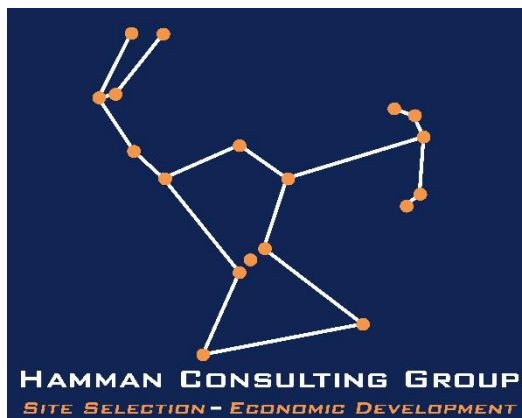


Hotel Development Analysis:

Coshocton, OH



Prepared for:

- Coshocton Port Authority
- OMEGA

October 2023



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INTRODUCTION

The Coshocton Port Authority (“CPA”), in partnership with the Ohio Mid-Eastern Governments Association (“OMEGA”), collectively referred to herein as the “Client,” is under contract with The Hamman Consulting Group (“HCG”) to serve as the Economic Recovery Coordinator for Coshocton County (the “County”). One of the tasks assigned to HCG was to prepare a Hotel Development Analysis.

This analysis will assist the Client in understanding and identifying whether a market opportunity exists within the County, with emphasis on potential locations within the City of Coshocton (the “City”) for the development of a hotel, as well as the potential for other development types at, or adjacent to, potential hotel development parcels (e.g. restaurants). Further, the Hotel Development Analysis will assist the Client with identifying and contacting potential private sector end users and developers.

This Hotel Development Analysis includes the following components:

- Economic Overview – includes a review of tourism assets and analysis of key demographics and other indicators such as population, income, unemployment rates and others.
- Retail Market Analysis – evaluates and quantifies the current retail market by segment, including particular emphasis on restaurants.
- Hotel Market Analysis – analyzes regional market supply, demand and revenue trends.
- Hotel Financial Performance – assumptions and projections to determine financial viability.
- Conclusions, Recommendations & Next Steps – promoting and planning for development.
- Appendix I – A list of the franchise hotels included in the analysis.
- Appendix II – Hotel 5-year financial projections.
- Appendix III – Selected hotel franchise development brochures.

HCG has truly appreciated the opportunity to work with the Client. HCG looks forward to the potential for continued engagement with the Client should it seek additional support and guidance to help advance hotel development or other economic development efforts towards fruition. Please feel free to contact us with any questions related to this report.

Respectfully,

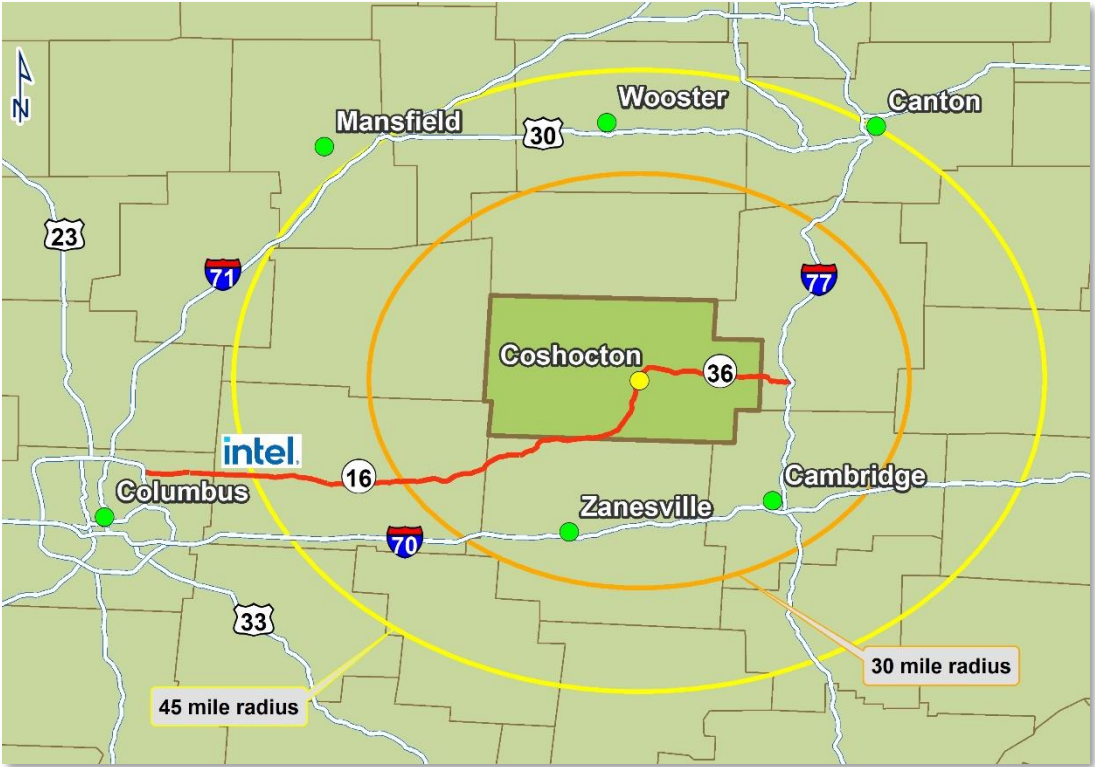
A handwritten signature in blue ink that reads "Jason Hamman".

Jason Hamman, President
The Hamman Consulting Group, Inc.

LOCATION OVERVIEW

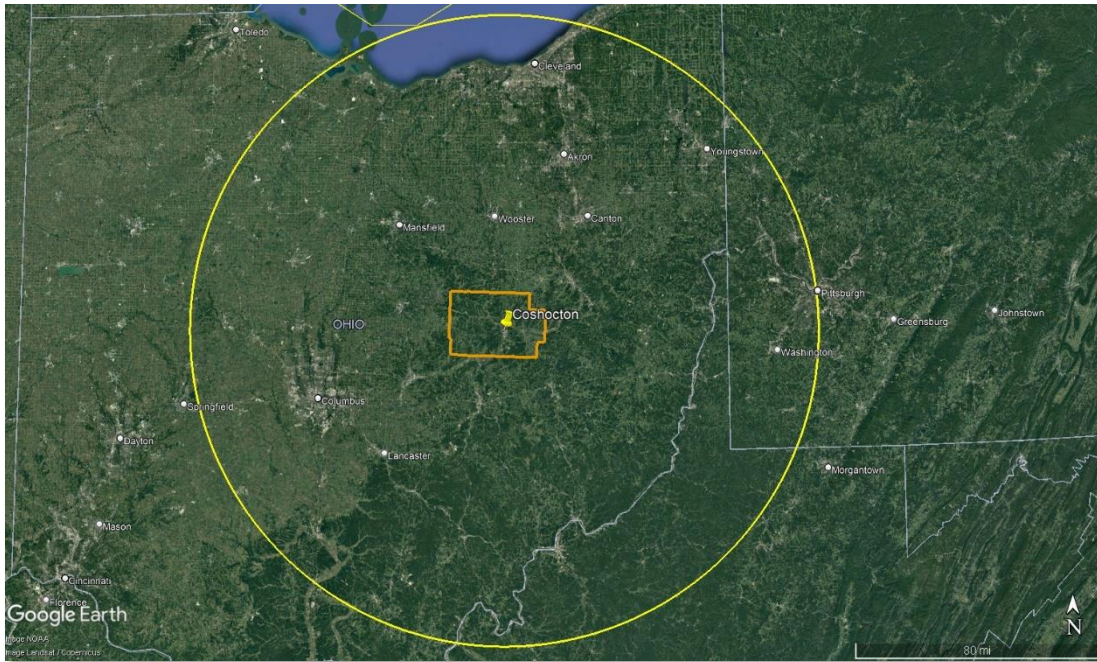


The City of Coshocton is the county seat of Coshocton County, Ohio. Coshocton is located 45 miles from the \$20 Billion Intel development site near New Albany, OH, with direct access via OH-16. US-36 offers direct access from Coshocton to I-77 with a drive-time of approximately 25 minutes.

