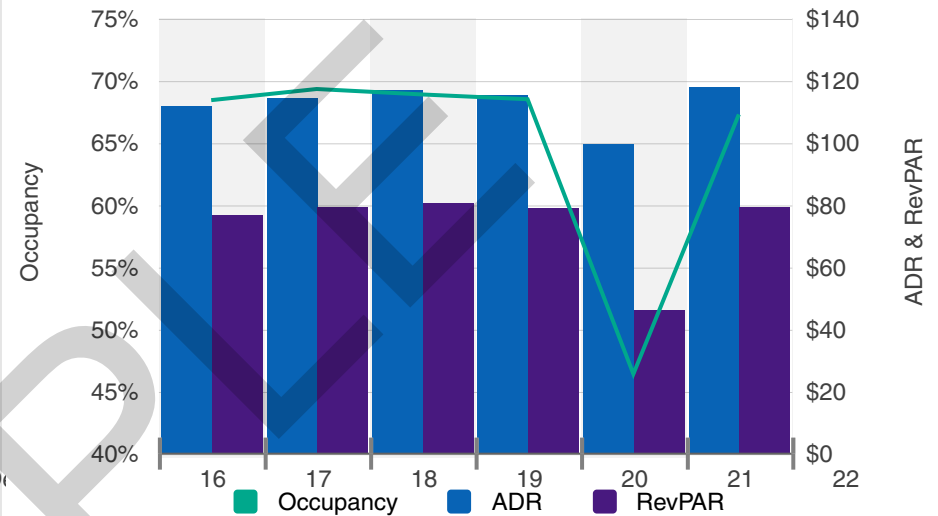
## Occupancy, ADR & RevPAR



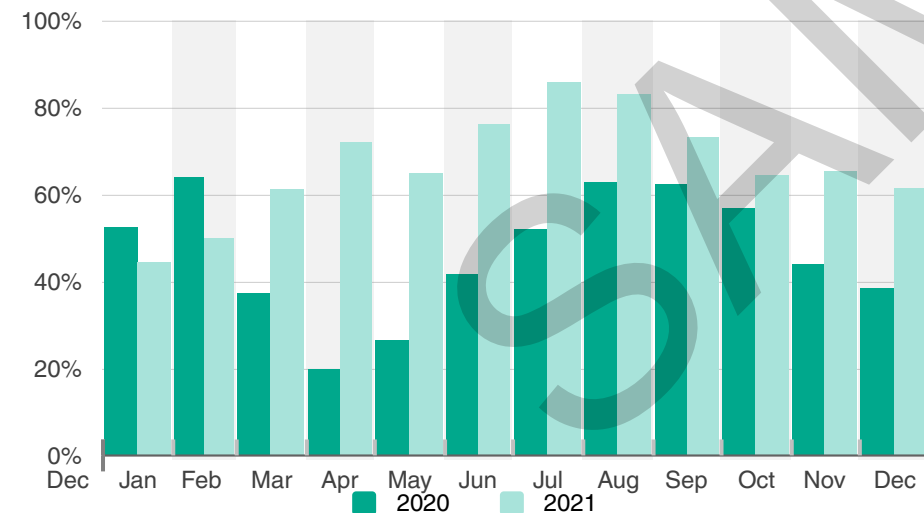
## RevPAR Growth Composition



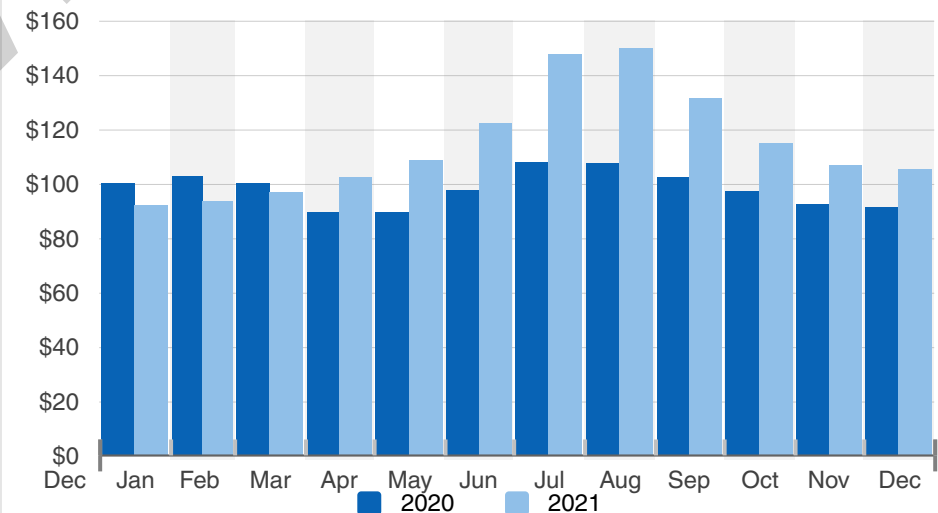
## Occupancy, ADR & RevPAR Annualized vs YTD



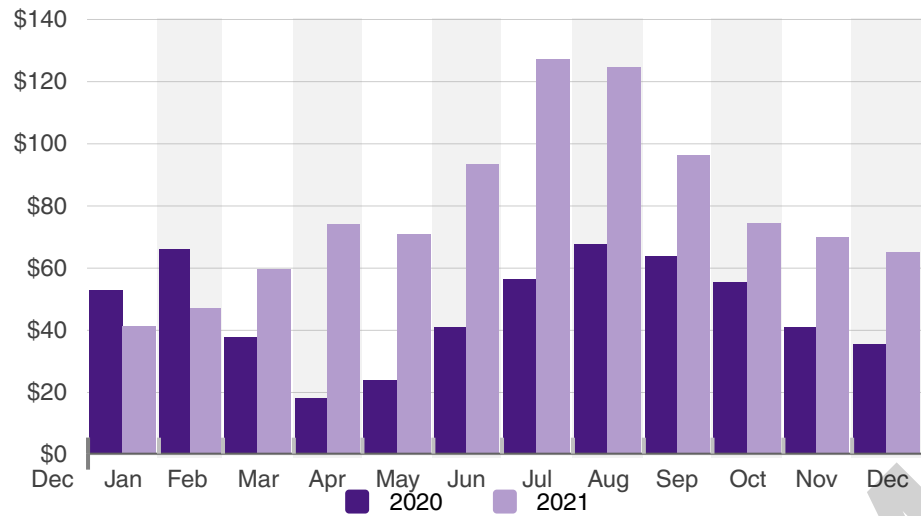
## Occupancy Monthly



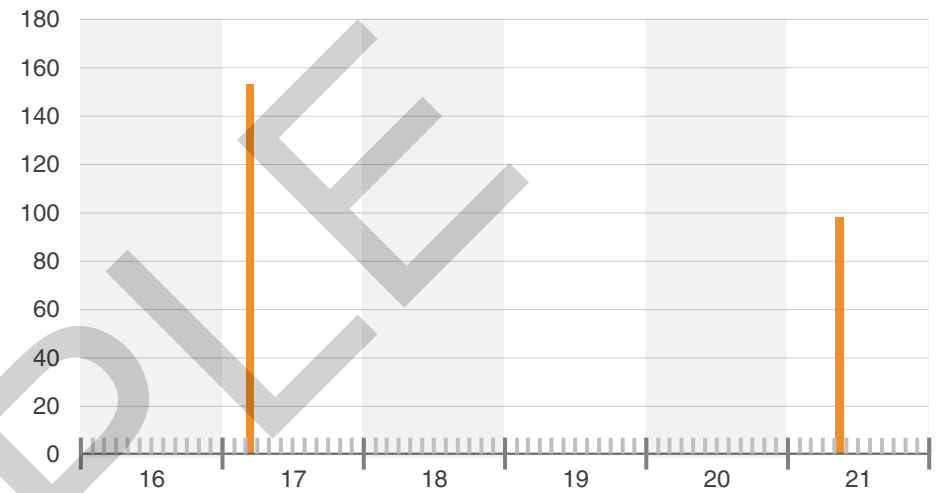
## ADR Monthly



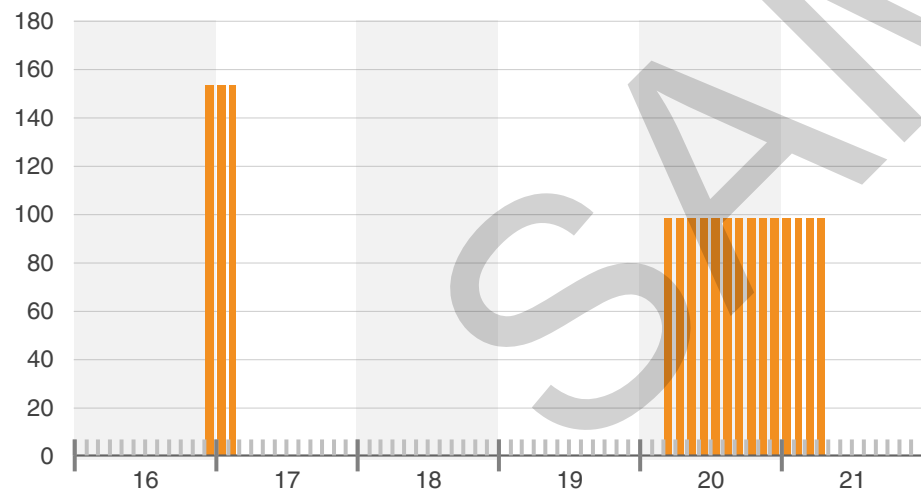
## RevPAR Monthly



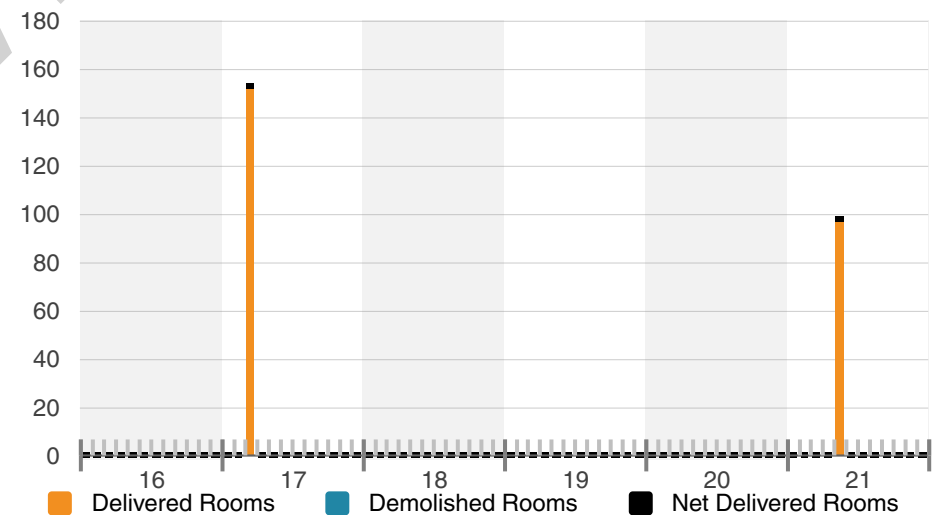
## Rooms Delivered



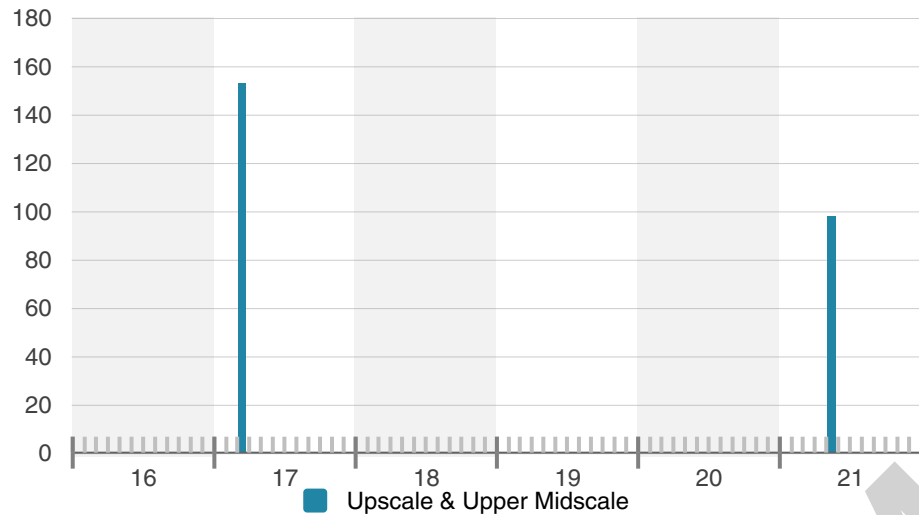
## Rooms Under Construction



## Delivered, Demolished & Net Delivered Rooms



## Rooms Delivered By Class

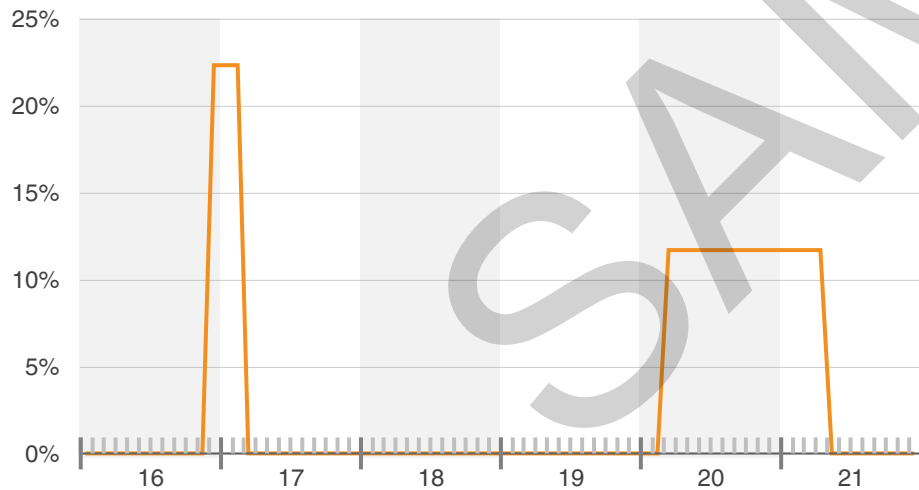


## Demolished Rooms

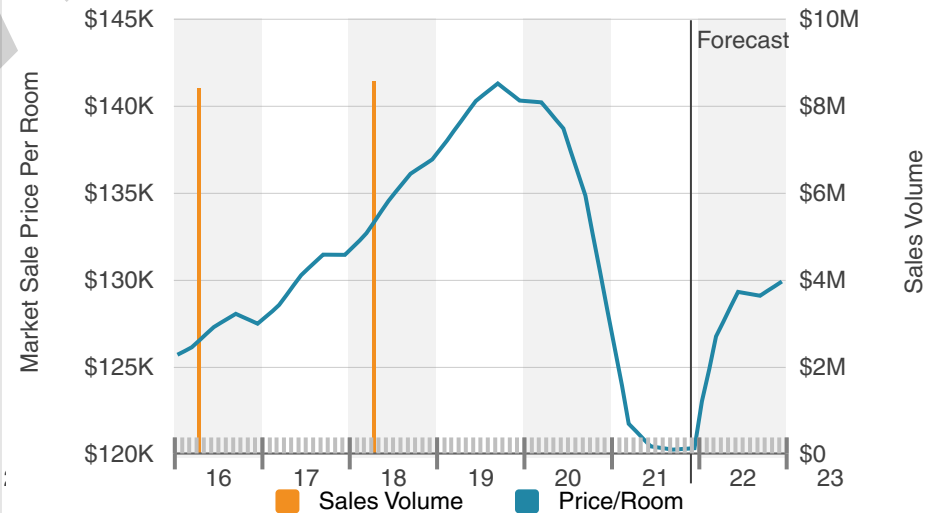
No Data Available

No data available for the past 5 years

## Rooms Under Construction % of Inventory

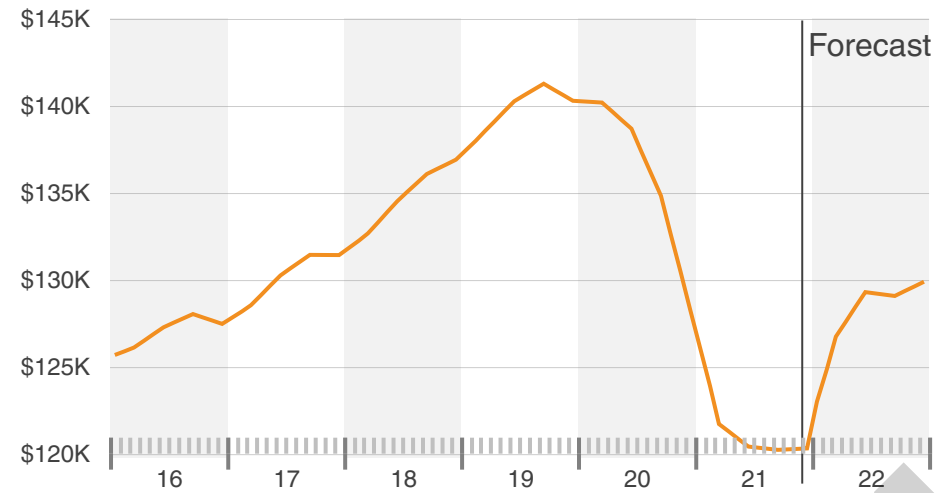


## Sales Volume & Market Sale Price Per Room

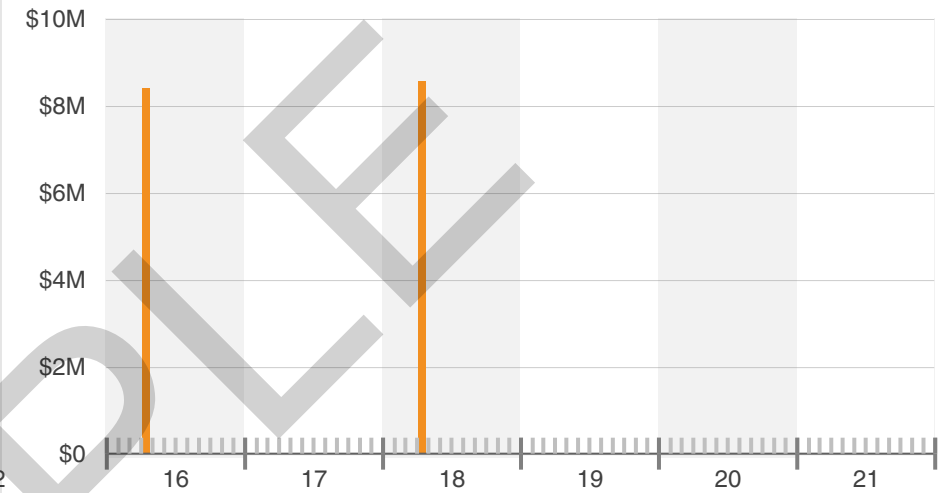




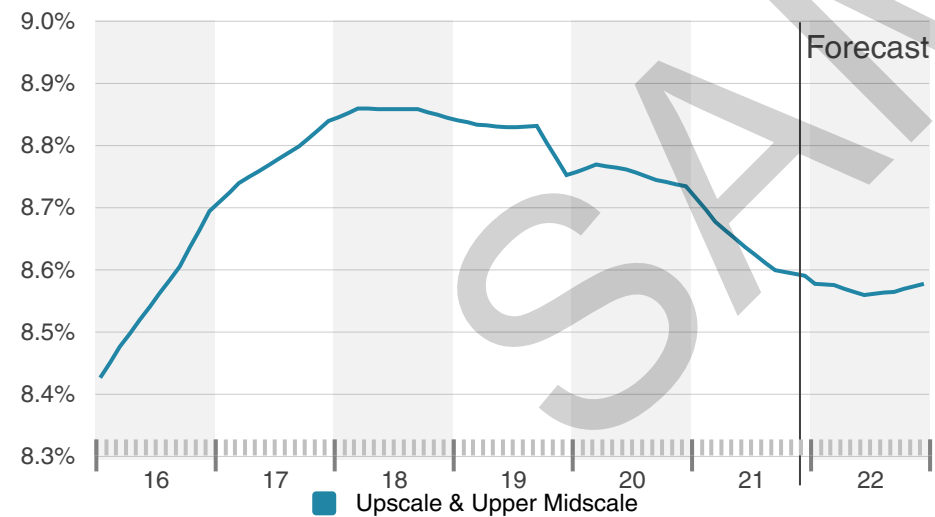
## Market Sale Price Per Room



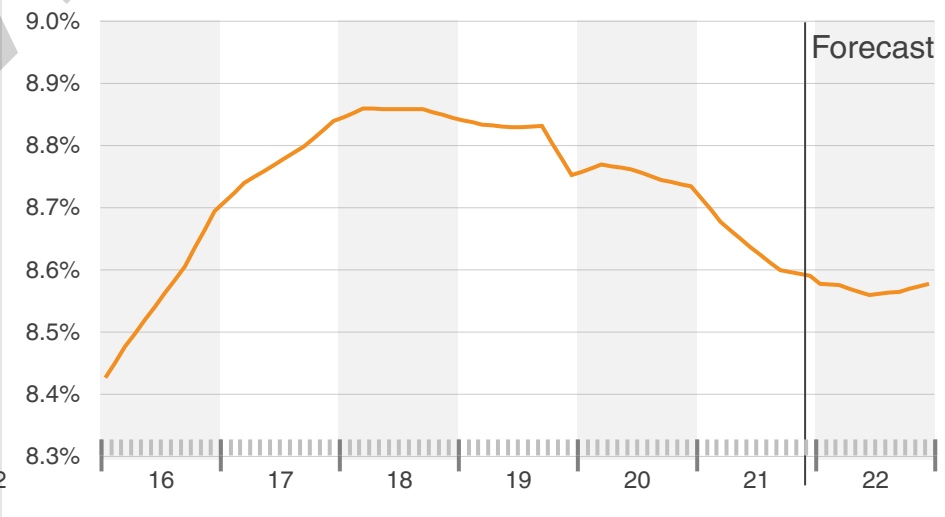
## Sales Volume



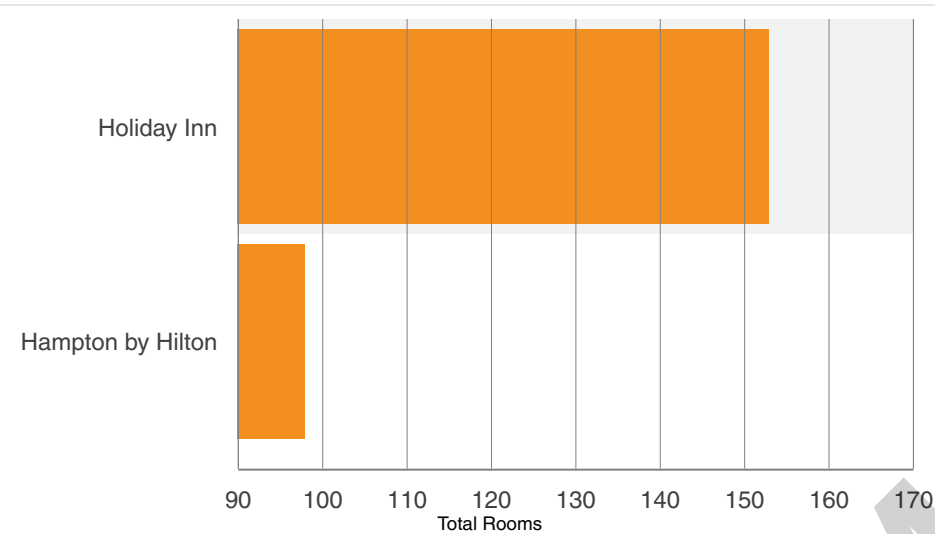
## Market Cap Rate By Class



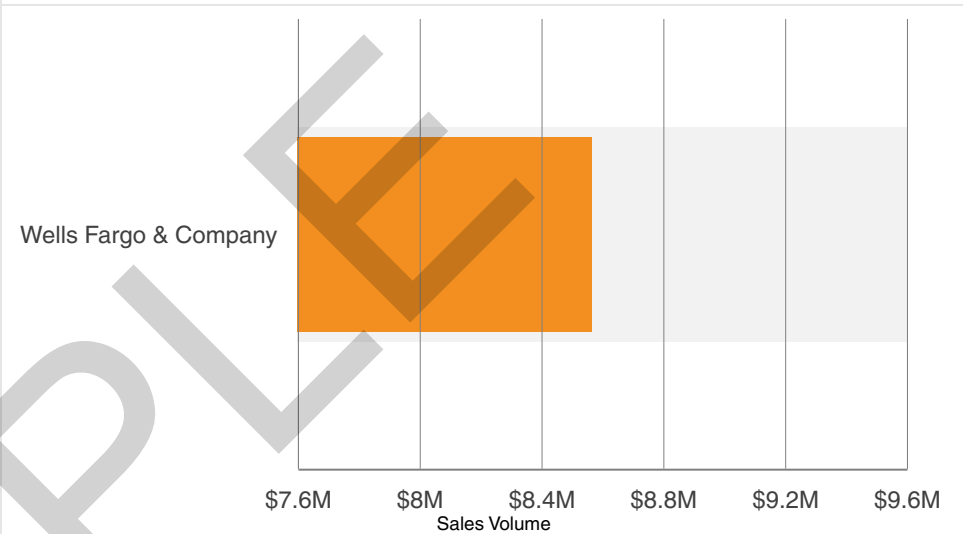
## Market Cap Rate



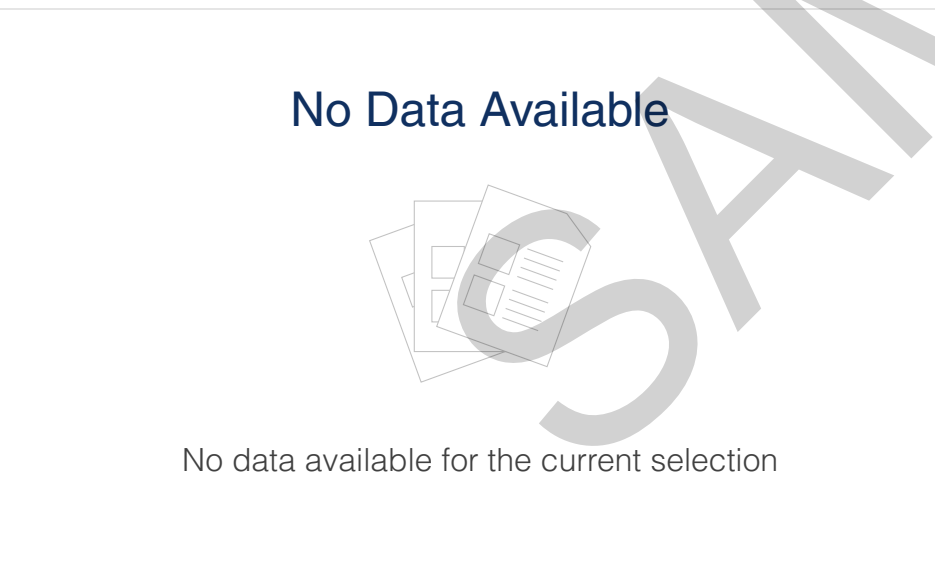
## Top Brand Delivered



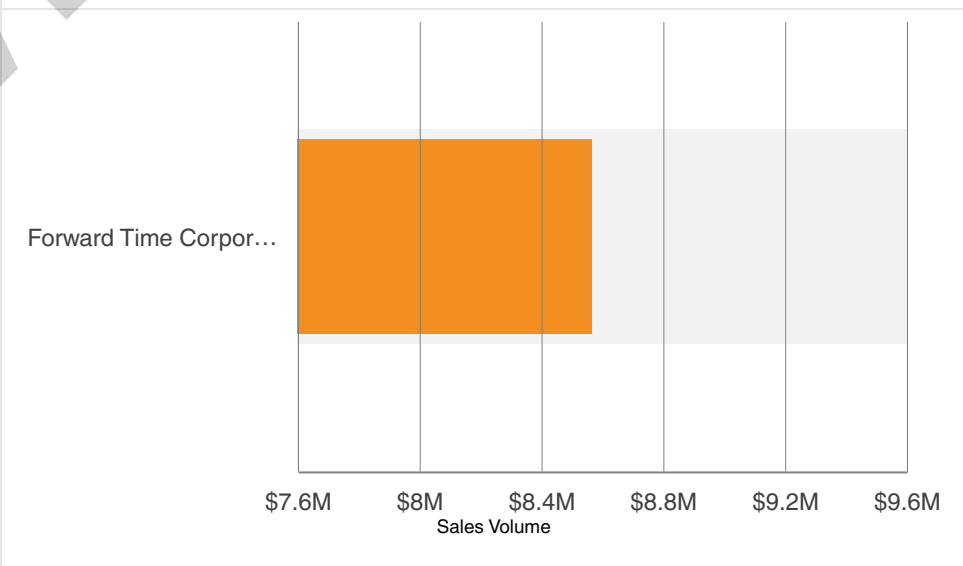
## Top Sellers



## Top Seller Brokers



## Top Buyers



Top Buyer Brokers

No Data Available



No data available for the current selection

SAMPLE

## Report Criteria

- 9 Properties / 0 Spaces
- Property Type: Hospitality
- Custom Radii
- Scale: Upper Midscale

SAMPLE

## Regional Industry Overview

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Regional/Market/Submarket data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Regional Industry Overview Data:



**Regional Competitive Hotel Properties Data Summary**



**Market Overview**



**Performance Data**



**Past Construction Data**



**Under Construction Data**



**Sales Data**



**Economy Data**



**Submarket Data**

## Regional Competitive Hotel Properties Data Summary

| Regional Submarket Competitive Set Performance |           |                    |                            |
|--|-----------|--------------------|----------------------------|
| Time Frame                                     | Occupancy | Average Daily Rate | Revenue Per Available Room |
| YTD  | 62.2%     | \$ 108.40          | \$ 57.41                   |
| 3 Month Average                                | 58.7%     | \$ 100.56          | \$ 59.01                   |
| 12 Month Average                               | 62.2%     | \$ 108.40          | \$ 67.41                   |
| Source: CoStar/STR Core Distinction Group, LLC |           |                    |                            |

| Regional Submarket Performance by Class (Running 12 Months) |           |                    |                            |
|---|-----------|--------------------|----------------------------|
| Time Frame  | Occupancy | Average Daily Rate | Revenue Per Available Room |
| Upscale & Upper Midscale                                    | 64.3%     | \$ 120.52          | \$ 77.52                   |
| Midscale & Economy  | 60.1%     | \$ 93.48           | \$ 56.20                   |
| Source: CoStar/STR Core Distinction Group, LLC              |           |                    |                            |

# Overview

## Bellingham/Northwest Hospitality

12 Mo Occupancy

62.2%

12 Mo ADR

\$108.40

12 Mo RevPAR

\$67.41

12 Mo Supply

3.3M

12 Mo Demand

2.1M

The Bellingham/Northwest submarket comprises 9,300 hotel rooms spread across 156 properties. Bellingham/Northwest is characterized by very small hotels, with an average property size of 60 rooms. That's even lower than the 67-room-per-building market average, and both are well below the national norm of about 90 rooms per building.

The submarket is characterized by economic lodging: Economy and Midscale hotels make up more than half of the inventory. Meanwhile, lodging at the highest end is uncommon. The Luxury or Upper Upscale inventory is limited to about 230 rooms spread between 4 properties (less than 5% of the submarket's rooms). The broader Washington State market likewise has a high proportion of Economy and Midscale rooms relative to the typical U.S. hotel market.

COVID-19 severely impacted the entire U.S. hospitality sector, the Bellingham/Northwest hotel submarket included. At the low point, occupancies collapsed to a monthly rate of 23.9% in April of 2020. But with the worst

of the pandemic now in the rearview mirror, conditions are improving. Around 150,000 rooms were sold in the month of December, a massive 51.9% increase compared to the same month the prior year.

Twelve-month RevPAR in the Bellingham/Northwest hotel submarket was up sharply as of December, and climbed at a 68.2% year-over-year rate. That's a stronger uptick than the already impressive 56.0% increase observed in the broader Washington State market.

The construction pipeline is comprised of a single 65-room hotel project. This represents continued new development in the submarket, in which 3 projects containing around 300 rooms delivered in the past three years.

Bellingham/Northwest houses an active submarket for hotel investment, and saw 5 trades over the past year—a bit below the number of deals that typically close in a given twelve-month period.

### KEY INDICATORS

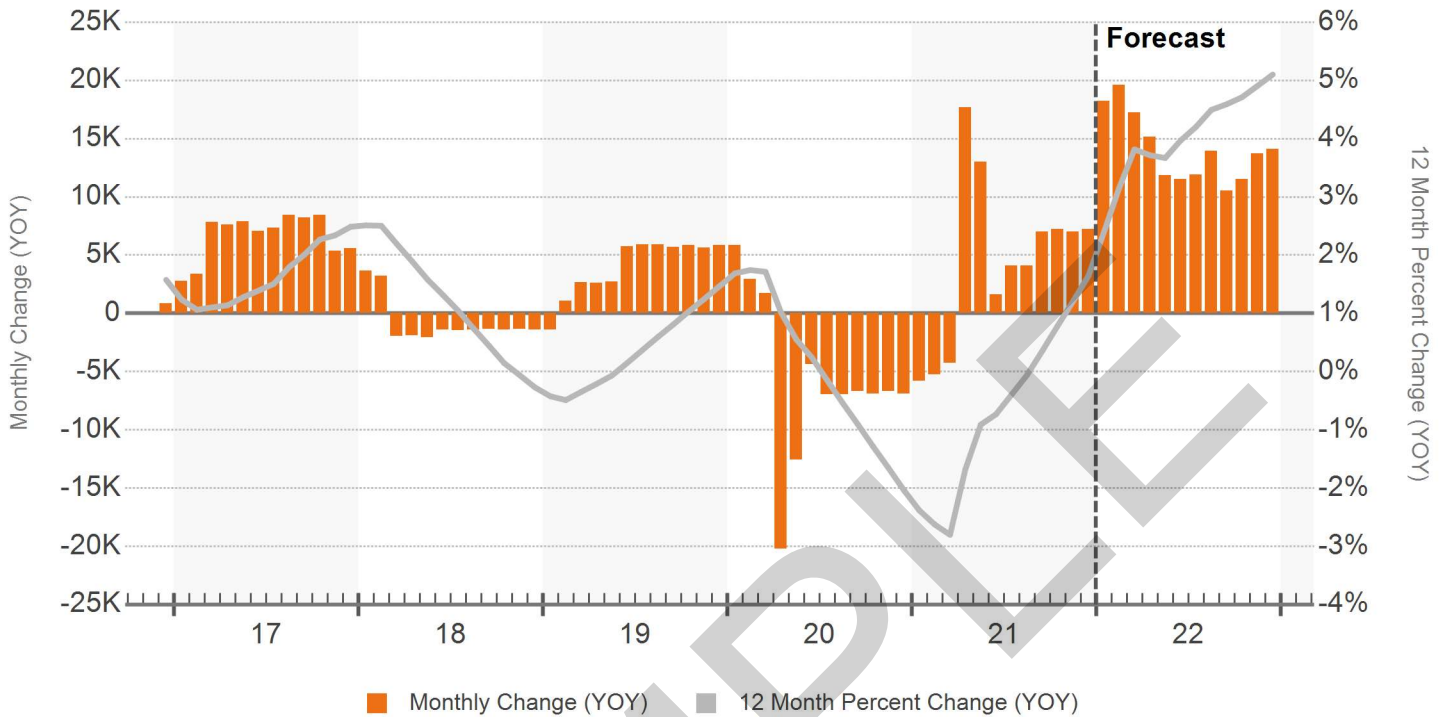
| Class                    | Rooms        | 12 Mo Occ    | 12 Mo ADR       | 12 Mo RevPAR   | 12 Mo Delivered | Under Construction |
|--------------------------|--------------|--------------|-----------------|----------------|-----------------|--------------------|
| Luxury & Upper Upscale   | 232          | 71.4%        | \$197.24        | \$140.93       | 0               | 0                  |
| Upscale & Upper Midscale | 3,958        | 64.3%        | \$120.52        | \$77.52        | 199             | 0                  |
| Midscale & Economy       | 5,103        | 60.1%        | \$93.48         | \$56.20        | 0               | 65                 |
| <b>Total</b>             | <b>9,293</b> | <b>62.2%</b> | <b>\$108.40</b> | <b>\$67.41</b> | <b>199</b>      | <b>65</b>          |

| Average Trend    | Current | 3 Mo     | YTD      | 12 Mo    | Historical Average | Forecast Average |
|------------------|---------|----------|----------|----------|--------------------|------------------|
| Occupancy        | 54.7%   | 58.7%    | 62.2%    | 62.2%    | 60.6%              | 68.5%            |
| Occupancy Change | 48.1%   | 40.5%    | 41.7%    | 41.7%    | 0.3%               | 2.2%             |
| ADR              | \$96.70 | \$100.56 | \$108.40 | \$108.40 | \$100.93           | \$128.35         |
| ADR Change       | 10.5%   | 12.4%    | 18.7%    | 18.7%    | 1.6%               | 4.5%             |
| RevPAR           | \$52.91 | \$59.01  | \$67.41  | \$67.41  | \$61.14            | \$87.88          |
| RevPAR Change    | 63.6%   | 57.9%    | 68.2%    | 68.2%    | 1.9%               | 6.8%             |