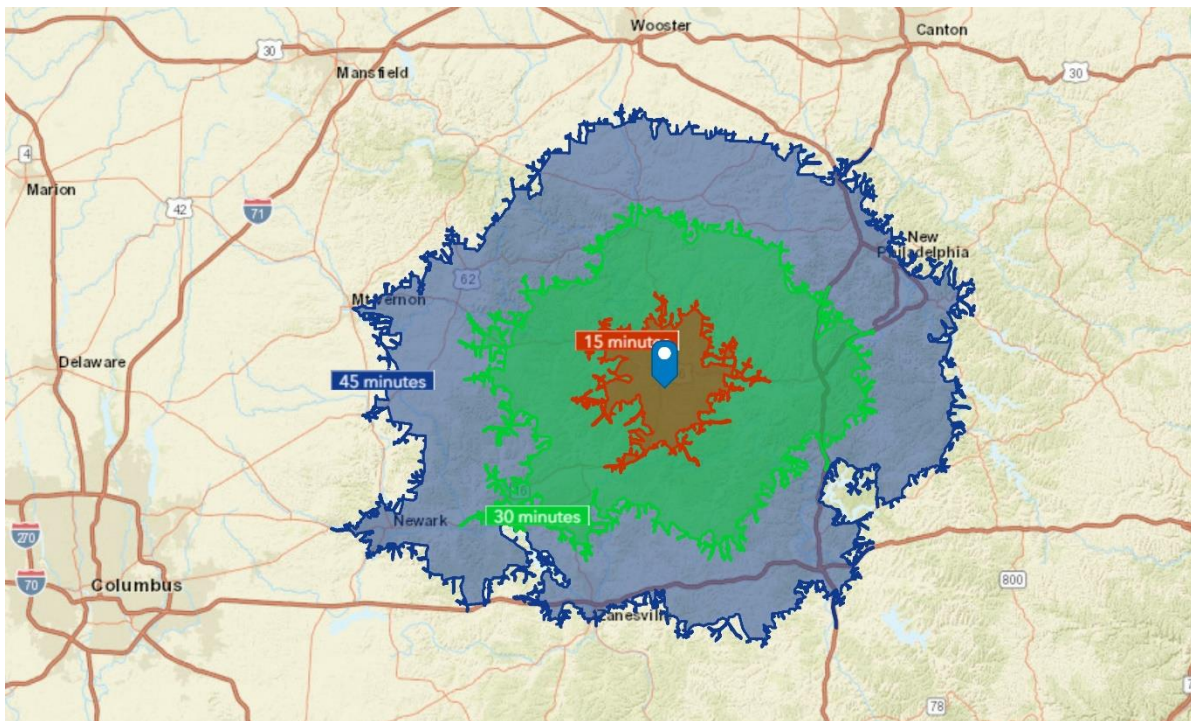




The map below depicts the location of Coshocton relative to several major cities that are located within 100 miles, including Akron, Cleveland, Columbus and Pittsburgh.



The drive-time areas, calculated using ESRI Business Analyst Online, will be used throughout this analysis for various economic and demographic analyses. The map below depicts areas accessible from the City of Coshocton within 15, 30 and 45-minute drive-times.





ECONOMIC OVERVIEW

The economic and demographic profile of a community is typically analyzed by companies evaluating locations for new facilities. Retail and/or market-serving companies generally seek communities with growing populations, income levels that indicate the ability of the population to purchase the goods and/or services of the prospective company, as well as a diverse and stable employment base that provides quality job opportunities.

The following section of this analysis will examine population, income, labor market and industry employment trends for the 15, 30 and 45-minute drive time areas from the City, and where applicable and/or available, Coshocton County, the “Regional Labor Market Area” and Ohio.

HCG suggests using the 15-minute drive-time area from the City as the primary definition of the “local market area” for the purposes of recruiting retail, or other market serving businesses. Since the 30-minute drive-time area offers residents, in some instances, a shorter drive to other cities, these residents may be less likely to travel to Coshocton for retail or other market serving businesses. However, those residing in the more rural portions of the 30-minute drive-time area, especially to the north and west of the City, could be more likely to travel to Coshocton rather than other cities located on the fringe of the 45-minute drive-time area, such as Zanesville, Cambridge, and New Philadelphia/Dover.

REGIONAL TOURIST ATTRACTIONS

Coshocton County has increasingly become a tourist destination thanks to a variety of assets such as a premier youth athletic facility, outdoor recreational opportunities, and cultural sites and events, a few of which are detailed below. For more information, please visit: <https://visitcoshocton.com/>.

KIDS AMERICA – SPORTS COMPLEX & FITNESS CENTER

Kids America provides regulation courts and playing fields for more than a dozen sports in one convenient location. It offers climate controlled indoor sports and fitness facilities, as well as both natural outdoor and turf indoor soccer fields for year-round use.



Kids America is a destination for families with children that compete in youth travel sports, as it hosts tournaments throughout the year with its indoor and outdoor facilities, attracting teams from across Ohio, as well as neighboring states. For more information, please visit: <https://www.kidsamerica.org/>.



CLARY GARDENS



Clary Gardens, a 20-acre botanical garden with amenities that include two historic homes and a natural amphitheater, is considered among the top wedding venues in Ohio for those seeking a picturesque outdoor location.



For more information, please visit: <https://www.clarygardens.org>.

ROSCOE VILLAGE

Roscoe Village, known as “America’s Canal Town,” has been restored to its past glory, which dates back to the 1830s, as it was a small port area located along the Ohio & Erie Canal system.

Roscoe Village is home to several local restaurants and unique shops that feature items crafted by local artisans, among others.



The Monticello III, a horse drawn canal boat, attracts visitors to Roscoe Village as it takes riders back in time to when the man-made canal systems provided the most efficient means of transporting goods throughout Ohio.

Given its beautiful setting and layout, Roscoe Village is a perfect location for festivals and other events. The Apple Butter Stirrin’ Festival, which has been held each October for over 50 years, draws more than 10,000 visitors over the course of 3 days! Crafting workshops, a conference and events center and the Johnson-Humrickhouse Museum also attract visitors.



For more information, please visit: <https://roscoevillage.com/>.



WHITETAIL DEER HUNTING



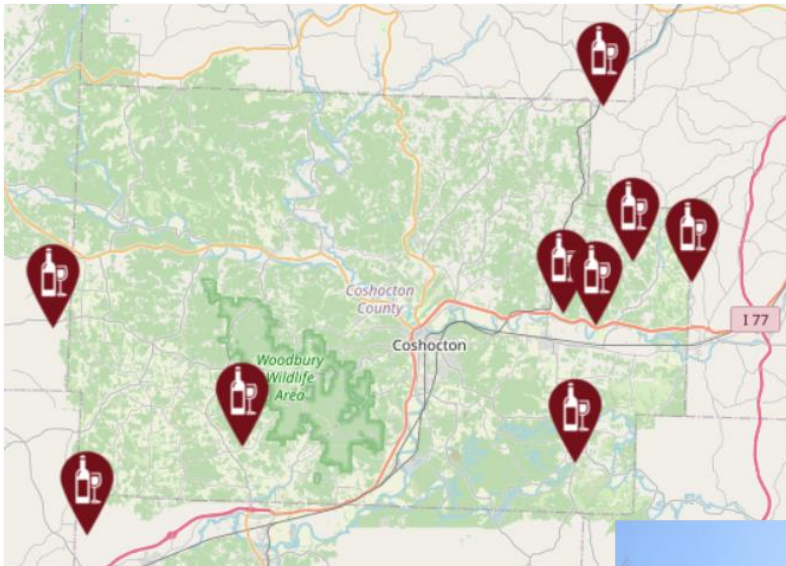
With approximately 30,000 acres of public land for hunting, Coshocton County is widely regarded as among the best locations in the U.S. for whitetail deer hunting.

Deer hunters travel to Coshocton County from across the nation during the hunting season, including some well-known individuals such as Dale Earnhardt, Jr.!

For more information, please visit:

<https://ohiodnr.gov/go-and-do/plan-a-visit/find-a-property/woodbury-wildlife-area>.

THREE RIVERS WINE TRAIL



The Three Rivers Wine Trail features 8 wineries and 1 brewery located throughout Coshocton County. These locally owned establishments offer visitors a chance to unwind and relax with a delicious glass of wine or a craft beer.

Transportation services are also available via local companies to ensure safe travel after indulging in a few beverages.



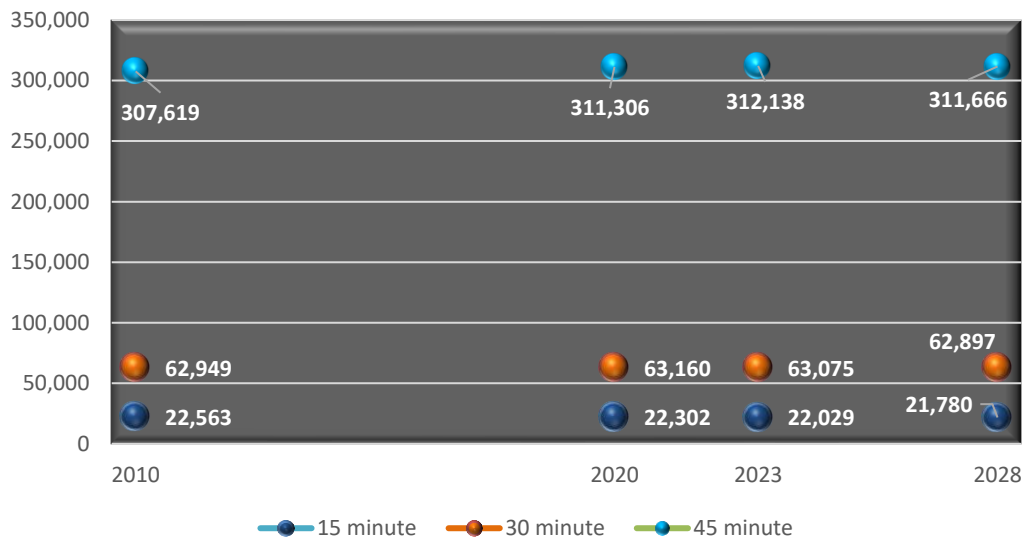


POPULATION

Population trends are an indicator of the health of a community or an economic area. A growing population may indicate a healthy economy with future retail and/or industrial opportunities, whereas a declining population may signal a distressed market with fleeting opportunities. This section reviews population trends for the 15, 30 and 45-minute drive time areas from the City.