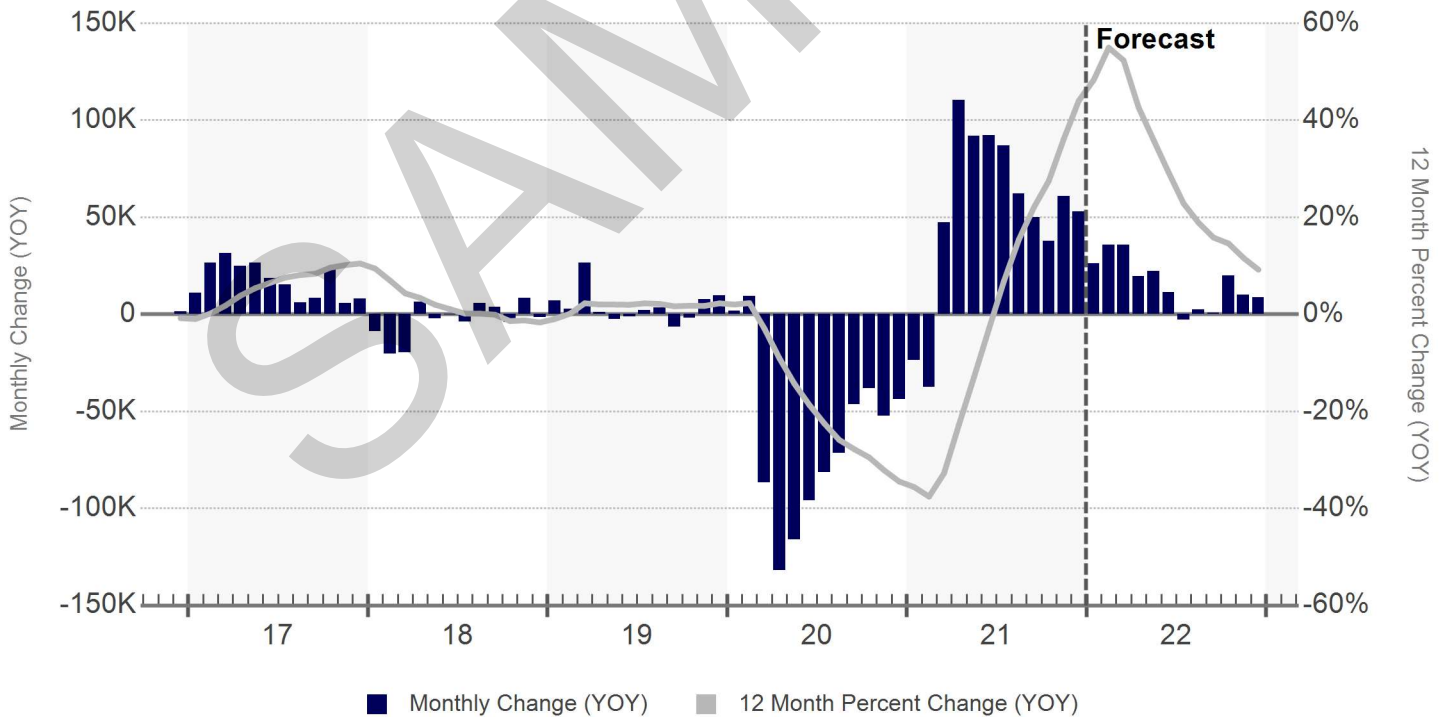
# Performance

## Bellingham/Northwest Hospitality

### SUPPLY CHANGE



### DEMAND CHANGE

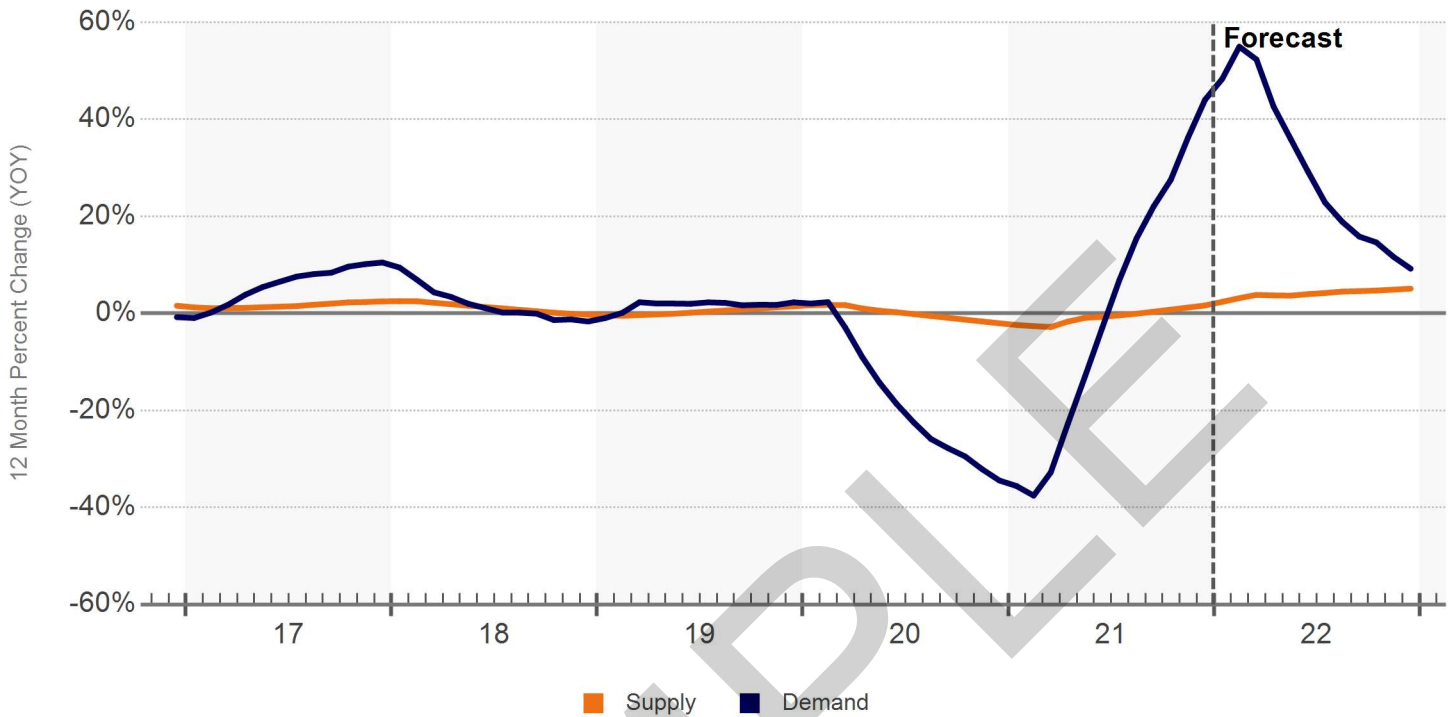




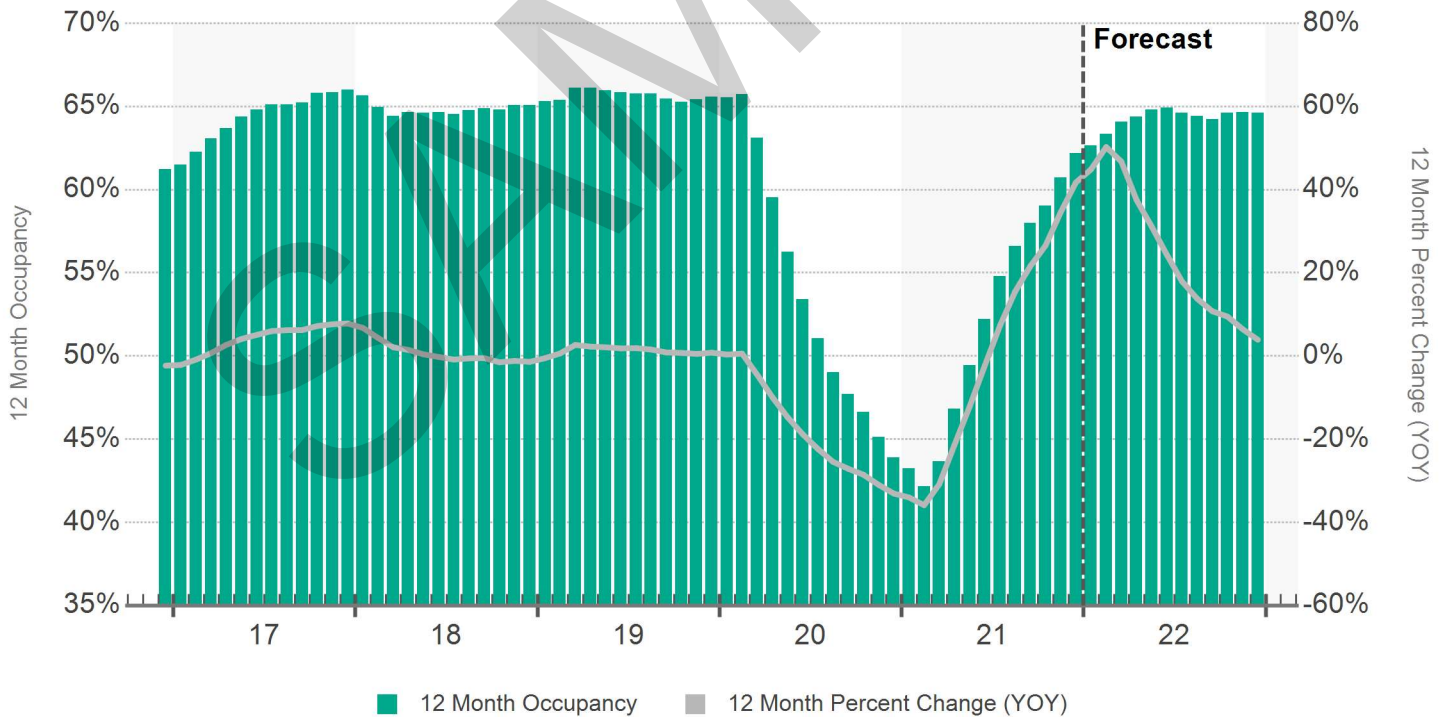
# Performance

## Bellingham/Northwest Hospitality

### SUPPLY & DEMAND CHANGE



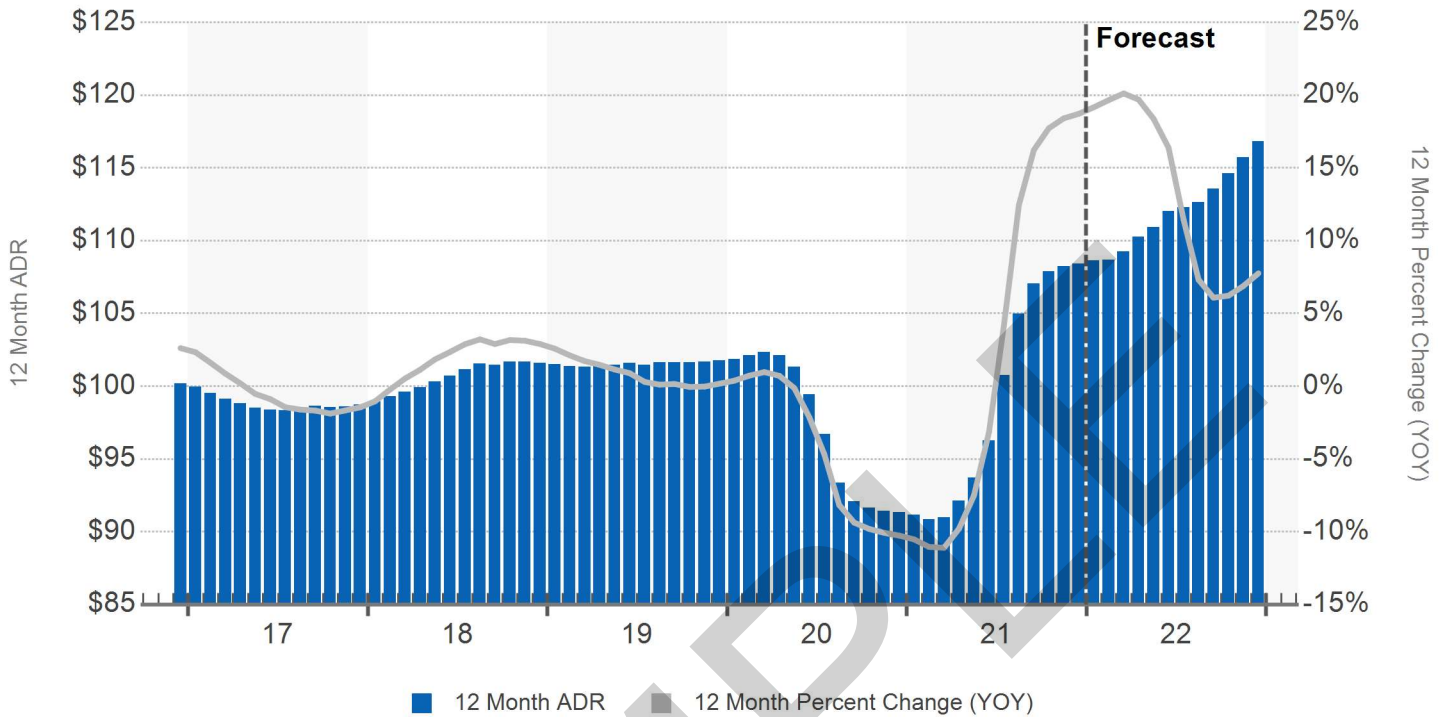
### OCCUPANCY



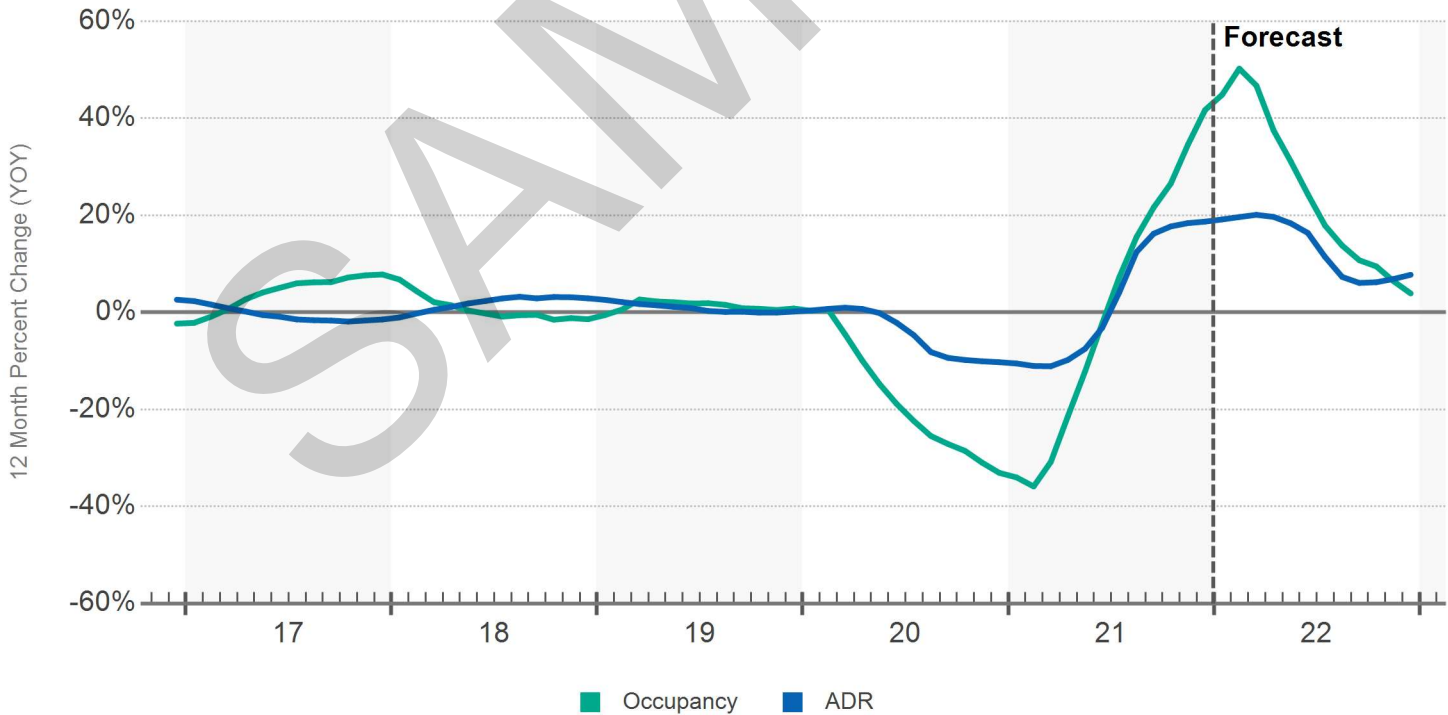
# Performance

## Bellingham/Northwest Hospitality

### ADR



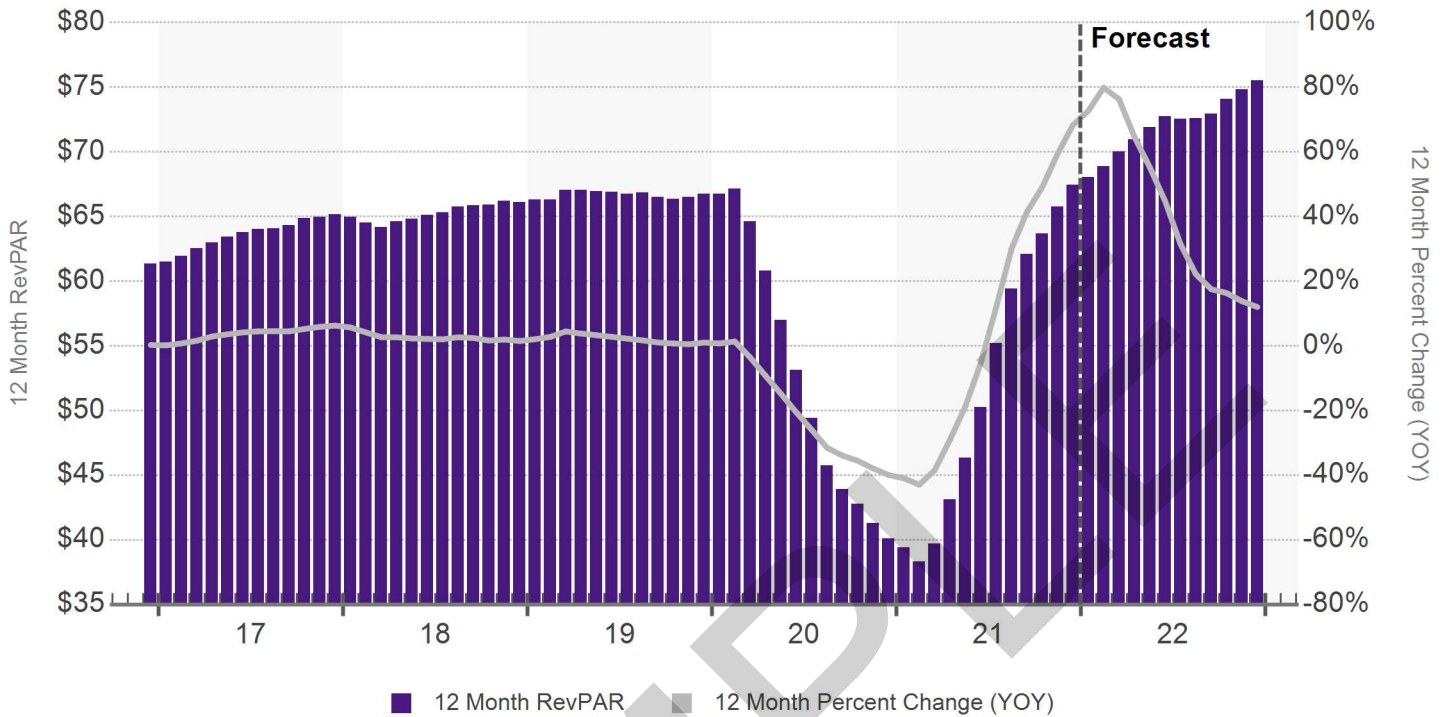
### OCCUPANCY & ADR CHANGE



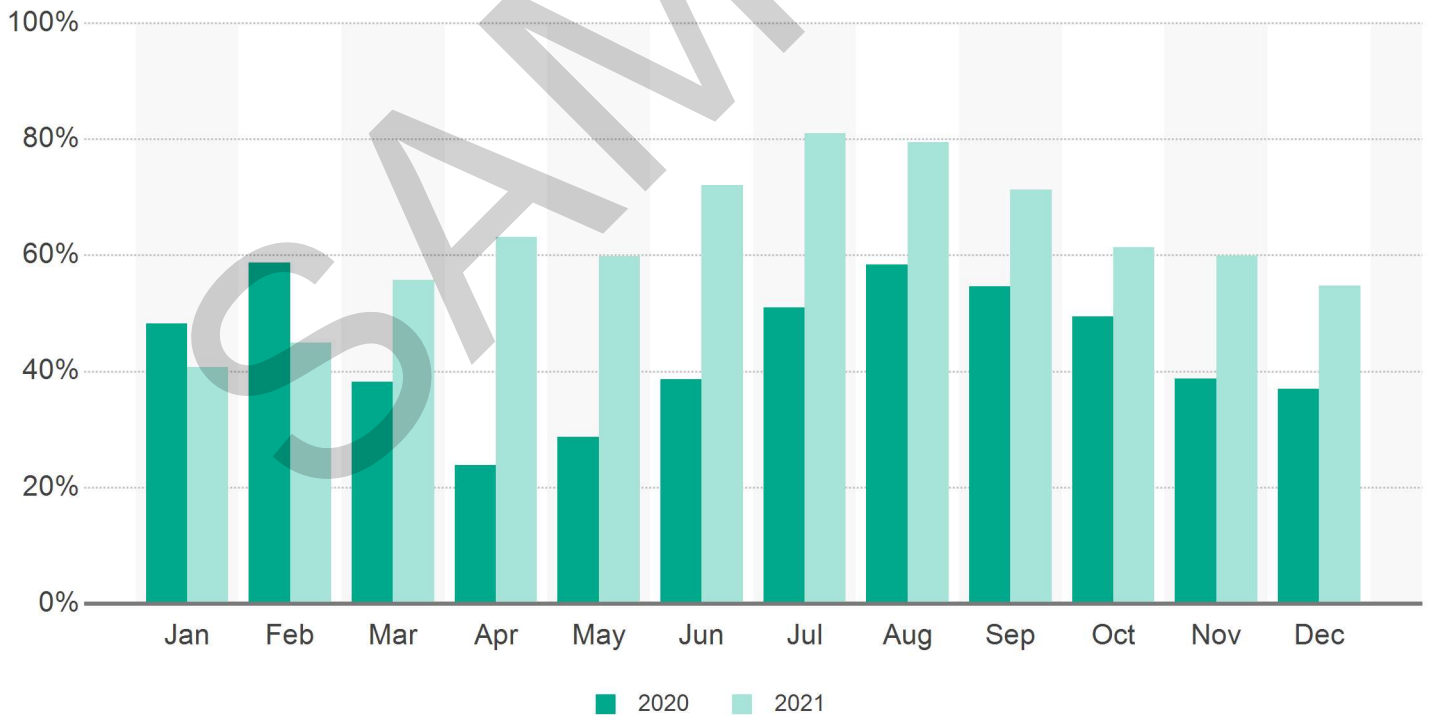
# Performance

## Bellingham/Northwest Hospitality

### REVPAR



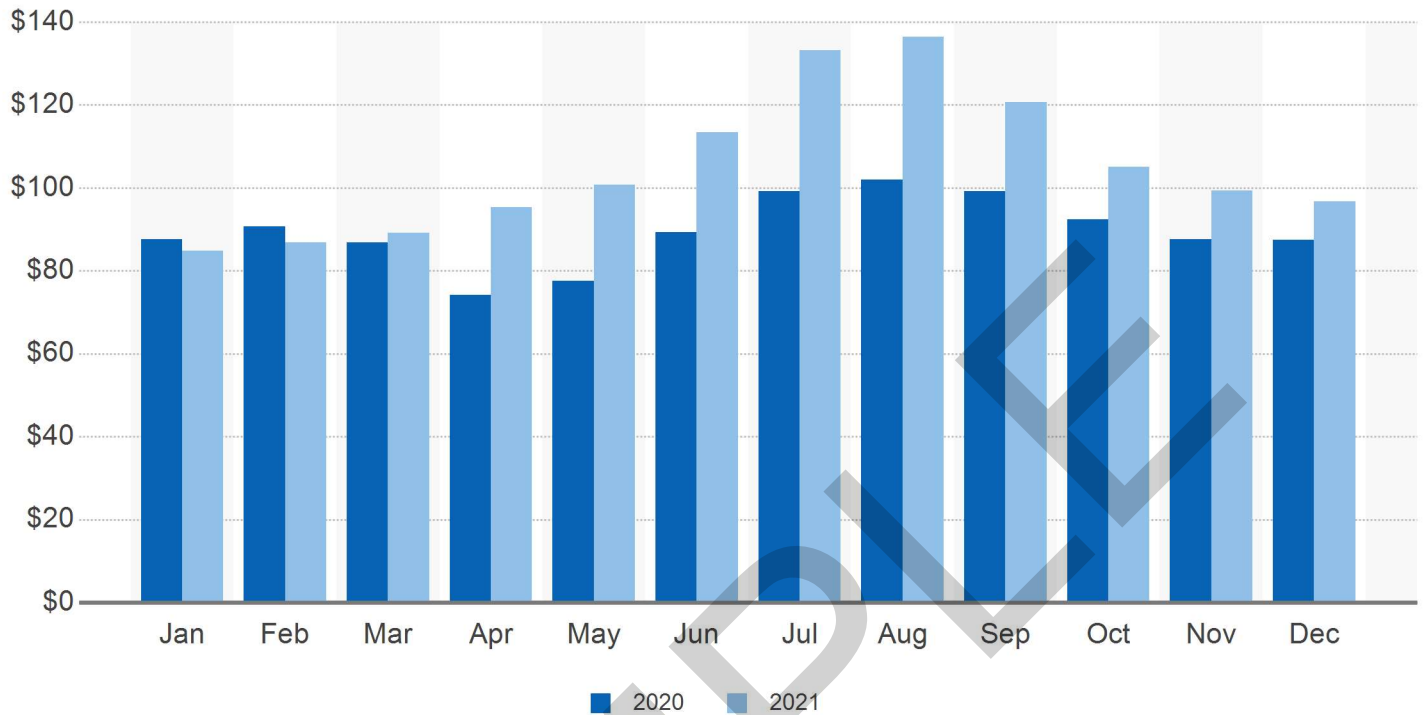
### OCCUPANCY MONTHLY



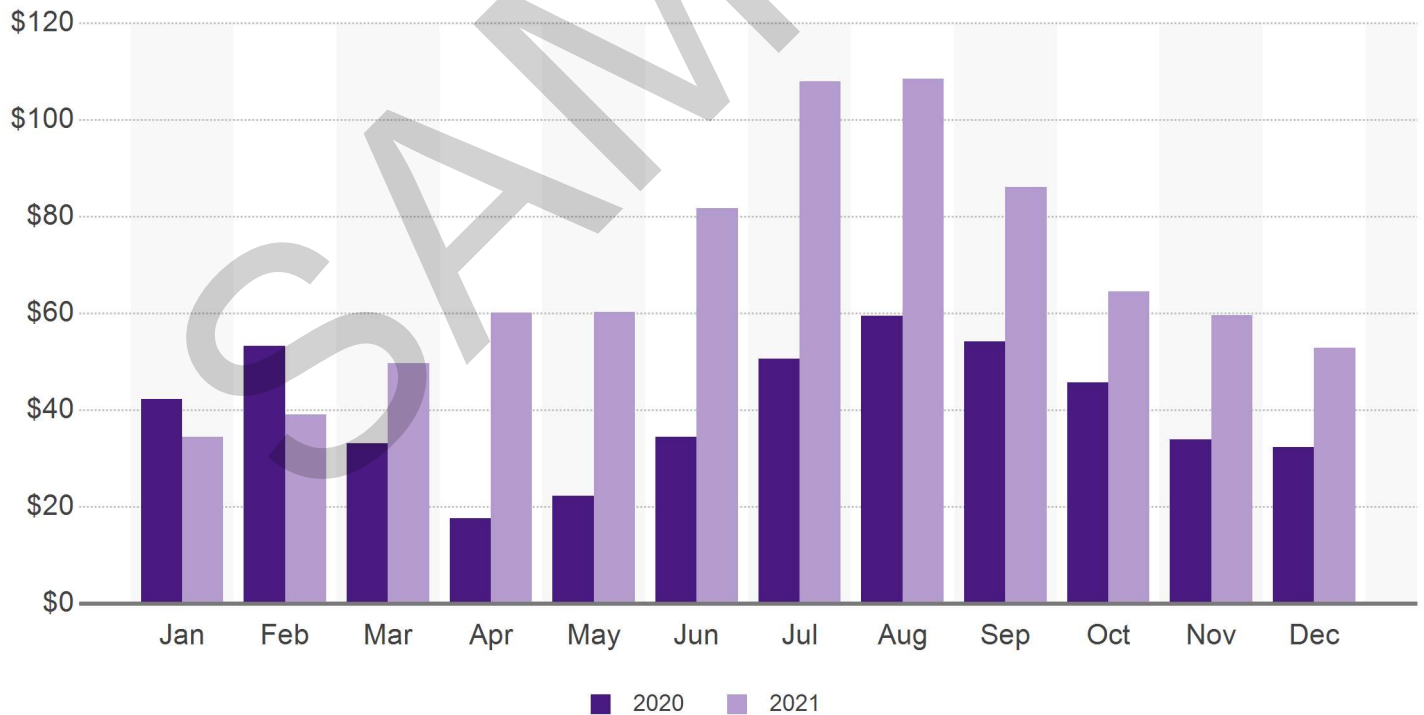
# Performance

## Bellingham/Northwest Hospitality

### ADR MONTHLY



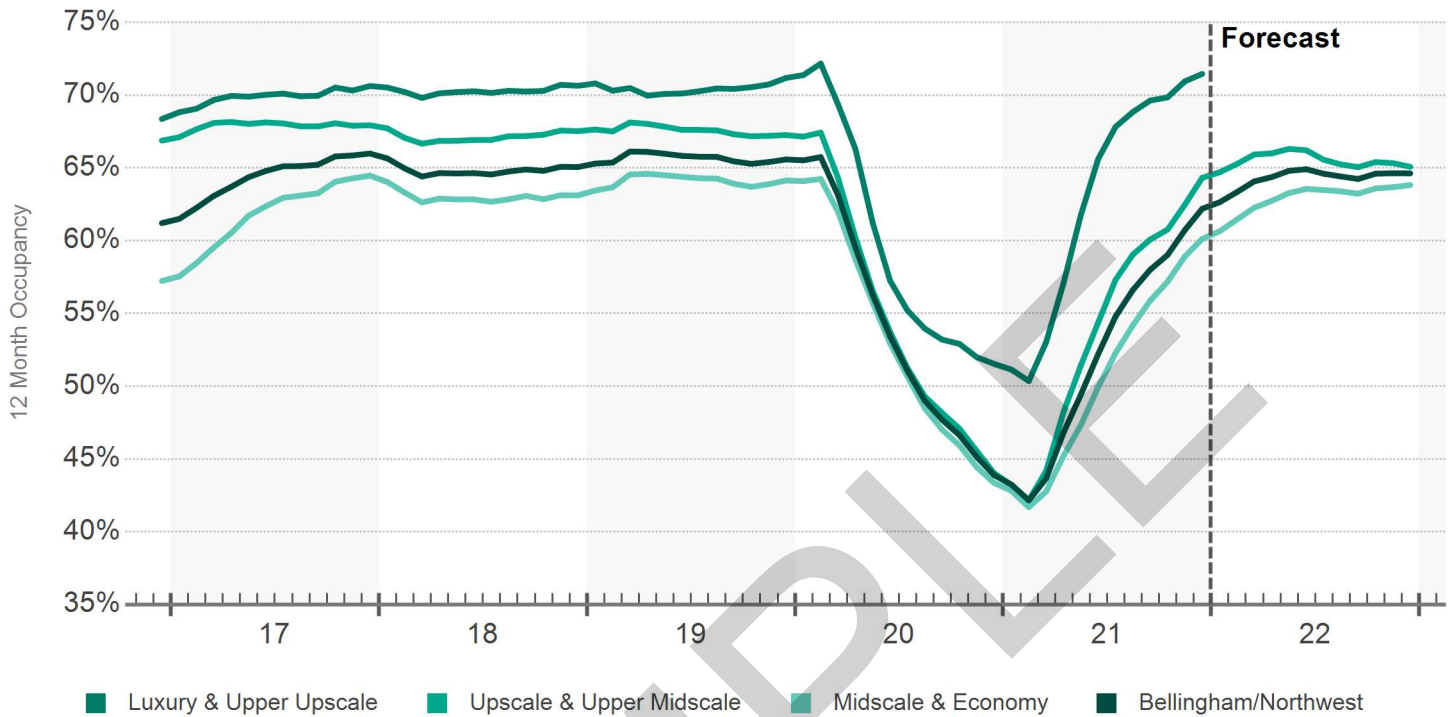
### REVPAR MONTHLY



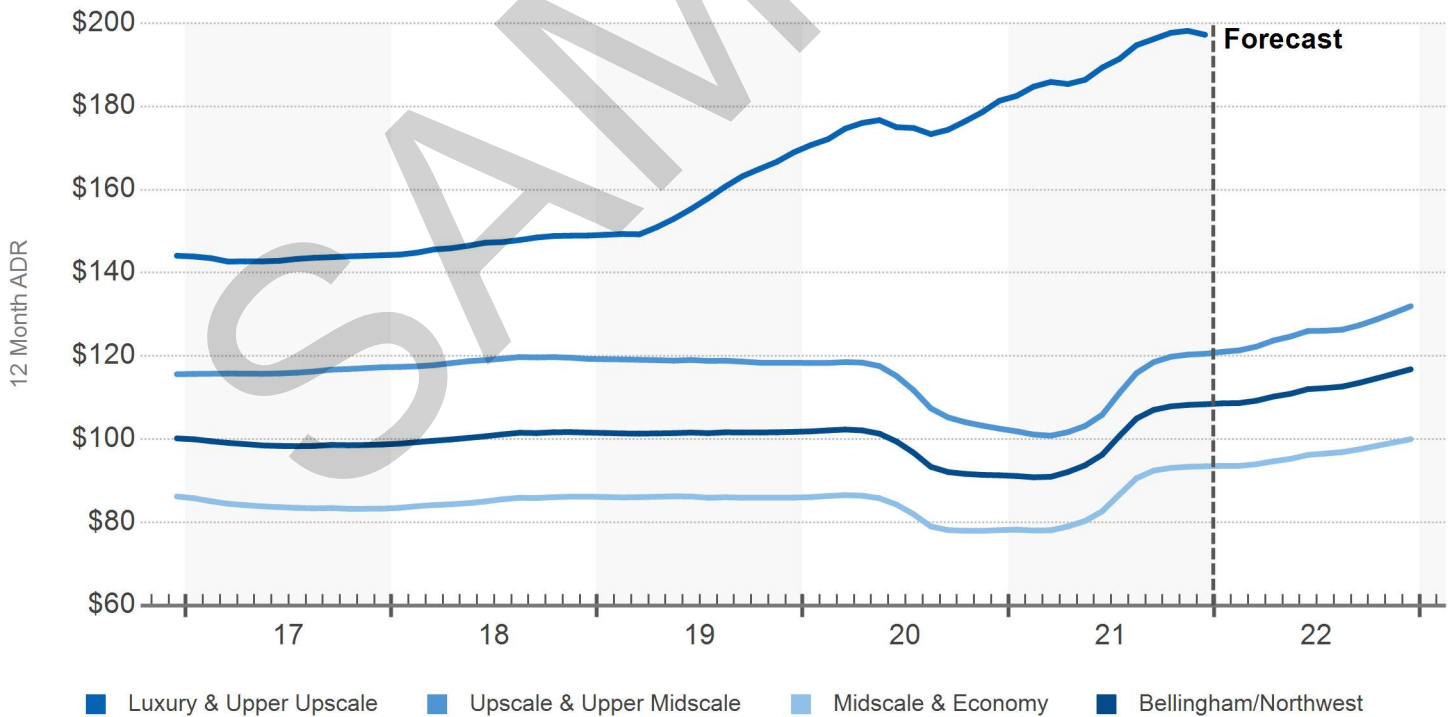
# Performance

## Bellingham/Northwest Hospitality

### OCCUPANCY BY CLASS



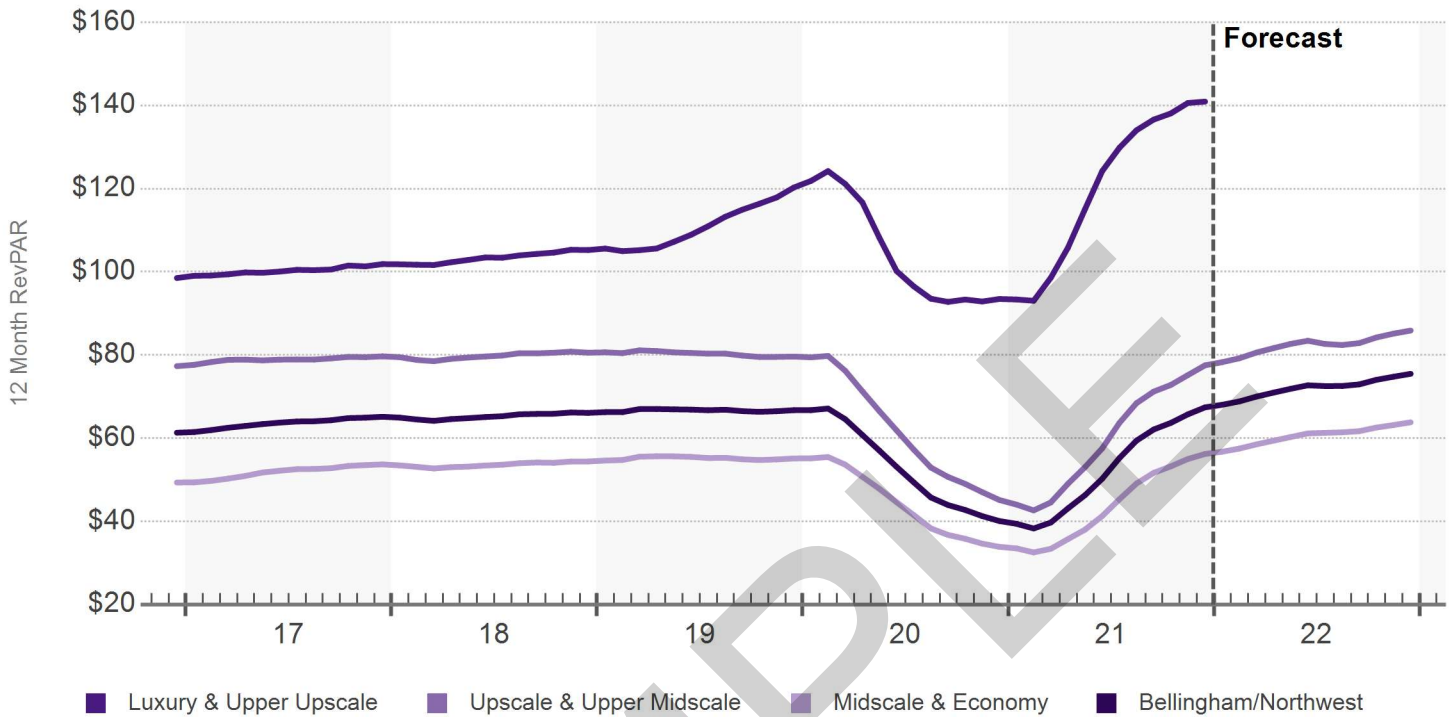
### ADR BY CLASS



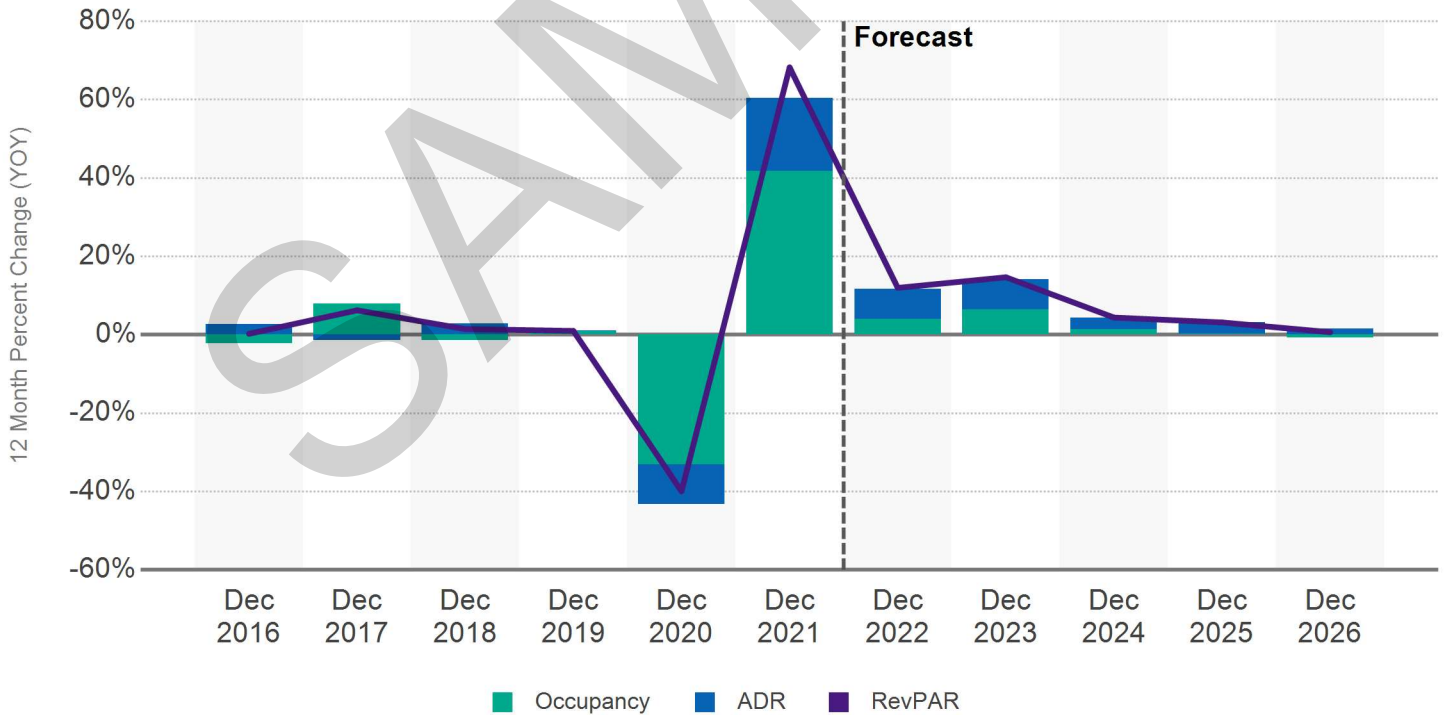
# Performance

## Bellingham/Northwest Hospitality

### REVPAR BY CLASS



### REVPAR GROWTH COMPOSITION

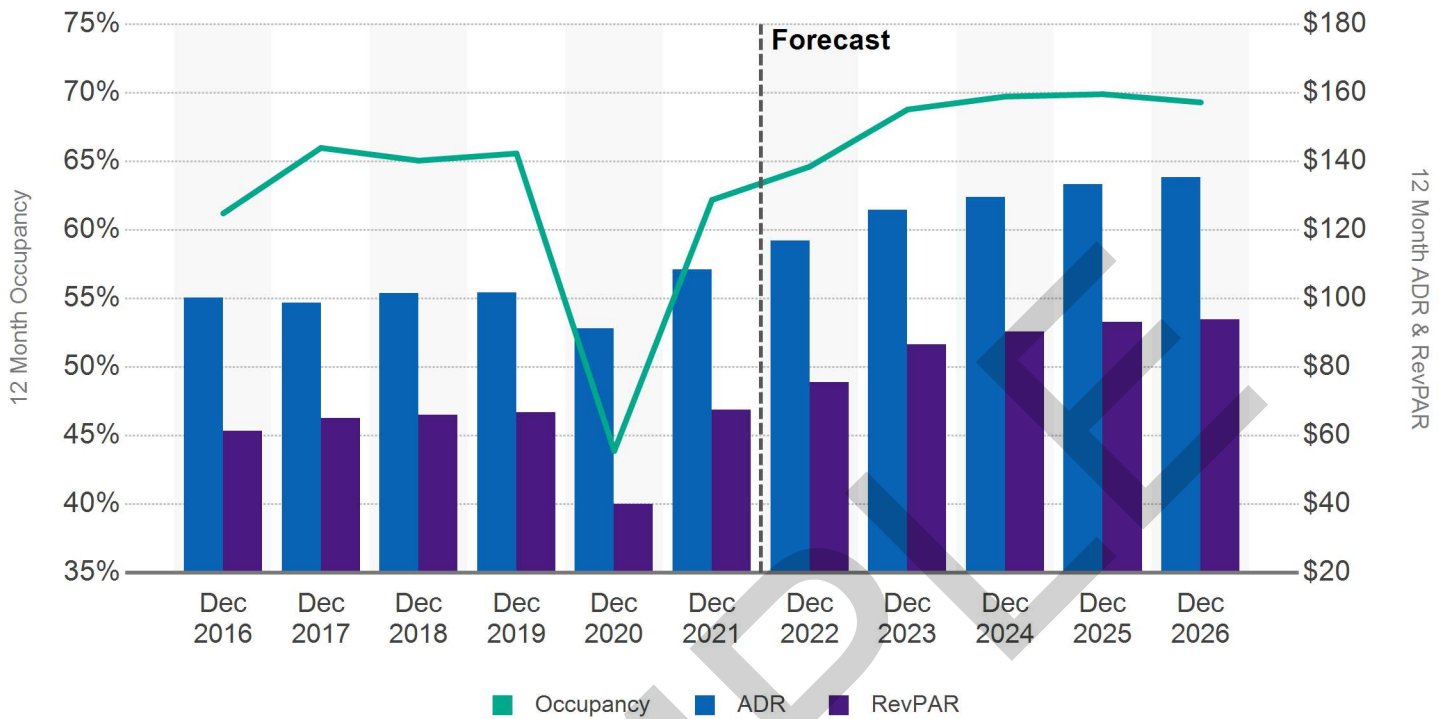




# Performance

## Bellingham/Northwest Hospitality

### OCCUPANCY, ADR & REVPAR



## Performance

## Bellingham/Northwest Hospitality

## FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

| Market                                  | % of Revenues | 2020 |     | 2019-2020 % Change |     |
|---|---------------|------|-----|--------------------|-----|
|   |               | PAR  | POR | PAR                | POR |
| <b>Revenue</b>                          |               |      |     |                    |     |
| Rooms                                   |               |      |     |                    |     |
| Food                                    |               |      |     |                    |     |
| Beverage                                |               |      |     |                    |     |
| Other F&B                               |               |      |     |                    |     |
| Other Departments                       |               |      |     |                    |     |
| Miscellaneous Income                    |               |      |     |                    |     |
| <b>Total Revenue</b>                    |               |      |     |                    |     |
| <b>Operating Expenses</b>               |               |      |     |                    |     |
| Rooms                                   |               |      |     |                    |     |
| Food & Beverage                         |               |      |     |                    |     |
| Other Departments                       |               |      |     |                    |     |
| Administrative & General                |               |      |     |                    |     |
| Information & Telecommunication Systems |               |      |     |                    |     |
| Sales & Marketing                       |               |      |     |                    |     |
| Property Operations & Maintenance       |               |      |     |                    |     |
| Utilities                               |               |      |     |                    |     |
| <b>Gross Operating Profit</b>           |               |      |     |                    |     |
| Management Fees                         |               |      |     |                    |     |
| Rent                                    |               |      |     |                    |     |
| Property Taxes                          |               |      |     |                    |     |
| Insurance                               |               |      |     |                    |     |
| <b>EBITDA</b>                           |               |      |     |                    |     |
| <b>Total Labor Costs</b>                |               |      |     |                    |     |