POPULATION CHANGE

The graph below details population changes for the past two decennial Census years, 2023 and a 5-year projection for the 15, 30 and 45-minute drive time areas from the City. From 2010 to 2023, the 15-minute drive time area’s population decreased by 2.37%, while the 30 and 45 minute drive time areas increased by 0.20% and 1.47%, respectively. Slight declines of 1% or less are projected to occur across these areas from 2023 to 2028, which is less than the trend from 2010 to 2020.



Source: ESRI Business Analyst Online; U.S. Census Bureau

The table below compares the total population for Coshocton County, the RLMA and Ohio using data from the U.S. Census Bureau’s American Community Survey and ESRI Business Analyst Online.

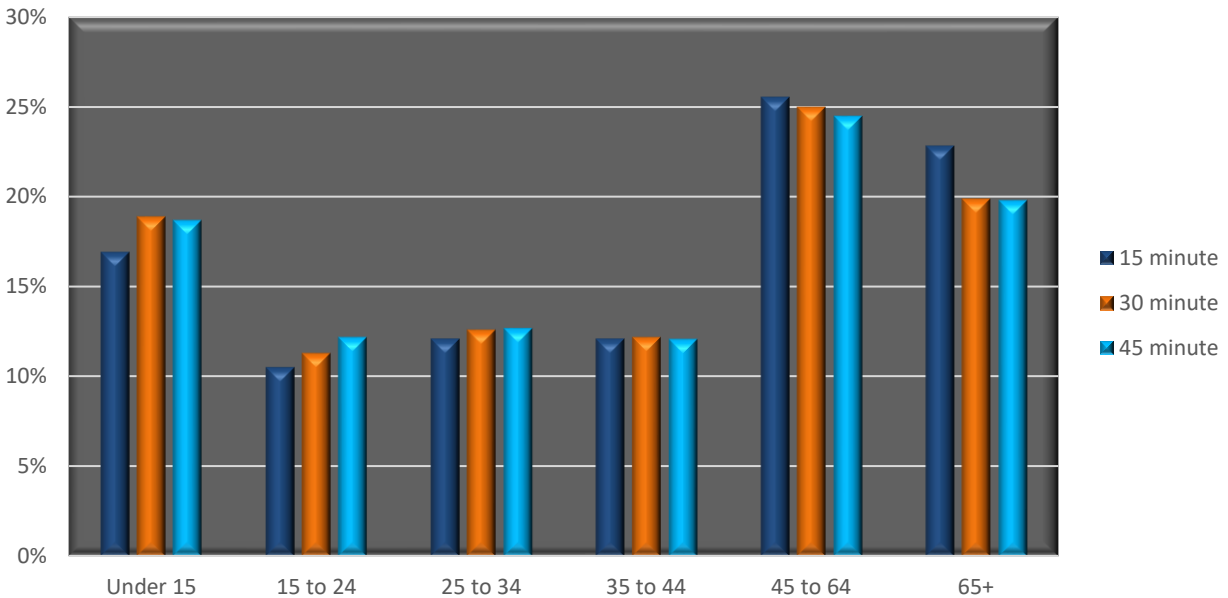
Area	2010	2021	2023	Change 2010-2023	% Change 2010-2023
Coshocton County	37,046	36,621	36,376	-670	-1.8%
RLMA	898,179	913,265	918,454	20,275	2.3%
Ohio	11,512,431	11,769,923	11,849,286	336,855	2.9%

Among the comparison geographies, Ohio experienced the greatest percentage population increase between 2010 and 2023.

Source: US Census Bureau, 2010 and 2021 American Community Survey (5-year estimates); ESRI Business Analyst Online (2023)



POPULATION BY AGE



Source: ESRI Business Analyst Online (2023)

The graph above details population by age for the 15, 30 and 45 minute drive-time areas from the City.

Among these areas, the 15 minute drive time area has the lowest percentage of the population between the ages 15 to 34 (22.6%). This age range represents a key demographic in terms of workforce potential. The 15 minute drive time area has the highest percentage of individuals in the 65+ age cohort (22.8%), while the 45 minute drive time area had the lowest (19.8%)

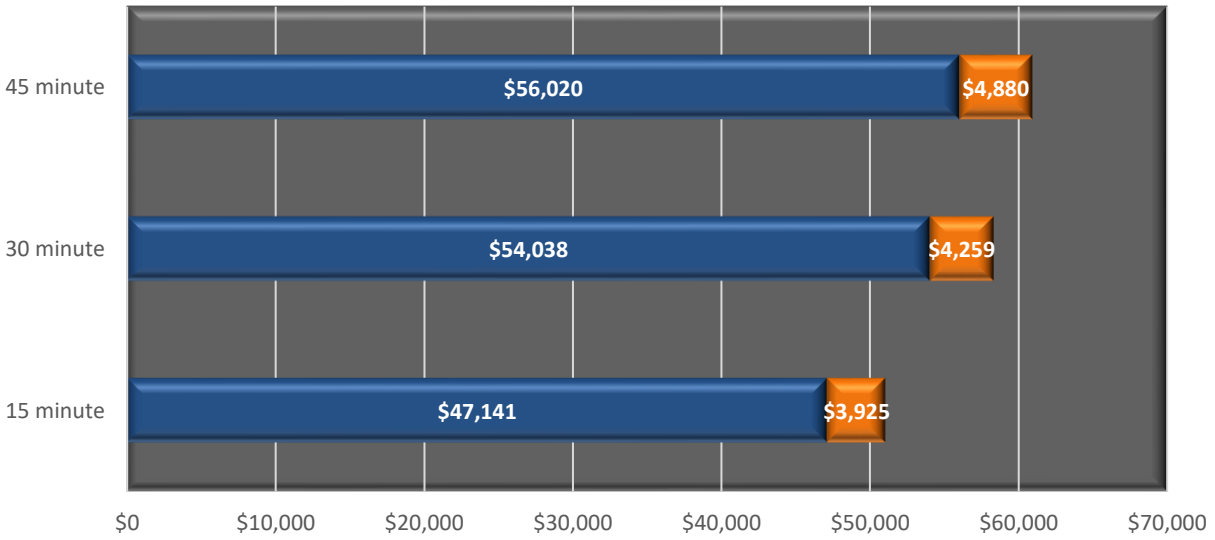
These findings are typical of areas that are more rural in nature relative to those that are in closer proximity to and/or include more urban areas.

INCOME

Growing income levels contribute to a stable and competitive local economy. Declining incomes may indicate an economy without significant competition or human capital to maintain a potential business. This section reviews local income trends.

MEDIAN HOUSEHOLD INCOME

The graph below depicts the median household income for the 15, 30 and 45 minute drive time areas from the City. The blue bar depicts the 2023 data, while the orange bar represents the projected increase for 2028.

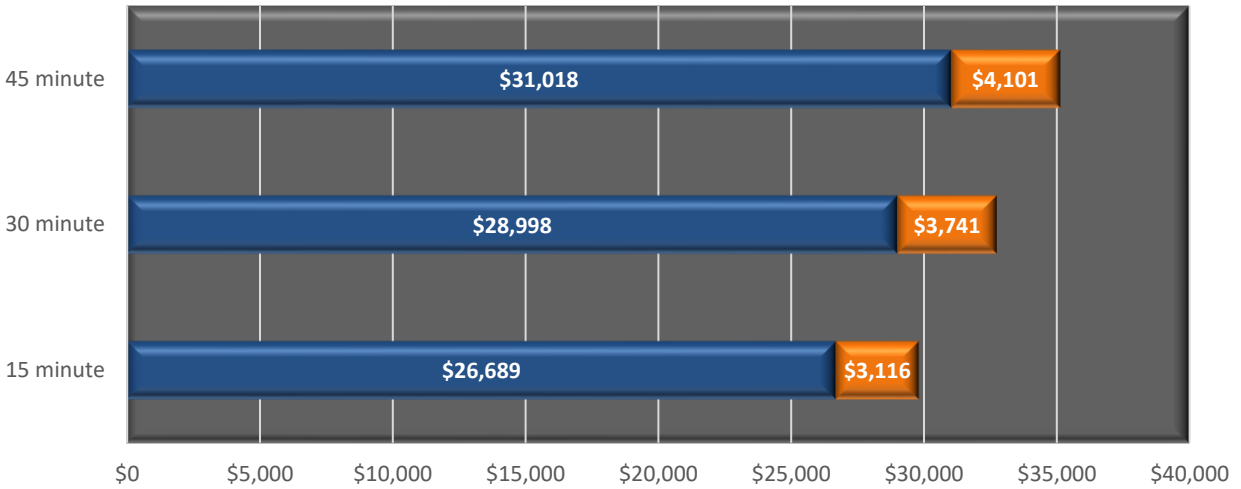


Source: ESRI Business Analyst Online (2023)

On a percentage basis, the 45 minute drive-time area has the greatest projected increase (8.7%), while the 30 minute drive time area is projected to increase the least (7.9%).