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

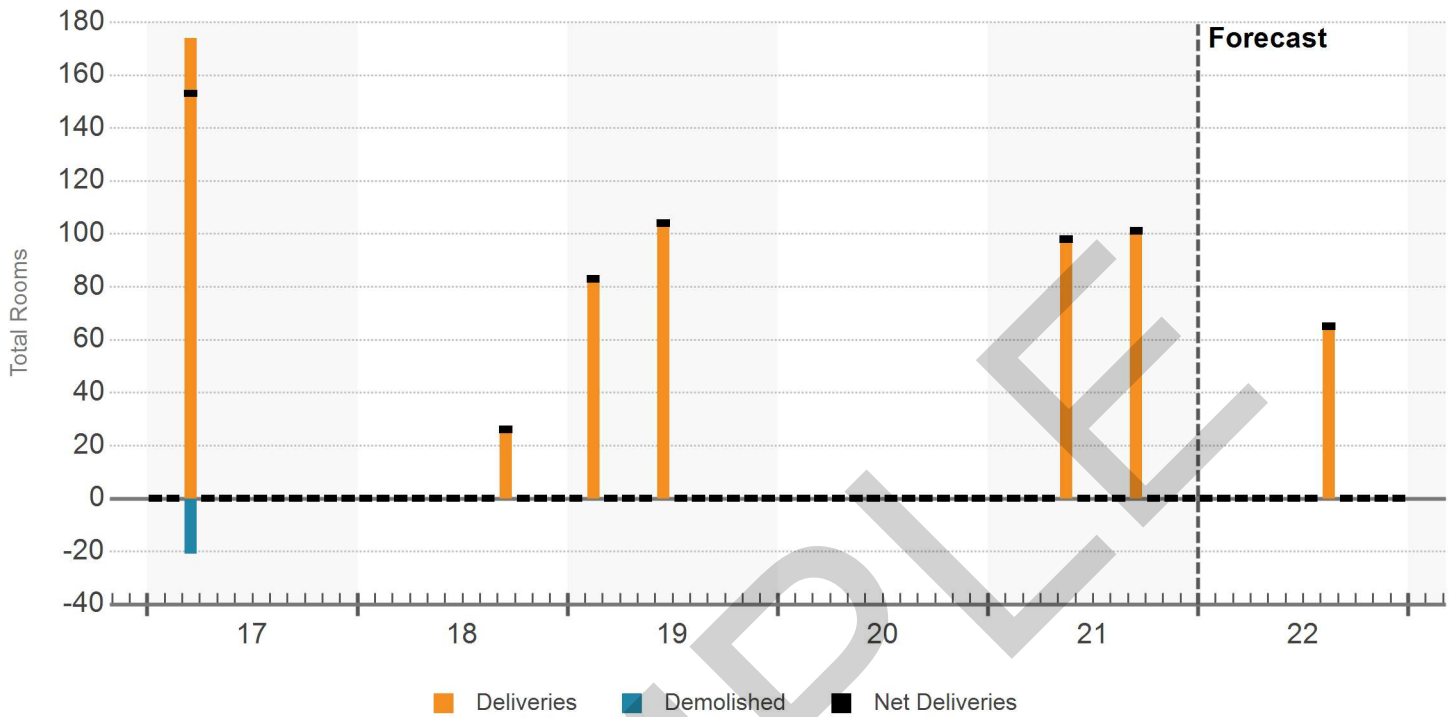
(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.



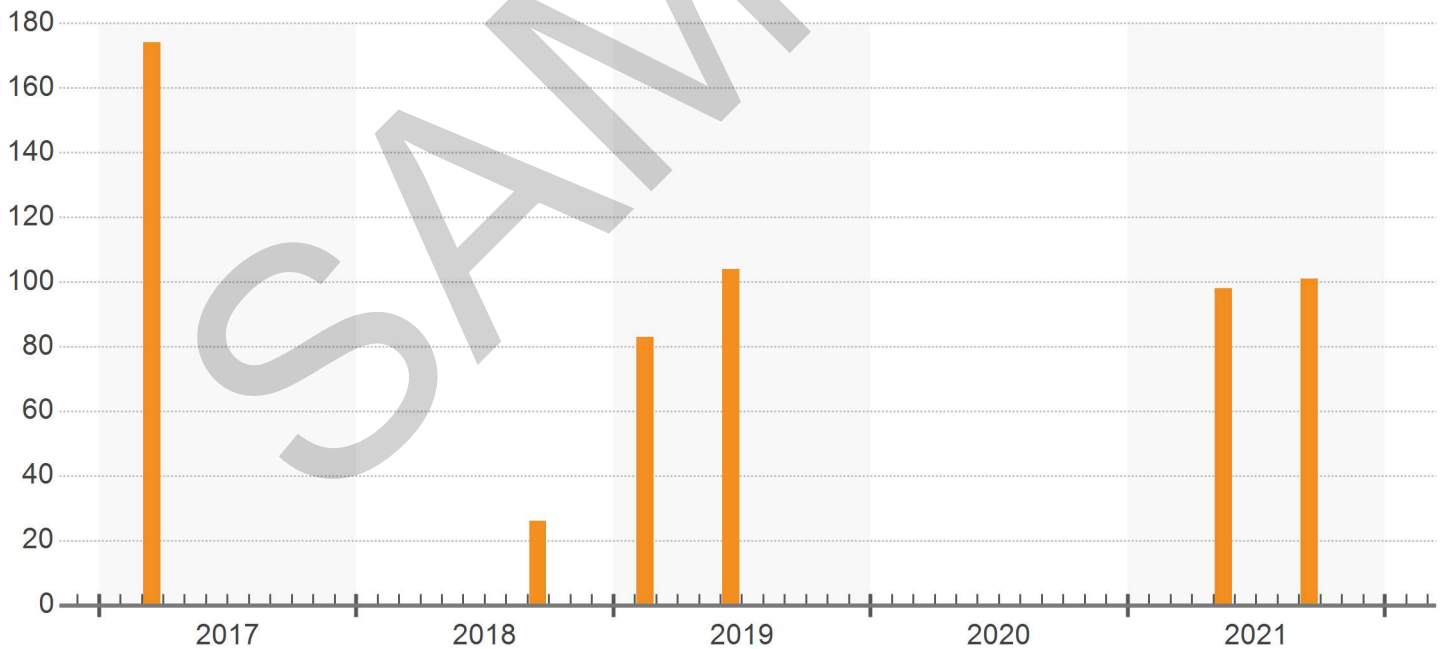
# Construction

## Bellingham/Northwest Hospitality

### DELIVERIES & DEMOLITIONS



### ROOMS DELIVERED





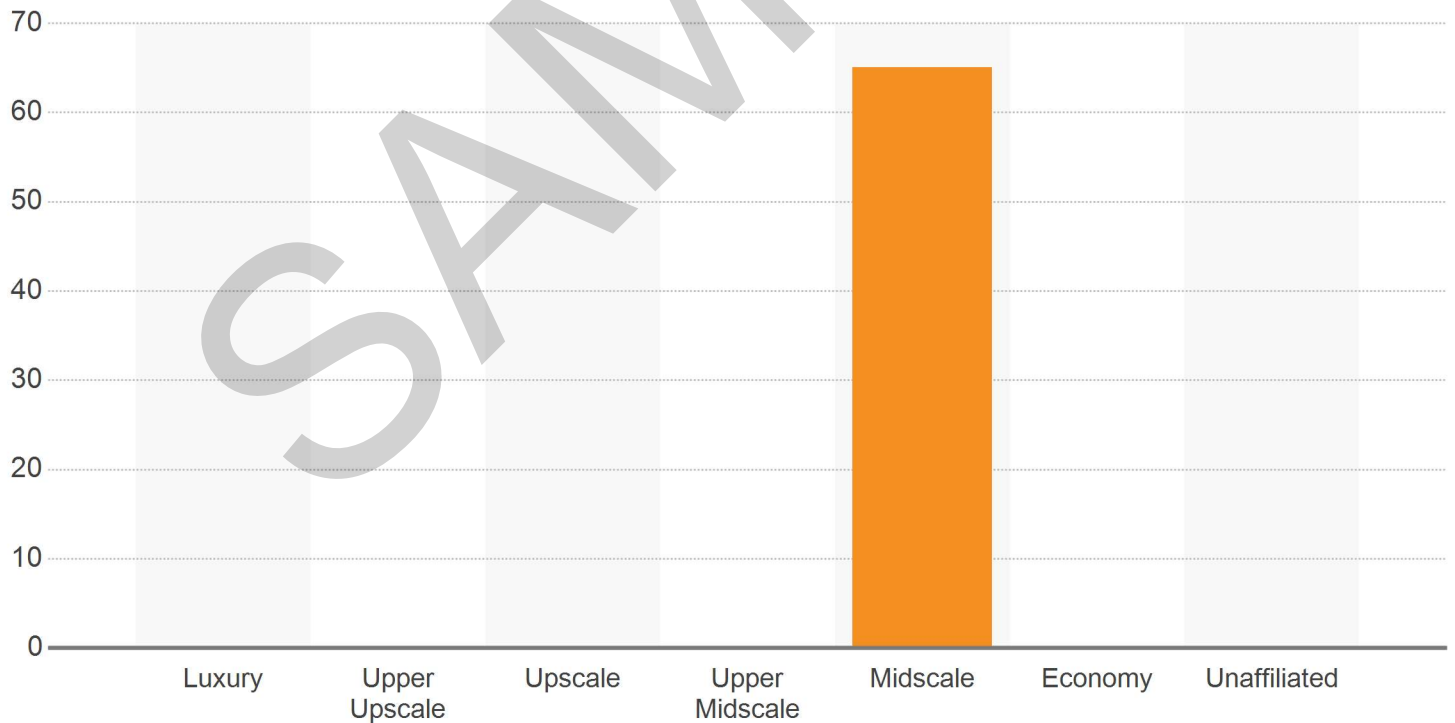
# Construction

## Bellingham/Northwest Hospitality

### TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



### ROOMS UNDER CONSTRUCTION BY SCALE

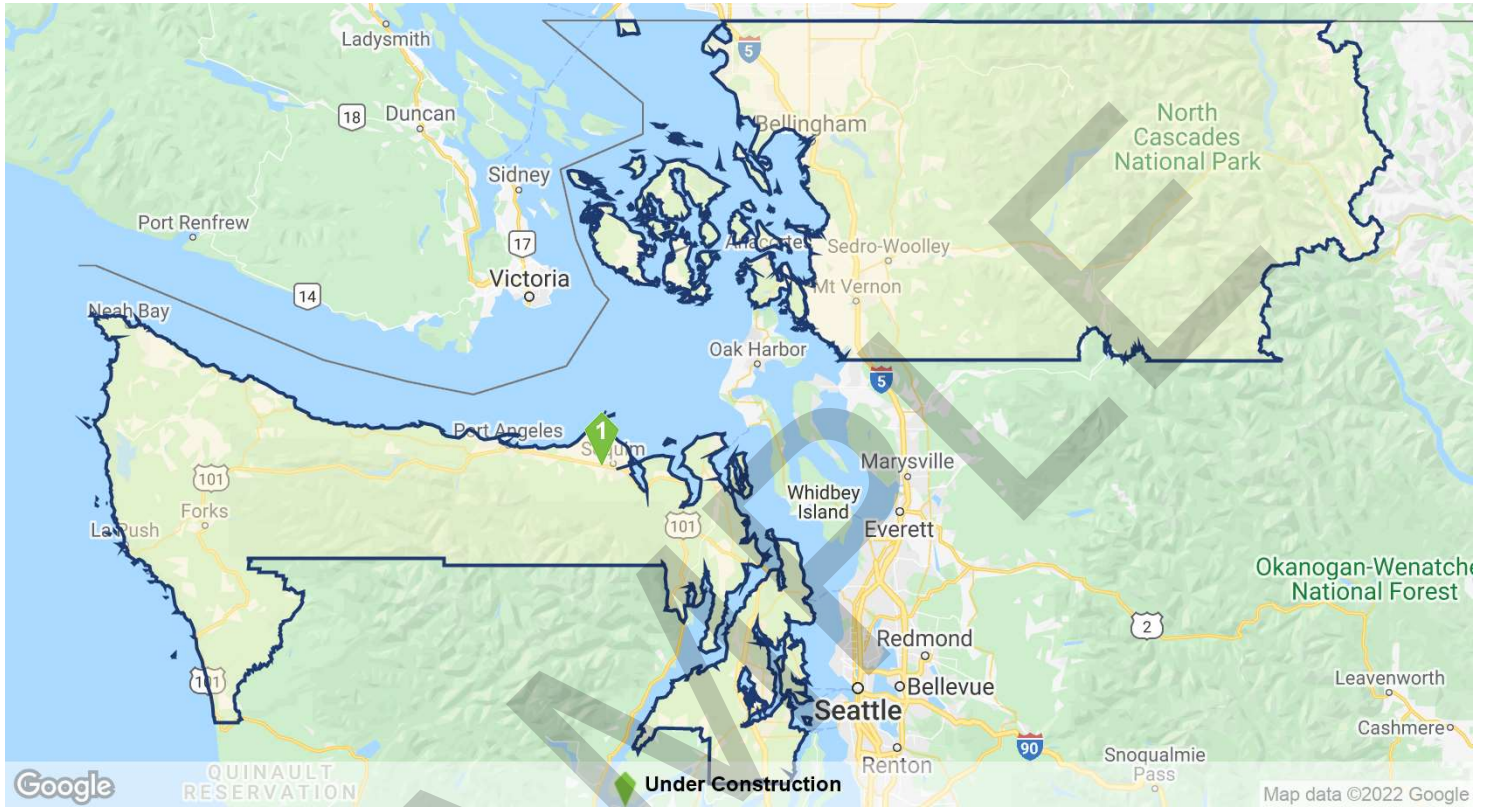


# Under Construction Properties

## Bellingham/Northwest Hospitality

| Properties | Rooms | Percent of Inventory | Average Rooms |
|------------|-------|----------------------|---------------|
| 1          | 65    | 0.7%                 | 65            |

### UNDER CONSTRUCTION PROPERTIES



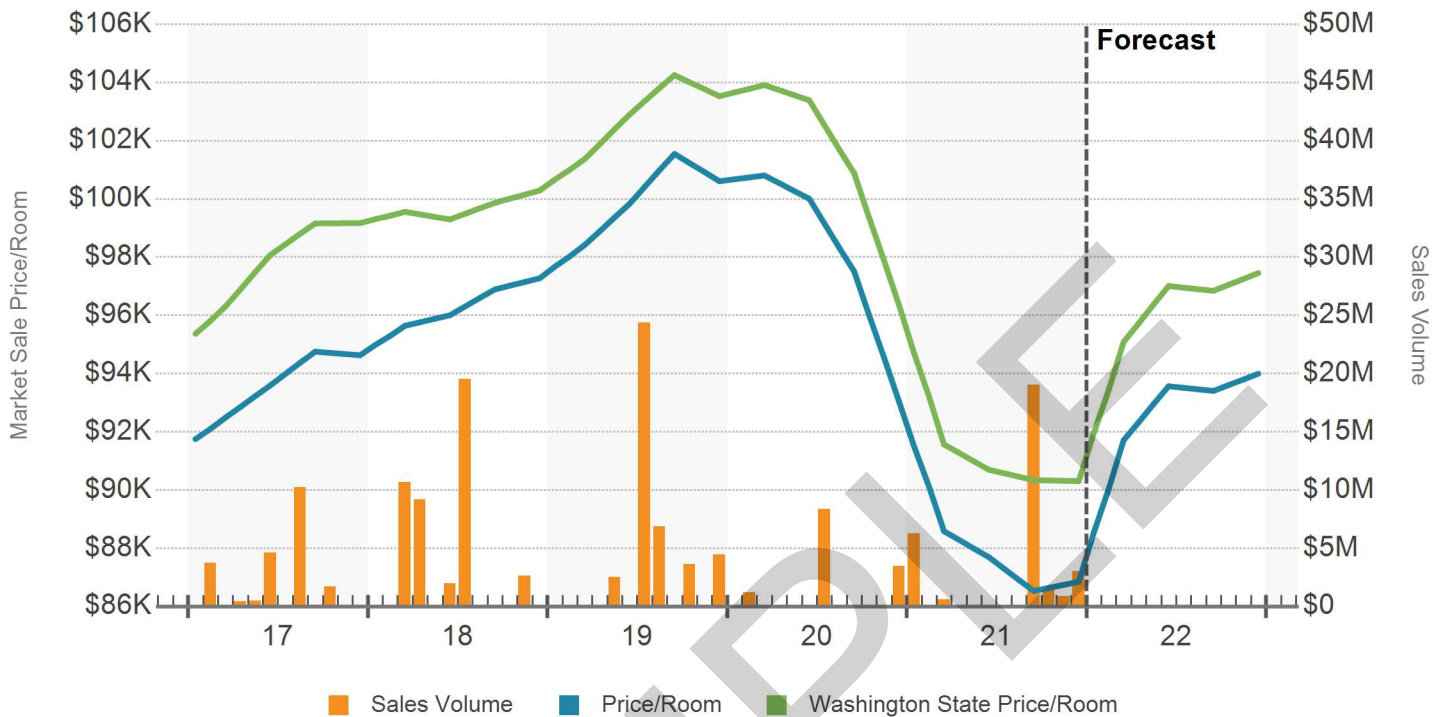
### UNDER CONSTRUCTION

|   | Property Name/Address                                  | Class    | Rooms | Stories | Start    | Complete | Brand/Developer |
|---|--|----------|-------|---------|----------|----------|-----------------|
| 1 | <a href="#">MainStay Suites Sequim</a><br>132 River Rd | Midscale | 65    | 4       | Aug 2020 | Aug 2022 | MainStay Suites |

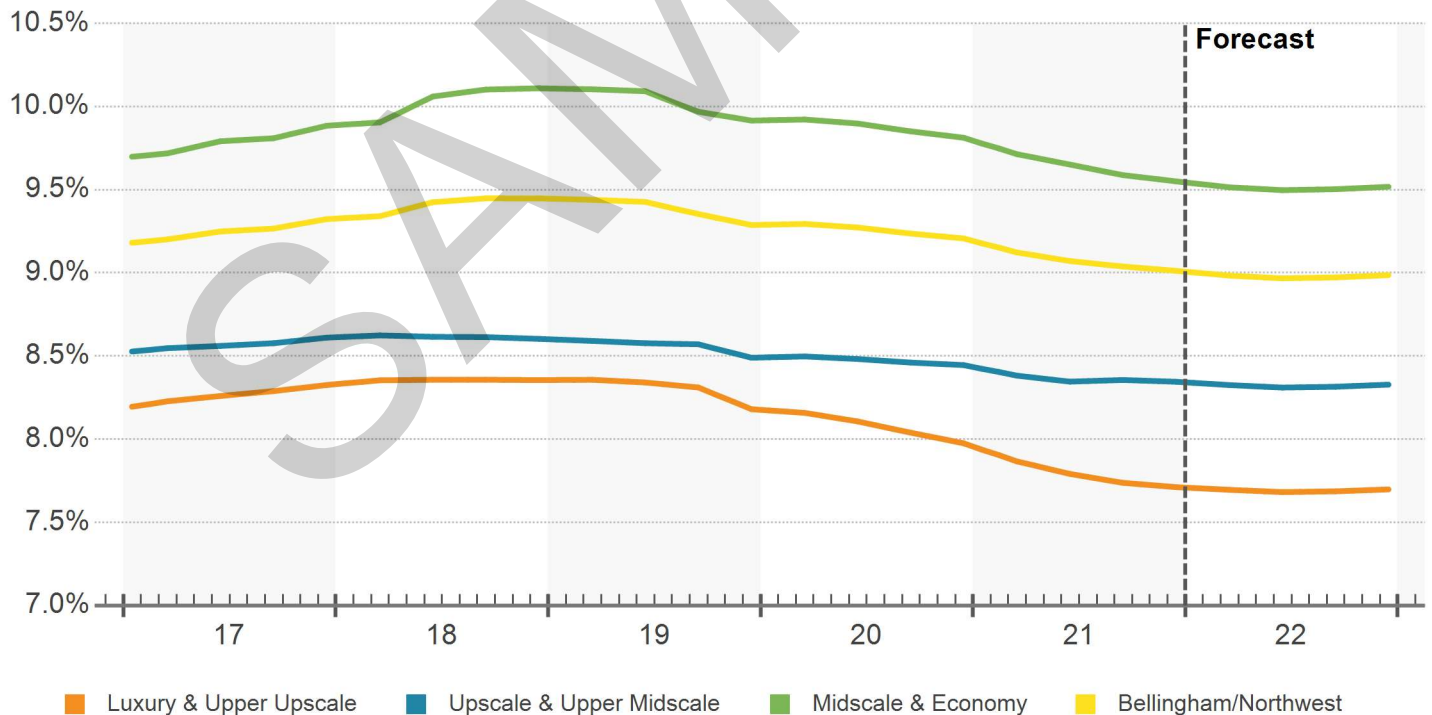
# Sales

## Bellingham/Northwest Hospitality

### SALES VOLUME & MARKET SALE PRICE PER ROOM



### MARKET CAP RATE





## Sales Past 12 Months

## Bellingham/Northwest Hospitality

Sale Comparables

Average Price/Room

Average Price

Average Cap Rate

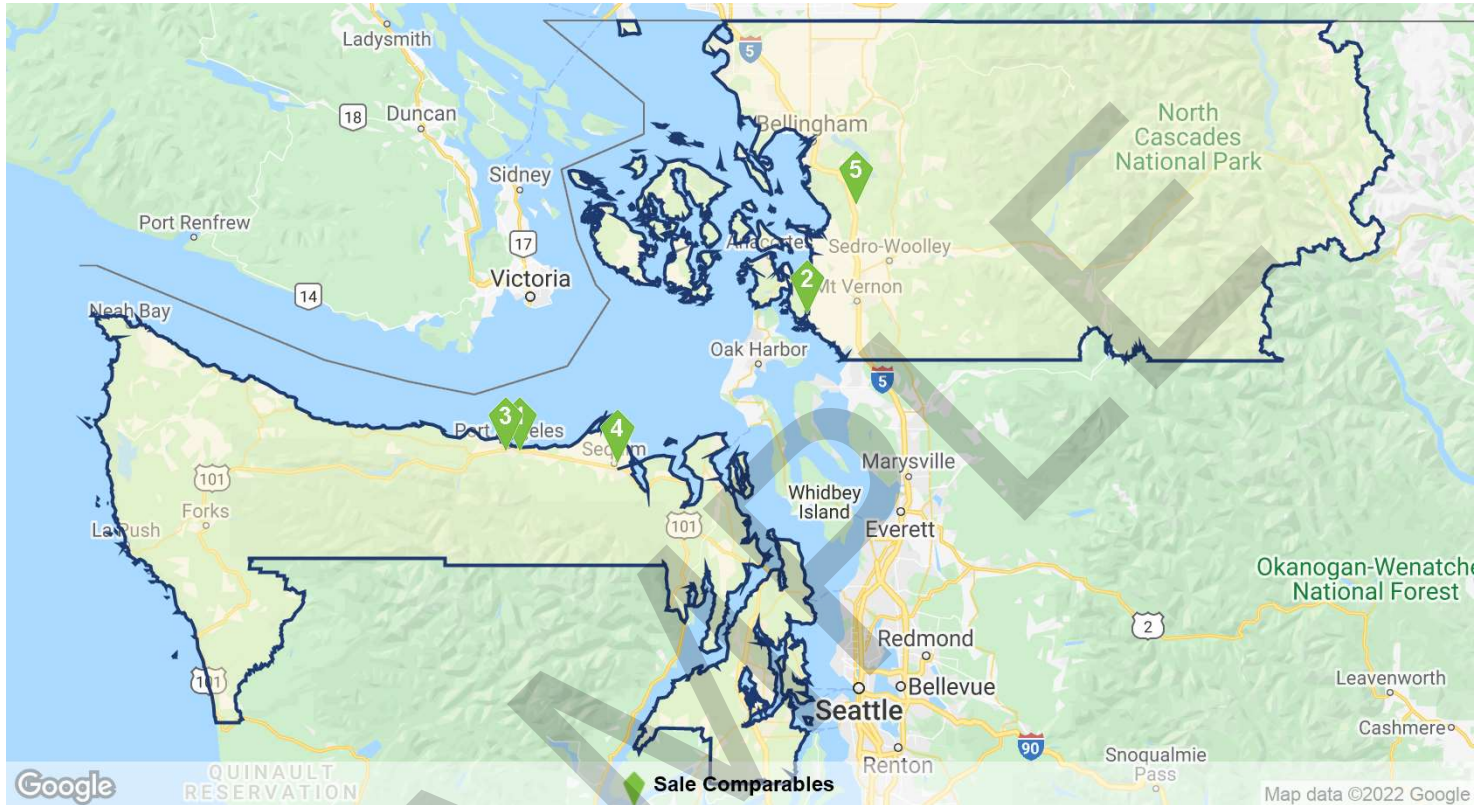
5

\$134K

\$5M

7.3%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

| Sale Attributes           | Low       | Average     | Median      | High           |
|---------------------------|-----------|-------------|-------------|----------------|
| Sale Price                | \$605,000 | \$4,987,000 | \$1,470,000 | \$19,000,000   |
| Price/Room                | \$42,500  | \$134,059   | \$73,500    | \$180,952      |
| Cap Rate                  | 6.0%      | 7.3%        | 6.0%        | 8.5%           |
| Time Since Sale in Months | 1.7       | 4.4         | 2.8         | 10.1           |
| Property Attributes       | Low       | Average     | Median      | High           |
| Property Size in Rooms    | 13        | 37          | 20          | 105            |
| Number of Floors          | 1         | 1           | 2           | 3              |
| Total Meeting Space       | 1,035     | 1,569       | 1,569       | 2,102          |
| Year Built                | 1937      | 1968        | 1970        | 2002           |
| Class                     | Economy   | Midscale    | Economy     | Upper Midscale |