PER CAPITA INCOME

Per capita income rankings are similar as compared to median household income.



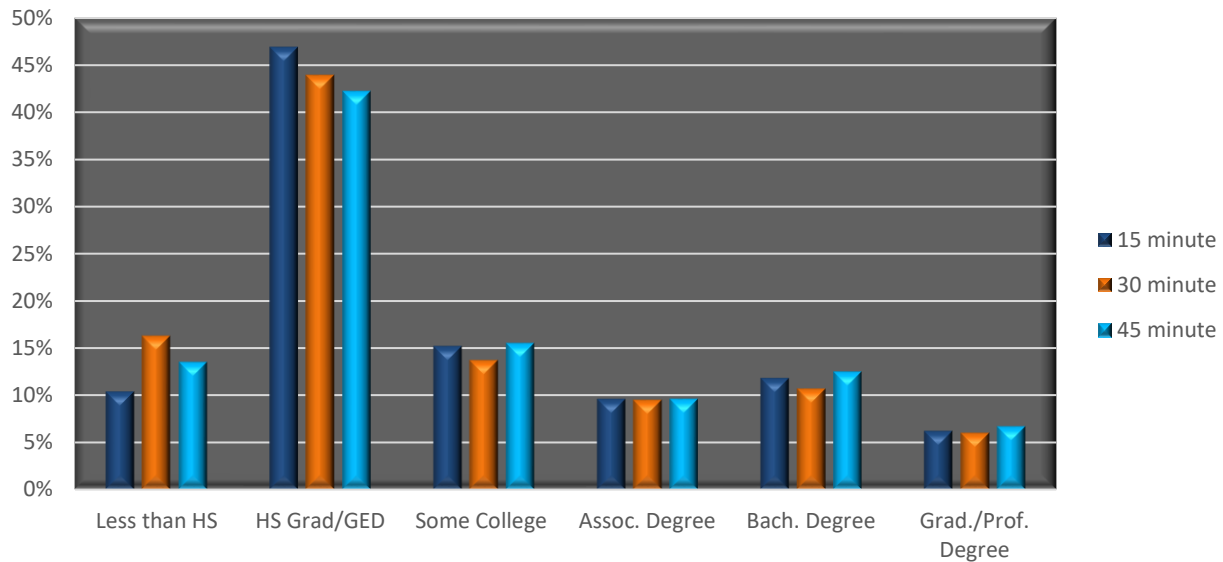
Source: ESRI Business Analyst Online (2023)



EDUCATIONAL ATTAINMENT

A strong positive correlation exists between educational attainment and income. Accordingly, retail companies and other market-serving industries often evaluate a community’s educational attainment levels as part of their analysis.

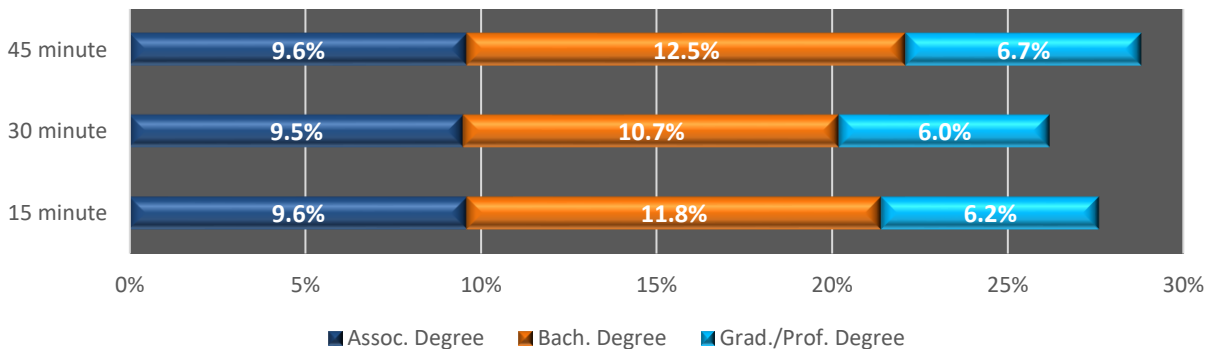
EDUCATIONAL ATTAINMENT FOR POPULATION AGED 18+



Source: ESRI Business Analyst Online (2023)

The graph above details the highest level of educational attainment for the population aged 18 years and older.

The 30 minute drive time area is the most rural among these areas, and also has the greatest percentage of individuals with a high school diploma as the highest level of educational attainment (60.2%).



Source: ESRI Business Analyst Online (2023)

The 45 minute drive time area has the highest percentage of individuals with a Bachelor’s Degree or higher (19.2%), followed by the 15 minute drive time area (18.0%).



COMMUTING PATTERNS

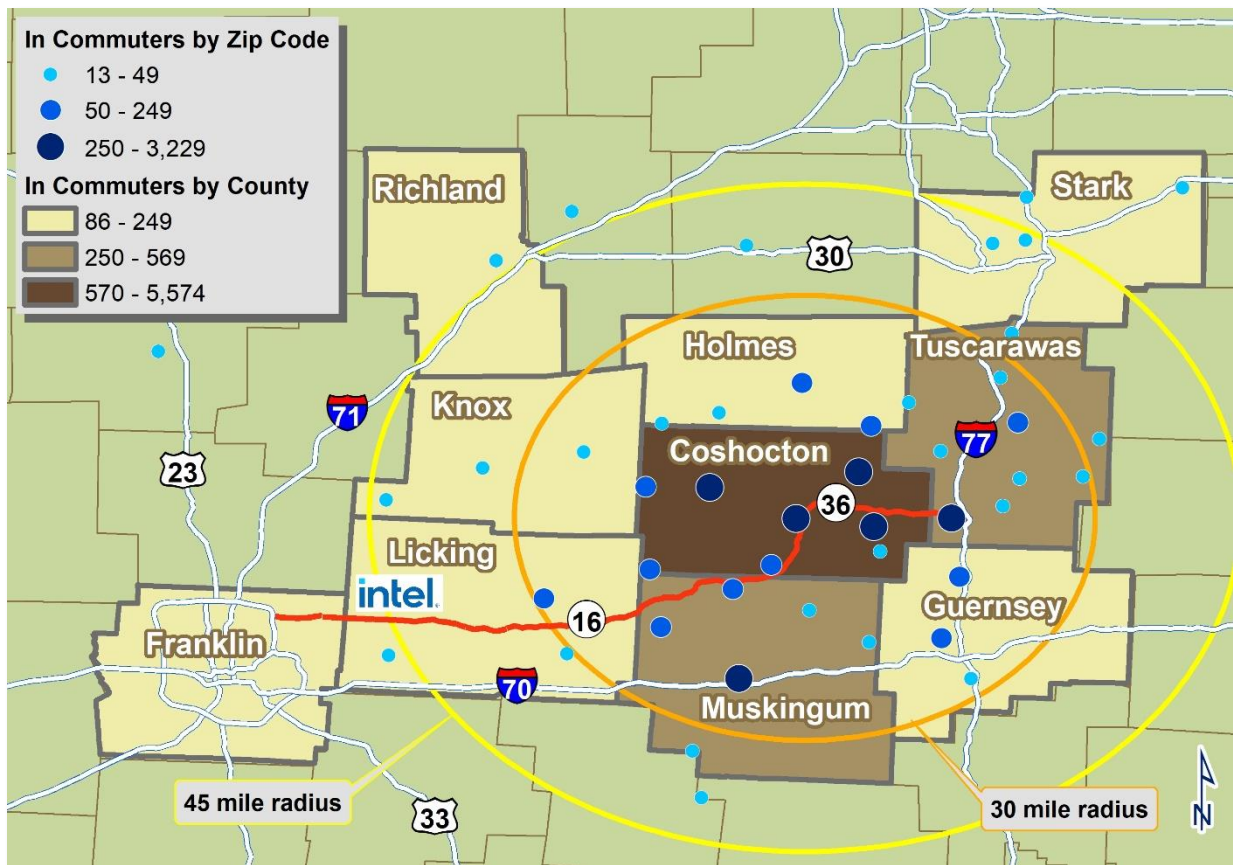
Defining the geographic market area is an important component of any regional economic analysis. Typically, this is accomplished through an analysis of commuting patterns. Commuting pattern data are published by the U.S. Census Bureau's Center for Economic Studies. The origin and destination of workers are provided. Commuting patterns provide an indication as to the degree of economic integration between two geographic areas.

A resident of one area who commutes to another area for work generates a series of economic activities in both geographic areas. It is this concept that forms the basis for the U.S. Census Bureau's designation of metropolitan, micropolitan, and combined statistical areas.

Analyzing the commuting patterns for a location helps to illustrate the regional labor market area ("RLMA"). This is the area where workers generally are willing drive to, or from, to access employment opportunities. For this Analysis, the RLMA will be defined as Coshocton, Guernsey, Holmes, Knox, Licking, Muskingum, Stark and Tuscarawas counties.

From the standpoint of a retail company, a location that attracts workers from a broad regional labor shed is generally desired, as this creates an increased daytime population of potential consumers.

COMMUTERS TO COSHOCTON COUNTY





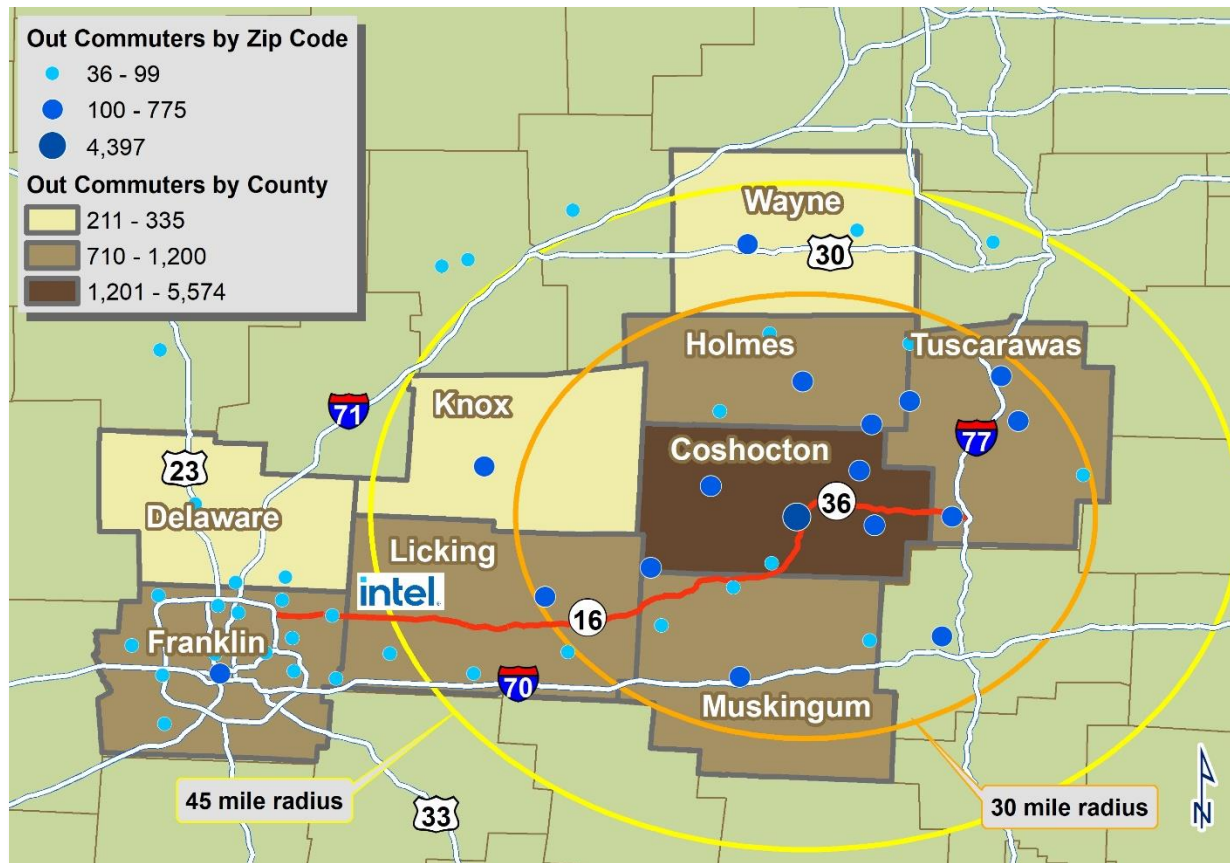
Rank	Zip Code	Location	Number	Percent
1	43812	Coshocton	3,229	35.1%
2	43845	West Lafayette	860	9.3%
3	43844	Warsaw	431	4.7%
4	43824	Fresno	414	4.5%
5	43832	Newcomerstown	371	4.0%
6	43701	Zanesville	275	3.0%
7	44654	Millersburg	176	1.9%
8	43821	Dresden	130	1.4%
9	43725	Cambridge	122	1.3%
10	43811	Conesville	106	1.2%

The map above depicts the location, and the number, by county and zip code, of in-commuters to Coshocton County. Nearly 73% of those employed in Coshocton County reside in Coshocton (60.6%), Tuscarawas (6.2%) and Muskingum (5.8%) counties. Eight of the top 10 zip codes of residence for those employed in Coshocton County are also located in Coshocton, Tuscarawas and Muskingum counties.

The table at left lists the top 10 zip codes where in-commuters to Coshocton County live.

Source: U.S. Census Bureau, Center for Economic Studies (2020)

COMMUTERS FROM COSHOCTON COUNTY





Rank	Zip Code	Location	Number	Percent
1	43812	Coshocton	4,397	30.9%
2	44654	Millersburg	775	5.5%
3	43701	Zanesville	695	4.9%
4	43845	West Lafayette	490	3.4%
5	43055	Newark	403	2.8%
6	43832	Newcomerstown	352	2.5%
7	44681	Sugarcreek	332	2.3%
8	43844	Warsaw	261	1.8%
9	43050	Mount Vernon	259	1.8%
10	44663	New Philadelphia	229	1.6%

The map above depicts the location, and the number, by county and zip code, of out-commuters from Coshocton County. Coshocton County is a net out-commuter location (-5,015). Relative to in-commuters, the geographic distribution is, not surprisingly, tilted more towards Columbus.

The table at left lists the top 10 zip codes where out-commuters from Coshocton County work.

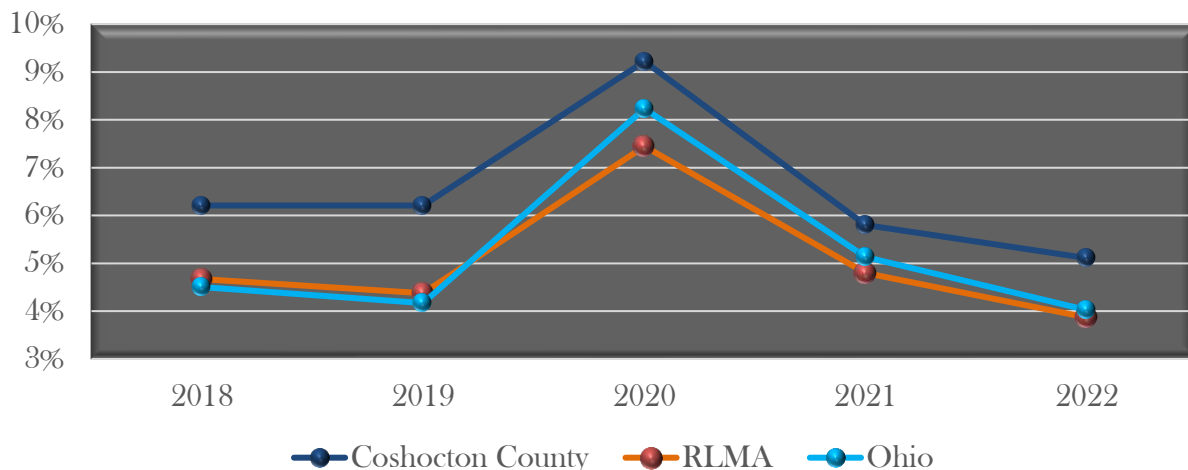
Six (6) zip codes rank among the top 10 for both in and out commuters (43812, 44654, 43701, 43845, 43832 and 43844).

Source: U.S. Census Bureau, Center for Economic Studies (2020)

LABOR MARKET

Unemployment rate trends not only indicate the relative economic health of a community, but also provide an estimate of the available labor force. When unemployment rates fall below 4%, some economists consider this to be near the point of “full employment,” where issues may arise concerning whether the available labor pool is sufficient to meet local/regional workforce needs, both in terms of required skill sets and number of workers. This situation can be viewed negatively by companies evaluating locations for potential expansion or relocation projects, as the competition between companies for available workers drives up the cost of labor.

ANNUAL UNEMPLOYMENT RATE COMPARISON



Source: Ohio Labor Market Information, Local Area Unemployment Statistics



The graph above shows the annual average unemployment rate from 2018 to 2022.

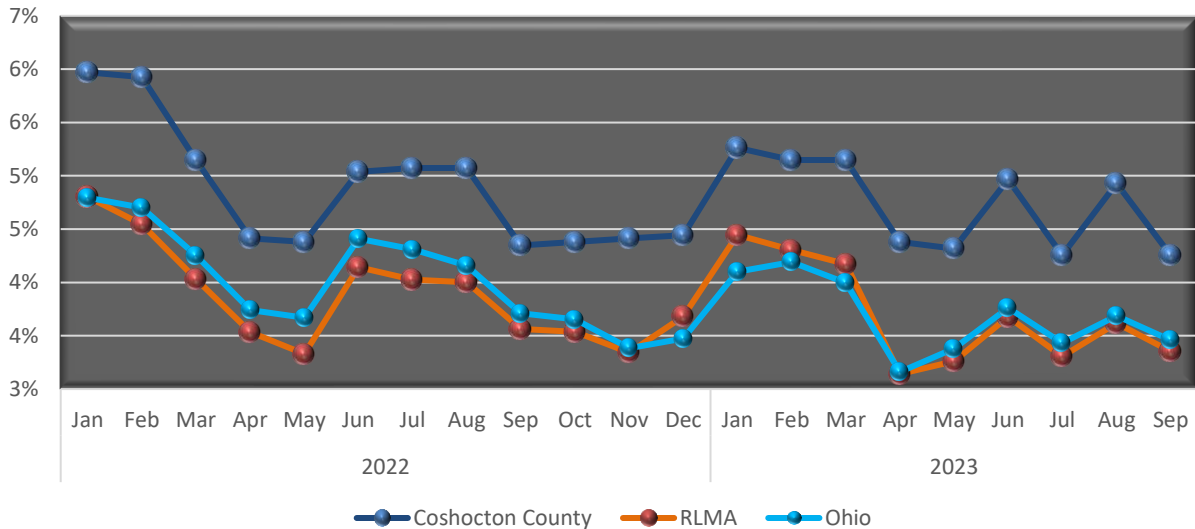
Following the pandemic induced increase that peaked during 2020, the 2022 average annual unemployment rates among the comparison geographies have decreased to below pre-pandemic rates.