# Sales Past 12 Months

## Bellingham/Northwest Hospitality

### RECENT SIGNIFICANT SALES

|   | Property Name/Address   | Property Information |          |       |       | Sale Information |              |            |
|---|---|----------------------|----------|-------|-------|------------------|--------------|------------|
|   |   | Class                | Yr Built | Rooms | Brand | Sale Date        | Price        | Price/Room |
| 1 | <a href="#">Olympic Lodge by Ayres</a><br>140 Del Guzzi Dr            | Upper<br>Midscale    | 1992     | 105   | -     | 9/1/2021         | \$19,000,000 | \$180,952  |
| 2 | <a href="#">Country Inn</a><br>107 S 2nd St                           | Midscale             | 1970     | 28    | -     | 12/1/2021        | \$3,010,000  | \$107,500  |
| 3 | <a href="#">All View Motel</a><br>214 E Lauridsen Blvd                | Economy              | 1937     | 20    | -     | 10/27/2021       | \$1,470,000  | \$73,500   |
| 4 | <a href="#">Greathouse Motel</a><br>740 E Washington St               | Economy              | 1941     | 20    | -     | 11/3/2021        | \$850,000    | \$42,500   |
| 5 | <a href="#">Whispering Firs Motel</a><br>1721 Old Highway 99 North Rd | Economy              | 2002     | 13    | -     | 3/19/2021        | \$605,000    | \$46,538   |

SAMPLE

## Appendix

## Bellingham/Northwest Hospitality

## OVERALL SUPPLY &amp; DEMAND

| Year | Supply          |          |          | Demand         |           |          |
|------|-----------------|----------|----------|----------------|-----------|----------|
|      | Available Rooms | Change   | % Change | Occupied Rooms | Change    | % Change |
| 2025 | 3,500,646       | 0        | 0%       | 2,446,990      | 6,062     | 0.2%     |
| 2024 | 3,500,646       | 0        | 0%       | 2,440,928      | 33,093    | 1.4%     |
| 2023 | 3,500,646       | 14,112   | 0.4%     | 2,407,835      | 154,833   | 6.9%     |
| 2022 | 3,486,534       | 169,270  | 5.1%     | 2,253,002      | 190,030   | 9.2%     |
| 2021 | 3,317,264       | 53,549   | 1.6%     | 2,062,972      | 630,693   | 44.0%    |
| YTD  | 3,317,264       | 53,549   | 1.6%     | 2,062,972      | 630,693   | 44.0%    |
| 2020 | 3,263,715       | (67,837) | -2.0%    | 1,432,279      | (752,462) | -34.4%   |
| 2019 | 3,331,552       | 48,149   | 1.5%     | 2,184,741      | 48,717    | 2.3%     |
| 2018 | 3,283,403       | (8,947)  | -0.3%    | 2,136,024      | (36,362)  | -1.7%    |
| 2017 | 3,292,350       | 79,916   | 2.5%     | 2,172,386      | 206,224   | 10.5%    |
| 2016 | 3,212,434       | 49,862   | 1.6%     | 1,966,162      | (15,307)  | -0.8%    |
| 2015 | 3,162,572       | 100,076  | 3.3%     | 1,981,469      | 144,114   | 7.8%     |
| 2014 | 3,062,496       | 92,199   | 3.1%     | 1,837,355      | 68,469    | 3.9%     |
| 2013 | 2,970,297       | (2,854)  | -0.1%    | 1,768,886      | (87,521)  | -4.7%    |
| 2012 | 2,973,151       | 33,422   | 1.1%     | 1,856,407      | 158,957   | 9.4%     |
| 2011 | 2,939,729       | 752      | 0%       | 1,697,450      | 71,755    | 4.4%     |

## LUXURY &amp; UPPER UPSCALE SUPPLY &amp; DEMAND

| Year | Supply          |         |          | Demand         |          |          |
|------|-----------------|---------|----------|----------------|----------|----------|
|      | Available Rooms | Change  | % Change | Occupied Rooms | Change   | % Change |
| 2025 | 84,757          | 0       | 0%       |                |          |          |
| 2024 | 84,757          | 0       | 0%       |                |          |          |
| 2023 | 84,757          | 0       | 0%       |                |          |          |
| 2022 | 84,757          | 77      | 0.1%     |                |          |          |
| 2021 | 84,680          | 5,254   | 6.6%     | 60,507         | 19,577   | 47.8%    |
| YTD  | 84,680          | 5,254   | 6.6%     | 60,507         | 19,577   | 47.8%    |
| 2020 | 79,426          | (5,074) | -6.0%    | 40,930         | (19,214) | -31.9%   |
| 2019 | 84,500          | 550     | 0.7%     | 60,144         | 843      | 1.4%     |
| 2018 | 83,950          | 0       | 0%       | 59,301         | 15       | 0%       |
| 2017 | 83,950          | 0       | 0%       | 59,286         | 1,899    | 3.3%     |
| 2016 | 83,950          | 0       | 0%       | 57,387         | (503)    | -0.9%    |
| 2015 | 83,950          | 0       | 0%       | 57,890         | 81       | 0.1%     |
| 2014 | 83,950          | 0       | 0%       | 57,809         | 2,686    | 4.9%     |
| 2013 | 83,950          | 0       | 0%       | 55,123         | 852      | 1.6%     |
| 2012 | 83,950          | 0       | 0%       | 54,271         | (854)    | -1.5%    |
| 2011 | 83,950          | 0       | 0%       | 55,125         | (13)     | 0%       |



## Appendix

## Bellingham/Northwest Hospitality

## UPSCALE &amp; UPPER MIDSACLE SUPPLY &amp; DEMAND

| Year | Supply          |          |          | Demand         |           |          |
|------|-----------------|----------|----------|----------------|-----------|----------|
|      | Available Rooms | Change   | % Change | Occupied Rooms | Change    | % Change |
| 2025 | 1,445,974       | 0        | 0%       | 1,033,689      | 2,272     | 0.2%     |
| 2024 | 1,445,974       | 0        | 0%       | 1,031,417      | 17,969    | 1.8%     |
| 2023 | 1,445,974       | 0        | 0%       | 1,013,448      | 72,544    | 7.7%     |
| 2022 | 1,445,974       | 37,607   | 2.7%     | 940,904        | 35,094    | 3.9%     |
| 2021 | 1,408,367       | 47,646   | 3.5%     | 905,810        | 306,868   | 51.2%    |
| YTD  | 1,408,367       | 47,646   | 3.5%     | 905,810        | 306,868   | 51.2%    |
| 2020 | 1,360,721       | 6,720    | 0.5%     | 598,942        | (311,651) | -34.2%   |
| 2019 | 1,354,001       | 50,160   | 3.8%     | 910,593        | 30,197    | 3.4%     |
| 2018 | 1,303,841       | 9,088    | 0.7%     | 880,396        | 918       | 0.1%     |
| 2017 | 1,294,753       | 67,550   | 5.5%     | 879,478        | 58,836    | 7.2%     |
| 2016 | 1,227,203       | 53,248   | 4.5%     | 820,642        | 21,161    | 2.6%     |
| 2015 | 1,173,955       | 100,125  | 9.3%     | 799,481        | 77,893    | 10.8%    |
| 2014 | 1,073,830       | 101,637  | 10.5%    | 721,588        | 82,327    | 12.9%    |
| 2013 | 972,193         | (21,769) | -2.2%    | 639,261        | (39,891)  | -5.9%    |
| 2012 | 993,962         | (6,350)  | -0.6%    | 679,152        | 26,362    | 4.0%     |
| 2011 | 1,000,312       | 14,565   | 1.5%     | 652,790        | 24,313    | 3.9%     |

## MIDSCALE &amp; ECONOMY SUPPLY &amp; DEMAND

| Year | Supply          |          |          | Demand         |           |          |
|------|-----------------|----------|----------|----------------|-----------|----------|
|      | Available Rooms | Change   | % Change | Occupied Rooms | Change    | % Change |
| 2025 | 1,969,915       | 0        | 0%       | 1,347,877      | 3,636     | 0.3%     |
| 2024 | 1,969,915       | 0        | 0%       | 1,344,241      | 15,009    | 1.1%     |
| 2023 | 1,969,915       | 14,112   | 0.7%     | 1,329,232      | 81,149    | 6.5%     |
| 2022 | 1,955,803       | 131,586  | 7.2%     | 1,248,083      | 151,428   | 13.8%    |
| 2021 | 1,824,217       | 649      | 0%       | 1,096,655      | 306,044   | 38.7%    |
| YTD  | 1,824,217       | 649      | 0%       | 1,096,655      | 306,044   | 38.7%    |
| 2020 | 1,823,568       | (69,483) | -3.7%    | 790,611        | (423,393) | -34.9%   |
| 2019 | 1,893,051       | (2,561)  | -0.1%    | 1,214,004      | 17,677    | 1.5%     |
| 2018 | 1,895,612       | (18,035) | -0.9%    | 1,196,327      | (37,295)  | -3.0%    |
| 2017 | 1,913,647       | 12,366   | 0.7%     | 1,233,622      | 145,489   | 13.4%    |
| 2016 | 1,901,281       | (3,386)  | -0.2%    | 1,088,133      | (35,965)  | -3.2%    |
| 2015 | 1,904,667       | (49)     | 0%       | 1,124,098      | 66,140    | 6.3%     |
| 2014 | 1,904,716       | (9,438)  | -0.5%    | 1,057,958      | (16,544)  | -1.5%    |
| 2013 | 1,914,154       | 18,915   | 1.0%     | 1,074,502      | (48,482)  | -4.3%    |
| 2012 | 1,895,239       | 39,772   | 2.1%     | 1,122,984      | 133,449   | 13.5%    |
| 2011 | 1,855,467       | (13,813) | -0.7%    | 989,535        | 47,455    | 5.0%     |

## Appendix

## Bellingham/Northwest Hospitality

## OVERALL PERFORMANCE

| Year | Occupancy |          | ADR      |          | RevPAR   |          |
|------|-----------|----------|----------|----------|----------|----------|
|      | Percent   | % Change | Per Room | % Change | Per Room | % Change |
| 2025 | 69.9%     | 0.2%     | \$133.31 | 2.9%     | \$93.18  | 3.1%     |
| 2024 | 69.7%     | 1.4%     | \$129.57 | 3.0%     | \$90.35  | 4.4%     |
| 2023 | 68.8%     | 6.4%     | \$125.83 | 7.7%     | \$86.55  | 14.7%    |
| 2022 | 64.6%     | 3.9%     | \$116.80 | 7.8%     | \$75.48  | 12.0%    |
| 2021 | 62.2%     | 41.7%    | \$108.40 | 18.7%    | \$67.41  | 68.2%    |
| YTD  | 62.2%     | 41.7%    | \$108.40 | 18.7%    | \$67.41  | 68.2%    |
| 2020 | 43.9%     | -33.1%   | \$91.31  | -10.3%   | \$40.07  | -39.9%   |
| 2019 | 65.6%     | 0.8%     | \$101.76 | 0.2%     | \$66.73  | 1.0%     |
| 2018 | 65.1%     | -1.4%    | \$101.58 | 2.9%     | \$66.09  | 1.5%     |
| 2017 | 66.0%     | 7.8%     | \$98.72  | -1.5%    | \$65.14  | 6.2%     |
| 2016 | 61.2%     | -2.3%    | \$100.18 | 2.6%     | \$61.32  | 0.2%     |
| 2015 | 62.7%     | 4.4%     | \$97.63  | 3.3%     | \$61.17  | 7.9%     |
| 2014 | 60.0%     | 0.7%     | \$94.48  | 3.1%     | \$56.68  | 3.9%     |
| 2013 | 59.6%     | -4.6%    | \$91.63  | 4.3%     | \$54.57  | -0.5%    |
| 2012 | 62.4%     | 8.1%     | \$87.86  | 0%       | \$54.86  | 8.2%     |
| 2011 | 57.7%     | 4.4%     | \$87.84  | 0.3%     | \$50.72  | 4.7%     |

## LUXURY &amp; UPPER UPSCALE PERFORMANCE

| Year | Occupancy |          | ADR      |          | RevPAR   |          |
|------|-----------|----------|----------|----------|----------|----------|
|      | Percent   | % Change | Per Room | % Change | Per Room | % Change |
| 2025 |           |          |          |          |          |          |
| 2024 |           |          |          |          |          |          |
| 2023 |           |          |          |          |          |          |
| 2022 |           |          |          |          |          |          |
| 2021 | 71.5%     | 38.7%    | \$197.24 | 8.7%     | \$140.93 | 50.8%    |
| YTD  | 71.5%     | 38.7%    | \$197.24 | 8.7%     | \$140.93 | 50.8%    |
| 2020 | 51.5%     | -27.6%   | \$181.37 | 7.3%     | \$93.46  | -22.3%   |
| 2019 | 71.2%     | 0.8%     | \$168.96 | 13.4%    | \$120.26 | 14.3%    |
| 2018 | 70.6%     | 0%       | \$148.97 | 3.3%     | \$105.23 | 3.3%     |
| 2017 | 70.6%     | 3.3%     | \$144.23 | 0.1%     | \$101.86 | 3.4%     |
| 2016 | 68.4%     | -0.9%    | \$144.11 | 3.5%     | \$98.51  | 2.6%     |
| 2015 | 69.0%     | 0.1%     | \$139.27 | 8.0%     | \$96.04  | 8.2%     |
| 2014 | 68.9%     | 4.9%     | \$128.92 | 3.5%     | \$88.78  | 8.5%     |
| 2013 | 65.7%     | 1.6%     | \$124.59 | 17.4%    | \$81.81  | 19.2%    |
| 2012 | 64.6%     | -1.5%    | \$106.15 | -13.1%   | \$68.62  | -14.5%   |
| 2011 | 65.7%     | 0%       | \$122.16 | 0.5%     | \$80.22  | 0.5%     |

## Appendix

## Bellingham/Northwest Hospitality

## UPSCALE &amp; UPPER MIDSACLE PERFORMANCE

| Year | Occupancy |          | ADR      |          | RevPAR   |          |
|------|-----------|----------|----------|----------|----------|----------|
|      | Percent   | % Change | Per Room | % Change | Per Room | % Change |
| 2025 | 71.5%     | 0.2%     | \$150.90 | 2.9%     | \$107.87 | 3.1%     |
| 2024 | 71.3%     | 1.8%     | \$146.66 | 2.8%     | \$104.62 | 4.6%     |
| 2023 | 70.1%     | 7.7%     | \$142.67 | 8.1%     | \$99.99  | 16.4%    |
| 2022 | 65.1%     | 1.2%     | \$131.97 | 9.5%     | \$85.87  | 10.8%    |
| 2021 | 64.3%     | 46.1%    | \$120.52 | 17.5%    | \$77.52  | 71.8%    |
| YTD  | 64.3%     | 46.1%    | \$120.52 | 17.5%    | \$77.52  | 71.8%    |
| 2020 | 44.0%     | -34.5%   | \$102.54 | -13.4%   | \$45.13  | -43.3%   |
| 2019 | 67.3%     | -0.4%    | \$118.39 | -0.8%    | \$79.62  | -1.2%    |
| 2018 | 67.5%     | -0.6%    | \$119.31 | 1.7%     | \$80.56  | 1.1%     |
| 2017 | 67.9%     | 1.6%     | \$117.29 | 1.4%     | \$79.67  | 3.0%     |
| 2016 | 66.9%     | -1.8%    | \$115.62 | 2.0%     | \$77.32  | 0.2%     |
| 2015 | 68.1%     | 1.3%     | \$113.31 | 3.1%     | \$77.16  | 4.5%     |
| 2014 | 67.2%     | 2.2%     | \$109.90 | 1.0%     | \$73.85  | 3.3%     |
| 2013 | 65.8%     | -3.8%    | \$108.77 | 4.7%     | \$71.52  | 0.8%     |
| 2012 | 68.3%     | 4.7%     | \$103.86 | 1.1%     | \$70.97  | 5.9%     |
| 2011 | 65.3%     | 2.4%     | \$102.71 | 0.5%     | \$67.03  | 2.9%     |

## MIDSCALE &amp; ECONOMY PERFORMANCE

| Year | Occupancy |          | ADR      |          | RevPAR   |          |
|------|-----------|----------|----------|----------|----------|----------|
|      | Percent   | % Change | Per Room | % Change | Per Room | % Change |
| 2025 | 68.4%     | 0.3%     | \$114.33 | 2.9%     | \$78.23  | 3.2%     |
| 2024 | 68.2%     | 1.1%     | \$111.13 | 3.1%     | \$75.83  | 4.3%     |
| 2023 | 67.5%     | 5.7%     | \$107.76 | 7.8%     | \$72.72  | 14.0%    |
| 2022 | 63.8%     | 6.2%     | \$100    | 7.0%     | \$63.81  | 13.6%    |
| 2021 | 60.1%     | 38.7%    | \$93.48  | 19.6%    | \$56.20  | 65.9%    |
| YTD  | 60.1%     | 38.7%    | \$93.48  | 19.6%    | \$56.20  | 65.9%    |
| 2020 | 43.4%     | -32.4%   | \$78.13  | -9.1%    | \$33.87  | -38.5%   |
| 2019 | 64.1%     | 1.6%     | \$85.96  | -0.3%    | \$55.12  | 1.3%     |
| 2018 | 63.1%     | -2.1%    | \$86.19  | 3.5%     | \$54.40  | 1.3%     |
| 2017 | 64.5%     | 12.6%    | \$83.30  | -3.4%    | \$53.70  | 8.8%     |
| 2016 | 57.2%     | -3.0%    | \$86.22  | 2.2%     | \$49.35  | -0.9%    |
| 2015 | 59.0%     | 6.3%     | \$84.34  | 2.7%     | \$49.77  | 9.2%     |
| 2014 | 55.5%     | -1.1%    | \$82.09  | 2.9%     | \$45.59  | 1.9%     |
| 2013 | 56.1%     | -5.3%    | \$79.75  | 3.2%     | \$44.77  | -2.3%    |
| 2012 | 59.3%     | 11.1%    | \$77.30  | 1.5%     | \$45.80  | 12.8%    |
| 2011 | 53.3%     | 5.8%     | \$76.13  | 0.4%     | \$40.60  | 6.2%     |

## Appendix

## Bellingham/Northwest Hospitality

## OVERALL SALES

| Year | Completed Transactions (1) |         |          |             |                |              | Market Pricing Trends (2) |             |          |
|------|----------------------------|---------|----------|-------------|----------------|--------------|---------------------------|-------------|----------|
|      | Deals                      | Volume  | Turnover | Avg Price   | Avg Price/Room | Avg Cap Rate | Price/Room                | Price Index | Cap Rate |
| 2026 | -                          | -       | -        | -           | -              | -            | \$104,834                 | 183         | 9.1%     |
| 2025 | -                          | -       | -        | -           | -              | -            | \$104,466                 | 182         | 9.1%     |
| 2024 | -                          | -       | -        | -           | -              | -            | \$101,848                 | 178         | 9.1%     |
| 2023 | -                          | -       | -        | -           | -              | -            | \$98,848                  | 172         | 9.0%     |
| 2022 | -                          | -       | -        | -           | -              | -            | \$93,997                  | 164         | 9.0%     |
| YTD  | -                          | -       | -        | -           | -              | -            | \$87,848                  | 153         | 9.0%     |
| 2021 | 6                          | \$31.2M | 3.2%     | \$5,197,500 | \$105,712      | 7.8%         | \$86,852                  | 152         | 9.0%     |
| 2020 | 8                          | \$13M   | 2.7%     | \$1,623,200 | \$52,151       | -            | \$93,033                  | 162         | 9.2%     |
| 2019 | 8                          | \$41.8M | 6.3%     | \$5,228,125 | \$72,362       | 10.3%        | \$100,608                 | 176         | 9.3%     |
| 2018 | 7                          | \$43.9M | 6.3%     | \$6,275,585 | \$76,934       | 10.4%        | \$97,277                  | 170         | 9.4%     |
| 2017 | 9                          | \$21.1M | 5.7%     | \$2,349,692 | \$40,668       | 9.0%         | \$94,631                  | 165         | 9.3%     |
| 2016 | 11                         | \$43.9M | 5.4%     | \$3,989,615 | \$91,049       | 9.7%         | \$91,363                  | 159         | 9.2%     |
| 2015 | 9                          | \$30.5M | 4.9%     | \$3,391,148 | \$70,573       | -            | \$88,974                  | 155         | 8.9%     |
| 2014 | 5                          | \$13.5M | 2.4%     | \$2,694,390 | \$67,360       | -            | \$85,935                  | 150         | 8.6%     |
| 2013 | 6                          | \$41.6M | 7.0%     | \$6,938,333 | \$70,799       | 8.6%         | \$82,254                  | 144         | 8.6%     |
| 2012 | 5                          | \$21.4M | 6.2%     | \$4,280,600 | \$42,635       | 11.7%        | \$75,991                  | 133         | 8.5%     |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## LUXURY &amp; UPPER UPSCALE SALES

| Year | Completed Transactions (1) |        |          |           |                |              | Market Pricing Trends (2) |             |          |
|------|----------------------------|--------|----------|-----------|----------------|--------------|---------------------------|-------------|----------|
|      | Deals                      | Volume | Turnover | Avg Price | Avg Price/Room | Avg Cap Rate | Price/Room                | Price Index | Cap Rate |
| 2026 | -                          | -      | -        | -         | -              | -            | \$230,449                 | 217         | 7.8%     |
| 2025 | -                          | -      | -        | -         | -              | -            | \$229,640                 | 217         | 7.8%     |
| 2024 | -                          | -      | -        | -         | -              | -            | \$223,885                 | 211         | 7.8%     |
| 2023 | -                          | -      | -        | -         | -              | -            | \$217,291                 | 205         | 7.7%     |
| 2022 | -                          | -      | -        | -         | -              | -            | \$206,628                 | 195         | 7.7%     |
| YTD  | -                          | -      | -        | -         | -              | -            | \$189,242                 | 178         | 7.7%     |
| 2021 | -                          | -      | -        | -         | -              | -            | \$191,279                 | 180         | 7.7%     |
| 2020 | -                          | -      | -        | -         | -              | -            | \$197,221                 | 186         | 8.0%     |
| 2019 | -                          | -      | -        | -         | -              | -            | \$205,816                 | 194         | 8.2%     |
| 2018 | -                          | -      | -        | -         | -              | -            | \$196,625                 | 185         | 8.4%     |
| 2017 | -                          | -      | -        | -         | -              | -            | \$189,833                 | 179         | 8.3%     |
| 2016 | -                          | -      | -        | -         | -              | -            | \$184,571                 | 174         | 8.2%     |
| 2015 | -                          | -      | -        | -         | -              | -            | \$178,071                 | 168         | 8.0%     |
| 2014 | -                          | -      | -        | -         | -              | -            | \$169,130                 | 159         | 7.8%     |
| 2013 | -                          | -      | -        | -         | -              | -            | \$157,798                 | 149         | 7.8%     |
| 2012 | -                          | -      | -        | -         | -              | -            | \$146,319                 | 138         | 7.8%     |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## Appendix

## Bellingham/Northwest Hospitality

## UPSCALE &amp; UPPER MIDSACLE SALES

| Year | Completed Transactions (1) |         |          |              |                |              | Market Pricing Trends (2) |             |          |
|------|----------------------------|---------|----------|--------------|----------------|--------------|---------------------------|-------------|----------|
|      | Deals                      | Volume  | Turnover | Avg Price    | Avg Price/Room | Avg Cap Rate | Price/Room                | Price Index | Cap Rate |
| 2026 | -                          | -       | -        | -            | -              | -            | \$143,485                 | 184         | 8.5%     |
| 2025 | -                          | -       | -        | -            | -              | -            | \$142,982                 | 183         | 8.4%     |
| 2024 | -                          | -       | -        | -            | -              | -            | \$139,399                 | 179         | 8.4%     |
| 2023 | -                          | -       | -        | -            | -              | -            | \$135,293                 | 173         | 8.4%     |
| 2022 | -                          | -       | -        | -            | -              | -            | \$128,654                 | 165         | 8.3%     |
| YTD  | -                          | -       | -        | -            | -              | -            | \$119,993                 | 154         | 8.3%     |
| 2021 | 1                          | \$19M   | 2.7%     | \$19,000,000 | \$180,952      | 8.5%         | \$119,003                 | 153         | 8.3%     |
| 2020 | 1                          | \$1.2M  | 0.3%     | \$1,180,000  | \$107,273      | -            | \$129,929                 | 167         | 8.4%     |
| 2019 | -                          | -       | -        | -            | -              | -            | \$141,334                 | 181         | 8.5%     |
| 2018 | 2                          | \$28.1M | 8.9%     | \$14,033,443 | \$88,261       | -            | \$137,074                 | 176         | 8.6%     |
| 2017 | -                          | -       | -        | -            | -              | -            | \$131,026                 | 168         | 8.6%     |
| 2016 | 2                          | \$15.7M | 4.0%     | \$7,825,000  | \$115,074      | 7.8%         | \$125,529                 | 161         | 8.5%     |
| 2015 | 4                          | \$22.1M | 7.5%     | \$5,531,129  | \$88,333       | -            | \$120,369                 | 154         | 8.3%     |
| 2014 | 1                          | \$7.6M  | 2.6%     | \$7,560,000  | \$100,800      | -            | \$117,290                 | 150         | 8.1%     |
| 2013 | 3                          | \$34.7M | 13.5%    | \$11,550,000 | \$88,168       | 8.8%         | \$112,448                 | 144         | 8.0%     |
| 2012 | 1                          | \$6.8M  | 5.5%     | \$6,800,000  | \$45,333       | -            | \$103,540                 | 133         | 8.0%     |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## MIDSCALE &amp; ECONOMY SALES

| Year | Completed Transactions (1) |         |          |             |                |              | Market Pricing Trends (2) |             |          |
|------|----------------------------|---------|----------|-------------|----------------|--------------|---------------------------|-------------|----------|
|      | Deals                      | Volume  | Turnover | Avg Price   | Avg Price/Room | Avg Cap Rate | Price/Room                | Price Index | Cap Rate |
| 2026 | -                          | -       | -        | -           | -              | -            | \$71,902                  | 178         | 9.7%     |
| 2025 | -                          | -       | -        | -           | -              | -            | \$71,649                  | 178         | 9.6%     |
| 2024 | -                          | -       | -        | -           | -              | -            | \$69,854                  | 173         | 9.6%     |
| 2023 | -                          | -       | -        | -           | -              | -            | \$67,796                  | 168         | 9.6%     |
| 2022 | -                          | -       | -        | -           | -              | -            | \$64,469                  | 160         | 9.5%     |
| YTD  | -                          | -       | -        | -           | -              | -            | \$60,044                  | 149         | 9.5%     |
| 2021 | 5                          | \$12.2M | 3.7%     | \$2,437,000 | \$64,132       | 7.5%         | \$59,461                  | 147         | 9.5%     |
| 2020 | 7                          | \$11.8M | 4.7%     | \$1,686,514 | \$49,603       | -            | \$62,145                  | 154         | 9.8%     |
| 2019 | 8                          | \$41.8M | 11.0%    | \$5,228,125 | \$72,362       | 10.3%        | \$66,855                  | 166         | 9.9%     |
| 2018 | 5                          | \$15.9M | 4.8%     | \$3,172,442 | \$62,696       | 10.4%        | \$64,414                  | 160         | 10.1%    |
| 2017 | 9                          | \$21.1M | 9.9%     | \$2,349,692 | \$40,668       | 9.0%         | \$64,427                  | 160         | 9.9%     |
| 2016 | 9                          | \$28.2M | 6.5%     | \$3,137,307 | \$81,606       | 13.4%        | \$62,873                  | 156         | 9.7%     |
| 2015 | 5                          | \$8.4M  | 3.4%     | \$1,679,163 | \$46,131       | -            | \$62,675                  | 155         | 9.3%     |
| 2014 | 4                          | \$5.9M  | 2.4%     | \$1,477,988 | \$47,296       | -            | \$59,873                  | 148         | 9.1%     |
| 2013 | 3                          | \$7M    | 3.7%     | \$2,326,667 | \$35,795       | 8.2%         | \$57,315                  | 142         | 9.0%     |
| 2012 | 4                          | \$14.6M | 6.7%     | \$3,650,750 | \$41,486       | 11.7%        | \$53,188                  | 132         | 9.0%     |

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## Appendix


## Bellingham/Northwest Hospitality

## DELIVERIES &amp; UNDER CONSTRUCTION

| Year | Inventory |       |          | Deliveries |       | Net Deliveries |       | Under Construction |       |
|------|-----------|-------|----------|------------|-------|----------------|-------|--------------------|-------|
|      | Bldgs     | Rooms | % Change | Bldgs      | Rooms | Bldgs          | Rooms | Bldgs              | Rooms |
| YTD  | 156       | 9,293 | 0%       | 1          | 65    | 1              | 65    | 0                  | 0     |
| 2021 | 156       | 9,293 | 2.2%     | 2          | 199   | 2              | 199   | 1                  | 65    |
| 2020 | 154       | 9,095 | -1.4%    | 0          | 0     | 0              | 0     | 3                  | 264   |
| 2019 | 157       | 9,223 | 2.1%     | 2          | 187   | 2              | 187   | 0                  | 0     |
| 2018 | 155       | 9,035 | -0.5%    | 1          | 26    | 1              | 26    | 2                  | 187   |
| 2017 | 155       | 9,080 | 1.5%     | 2          | 174   | 1              | 153   | 1                  | 83    |
| 2016 | 155       | 8,944 | 0.7%     | 1          | 37    | 0              | 0     | 1                  | 153   |
| 2015 | 155       | 8,880 | 6.2%     | 3          | 232   | 2              | 204   | 0                  | 0     |
| 2014 | 151       | 8,359 | -0.1%    | 0          | 0     | 0              | 0     | 1                  | 105   |
| 2013 | 151       | 8,365 | 2.5%     | 3          | 221   | 2              | 203   | 0                  | 0     |
| 2012 | 149       | 8,162 | 2.3%     | 2          | 181   | 2              | 181   | 0                  | 0     |

## Room Share Overview

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group reviewed Room Share Market data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Room Share Overview Data:

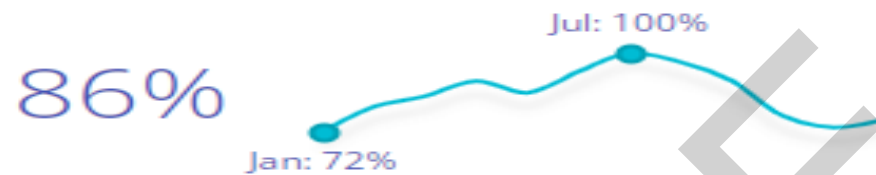
-  Occupancy Rate
-  Average Daily Rate
-  Monthly Revenue
-  Unit Type
-  Rental Growth
-  Unit Amenities

## Room Share Data Summary

At the time of this report, the area had around 321 active room share rental units.

### Room Share Occupancy in the Bellingham, WA Area:

#### Occupancy Rate



### Room Share Average Daily Rate in the Bellingham, WA Area:

#### Average Daily Rate



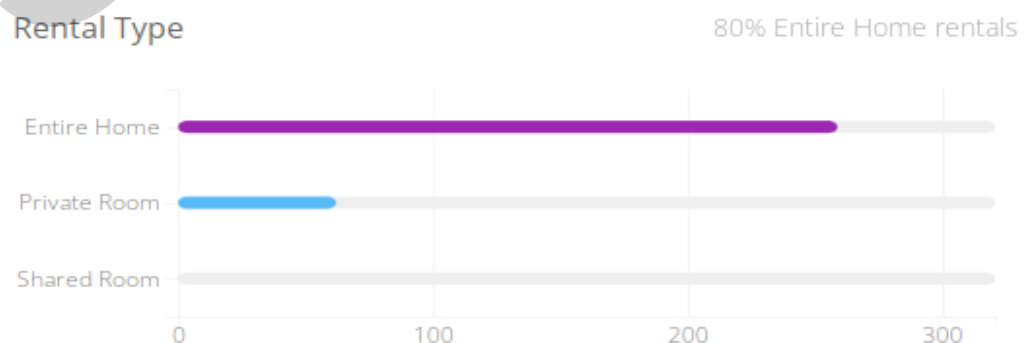
### Room Share Average Monthly Revenue in the Bellingham, WA Area:

#### Revenue



### Room Share Rental Type in the Bellingham, WA Area:

#### Rental Type





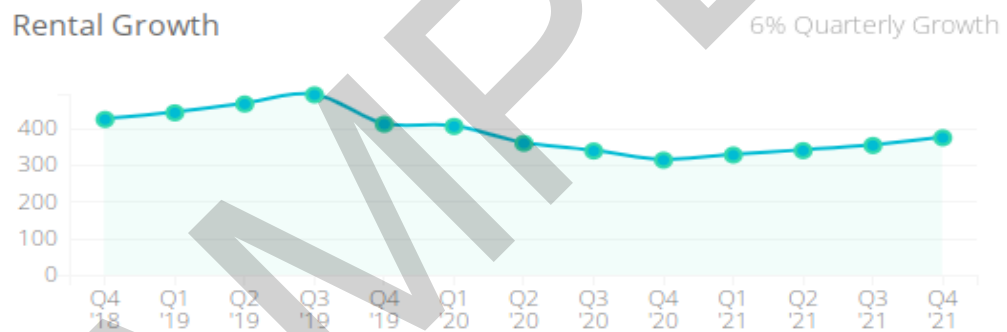
## Room Share Data Summary (continued)

At the time of this report, the area units, 73% were listed in airbnb and 17% are listed on Vrbo.

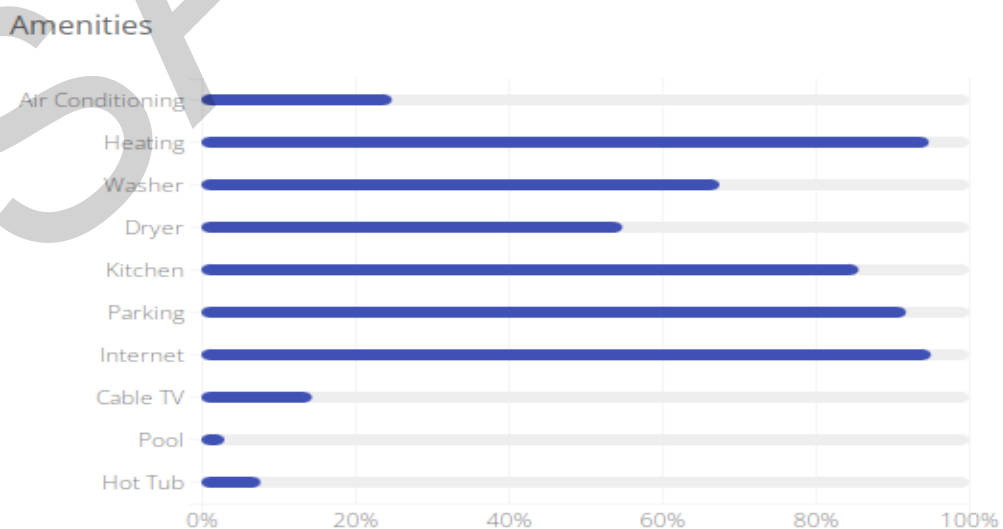
### Room Share Rental Sizes in the Bellingham, WA Area:



### Room Share Rental Growth in the Bellingham, WA Area:



### Room Share Rental Amenities in the Bellingham, WA Area:



Source: AirDNA.co

## Economic Impact Summary

In this section of the report, Core Distinction Group has compiled a summary of what the potential direct and indirect economic impact could be for the proposed hotel development. This projection offers revenue and job creation information based on this hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected.



Direct Economic Impact



Indirect Economic Impact

SAMPLE

## Direct Economic Impact

When considering the potential Direct Economic Impact of a new hotel in the community, you look at the direct tax revenue the community is gaining from the project. This takes into consideration Lodging/Bed Taxes when applicable, Sales Taxes and Real Estate Taxes. Below you will find the estimated tax revenue of this project broken down in each category:

| Sales Tax Revenue Per Year |           |
|----------------------------|-----------|
| Year                       | Sales Tax |
| Ramp Up Year               | \$272,337 |
| Year One                   | \$315,011 |
| Year Two                   | \$332,133 |
| Year Three                 | \$350,236 |
| Year Four                  | \$361,585 |
| Year Five                  | \$364,476 |

*Based on 8% Sales Tax (6.5% for State and 1.5% for Whatcom County)*

| Lodging/Bed Sales Tax Revenue Per Year |           |
|--|-----------|
| Year                                   | Sales Tax |
| Ramp Up Year                           | \$136,169 |
| Year One                               | \$157,505 |
| Year Two                               | \$166,066 |
| Year Three                             | \$175,118 |
| Year Four                              | \$180,792 |
| Year Five                              | \$182,238 |

*Based on 4% Lodging/Bed Tax*

| Real Estate Tax Revenue Per Year (Based on Estimates) |                 |
|---|-----------------|
| Year  | Real Estate Tax |
| Ramp Up Year  | \$150,000       |
| Year One  | \$150,000       |
| Year Two  | \$150,000       |
| Year Three  | \$150,000       |
| Year Four   | \$150,000       |
| Year Five   | \$150,000       |

This information does not account for the collateral economic impact as well. There are many collateral economic impacts that can be accounted for. Additional revenue (and usage) from your sewer, water, trash disposal, utilities and so on all noted in the Pro Forma. The construction period can also promote additional economic growth. All of these add up and vary.

## Indirect Economic Impact Estimates

When considering the potential Indirect Economic Impact of a new hotel in the community, you look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining. This does not take into consideration any taxes increased by said purchases. Below you will find the average rooms sold each year for the potential hotel project:

| Rooms Sold Per Year Average |           |            |
|-----------------------------|-----------|------------|
| Year                        | Occupancy | Rooms Sold |
| Ramp Up Year                | 62.1%     | 17,459     |
| Year One                    | 69.0%     | 19,399     |
| Year Two                    | 71.1%     | 19,981     |
| Year Three                  | 73.2%     | 20,580     |
| Year Four                   | 75.0%     | 21,079     |
| Year Five                   | 75.0%     | 21,079     |

Taking this into consideration, the estimates of rooms sold each day can be found below:

| Average Rooms Per Night Sold |    |
|------------------------------|----|
| Ramp Up Year                 | 48 |
| Year One                     | 53 |
| Year Two                     | 55 |
| Year Three                   | 56 |
| Year Four                    | 58 |
| Year Five                    | 58 |

## Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is \$45 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around \$18 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated\* to be around:

| Average Indirect Food Revenue Per Day |         |
|---------------------------------------|---------|
| Ramp Up Year                          | \$2,152 |
| Year One                              | \$2,392 |
| Year Two                              | \$2,463 |
| Year Three                            | \$2,537 |
| Year Four                             | \$2,599 |
| Year Five                             | \$2,599 |

| Average Indirect Food Revenue Per Year |           |
|--|-----------|
| Ramp Up Year                           | \$785,646 |
| Year One                               | \$872,940 |
| Year Two                               | \$899,128 |
| Year Three                             | \$926,102 |
| Year Four                              | \$948,544 |
| Year Five                              | \$948,544 |

\* Based on the assumption of one person per room night sold.

Based on this information, it can be assumed this additional revenue will also create indirect food service jobs. When considering the additional food revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs\*:

| Average Indirect Food Service Jobs Needed |      |
|---|------|
| Ramp Up Year                              | 12.7 |
| Year One                                  | 14.2 |
| Year Two                                  | 14.6 |
| Year Three                                | 15.0 |
| Year Four                                 | 15.4 |
| Year Five                                 | 15.4 |

\* Based on 32 hours a week and the median average base hourly rate of Food Service Workers of \$11.12 per hour, at the time of this report according to [www.payscale.com](http://www.payscale.com).

## Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of \$45 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

| Average Indirect Entertainment/Activities Revenue Per Day |         |
|---|---------|
| Ramp Up Year  | \$2,152 |
| Year One  | \$2,392 |
| Year Two  | \$2,463 |
| Year Three  | \$2,537 |
| Year Four   | \$2,599 |
| Year Five   | \$2,599 |

| Average Indirect Entertainment/Activities Revenue Per Year |           |
|--|-----------|
| Ramp Up Year   | \$785,646 |
| Year One   | \$872,940 |
| Year Two   | \$899,128 |
| Year Three   | \$926,102 |
| Year Four  | \$948,544 |
| Year Five  | \$948,544 |

*\* Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect tour guide or tourism industry jobs. When considering the additional food revenue into your community, industry standards states that around 25% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs\*:

| Average Indirect Entertainment/Activities Jobs Needed |     |
|---|-----|
| Ramp Up Year  | 7.9 |
| Year One  | 8.7 |
| Year Two  | 9.0 |
| Year Three  | 9.3 |
| Year Four   | 9.5 |
| Year Five   | 9.5 |

*\* Based on 32 hours a week and the median average base hourly rate of Tour Guide of \$15 per hour, at the time of this report according to [www.salary.com](http://www.salary.com).*

## Indirect Economic Impact Estimates (continued)

The average person spends about \$21 on alcoholic beverages in the United States of America per day.

| Average Indirect Alcoholic Beverages Revenue Per Day |         |
|--|---------|
| Ramp Up Year   | \$1,004 |
| Year One   | \$1,116 |
| Year Two   | \$1,150 |
| Year Three   | \$1,184 |
| Year Four  | \$1,213 |
| Year Five  | \$1,213 |

| Average Indirect Alcoholic Beverages Revenue Per Year |           |
|---|-----------|
| Ramp Up Year  | \$366,635 |
| Year One  | \$407,372 |
| Year Two  | \$419,593 |
| Year Three  | \$432,181 |
| Year Four   | \$442,654 |
| Year Five   | \$442,654 |

*\* Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect bartender jobs. When considering the additional alcoholic beverage revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs\*:

| Average Indirect Bartender Jobs Needed |     |
|--|-----|
| Ramp Up Year                           | 6.0 |
| Year One                               | 6.7 |
| Year Two                               | 6.9 |
| Year Three                             | 7.1 |
| Year Four                              | 7.3 |
| Year Five                              | 7.3 |

*\* Based on 32 hours a week and the median average base hourly rate of a bartender of \$11 per hour, at the time of this report according to [www.salary.com](http://www.salary.com).*

**Indirect Economic Impact Estimates (continued)**

The average price for Tips and Handouts in the United States of America is \$12 per day. The usual amount for a tip in the United States of America is 10% - 20%.

| Average Indirect Tips/Handouts Revenue Per Day |       |
|--|-------|
| Ramp Up Year                                   | \$574 |
| Year One                                       | \$638 |
| Year Two                                       | \$657 |
| Year Three                                     | \$677 |
| Year Four                                      | \$693 |
| Year Five                                      | \$693 |

| Average Indirect Tips/Handouts Revenue Per Year |           |
|---|-----------|
| Ramp Up Year                                    | \$209,506 |
| Year One  | \$232,784 |
| Year Two  | \$239,768 |
| Year Three                                      | \$246,961 |
| Year Four                                       | \$252,945 |
| Year Five                                       | \$252,945 |

*\* Based on the assumption of one person per room night sold.*

Based on this additional revenue being paid, the increase in both food, beverage, and entertainment/activity, service worker's hourly wage would increase substantially in the market.

*Source: BudgetYourTravel.com*



## Conclusion

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group LLC offers an overview and overall description of the conclusion and recommendations found through its research and analysis. This section will contain:



**Current Hotel Segment Recommendations for Market Studied**



**Current Hotel Size Recommendations for Market Studied**



**Recommended Sleeping Room Configuration for Market Studied**



**Current Economic Impact of Hotel for Market Studied**

## Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Bellingham, WA. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Bellingham and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be between 70-90 guestrooms in this report. This would position it to be similar in size to the average room size of 60-104 noted by the competitive sets surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of extended stay guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 20-35 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

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## Understanding Terms

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC has taken the time to offer detailed definitions of words and terms highlighted throughout this report. This section contains the information to help readers navigate industry terms.

SAMPLE

## Understanding Terms:

Below you will find definitions of industry terms used throughout this report to help the reader gain an understanding of certain phrases and indicators:

### Average Daily Rate (ADR)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.  $ADR = \text{Room Revenue} / \text{Rooms Sold}$

### Chain Scale

Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

### Competitive Set (Comp Set)

A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

### Date-To-Date Comparison

Comparison of daily performance by actual calendar date (1st of January this year vs. 1st of January last year).

### Day-To-Day Comparison

Comparison of daily performance by day of week (Monday this year vs. Monday last year).

### Demand

The number of rooms sold in a specified time period (excludes complimentary rooms).

### Group Rooms

Typically defined as 10 or more rooms per night sold, pursuant to a signed agreement. Refer to Data Reporting Guidelines for more specific application.

### Index

Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR. An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

**Occupancy (OCC)**

Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.  $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

**Revenue Per Available Room (RevPAR)**

Total room revenue divided by the total number of available rooms.  $\text{Room Revenue} / \text{Rooms Available} = \text{RevPAR}$

**Total Revenue**

Revenue from all hotel operations - including rooms, Food and Beverage, other revenue departments (i.e., spa, golf, parking) and miscellaneous revenue (i.e., rentals, leases, resort fees and cancellation fees).

**Year to Date**

Period starting at the beginning of the current year and ending on the current date.

**Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:**

- All-Inclusive: Property with rooms sold only as a complete package, bundling overnight accommodations and value-added amenities and services (i.e., food, beverage, activities and gratuities, etc.)
- All-Suite: Property with guestroom inventory that exclusively consists of rooms offering more space and furniture than a typical hotel room, including a designated living area or multiple rooms.
- B&B/Inn: Independently owned and operated properties that typically include breakfast in the room rates, 20 rooms or fewer and a resident/owner innkeeper.
- Boutique: Hotel that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.
- Condo: Individually and wholly-owned condominium units. Inventory is included in a rental pool operated and serviced by a management company.
- Conference Center: Lodging hotel with a major focus on conference facilities.
- Convention Center: Property with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 square feet).
- Destination Resort: Property that appeals to leisure travelers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

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**Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level.  
(Continued)**

- Extended Stay: Properties typically focused on attracting guests for extended periods. These properties quote weekly rates. The typical length of stay average for guests is four to seven nights.
- Full Service Hotel: Typically Upscale, Upper Upscale and Luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas.
- Gaming/Casino: Property with a major focus on casino operations.
- Golf: Property that includes a golf course amenity as part of its operations. A property does not qualify if it only has privileges on a nearby course.
- Hotel/Motel: Standard hotel or motel operation.
- Limited Service: Property that offers limited facilities and amenities, typically without a full-service restaurant. These hotels are often in the Economy, Midscale or Upper Midscale class.
- Lifestyle Brand: Group of hotels operating under the same brand that is adapted to reflect current trends.
- New Build: Property built from the ground up, not a conversion of a building that was not previously a hotel.
- Ski: Property with onsite access to ski slopes.
- Soft Brand: Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation.
- Spa: Property with an onsite spa facility and full-time staff offering spa treatments.
- Timeshare: Property that typically is a resort condominium unit, in which multiple parties hold property use rights, and each timeshare owner is allotted a period of time when the property may be used.
- Waterpark: An indoor or outdoor waterpark resort with a lodging establishment containing an aquatic facility.

# LEADERSHIP

## LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. She began in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several distressed Midwest properties until moving on to work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing 25+ Midwest hotels, in both both rural and metropolitan markets, including Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During her 10 years as Regional Director of Operations, Lisa oversaw multiple brands such as: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for Highest Performing Hotels in all capacities including, revenue, operations, guest service score, turnover, etc.



## JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple of years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on Sales, Marketing, and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she needed about running a hotel, she set her sights on what happens before a hotel is built. She worked in many separate executive roles within an up-and-coming hotel franchise. Miss Junker offers hands-on expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.



# SCOPE OF WORK

Core Distinction Group takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thoughtout and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

## RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. Research and Community Outreach is conducted within the first one to two weeks following receipt of the retainer.

## SITE VISIT & COMMUNITY INTERVIEWS

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community and need for lodging. The tour also includes a detailed analysis of potential sites for the project.

## COMMUNITY INTERVIEWS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process.

## DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

## \*DATA RECEIVING & REPORTING

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

## COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing costs associated with the specific project.

## PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

## DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted all previous phases, we complete a draft of the study and financial pro forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

## FINAL

After all requested changes are made and final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Pro Forma to the community for distribution.

\*If at this point, Core Distinction Group does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.



## DISCLAIMER

Thank you for the opportunity to complete this market and feasibility study for the proposed hotel project located in Bellingham, WA. We have studied the market area for additional demand for a lodging facility and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the scope of the proposed project, including general site location, size of hotel, and brand segment.

We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

The conclusions presented in this report are based upon the information available and received at the time the report was filed. Core Distinction Group, LLC (CDG) has taken every possible precaution to evaluate this information for its complete accuracy and reliability. Parts of this report were prepared or arranged by third-party contributors, as indicated throughout the document. While third-party contributions have been reviewed by CDG for reasonableness and consistency to be included in this report, third-party information has not been fully audited or sought to be verified by CDG. CDG does not provide financial advice.

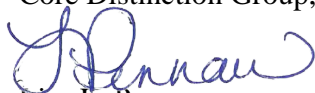
It should be understood that economic and marketplace conditions are in constant change. The results presented in this report are the professional opinion of CDG and are based on information available at the time of the report preparation. These opinions infer that market conditions do not change the information received upon which those opinions have been based. CDG assumes no responsibility for changes in the marketplace. CDG assumes no responsibility for information that becomes outdated once this report is written; nor are we responsible for keeping this information current after the date of the final document presentation.

CDG makes no express or implied representation or warranty that the contents of this report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Those who rely on this report do so at their own risk and CDG disclaims all liability, damages or loss with respect to such reliance.

It is presumed that those reading this report understand the contents and recommendations. If this reader is unclear of understanding the contents, clarification can be received directly from a representative of CDG. While the terms of CDG's engagement do not require that revisions be made to this report to reflect events or conditions which occur subsequent to the date of completion of fieldwork, we are available to discuss the necessity for revisions in view of changes in the economic climate or market factors affecting the proposed hotel project.

Please do not hesitate to call should you have any comments or questions.

Sincerely,  
Core Distinction Group, LLC

  
Lisa L. Pennau  
Owner



# HOTEL MARKET FEASIBILITY STUDY PROFORMA

## PREPARED FOR

BELLINGHAM, WASHINGTON

## PREPARED BY

Core Distinction Group, LLC  
Lisa Pennau - Founding Partner  
[l.pennau@coredistinctiongroup.com](mailto:l.pennau@coredistinctiongroup.com)

Jessica Junker - Managing Partner  
[j.junker@coredistinctiongroup.com](mailto:j.junker@coredistinctiongroup.com)

Offices in Wisconsin

## INCLUDES

Projected Land Costs  
Projected Building Costs  
Projected Fixture, Furnishings and Equipment Costs  
Projected Soft Costs  
Projected Investment  
Projected Revenue  
Projected Expenses  
Projected Return on Investment

## Cobblestone Hotel & Suites

### Bellingham, WA

Number of Units: 77

**Total Project Costs:** **\$17,325,000**  
*per room* *\$225,000*

Requested Loan Amount: \$12,125,000 70.0%  
Expected Cash Injection: \$5,200,000 30.0%

#### Sources of Funding

|                         |                     |
|-------------------------|---------------------|
| Bank Loan               | 12,125,000          |
| Expected Cash Injection | 5,200,000           |
| <b>Total:</b>           | <b>\$17,325,000</b> |

|                       |           |
|-----------------------|-----------|
| <b>Debt Interest:</b> | 4.50%     |
| <b>Debt Terms:</b>    | 25        |
| <b>Debt Service:</b>  | \$808,736 |