The table below details the number of persons unemployed by geography from 2018 to 2022. Year-over-year percentage change is also shown.

Year-over-Year Change in Unemployment					
Geography		2018-19	2019-20	2020-21	2021-22
Coshocton County	Y-O-Y # Change	0	400	-500	-100
	Y-O-Y % Change	0.0%	44.4%	-38.5%	-12.5%
RLMA	Y-O-Y # Change	-1,200	13,300	-11,800	-4,100
	Y-O-Y % Change	-5.7%	67.5%	-35.8%	-19.3%
Ohio	Y-O-Y # Change	-17,000	228,900	-179,800	-63,000
	Y-O-Y % Change	-6.5%	93.5%	-37.9%	-21.4%

Source: Ohio Labor Market Information, Local Area Unemployment Statistics

MONTHLY UNEMPLOYMENT RATE COMPARISON



Source: Ohio Labor Market Information, Local Area Unemployment Statistics

The graph above shows the average monthly unemployment rates from January 2022 to September 2023.

Coshocton County’s unemployment rate fluctuation generally followed that of the RLMA and Ohio, all of which demonstrated some level of seasonality with Q1 having the highest average unemployment rate during the time period depicted above.



During this time period, the RLMA had the lowest average monthly unemployment rate (3.8%), followed closely by Ohio (3.9%) and then Coshocton County (4.8%).

The table below shows the month with the lowest and highest monthly unemployment rates during this time period. January 2022 was the highest month for each of the areas. April 2023 was the lowest month for the RLMA and Ohio, while July and September were tied as the lowest months for Coshocton County.

	Coshocton County	RLMA	Ohio
Low Month	Jul/Sep 2023	Apr 2023	Apr 2023
Low Rate	4.3%	3.1%	3.2%
High Month	Jan 2022	Jan 2022	Jan 2022
High Rate	6.0%	4.8%	4.8%

Source: Ohio Labor Market Information, Local Area Unemployment Statistics

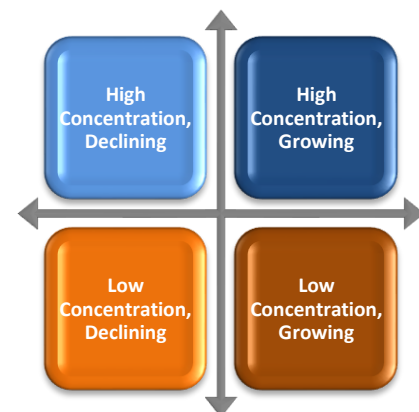
INDUSTRIAL COMPOSITION

The following is an analysis of industry and employment trends for Coshocton County.

EMPLOYMENT AND INDUSTRY GROWTH - LOCATION QUOTIENT ANALYSIS

A location quotient measures the relative concentration or specialization of a “local” industry sector, typically a county or group of counties, relative to some larger geographic area, typically the nation, but it could also be a state. A location quotient of less than 1.00 indicates an industry sector is less concentrated locally than nationally or statewide. A value greater than 1.00 indicates the industry is more concentrated in the region than in the nation. Industry sector employment is most commonly examined through a location quotient analysis; however, other variables, such as the number of individuals with specific educational qualifications or industry sector output can also be analyzed.

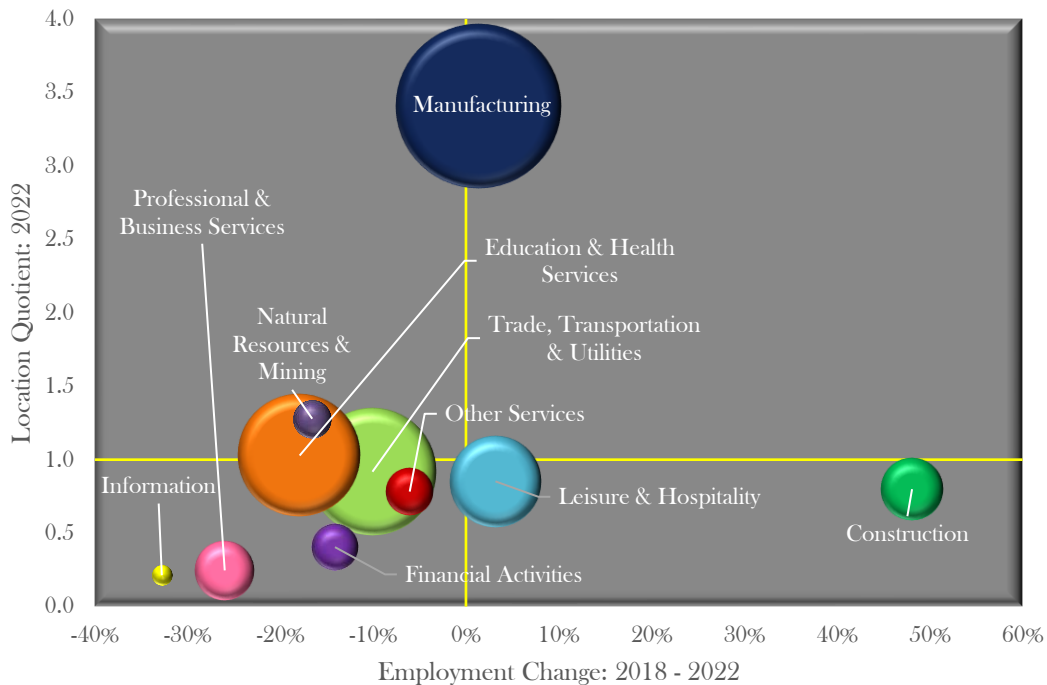
When applied to output, location quotients may provide an indication as to whether an industry sector’s output is sufficient to satisfy local demand, or whether an industry sector’s products are being “exported” beyond the confines of the local economy. Industry sectors with location quotients greater than 1.00 may be considered export industries. Export industries tend to be drivers of economic development as they bring in “outside” money to a local economy, and also tend to have higher employment multipliers (“ripple effect”). Industry sectors with location quotients less than 1.00 may be considered import industries. This scenario would result in products being imported to the local economy, as local production is not sufficient to meet local demand.





However, as with most economic analyses, a location quotient analysis does not provide absolute conclusions regarding industry sector activity between multiple geographic areas. In some instances, location quotient values are impacted more by specific local conditions, as opposed to importing or exporting of products. This is more prevalent within market-serving industry sectors, most notably retail and service sectors. Local conditions that impact an industry sector's location quotient may include certain demographic variables or proximity to specific geographic features. For example, a higher than average population of children under the age of five-years-old might yield a location quotient greater than 1.00 for day-care services, but this of course does not necessarily indicate that day-care services are being exported. Furthermore, a location quotient less than 1.00 for boat repair does not necessarily indicate that these services are being imported but is more likely a function of a local economy's distance from a navigable body of water.

A bubble chart is commonly used to depict a location quotient analysis. The ideal location for bubbles is the upper-right quadrant. This indicates both a regional concentration higher than the nation as well as industry growth. Bubbles in the lower-right quadrant are considered “emerging” industries. These industries have demonstrated industry growth but are currently less concentrated within the region than the nation. The upper-left quadrant contains industries that are concentrated within the region but have contracted during the study period. Industries in the lower-left quadrant are less concentrated in the region than the nation and are experiencing negative growth.



Source: U.S. Bureau of Labor Statistics (QCEW data)

The bubble chart above depicts the NAICS Supersectors for Coshocton County. The vertical Y-axis represents each industry's 2022 location quotient, while the horizontal X-axis represents each industry's percentage change in employment from 2018 to 2022. The size of the bubble corresponds to the overall size of each industry in terms of total employment for 2022.



The table below provides actual values for Coshocton County as depicted in the bubble chart on the previous page. Cells that are highlighted in orange have a location quotient greater than 1.00.