\* Pricing noted above valid for 90 days from document date shown

| RAMP UP YEAR:                         |                 |                |                |                |                |                |                |                |                |                |                |                | Rooms:<br>77     |
|---------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
|                                       | January         | February       | March          | April          | May            | June           | July           | August         | September      | October        | November       | December       | TOTAL            |
| Lodging Rooms Available               | 2,387           | 2,156          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 28,105           |
| Lodging Occupancy %                   | 45.2%           | 53.0%          | 59.2%          | 66.1%          | 65.6%          | 70.1%          | 73.1%          | 76.9%          | 70.2%          | 62.9%          | 53.9%          | 48.6%          | 62.1%            |
| Total Occ. Rooms                      | 1,080           | 1,143          | 1,414          | 1,527          | 1,567          | 1,619          | 1,746          | 1,837          | 1,621          | 1,502          | 1,244          | 1,159          | 17,459           |
| Average Daily Rate                    | \$130.46        | \$132.63       | \$138.10       | \$144.18       | \$151.21       | \$163.85       | \$179.40       | \$181.07       | \$160.04       | \$144.02       | \$134.36       | \$133.42       | \$151.99         |
| Revenue Per Available Room (REVPAR)   | \$59.02         | \$70.33        | \$81.80        | \$95.30        | \$99.24        | \$114.83       | \$131.21       | \$139.32       | \$112.31       | \$90.65        | \$72.37        | \$64.81        | \$94.41          |
| <b>Revenue:</b>                       |                 |                |                |                |                |                |                |                |                |                |                |                |                  |
| Guest Room Revenue                    | 140,875         | 151,625        | 195,267        | 220,136        | 236,892        | 265,258        | 313,207        | 332,552        | 259,433        | 216,377        | 167,165        | 154,698        | 2,653,484        |
| F&B Revenue                           | 43,193          | 45,728         | 56,558         | 61,072         | 62,665         | 64,755         | 69,834         | 73,463         | 64,841         | 60,098         | 49,765         | 46,379         | 698,352          |
| Meeting Room Revenue                  | 540             | 572            | 707            | 763            | 783            | 809            | 873            | 918            | 811            | 751            | 622            | 580            | 8,729            |
| Vending Revenue                       | 2,700           | 2,858          | 3,535          | 3,817          | 3,917          | 4,047          | 4,365          | 4,591          | 4,053          | 3,756          | 3,110          | 2,899          | 43,647           |
| <b>TOTAL HOTEL REVENUE</b>            | <b>187,308</b>  | <b>200,783</b> | <b>256,067</b> | <b>285,788</b> | <b>304,257</b> | <b>334,870</b> | <b>388,279</b> | <b>411,525</b> | <b>329,137</b> | <b>280,982</b> | <b>220,663</b> | <b>204,555</b> | <b>3,404,213</b> |
| <b>Hotel Payroll Expenses:</b>        |                 |                |                |                |                |                |                |                |                |                |                |                |                  |
| Hotel Manager                         | 7,500           | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 7,500          | 90,000           |
| AGM/Sales                             | 5,000           | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 60,000           |
| Housekeeping                          | 8,099           | 8,574          | 10,605         | 11,451         | 11,750         | 12,142         | 13,094         | 13,774         | 12,158         | 11,268         | 9,331          | 8,696          | 130,941          |
| F&B Payroll                           | 15,118          | 16,005         | 19,795         | 21,375         | 21,933         | 22,664         | 24,442         | 25,712         | 22,694         | 21,034         | 17,418         | 16,233         | 244,423          |
| Front Desk                            | 6,339           | 6,823          | 8,787          | 9,906          | 10,660         | 11,937         | 14,094         | 14,965         | 11,675         | 9,737          | 7,522          | 6,961          | 119,407          |
| Workers Comp Insurance                | 1,051           | 1,098          | 1,292          | 1,381          | 1,421          | 1,481          | 1,603          | 1,674          | 1,476          | 1,363          | 1,169          | 1,110          | 16,119           |
| Payroll Tax                           | 5,257           | 5,488          | 6,461          | 6,904          | 7,105          | 7,405          | 8,016          | 8,369          | 7,378          | 6,817          | 5,846          | 5,549          | 80,596           |
| <b>TOTAL HOTEL PAYROLL</b>            | <b>48,364</b>   | <b>50,487</b>  | <b>59,440</b>  | <b>63,517</b>  | <b>65,369</b>  | <b>68,129</b>  | <b>73,750</b>  | <b>76,994</b>  | <b>67,880</b>  | <b>62,721</b>  | <b>53,787</b>  | <b>51,049</b>  | <b>741,487</b>   |
| <b>Hotel Operating Expenses:</b>      |                 |                |                |                |                |                |                |                |                |                |                |                |                  |
| Cleaning Supplies                     | 594             | 629            | 778            | 840            | 862            | 890            | 960            | 1,010          | 892            | 826            | 684            | 638            | 9,602            |
| Laundry Supplies                      | 540             | 572            | 707            | 763            | 783            | 809            | 873            | 918            | 811            | 751            | 622            | 580            | 8,729            |
| Linens                                | 1,080           | 1,143          | 1,414          | 1,527          | 1,567          | 1,619          | 1,746          | 1,837          | 1,621          | 1,502          | 1,244          | 1,159          | 17,459           |
| Guest Supplies                        | 1,620           | 1,715          | 2,121          | 2,290          | 2,350          | 2,428          | 2,619          | 2,755          | 2,432          | 2,254          | 1,866          | 1,739          | 26,188           |
| Operating Supplies                    | 918             | 972            | 1,202          | 1,298          | 1,332          | 1,376          | 1,484          | 1,561          | 1,378          | 1,277          | 1,058          | 986            | 14,840           |
| Uniforms Expense                      | 108             | 114            | 141            | 153            | 157            | 162            | 175            | 184            | 162            | 150            | 124            | 116            | 1,746            |
| Repairs & Maintenance                 | 704             | 758            | 976            | 1,101          | 1,184          | 1,326          | 1,566          | 1,663          | 1,297          | 1,082          | 836            | 773            | 13,267           |
| Swimming Pool                         | 833             | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 10,000           |
| Grounds/Landscaping                   | 750             | 750            | 750            | 500            | 250            | 250            | 250            | 250            | 250            | 250            | 500            | 750            | 5,500            |
| Franchise Fees                        | 7,758           | 7,007          | 7,758          | 7,508          | 7,758          | 7,508          | 7,758          | 7,508          | 7,758          | 7,508          | 7,508          | 7,758          | 91,341           |
| Training Expense                      | 417             | 417            | 417            | 417            | 417            | 417            | 417            | 417            | 417            | 417            | 417            | 417            | 5,000            |
| Complimentary Breakfast               | 5,399           | 5,716          | 7,070          | 7,634          | 7,833          | 8,094          | 8,729          | 9,183          | 8,105          | 7,512          | 6,221          | 5,797          | 87,294           |
| Travel Agent Fees                     | 7,044           | 7,581          | 9,763          | 11,007         | 11,845         | 13,263         | 15,660         | 16,628         | 12,972         | 10,819         | 8,358          | 7,735          | 132,674          |
| F&B Expenses                          | 17,277          | 18,291         | 22,623         | 24,429         | 25,066         | 25,902         | 27,934         | 29,385         | 25,936         | 24,039         | 19,906         | 18,552         | 279,341          |
| Vending Expense                       | 1,350           | 1,429          | 1,767          | 1,908          | 1,958          | 2,024          | 2,182          | 2,296          | 2,026          | 1,878          | 1,555          | 1,449          | 21,824           |
| Marketing / Advertising               | 2,818           | 3,033          | 3,905          | 4,403          | 4,738          | 5,305          | 6,264          | 6,651          | 5,189          | 4,328          | 3,343          | 3,094          | 53,070           |
| Utilities                             | 5,619           | 6,023          | 7,682          | 8,574          | 9,128          | 10,046         | 11,648         | 12,346         | 9,874          | 8,429          | 6,620          | 6,137          | 102,126          |
| Cable/Internet/Phone                  | 2,387           | 2,156          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 28,105           |
| Credit Card Expense                   | 4,214           | 4,518          | 5,761          | 6,430          | 6,846          | 7,535          | 8,736          | 9,259          | 7,406          | 6,322          | 4,965          | 4,602          | 76,595           |
| Management Fee                        | 11,238          | 12,047         | 15,364         | 17,147         | 18,255         | 20,092         | 23,297         | 24,691         | 19,748         | 16,859         | 13,240         | 12,273         | 204,253          |
| <b>TOTAL OPERATING EXPENSES</b>       | <b>72,668</b>   | <b>75,704</b>  | <b>93,420</b>  | <b>101,071</b> | <b>105,548</b> | <b>112,190</b> | <b>125,518</b> | <b>132,011</b> | <b>111,165</b> | <b>99,674</b>  | <b>82,210</b>  | <b>77,776</b>  | <b>1,188,954</b> |
| Income Before Fixed Expenses          | 66,276          | 74,592         | 103,206        | 121,200        | 133,340        | 154,551        | 189,011        | 202,519        | 150,092        | 118,587        | 84,666         | 75,731         | 1,473,771        |
| Gross Operating Profit (GOP)          | 35.38%          | 37.15%         | 40.30%         | 42.41%         | 43.82%         | 46.15%         | 48.68%         | 49.21%         | 45.60%         | 42.20%         | 38.37%         | 37.02%         | 43.29%           |
| <b>Reserves &amp; Fixed Expenses:</b> |                 |                |                |                |                |                |                |                |                |                |                |                |                  |
| Debt Service                          | 67,395          | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 808,736          |
| Real Estate Taxes (Estimates)         | 12,500          | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 150,000          |
| Insurance                             | 2,810           | 3,012          | 3,841          | 4,287          | 4,564          | 5,023          | 5,824          | 6,173          | 4,937          | 4,215          | 3,310          | 3,068          | 51,063           |
| Reserves For Replacement              | 0               | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0                |
| <b>TOTAL RESERVES &amp; FIXED</b>     | <b>82,704</b>   | <b>82,906</b>  | <b>83,736</b>  | <b>84,182</b>  | <b>84,459</b>  | <b>84,918</b>  | <b>85,719</b>  | <b>86,068</b>  | <b>84,832</b>  | <b>84,109</b>  | <b>83,205</b>  | <b>82,963</b>  | <b>1,009,799</b> |
| <b>NET OPERATING INCOME (NOI)</b>     | <b>50,966</b>   | <b>59,080</b>  | <b>86,865</b>  | <b>104,414</b> | <b>116,276</b> | <b>137,028</b> | <b>170,686</b> | <b>183,847</b> | <b>132,655</b> | <b>101,873</b> | <b>68,856</b>  | <b>60,163</b>  | <b>1,272,708</b> |
| <b>NET CASH FLOW</b>                  | <b>(16,428)</b> | <b>(8,315)</b> | <b>19,471</b>  | <b>37,019</b>  | <b>48,882</b>  | <b>69,633</b>  | <b>103,292</b> | <b>116,452</b> | <b>65,260</b>  | <b>34,478</b>  | <b>1,461</b>   | <b>(7,232)</b> | <b>463,972</b>   |

NOTE: The above information is a forward looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

| Numbers projected and compared to similar markets for a hotel with the following rooms: |                |                |                |                |                |                |                |                |                |                |                |                | Rooms:<br>77     |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
|   | January        | February       | March          | April          | May            | June           | July           | August         | September      | October        | November       | December       | TOTAL            |
| Lodging Rooms Available   | 2,387          | 2,156          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 28,105           |
| Lodging Occupancy %   | 50.3%          | 58.9%          | 65.8%          | 73.4%          | 72.9%          | 77.9%          | 81.3%          | 85.5%          | 78.0%          | 69.9%          | 59.8%          | 54.0%          | 69.0%            |
| Total Occ. Rooms  | 1,200          | 1,270          | 1,571          | 1,696          | 1,741          | 1,799          | 1,940          | 2,041          | 1,801          | 1,669          | 1,382          | 1,288          | 19,399           |
| Average Daily Rate  | \$137.33       | \$139.61       | \$145.37       | \$151.77       | \$159.17       | \$172.48       | \$188.84       | \$190.60       | \$168.47       | \$151.60       | \$141.43       | \$140.44       | \$159.98         |
| Revenue Per Available Room (REVPAR)   | \$69.03        | \$82.25        | \$95.68        | \$111.46       | \$116.07       | \$134.30       | \$153.47       | \$162.94       | \$131.36       | \$106.02       | \$84.64        | \$75.80        | \$110.42         |
| <b>Revenue:</b>   |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| Guest Room Revenue  | 164,766        | 177,339        | 228,382        | 257,469        | 277,067        | 310,243        | 366,324        | 388,949        | 303,431        | 253,072        | 195,515        | 180,933        | 3,103,490        |
| F&B Revenue   | 47,992         | 50,809         | 62,842         | 67,858         | 69,628         | 71,950         | 77,594         | 81,626         | 72,045         | 66,776         | 55,295         | 51,532         | 775,947          |
| Meeting Room Revenue  | 600            | 635            | 786            | 848            | 870            | 899            | 970            | 1,020          | 901            | 835            | 691            | 644            | 9,699            |
| Vending Revenue   | 3,000          | 3,176          | 3,928          | 4,241          | 4,352          | 4,497          | 4,850          | 5,102          | 4,503          | 4,173          | 3,456          | 3,221          | 48,497           |
| <b>TOTAL HOTEL REVENUE</b>  | <b>216,358</b> | <b>231,959</b> | <b>295,937</b> | <b>330,416</b> | <b>351,916</b> | <b>387,589</b> | <b>449,737</b> | <b>476,697</b> | <b>380,880</b> | <b>324,856</b> | <b>254,957</b> | <b>236,330</b> | <b>3,937,633</b> |
| <b>Hotel Payroll Expenses:</b>  |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| Hotel Manager   | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 7,083          | 85,000           |
| AGM/Sales   | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 60,000           |
| Maintenance   | 3,245          | 3,479          | 4,439          | 4,956          | 5,279          | 5,814          | 6,746          | 7,150          | 5,713          | 4,873          | 3,824          | 3,545          | 59,064           |
| F&B Payroll   | 16,797         | 17,783         | 21,995         | 23,750         | 24,370         | 25,183         | 27,158         | 28,569         | 25,216         | 23,372         | 19,353         | 18,036         | 271,581          |
| Housekeeping  | 8,999          | 9,527          | 11,783         | 12,723         | 13,055         | 13,491         | 14,549         | 15,305         | 13,508         | 12,520         | 10,368         | 9,662          | 145,490          |
| Front Desk  | 6,591          | 7,094          | 9,135          | 10,299         | 11,083         | 12,410         | 14,653         | 15,558         | 12,137         | 10,123         | 7,821          | 7,237          | 124,140          |
| Workers Comp Insurance  | 1,193          | 1,249          | 1,486          | 1,595          | 1,647          | 1,725          | 1,880          | 1,967          | 1,716          | 1,574          | 1,336          | 1,264          | 18,632           |
| Payroll Tax   | 6,113          | 6,402          | 7,615          | 8,176          | 8,440          | 8,838          | 9,634          | 10,079         | 8,797          | 8,068          | 6,848          | 6,479          | 95,488           |
| <b>TOTAL HOTEL PAYROLL</b>  | <b>55,021</b>  | <b>57,617</b>  | <b>68,536</b>  | <b>73,583</b>  | <b>75,956</b>  | <b>79,543</b>  | <b>86,702</b>  | <b>90,711</b>  | <b>79,171</b>  | <b>72,614</b>  | <b>61,634</b>  | <b>58,307</b>  | <b>859,396</b>   |
| <b>Hotel Operating Expenses:</b>  |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| Cleaning Supplies   | 660            | 699            | 864            | 933            | 957            | 989            | 1,067          | 1,122          | 991            | 918            | 760            | 709            | 10,669           |
| Laundry Supplies  | 600            | 635            | 786            | 848            | 870            | 899            | 970            | 1,020          | 901            | 835            | 691            | 644            | 9,699            |
| Linens  | 1,200          | 1,270          | 1,571          | 1,696          | 1,741          | 1,799          | 1,940          | 2,041          | 1,801          | 1,669          | 1,382          | 1,288          | 19,399           |
| Guest Supplies  | 1,800          | 1,905          | 2,357          | 2,545          | 2,611          | 2,698          | 2,910          | 3,061          | 2,702          | 2,504          | 2,074          | 1,932          | 29,098           |
| Operating Supplies  | 1,020          | 1,080          | 1,335          | 1,442          | 1,480          | 1,529          | 1,649          | 1,735          | 1,531          | 1,419          | 1,175          | 1,095          | 16,489           |
| Repairs & Maintenance   | 824            | 887            | 1,142          | 1,287          | 1,385          | 1,551          | 1,832          | 1,945          | 1,517          | 1,265          | 978            | 905            | 15,517           |
| Swimming Pool   | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 833            | 10,000           |
| Grounds/Landscaping   | 1,000          | 1,000          | 1,000          | 750            | 500            | 500            | 500            | 500            | 500            | 500            | 750            | 1,000          | 8,500            |
| Franchise Fees  | 7,758          | 7,007          | 7,758          | 7,508          | 7,758          | 7,508          | 7,758          | 7,758          | 7,508          | 7,758          | 7,508          | 7,758          | 91,341           |
| Complimentary Breakfast   | 4,799          | 5,081          | 6,284          | 6,786          | 6,963          | 7,195          | 7,759          | 8,163          | 7,205          | 6,678          | 5,529          | 5,153          | 77,595           |
| Travel Agent Fees   | 8,238          | 8,867          | 11,419         | 12,873         | 13,853         | 15,512         | 18,316         | 19,447         | 15,172         | 12,654         | 9,776          | 9,047          | 155,175          |
| F&B Expenses  | 19,197         | 20,324         | 25,137         | 27,143         | 27,851         | 28,780         | 31,037         | 32,650         | 28,818         | 26,710         | 22,118         | 20,613         | 331,379          |
| Vending Expense   | 1,500          | 1,588          | 1,964          | 2,121          | 2,176          | 2,248          | 2,425          | 2,551          | 2,251          | 2,087          | 1,728          | 1,610          | 24,248           |
| Marketing / Advertising   | 3,295          | 3,547          | 4,568          | 5,149          | 5,541          | 6,205          | 7,326          | 7,779          | 6,069          | 5,061          | 3,910          | 3,619          | 62,070           |
| Utilities   | 6,491          | 6,959          | 8,878          | 9,912          | 10,557         | 11,628         | 13,492         | 14,301         | 11,426         | 9,746          | 7,649          | 7,090          | 118,129          |
| Cable/Internet/Phone  | 2,387          | 2,156          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 2,387          | 2,310          | 2,387          | 2,310          | 2,387          | 28,105           |
| Credit Card Expense   | 4,868          | 5,219          | 6,659          | 7,434          | 7,918          | 8,721          | 10,119         | 10,726         | 8,570          | 7,309          | 5,737          | 5,317          | 88,597           |
| Management Fee  | 12,981         | 13,918         | 17,756         | 19,825         | 21,115         | 23,255         | 26,984         | 28,602         | 22,853         | 19,491         | 15,297         | 14,180         | 236,258          |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>79,451</b>  | <b>82,974</b>  | <b>102,697</b> | <b>111,396</b> | <b>116,498</b> | <b>124,161</b> | <b>139,305</b> | <b>146,620</b> | <b>122,956</b> | <b>109,825</b> | <b>90,205</b>  | <b>85,180</b>  | <b>1,311,268</b> |
| Income Before Fixed Expenses  | 81,886         | 91,368         | 124,704        | 145,436        | 159,463        | 183,886        | 223,730        | 239,365        | 178,752        | 142,418        | 103,118        | 92,843         | 1,766,970        |
| Gross Operating Profit (GOP)  | 37.85%         | 39.39%         | 42.14%         | 44.02%         | 45.31%         | 47.44%         | 49.75%         | 50.21%         | 46.93%         | 43.84%         | 40.45%         | 39.29%         | 44.87%           |
| <b>Reserves &amp; Fixed Expenses:</b>   |                |                |                |                |                |                |                |                |                |                |                |                |                  |
| Debt Service  | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 67,395         | 808,736          |
| Real Estate Taxes (Estimates)   | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 12,500         | 150,000          |
| Insurance   | 3,245          | 3,479          | 4,439          | 4,956          | 5,279          | 5,814          | 6,746          | 7,150          | 5,713          | 4,873          | 3,824          | 3,545          | 59,064           |
| Reserves For Replacement  | 4,327          | 4,639          | 5,919          | 6,608          | 7,038          | 7,752          | 8,995          | 9,534          | 7,618          | 6,497          | 5,099          | 4,727          | 78,753           |
| <b>TOTAL RESERVES &amp; FIXED</b>   | <b>87,467</b>  | <b>88,013</b>  | <b>90,253</b>  | <b>91,459</b>  | <b>92,212</b>  | <b>93,460</b>  | <b>95,635</b>  | <b>96,579</b>  | <b>93,225</b>  | <b>91,265</b>  | <b>88,818</b>  | <b>88,166</b>  | <b>1,096,553</b> |
| <b>NET OPERATING INCOME (NOI)</b>   | <b>61,813</b>  | <b>70,750</b>  | <b>101,846</b> | <b>121,372</b> | <b>134,646</b> | <b>157,820</b> | <b>195,489</b> | <b>210,181</b> | <b>152,921</b> | <b>118,548</b> | <b>81,695</b>  | <b>72,071</b>  | <b>1,479,152</b> |
| <b>NET CASH FLOW</b>  | <b>(5,582)</b> | <b>3,355</b>   | <b>34,451</b>  | <b>53,977</b>  | <b>67,251</b>  | <b>90,426</b>  | <b>128,095</b> | <b>142,786</b> | <b>85,527</b>  | <b>51,153</b>  | <b>14,300</b>  | <b>4,677</b>   | <b>670,416</b>   |

## Five Year Numbers Projected Summary

|                            | YEAR 1           |              | YEAR 2           |              | YEAR 3           |              | YEAR 4           |              | YEAR 5           |
|----------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|
|                            | AMOUNT           |              | AMOUNT           |              | AMOUNT           |              | AMOUNT           |              | AMOUNT           |
| Lodging Rooms Available    | 28,105           |              | 28,105           |              | 28,105           |              | 28,105           |              | 28,105           |
| Lodging Occupancy %        | 69.0%            |              | 71.1%            |              | 73.2%            |              | 75.0%            |              | 75.0%            |
| Total Occ. Rooms           | 19,399           |              | 19,981           |              | 20,580           |              | 21,079           |              | 21,079           |
| Average Daily Rate         | \$159.98         |              | \$164.78         |              | \$169.73         |              | \$171.43         |              | \$173.14         |
| <b>REVENUE:</b>            |                  |              |                  |              |                  |              |                  |              |                  |
| Guest Room Revenue         | 3,103,490        | 98.2%        | 3,292,493        | 98.2%        | 3,493,006        | 98.3%        | 3,613,425        | 98.3%        | 3,649,560        |
| Meeting Room Revenue       | 9,699            | 0.3%         | 9,990            | 0.3%         | 10,290           | 0.3%         | 10,539           | 0.3%         | 10,539           |
| Vending / Bar Revenue      | 48,497           | 1.5%         | 49,952           | 1.5%         | 51,450           | 1.4%         | 52,697           | 1.4%         | 52,697           |
| =====                      |                  |              | =====            |              | =====            |              | =====            |              | =====            |
| <b>TOTAL HOTEL REVENUE</b> | <b>3,161,686</b> | <b>100.0</b> | <b>3,352,435</b> | <b>100.0</b> | <b>3,554,746</b> | <b>100.0</b> | <b>3,676,662</b> | <b>100.0</b> | <b>3,712,796</b> |

NOTE: The above information is a forward looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

**5 Year Projection**

Rooms:

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The following statistics are preliminary projections based on assumed costs of a prototypical hotel.

|  | Year 1           | %             | Year 2           | %             | Year 3           | %             | Year 4           | %             | Year 5           | %             |
|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Lodging Rooms Available                      | 28,105           |               | 28,105           |               | 28,105           |               | 28,105           |               | 28,105           |               |
| Lodging Occupancy %                          | 69.0%            | 69.0%         | 71.1%            | 71.1%         | 73.2%            | 73.2%         | 75.0%            | 75.0%         | 75.0%            | 75.0%         |
| Total Occ. Rooms                             | 19,399           |               | 19,981           |               | 20,580           |               | 21,079           |               | 21,079           |               |
| Average Daily Rate                           | \$159.98         |               | \$164.78         |               | \$169.73         |               | \$171.43         |               | \$173.14         |               |
| Revenue Per Available Room (REVPAR)          | \$110.42         |               | \$117.15         |               | \$124.28         |               | \$128.57         |               | \$129.85         |               |
| <b>Revenue:</b>                              |                  |               |                  |               |                  |               |                  |               |                  |               |
| Guest Room Revenue                           | 3,103,490        | 78.82%        | 3,292,493        | 79.31%        | 3,493,006        | 79.79%        | 3,613,425        | 79.95%        | 3,649,560        | 80.11%        |
| F&B Revenue                                  | 775,947          | 19.71%        | 799,225          | 19.25%        | 823,202          | 18.80%        | 843,150          | 18.65%        | 843,150          | 18.51%        |
| Meeting Room Revenue                         | 9,699            | 0.25%         | 9,990            | 0.24%         | 10,290           | 0.24%         | 10,539           | 0.23%         | 10,539           | 0.23%         |
| Vending Revenue                              | 48,497           | 1.23%         | 49,952           | 1.20%         | 51,450           | 1.18%         | 52,697           | 1.17%         | 52,697           | 1.16%         |
| <b>TOTAL HOTEL REVENUE</b>                   | <b>3,937,633</b> | <b>100%</b>   | <b>4,151,660</b> | <b>100%</b>   | <b>4,377,948</b> | <b>100%</b>   | <b>4,519,812</b> | <b>100%</b>   | <b>4,555,946</b> | <b>100%</b>   |
| <b>Hotel Payroll Expenses:</b>               |                  |               |                  |               |                  |               |                  |               |                  |               |
| Hotel Manager                                | 85,000           | 2.16%         | 86,275           | 2.08%         | 87,569           | 2.00%         | 88,883           | 1.97%         | 90,216           | 1.98%         |
| AGM/Sales                                    | 60,000           | 1.52%         | 60,900           | 1.47%         | 61,814           | 1.41%         | 62,741           | 1.39%         | 63,682           | 1.40%         |
| Maintenance                                  | 59,064           | 1.50%         | 49,387           | 1.19%         | 69,860           | 1.60%         | 72,269           | 1.60%         | 72,991           | 1.60%         |
| Housekeeping                                 | 145,490          | 3.69%         | 149,855          | 3.61%         | 154,350          | 3.53%         | 158,091          | 3.50%         | 158,091          | 3.47%         |
| F&B Payroll                                  | 271,581          | 6.90%         | 279,729          | 6.74%         | 288,121          | 6.58%         | 295,103          | 6.53%         | 295,103          | 6.48%         |
| Front Desk                                   | 124,140          | 3.15%         | 127,864          | 3.08%         | 131,700          | 3.01%         | 135,651          | 3.00%         | 139,720          | 3.07%         |
| Workers Comp Insurance                       | 18,632           | 0.47%         | 18,850           | 0.45%         | 19,835           | 0.45%         | 20,318           | 0.45%         | 20,495           | 0.45%         |
| Payroll Tax                                  | 95,488           | 2.43%         | 96,607           | 2.33%         | 101,656          | 2.32%         | 104,132          | 2.30%         | 105,037          | 2.31%         |
| <b>TOTAL HOTEL PAYROLL</b>                   | <b>859,396</b>   | <b>21.83%</b> | <b>869,467</b>   | <b>20.94%</b> | <b>914,905</b>   | <b>20.90%</b> | <b>937,186</b>   | <b>20.74%</b> | <b>945,334</b>   | <b>20.75%</b> |
| <b>Hotel Operating Expenses:</b>             |                  |               |                  |               |                  |               |                  |               |                  |               |
| Cleaning Supplies                            | 10,669           | 0.27%         | 10,989           | 0.26%         | 11,319           | 0.26%         | 11,593           | 0.26%         | 11,593           | 0.25%         |
| Laundry Supplies                             | 9,699            | 0.25%         | 9,990            | 0.24%         | 10,290           | 0.24%         | 10,539           | 0.23%         | 10,539           | 0.23%         |
| Linens                                       | 19,399           | 0.49%         | 19,981           | 0.48%         | 20,580           | 0.47%         | 21,079           | 0.47%         | 21,079           | 0.46%         |
| Guest Supplies                               | 29,098           | 0.74%         | 29,971           | 0.72%         | 30,870           | 0.71%         | 31,618           | 0.70%         | 31,618           | 0.69%         |
| Operating Supplies                           | 16,489           | 0.42%         | 16,984           | 0.41%         | 17,493           | 0.40%         | 17,917           | 0.40%         | 17,917           | 0.39%         |
| Repairs & Maintenance                        | 15,517           | 0.39%         | 21,401           | 0.52%         | 26,198           | 0.60%         | 30,714           | 0.68%         | 34,671           | 0.76%         |
| Swimming Pool                                | 10,000           | 0.25%         | 11,500           | 0.28%         | 13,225           | 0.30%         | 15,209           | 0.34%         | 17,490           | 0.38%         |
| Grounds/Landscape                            | 8,500            | 0.22%         | 8,755            | 0.21%         | 9,018            | 0.21%         | 9,288            | 0.21%         | 9,567            | 0.21%         |
| Franchise Fees                               | 91,341           | 2.32%         | 91,341           | 2.20%         | 91,341           | 2.09%         | 91,341           | 2.02%         | 91,341           | 2.00%         |
| Complimentary Breakfast                      | 77,595           | 1.97%         | 79,923           | 1.93%         | 82,320           | 1.88%         | 84,315           | 1.87%         | 84,315           | 1.85%         |
| Travel Agent Fees                            | 155,175          | 3.94%         | 164,625          | 3.97%         | 174,650          | 3.99%         | 180,671          | 4.00%         | 182,478          | 4.01%         |
| F&B Expenses                                 | 310,379          | 7.88%         | 319,690          | 7.70%         | 329,281          | 7.52%         | 337,260          | 7.46%         | 337,260          | 7.40%         |
| Vending Expense                              | 24,248           | 0.62%         | 24,976           | 0.60%         | 25,725           | 0.59%         | 26,348           | 0.58%         | 26,348           | 0.58%         |
| Marketing / Advertising                      | 62,070           | 1.58%         | 65,850           | 1.59%         | 69,860           | 1.60%         | 72,269           | 1.60%         | 72,991           | 1.60%         |
| Utilities                                    | 118,129          | 3.00%         | 124,550          | 3.00%         | 131,338          | 3.00%         | 135,594          | 3.00%         | 136,678          | 3.00%         |
| Cable/Internet/Phone                         | 28,105           | 0.71%         | 28,948           | 0.70%         | 29,817           | 0.68%         | 30,711           | 0.68%         | 31,632           | 0.69%         |
| Credit Card Expense                          | 88,597           | 2.25%         | 93,412           | 2.25%         | 98,504           | 2.25%         | 101,696          | 2.25%         | 102,509          | 2.25%         |
| Management Fee                               | 236,258          | 6.00%         | 249,100          | 6.00%         | 262,677          | 6.00%         | 271,189          | 6.00%         | 273,357          | 6.00%         |
| <b>TOTAL OPERATING EXPENSES</b>              | <b>1,311,268</b> | <b>33.30%</b> | <b>1,371,985</b> | <b>33.05%</b> | <b>1,434,506</b> | <b>32.77%</b> | <b>1,479,352</b> | <b>32.73%</b> | <b>1,493,384</b> | <b>32.78%</b> |
| Income Before Fixed Expenses                 | <b>1,766,970</b> | <b>44.87%</b> | <b>1,910,207</b> | <b>46.01%</b> | <b>2,028,537</b> | <b>46.34%</b> | <b>2,103,274</b> | <b>46.53%</b> | <b>2,117,227</b> | <b>46.47%</b> |
| Gross Operating Profit (GOP)                 |                  |               |                  |               |                  |               |                  |               |                  |               |
| <b>Reserves &amp; Fixed Expenses:</b>        |                  |               |                  |               |                  |               |                  |               |                  |               |
| Real Estate Taxes (Estimates)                | 150,000          | 3.81%         | 150,000          | 3.61%         | 150,000          | 3.43%         | 150,000          | 3.32%         | 150,000          | 3.29%         |
| Insurance                                    | 59,064           | 1.50%         | 62,275           | 1.50%         | 65,669           | 1.50%         | 67,797           | 1.50%         | 68,339           | 1.50%         |
| Reserves For Replacement                     | 78,753           | 2.00%         | 124,550          | 3.00%         | 131,338          | 3.00%         | 180,792          | 4.00%         | 182,238          | 4.00%         |
| <b>NET OPERATING INCOME (NOI)</b>            | <b>1,479,152</b> | <b>37.56%</b> | <b>1,573,383</b> | <b>37.90%</b> | <b>1,681,529</b> | <b>38.41%</b> | <b>1,704,684</b> | <b>37.72%</b> | <b>1,716,650</b> | <b>37.68%</b> |
| Loan (Interest Payment)                      | 600,268          | 15.24%        | 405,071          | 9.76%         | 395,165          | 9.03%         | 384,804          | 8.51%         | 373,968          | 8.21%         |
| Loan (Principal Reduction)                   | 208,468          | 5.29%         | 403,665          | 9.72%         | 413,571          | 9.45%         | 423,932          | 9.38%         | 434,768          | 9.54%         |
| <b>NET CASH FLOW</b>                         | <b>\$670,416</b> | <b>17.03%</b> | <b>\$764,646</b> | <b>18.42%</b> | <b>\$872,793</b> | <b>19.94%</b> | <b>\$895,948</b> | <b>19.82%</b> | <b>\$907,914</b> | <b>19.93%</b> |
| <b>RETURN ON INVESTMENT (ROI) %</b>          | <b>12.89%</b>    |               | <b>14.70%</b>    |               | <b>16.78%</b>    |               | <b>17.23%</b>    |               | <b>17.46%</b>    |               |
| <b>ROI % (Including Principal Reduction)</b> | <b>16.90%</b>    |               | <b>22.47%</b>    |               | <b>24.74%</b>    |               | <b>25.38%</b>    |               | <b>25.82%</b>    |               |