NAICS Supersector	2022 Employment	% Change: 2018-22	2022 LQ
Total - All Industries	8,099	-6.3%	1.00
Natural Resources & Mining	146	-16.6%	1.28
Construction	388	48.1%	0.80
Manufacturing	2,736	1.4%	3.41
Trade, Transportation & Utilities	1,642	-10.1%	0.92
Information	41	-32.8%	0.21
Financial Activities	219	-14.1%	0.40
Professional & Business Services	350	-26.0%	0.25
Education & Health Services	1511	-17.9%	1.03
Leisure & Hospitality	843	3.2%	0.85
Other Services	217	-6.1%	0.78

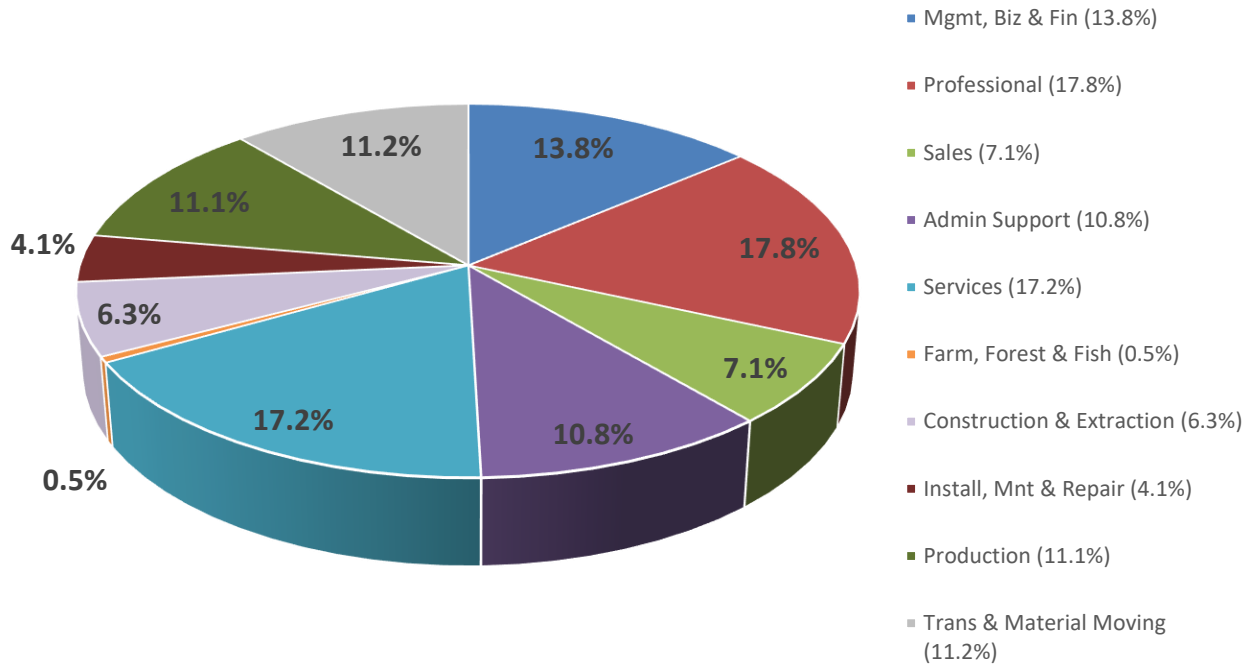
Manufacturing is the largest employer (33.8%) and second most concentrated NAICS Supersector (1.28 LQ) in Coshocton County. Despite the impacts caused by the pandemic, from 2018 to 2022, leisure and hospitality employment in Coshocton County grew by 3.2%.

The table at right provides the percent change from 2018-22 in total employment, by industry sector, in Coshocton County, Ohio and the U.S. Cells highlighted in orange indicate which geographic area had the greatest growth rate.

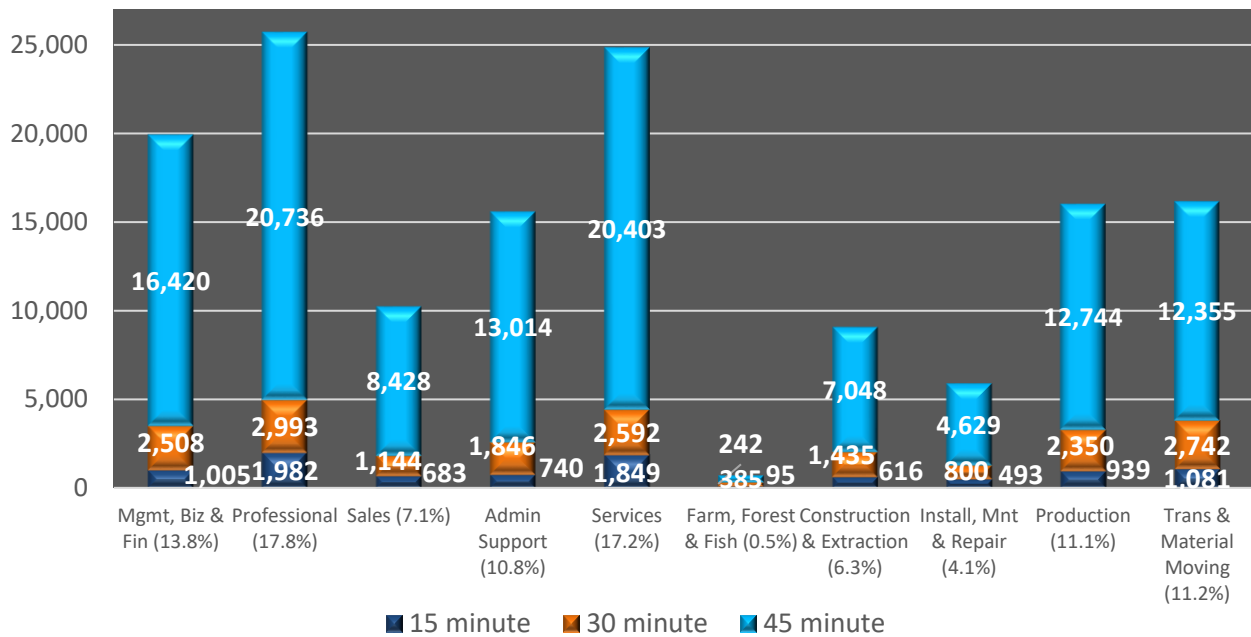
Employment Change: 2018-22	Coshocton	Ohio	U.S.
Total	-6.3%	-0.1%	3.3%
Natural resources & mining	-16.6%	-6.3%	-6.3%
Construction	48.1%	5.7%	6.8%
Manufacturing	1.4%	-2.3%	0.9%
Trade, transportation, & utilities	-10.1%	3.5%	3.7%
Information	-32.8%	-1.9%	8.3%
Financial activities	-14.1%	3.0%	5.1%
Professional & business services	-26.0%	2.1%	8.2%
Education & health services	-17.9%	-2.9%	3.2%
Leisure & hospitality	3.2%	-4.4%	-3.0%
Other services	-6.1%	-3.3%	-2.2%

OCCUPATIONAL DISTRIBUTION

The pie chart below depicts the occupational distribution for the 45 Minute Drive Time Area from the City.



The chart below illustrates the total number of workers employed in the 45-minute drive time area by occupational distribution. The dark blue bar is the number of workers employed in the 15-minute drive time area, the orange bar represents the balance of the 30-minute drive time area, with the light blue bar representing those employed in the balance of the 45 minute drive time area.



Source: ESRI Business Analyst Online (2023)



The cells highlighted in **GREEN** in the table below indicate which drive time area has the greatest concentration of employed individuals within each occupational category.

Occupation	15 Minute		30 Minute		45 Minute	
	Employed	% of Total Employment	Employed	% of Total Employment	Employed	% of Total Employment
Total	9,484	100.0%	28,109	100.0%	144,443	100.0%
Mgmt, Biz & Fin	1,005	10.6%	3,514	12.5%	19,933	13.8%
Professional	1,982	20.9%	4,975	17.7%	25,711	17.8%
Sales	683	7.2%	1,827	6.5%	10,255	7.1%
Admin Support	740	7.8%	2,586	9.2%	15,600	10.8%
Services	1,849	19.5%	4,441	15.8%	24,844	17.2%
Farm, Forest & Fish	95	1.0%	337	1.2%	722	0.5%
Construction & Extraction	616	6.5%	2,052	7.3%	9,100	6.3%
Install, Mnt & Repair	493	5.2%	1,293	4.6%	5,922	4.1%
Production	939	9.9%	3,289	11.7%	16,033	11.1%
Trans & Material Moving	1,081	11.4%	3,823	13.6%	16,178	11.2%

Source: ESRI Business Analyst Online (2023)



RECENT DEVELOPMENT PROJECTS

ECONOMIC DEVELOPMENT PROJECTS

As included in the Ohio Department of Development’s most recent “Private Investment Survey,” which includes economic development projects from 2020 through 2022, Coshocton County was the location for 5 projects, while the RLMA reported 102 total projects. The projects are classified as either manufacturing, distribution, office or research & development, and met one or more of the following criteria:

- Investment minimum of \$1,000,000
- Square footage of 20,000 or more
- Job creation of 20 or more

County	Projects				Jobs				Investment (\$ millions)			
	2020	2021	2022	Total	2020	2021	2022	Total	2020	2021	2022	Total
Coshocton	3	1	1	5	77	14	50	141	\$7.87	\$5.19	\$21.50	\$34.56
Guernsey	2	4	0	6	94	11	0	105	\$18.20	\$50.50	\$0.00	\$68.70
Holmes	5	4	4	13	100	110	65	275	\$7.10	\$50.76	\$18.69	\$76.55
Knox	0	0	1	1	0	0	60	60	\$0.00	\$0.00	\$0.00	\$0.00
Licking	12	11	13	36	2,040	1,563	3,692	7,295	\$886.27	\$600.00	\$20,580.95	\$22,067.22
Muskingum	5	4	6	15	127	134	382	643	\$91.20	\$15.62	\$465.25	\$572.07
Stark	9	6	7	22	1,087	1,258	183	2,528	\$314.20	\$143.26	\$130.20	\$587.66
Tuscarawas	1	2	1	4	44	215	434	693	\$1.20	\$56.35	\$15.00	\$72.55
Total	37	32	33	102	3,569	3,305	4,866	11,740	\$1,326.04	\$921.69	\$21,231.59	\$23,479.32

All of the Coshocton County projects included in the past 3-year period were manufacturing.