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

**5 Year Break Even**

Rooms:

77

The following statistics are preliminary projections based on assumed costs of a prototypical hotel.

|                                       | Year 1           | %             | Year 2           | %             | Year 3           | %             | Year 4           | %             | Year 5           | %             |
|---------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Lodging Rooms Available               | 28,105           |               | 28,105           |               | 28,105           |               | 28,105           |               | 28,105           |               |
| Lodging Occupancy %                   | 43.8%            | 43.8%         | 43.2%            | 43.2%         | 42.5%            | 42.5%         | 43.6%            | 43.6%         | 43.5%            | 43.5%         |
| Total Occ. Rooms                      | 12,296           |               | 12,143           |               | 11,948           |               | 12,251           |               | 12,228           |               |
| Average Daily Rate                    | \$159.98         |               | \$164.78         |               | \$169.73         |               | \$171.43         |               | \$173.14         |               |
| Revenue Per Available Room (REVPAR)   | \$69.99          |               | \$71.20          |               | \$72.15          |               | \$74.72          |               | \$75.33          |               |
| <b>Revenue:</b>                       |                  |               |                  |               |                  |               |                  |               |                  |               |
| Guest Room Revenue                    | 1,967,172        | 78.82%        | 2,000,975        | 79.31%        | 2,027,907        | 79.79%        | 2,100,128        | 79.95%        | 2,117,147        | 80.11%        |
| F&B Revenue                           | 491,840          | 19.71%        | 485,720          | 19.25%        | 477,920          | 18.80%        | 490,040          | 18.65%        | 489,120          | 18.51%        |
| Meeting Room Revenue                  | 6,148            | 0.25%         | 6,072            | 0.24%         | 5,974            | 0.24%         | 6,126            | 0.23%         | 6,114            | 0.23%         |
| Vending Revenue                       | 30,740           | 1.23%         | 30,358           | 1.20%         | 29,870           | 1.18%         | 30,628           | 1.17%         | 30,570           | 1.16%         |
| <b>TOTAL HOTEL REVENUE</b>            | <b>2,495,900</b> | <b>100%</b>   | <b>2,523,124</b> | <b>100%</b>   | <b>2,541,671</b> | <b>100%</b>   | <b>2,626,921</b> | <b>100%</b>   | <b>2,642,951</b> | <b>100%</b>   |
| <b>Hotel Payroll Expenses:</b>        |                  |               |                  |               |                  |               |                  |               |                  |               |
| Hotel Manager                         | 85,000           | 3.41%         | 87,550           | 3.47%         | 90,177           | 3.55%         | 92,882           | 3.54%         | 95,668           | 3.62%         |
| AGM/Sales                             | 60,000           | 2.40%         | 60,900           | 2.41%         | 61,814           | 2.43%         | 62,741           | 2.39%         | 63,682           | 2.41%         |
| Maintenance                           | 37,438           | 1.50%         | 30,015           | 1.19%         | 40,558           | 1.60%         | 52,503           | 2.00%         | 52,929           | 2.00%         |
| Housekeeping                          | 92,220           | 3.69%         | 91,073           | 3.61%         | 89,610           | 3.53%         | 91,883           | 3.50%         | 91,710           | 3.47%         |
| F&B Payroll                           | 172,144          | 6.90%         | 170,002          | 6.74%         | 167,272          | 6.58%         | 171,514          | 6.53%         | 171,192          | 6.48%         |
| Front Desk                            | 80,000           | 3.21%         | 82,400           | 3.27%         | 84,872           | 3.34%         | 87,418           | 3.33%         | 90,041           | 3.41%         |
| Workers Comp Insurance                | 13,170           | 0.53%         | 13,048           | 0.52%         | 13,358           | 0.53%         | 13,974           | 0.53%         | 14,131           | 0.53%         |
| Payroll Tax                           | 67,497           | 2.70%         | 66,873           | 2.65%         | 68,457           | 2.69%         | 71,614           | 2.73%         | 72,419           | 2.74%         |
| <b>TOTAL HOTEL PAYROLL</b>            | <b>607,469</b>   | <b>24.34%</b> | <b>601,861</b>   | <b>23.85%</b> | <b>616,117</b>   | <b>24.24%</b> | <b>644,528</b>   | <b>24.54%</b> | <b>651,771</b>   | <b>24.66%</b> |
| <b>Hotel Operating Expenses:</b>      |                  |               |                  |               |                  |               |                  |               |                  |               |
| Cleaning Supplies                     | 6,763            | 0.27%         | 6,679            | 0.26%         | 6,571            | 0.26%         | 6,738            | 0.26%         | 6,725            | 0.25%         |
| Laundry Supplies                      | 6,148            | 0.25%         | 6,072            | 0.24%         | 5,974            | 0.24%         | 6,126            | 0.23%         | 6,114            | 0.23%         |
| Linens                                | 12,296           | 0.49%         | 12,143           | 0.48%         | 11,948           | 0.47%         | 12,251           | 0.47%         | 12,228           | 0.46%         |
| Guest Supplies                        | 18,444           | 0.74%         | 18,215           | 0.72%         | 17,922           | 0.71%         | 18,377           | 0.70%         | 18,342           | 0.69%         |
| Operating Supplies                    | 10,452           | 0.42%         | 10,322           | 0.41%         | 10,156           | 0.40%         | 10,413           | 0.40%         | 10,394           | 0.39%         |
| Repairs & Maintenance                 | 9,836            | 0.39%         | 13,006           | 0.52%         | 15,209           | 0.60%         | 17,851           | 0.68%         | 20,113           | 0.76%         |
| Swimming Pool                         | 10,000           | 0.40%         | 11,500           | 0.46%         | 13,225           | 0.52%         | 15,209           | 0.58%         | 17,490           | 0.66%         |
| Grounds/Landscape                     | 8,500            | 0.34%         | 8,755            | 0.35%         | 9,018            | 0.35%         | 9,288            | 0.35%         | 9,567            | 0.36%         |
| Franchise Fees                        | 91,341           | 3.66%         | 91,341           | 3.62%         | 91,341           | 3.59%         | 91,341           | 3.48%         | 91,341           | 3.46%         |
| Complimentary Breakfast               | 49,184           | 1.97%         | 48,572           | 1.93%         | 47,792           | 1.88%         | 49,004           | 1.87%         | 48,912           | 1.85%         |
| Travel Agent Fees                     | 59,015           | 2.36%         | 60,029           | 2.38%         | 60,837           | 2.39%         | 63,004           | 2.40%         | 63,514           | 2.40%         |
| F&B Expenses                          | 196,736          | 7.88%         | 194,288          | 7.70%         | 191,168          | 7.52%         | 196,016          | 7.46%         | 195,648          | 7.40%         |
| Vending Expense                       | 15,370           | 0.62%         | 15,179           | 0.60%         | 14,935           | 0.59%         | 15,314           | 0.58%         | 15,285           | 0.58%         |
| Marketing / Advertising               | 39,343           | 1.58%         | 40,019           | 1.59%         | 40,558           | 1.60%         | 42,003           | 1.60%         | 42,343           | 1.60%         |
| Utilities                             | 74,877           | 3.00%         | 75,694           | 3.00%         | 76,250           | 3.00%         | 78,808           | 3.00%         | 79,289           | 3.00%         |
| Cable/Internet/Phone                  | 28,105           | 1.13%         | 28,948           | 1.15%         | 29,817           | 1.17%         | 30,711           | 1.17%         | 31,632           | 1.20%         |
| Credit Card Expense                   | 56,158           | 2.25%         | 56,770           | 2.25%         | 57,188           | 2.25%         | 59,106           | 2.25%         | 59,466           | 2.25%         |
| Management Fee                        | 149,754          | 6.00%         | 151,387          | 6.00%         | 152,500          | 6.00%         | 157,615          | 6.00%         | 158,577          | 6.00%         |
| <b>TOTAL OPERATING EXPENSES</b>       | <b>842,322</b>   | <b>33.75%</b> | <b>848,919</b>   | <b>33.65%</b> | <b>852,409</b>   | <b>33.54%</b> | <b>879,174</b>   | <b>33.47%</b> | <b>886,981</b>   | <b>33.56%</b> |
| Income Before Fixed Expenses          | <b>1,046,109</b> |               | <b>1,072,344</b> |               | <b>1,073,145</b> |               | <b>1,103,219</b> |               | <b>1,104,199</b> |               |
| Gross Operating Profit (GOP)          |                  |               |                  |               |                  |               |                  |               |                  |               |
| <b>Reserves &amp; Fixed Expenses:</b> |                  |               |                  |               |                  |               |                  |               |                  |               |
| Real Estate Taxes (Estimates)         | 150,000          | 6.01%         | 150,000          | 5.95%         | 150,000          | 5.90%         | 150,000          | 5.71%         | 150,000          | 5.68%         |
| Insurance                             | 37,438           | 1.50%         | 37,847           | 1.50%         | 38,125           | 1.50%         | 39,404           | 1.50%         | 39,644           | 1.50%         |
| Reserves For Replacement              | 49,918           | 2.00%         | 75,694           | 3.00%         | 76,250           | 3.00%         | 105,077          | 4.00%         | 105,718          | 4.00%         |
| <b>NET OPERATING INCOME (NOI)</b>     | <b>808,752</b>   | <b>32.40%</b> | <b>808,803</b>   | <b>32.06%</b> | <b>808,769</b>   | <b>31.82%</b> | <b>808,739</b>   | <b>30.79%</b> | <b>808,837</b>   | <b>30.60%</b> |
| Loan (Interest Payment)               | 600,268          | 24.05%        | 405,071          | 16.05%        | 395,165          | 15.55%        | 384,804          | 14.65%        | 373,968          | 14.15%        |
| Loan (Principal Reduction)            | 208,468          | 8.35%         | 403,665          | 16.00%        | 413,571          | 16.27%        | 423,932          | 16.14%        | 434,768          | 16.45%        |
| <b>NET CASH FLOW</b>                  | <b>\$16</b>      | <b>0.00%</b>  | <b>\$67</b>      | <b>0.00%</b>  | <b>\$33</b>      | <b>0.00%</b>  | <b>\$2</b>       | <b>0.00%</b>  | <b>\$101</b>     | <b>0.00%</b>  |

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.

This lodging demand analysis is based on general observations of the surrounding market area and the overall Bellingham, WA market area.

| 1st Quarter (Jan-Mar)   | January   | February  | March     |           |
|-------------------------|-----------|-----------|-----------|-----------|
| Lodging Rooms Available | 2,387     | 2,156     | 2,387     |           |
| Lodging Occupancy %     | 50.3%     | 58.9%     | 65.8%     |           |
| Total Occ. Rooms        | 1,200     | 1,270     | 1,571     |           |
| Average Daily Rate      | 137.33    | 139.61    | 145.37    |           |
| Total Revenue           | \$164,766 | \$177,339 | \$228,382 |           |
| 2nd Quarter (Apr-June)  | April     | May       | June      |           |
| Lodging Rooms Available | 2,310     | 2,387     | 2,310     |           |
| Lodging Occupancy %     | 73.4%     | 72.9%     | 77.9%     |           |
| Total Occ. Rooms        | 1,696     | 1,741     | 1,799     |           |
| Average Daily Rate      | 151.77    | 159.17    | 172.48    |           |
| Total Revenue           | \$257,469 | \$277,067 | \$310,243 |           |
| 3rd Quarter (July-Sept) | July      | August    | September |           |
| Lodging Rooms Available | 2,387     | 2,387     | 2,310     |           |
| Lodging Occupancy %     | 81.3%     | 85.5%     | 78.0%     |           |
| Total Occ. Rooms        | 1,940     | 2,041     | 1,801     |           |
| Average Daily Rate      | 188.84    | 190.60    | 168.47    |           |
| Total Revenue           | \$366,324 | \$388,949 | \$303,431 |           |
| 4th Quarter (Oct-Dec)   | October   | November  | December  | TOTAL     |
| Lodging Rooms Available | 2,387     | 2,310     | 2,387     | 28,105    |
| Lodging Occupancy %     | 69.9%     | 59.8%     | 54.0%     | 69.0%     |
| Total Occ. Rooms        | 1,669     | 1,382     | 1,288     | 19,399    |
| Average Daily Rate      | 151.60    | 141.43    | 140.44    | \$159.98  |
| Total Revenue           | \$253,072 | \$195,515 | \$180,933 | 3,103,490 |

\* The above forecasts represent projections for occupancy, ADR, and revenue of a developed 77 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by CoStar/Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC



**First Year Ramp Up Projections of 77 Guestroom Lodging Options:**

|       |          |         |               |
|-------|----------|---------|---------------|
| OCC%  | ADR:     | REVPAR  | Room Revenue: |
| 62.1% | \$151.99 | \$94.41 | \$2,653,484   |

**1-5 Year Projections:**

|       |          |          |               |               |
|-------|----------|----------|---------------|---------------|
| OCC%  | ADR:     | REVPAR   | Room Revenue: | <b>YEAR 1</b> |
| 69.0% | \$159.98 | \$110.42 | \$3,103,490   |               |
| OCC%  | ADR:     | REVPAR   | Room Revenue: | <b>YEAR 2</b> |
| 71.1% | \$164.78 | \$117.15 | \$3,292,493   |               |
| OCC%  | ADR:     | REVPAR   | Room Revenue: | <b>YEAR 3</b> |
| 73.2% | \$169.73 | \$124.28 | \$3,493,006   |               |
| OCC%  | ADR:     | REVPAR   | Room Revenue: | <b>YEAR 4</b> |
| 75.0% | \$171.43 | \$128.57 | \$3,613,425   |               |
| OCC%  | ADR:     | REVPAR   | Room Revenue: | <b>YEAR 5</b> |
| 75.0% | \$173.14 | \$129.85 | \$3,649,560   |               |

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of \$250k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the market of Bellingham, WA. The market's demand patterns appear average (pre-Covid) with a strong 2021 recovery at the time of this report.

*Source: Core Distinction Group LLC*

## Proposed Property

In this section of the report, Core Distinction Group has compiled a projection of income and expense for the proposed hotel development. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. This section of the report also details construction/development costs gathered by Core Distinction Group.

## Proposed Property Description

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

## Projected Construction/Development Costs

Gathering the most accurate costs available may help ensure the hotel project projection estimates set in this report be as accurate as possible. Core Distinction Group requested construction/development costs directly from a reputable hotel construction company and/or the brand selected by the client. Core Distinction Group is not responsible for any discrepancies in costs in the future. The total estimated costs for this proposed hotel development project are listed in table below:

| Hotel Construction/Development Costs in Bellingham, WA |              |
|--|--------------|
| Total Estimated Costs                                  | \$17,325,000 |

| Hotel Construction/Development Costs in Bellingham, WA |           |              |
|--|-----------|--------------|
| Total Estimated Costs                                  | \$225,000 | per room/key |

## Projected Hotel Development Revenue

In this section of this report, Core Distinction Group has compiled projections of revenue for the proposed hotel. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. Room revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize by year three. Following the stabilized year, the proposed subject hotel's average rate is projected to increase along with the underlying rate of inflation. Due to the scale of the proposed hotel development, the revenue will also contain a small amount of food and beverage revenue, telephone revenue, meeting space revenue and miscellaneous revenue. Below you will find a five year projection of total revenue for the proposed hotel development:

| Five Year Projected Hotel Development Revenue |                |
|---|----------------|
| <b>Year 1</b>                                 |                |
|   | \$3,937,633.05 |
| <b>Year 2</b>                                 |                |
|   | \$4,151,659.88 |
| <b>Year 3</b>                                 |                |
|   | \$4,377,947.71 |
| <b>Year 4</b>                                 |                |
|   | \$4,519,811.55 |
| <b>Year 5</b>                                 |                |
|   | \$4,555,945.80 |

## Projected Hotel Development Payroll

The projected hotel development payroll expenses consist of all payroll associated with the revenue obtained by the proposed property. Core Distinction Group includes; the General Manager salary, all maintenance payroll, all housekeeping payroll, all front desk payroll, as well as workers compensation insurance and any payroll taxes in its evaluation. Below you will find the forecasted five year proposed property's total payroll:

| Five Year Projected Hotel Development Total Payroll |              |
|---|--------------|
| <b>Year 1</b>                                       |              |
|   | \$859,395.84 |
| <b>Year 2</b>                                       |              |
|   | \$869,467.50 |
| <b>Year 3</b>                                       |              |
|   | \$914,904.96 |
| <b>Year 4</b>                                       |              |
|   | \$937,185.85 |
| <b>Year 5</b>                                       |              |
|   | \$945,334.47 |

## Projected Hotel Development Operating Expenses

The projected hotel development operating expenses consist of all operating expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its operating expenses:

**Cleaning Supply Expenses** - All expenses related to the cleaning of the proposed hotel project.

**Laundry Supply Expenses** - All expenses related to the laundering of the linens at the proposed hotel project.

**Linen Expenses** - All expenses related to the ongoing cost of replacing linens at the proposed hotel project.

**Guest Supply Expenses** - All expenses related to the restocking of supplies used by the guest at proposed hotel project.

**Operating Supply Expenses** - All expenses related to the operations of the proposed hotel project.

**Repairs and Maintenance Expenses** - All expenses related to the repair and maintenance of the proposed hotel project. It should be noted that as a new hotel, these amounts may be lower in the first year or two of operation. However, this also does include any contracts such as elevator maintenance, fire alarm monitoring, etc.

**Swimming Pool Maintenance Expenses** - All expenses related to the upkeep of the pool at the proposed hotel project. It should be noted that if the proposed hotel does not have a pool, this number will not be present in the proposed hotel project expenses.

**Grounds and Landscaping Expenses** - All expenses related to the ongoing maintenance of lawn, landscaping and snow removal (if applicable) of the proposed hotel project.

**Franchise Fee Expenses** - All expenses related to the ongoing fees charged by the franchise to the proposed hotel project.

**Property Management System Expenses** - All expenses related to the ongoing fees charged by the property management system of the proposed hotel project.

**Breakfast Expenses** - All expenses related to the breakfast provided by the proposed hotel project.

**Travel Agent Fee Expenses** - All expenses related to the ongoing fees charged by any travel agent booking revenue at the proposed hotel project. This also includes online travel agent websites.

**Reservation Expenses** - All expenses related to the ongoing fees charged by the central reservation system of proposed hotel project.

## Projected Hotel Development Operating Expenses (continued)

**Vending and Bar Expenses** - All expenses related to the bar or vending area of the proposed hotel project.

**Office Expenses** - All expenses related to the office supplies need at the proposed hotel project.

**Marketing and Advertising Expenses** - All expenses related to the marketing and advertising done for the proposed hotel project.

**Utility Expenses** - All expenses related to the utilities utilized at the proposed hotel project.

**Telephone Expenses** - All expenses related to the phone system at the proposed hotel project.

**Internet Expenses** - All expenses related to the internet system at the proposed hotel project.

**Cable Expenses** - All expenses related to the cable system at the proposed hotel project.

**Waste Removal Expenses** - All expenses related to the removal of waste at the proposed hotel project.

**Dues and Subscription Expenses** - All expenses related to any dues or subscriptions utilized at proposed hotel project.

**Licenses and Permitting Expenses** - All expenses related to any ongoing licenses or permits for the proposed hotel project.

**Credit Card Processing Expenses** - All expenses related to the credit card processing system at the proposed hotel project.

**Management Fee Expenses** - All expenses related to the ongoing professional hotel management fees of the proposed hotel project.

**Accounting Service Expenses** - All expenses related to the ongoing, professional accounting or accountant fees of the proposed hotel project.

**Other Expenses/Frequent Stay Program Expenses** - All expenses related to the brand's frequent stay program at the proposed hotel project. This line also includes any miscellaneous expenses.

**Projected Hotel Development Operating Expenses (continued)**

Below you will find the forecasted five year, proposed property's total operating expenses:

| Five Year Projected Hotel Development Total Operating Expenses |                |
|--|----------------|
| <b>Year 1</b>  |                |
|  | \$1,311,267.64 |
| <b>Year 2</b>  |                |
|  | \$1,371,985.02 |
| <b>Year 3</b>  |                |
|  | \$1,434,505.82 |
| <b>Year 4</b>  |                |
|  | \$1,479,351.89 |
| <b>Year 5</b>  |                |
|  | \$1,493,384.39 |

## Projected Hotel Development Reserves and Fixed Expenses

The projected hotel development reserves and fixed expenses consist of all fixed monthly expenses as well as the reserve for replacement expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its reserves and fixed expenses:

**Real Estate Tax Expenses** - This expense relates to the real estate taxes assessed for the proposed hotel project. In some cases this item could be an estimate and/or may be reduced due to incentives. Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality. The numbers below are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

**Insurance Expenses** - This expense relates to the ongoing property insurance for the proposed hotel project. In some cases this item could be an estimate. The insurance expense consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage. Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy. The numbers to follow are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

**Reserve for Replacement Expenses** - Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's revenue-producing abilities. This expense line includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use. Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and revenue-producing potential of a lodging facility. Studies have indicated that on an ongoing basis a minimum of 4 percent is required to properly maintain hotels. Because the proposed hotel will be a new construction, we used a buildable approach whereas, in the first two years of operation, the reserve was estimated to be 3 percent and in subsequent years the reserve for replacement was estimated to be 4 percent of total sales and is estimated to provide sufficient funds for future capital improvements.

**Projected Hotel Development Reserves and Fixed Expenses (continued)**

Below you will find the forecasted five year, proposed property's total reserves and fixed expenses:

| Five Year Projected Hotel Development Total Reserves and Fixed Expenses |              |
|---|--------------|
| <b>Year 1</b>   |              |
|   | \$287,817.16 |
| <b>Year 2</b>   |              |
|   | \$336,824.69 |
| <b>Year 3</b>   |              |
|   | \$347,007.65 |
| <b>Year 4</b>   |              |
|   | \$398,589.64 |
| <b>Year 5</b>   |              |
|   | \$400,577.02 |



## Projected Hotel Development Loan Expenses

The projected hotel development loan expenses consist of all monthly expenses incurred by the proposed property. Based on our analysis of the current lodging industry's mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the hotel market, it is our opinion that a 4.5% interest, 25-year amortization mortgage is appropriate for the proposed subject hotel. In the mortgage equity analysis, we have applied a loan-to-cost ratio of 70%, which is reasonable to expect based on this interest rate and current parameters. Below you will find the forecasted five year, proposed property's total loan expenses:

| Five Year Projected Hotel Development Total Interest Payment |           |
|--|-----------|
| <b>Year 1</b>  |           |
|  | \$600,268 |
| <b>Year 2</b>  |           |
|  | \$405,071 |
| <b>Year 3</b>  |           |
|  | \$395,165 |
| <b>Year 4</b>  |           |
|  | \$384,804 |
| <b>Year 5</b>  |           |
|  | \$373,968 |

| Five Year Projected Hotel Development Total Principal Reduction |           |
|---|-----------|
| <b>Year 1</b>   |           |
|   | \$208,468 |
| <b>Year 2</b>   |           |
|   | \$403,665 |
| <b>Year 3</b>   |           |
|   | \$413,571 |
| <b>Year 4</b>   |           |
|   | \$423,932 |
| <b>Year 5</b>   |           |
|   | \$434,768 |

## Projected Hotel Development Income

The projected hotel development income is measured by two separate parameters for the proposed property:

**Return On Investment (ROI)** is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment relative to the investment's cost.

**Net Operating Income (NOI)** is a calculation used to analyze the profitability of income-generating real estate investments. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

The projected hotel development Return On Investment (ROI) and Net Operating Income (NOI) for the proposed property are as follows:

| Five Year Projected Hotel Development Total Return On Investment (ROI) |        |
|--|--------|
| <b>Year 1</b>  |        |
|  | 12.89% |
| <b>Year 2</b>  |        |
|  | 14.70% |
| <b>Year 3</b>  |        |
|  | 16.78% |
| <b>Year 4</b>  |        |
|  | 17.23% |
| <b>Year 5</b>  |        |
|  | 17.46% |
| Five Year Projected Hotel Development Total Net Operating Income (NOI) |        |
| <b>Year 1</b>  |        |
|  | 16.90% |
| <b>Year 2</b>  |        |
|  | 22.47% |
| <b>Year 3</b>  |        |
|  | 24.74% |
| <b>Year 4</b>  |        |
|  | 25.38% |
| <b>Year 5</b>  |        |
|  | 25.82% |