Year	Company	City	County	Industry	Type	Jobs	Investment	Square Feet	New/Exp
2020	Crozier Welding LLC	Coshocton	Coshocton	Gas production & vapor recovery units	Mfg.	15	\$1,665,000	45000	Exp.
	MFM Building Products Corp.	Coshocton	Coshocton	Roofing products	Mfg.	7	\$2,730,000	45000	Exp.
	Schlabach Wood Design, Inc.	Baltic	Coshocton	Consumer products	Mfg.	55	\$3,476,000	42000	Exp.
2021	MFM Building Products Corp.	Coshocton	Coshocton	Waterproofing & water barrier products	Mfg.	14	\$5,188,000	12,000	Exp.
2022	McWane Inc.	Coshocton	Coshocton	Metal pipes & poles	Mfg.	50	\$21,500,000	0	Exp.



RETAIL MARKET ANALYSIS

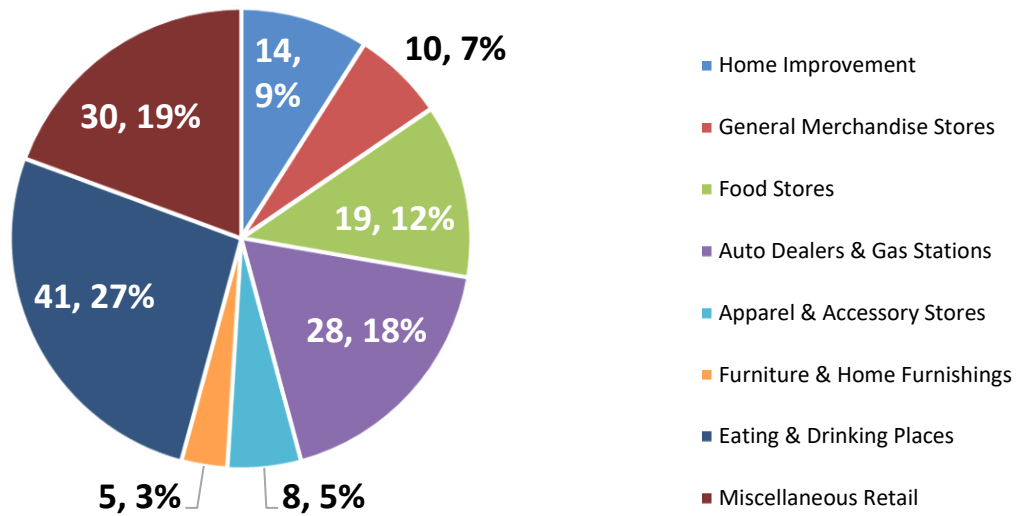
RETAIL SECTOR DISTRIBUTION

The graph above details the retail sector distribution for the 15-minute drive time area from the City, with the number and percentage of establishments labeled.

The “Eating & Drinking Places” sector comprises the largest percentage of the retail establishments located in the 15-minute drive time area.

“Miscellaneous Retail” accounts for the second most establishments in the 15-minute drive time area.

Retail Sector Distribution: 15-Minute Drive Time Area



Source: ESRI Business Analyst Online (2023)

The Retail Sector in Coshocton County is predominantly concentrated in the City of Coshocton.

There are several national and/or regional fast-food restaurants in the City, including Bob Evans, Tim Horton’s McDonald’s, Wendy’s, Arby’s, Hardee’s, Dairy Queen and others.

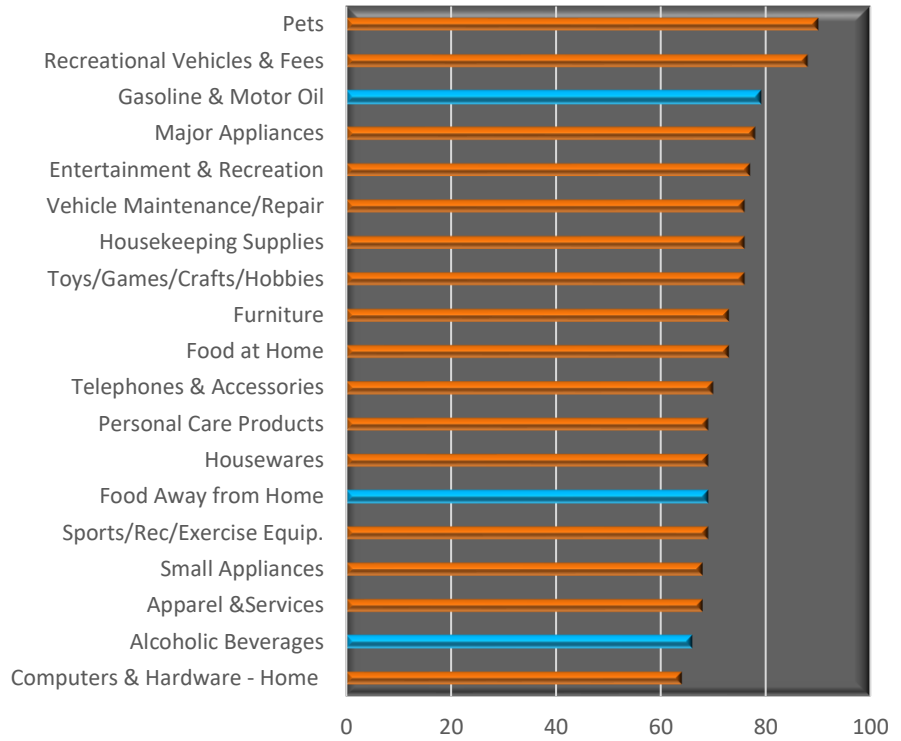
Other national and/or regional retail franchises currently located in and/or near the City include, but are not limited to, Walmart, Tractor Supply, Big Lots, Buehler’s Fresh Foods, Aldi, Dollar Tree, Anytime Fitness, Verizon, AutoZone, Advance Auto, O’Reilly’s Auto Parts.



SPENDING POTENTIAL INDEX

The spending potential index graph below depicts values for the 30-minute drive time area from the City. An index score of 100 is the national average. Based on household income data for this area, the spending potential is lower than the national average across all retail sectors included.

The “Food Away from Home” (i.e., restaurants), “Alcoholic Beverages” and “Gasoline & Motor Oil” retail sectors are highlighted in light blue as these businesses are often complementary to and located adjacent to hotels.



Source: ESRI Business Analyst Online (2023)

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Retail Sector	SPI	Avg. \$ per HH	Total: All HHs	Retail Sector	SPI	Avg. \$ per HH	Total: All HHs
Apparel & Services	68	\$1,499	\$36,305,659	Furniture	73	\$602	\$14,592,288
Computers & Hardware - Home	64	\$164	\$3,971,605	Major Appliances	78	\$410	\$9,937,815
Entertainment & Recreation	77	\$2,916	\$70,637,229	Housewares	69	\$74	\$1,794,321
Pets	90	\$832	\$20,157,573	Small Appliances	68	\$50	\$1,203,008
Toys/Games/Crafts/Hobbies	76	\$120	\$2,904,182	Telephones & Accessories	70	\$75	\$1,821,039
Sports/Rec/Exercise Equip.	69	\$194	\$4,700,946	Housekeeping Supplies	76	\$709	\$17,180,413
Food at Home	73	\$4,966	\$120,273,868	Personal Care Products	69	\$382	\$9,261,701
Food Away from Home	69	\$2,566	\$62,150,140	Gasoline & Motor Oil	79	\$2,011	\$48,715,147
Alcoholic Beverages	66	\$447	\$10,831,840	Vehicle Maintenance/Repair	76	\$1,001	\$24,239,830
Recreational Vehicles & Fees	88	\$132	\$3,205,246	Totals (All Sectors):		\$19,150	\$463,883,850

Source: ESRI Business Analyst Online (2023)



RESTAURANTS

Restaurants can be a key quality of life factor for communities, and arguably even more so for small and rural communities. Although restaurant jobs are typically not high paying jobs, they have traditionally been a stable source of part-time and entry level positions. Staffing in the restaurant industry has become increasingly difficult during, and following, the pandemic.

Restaurant Category	Drive Time Area	Expected # of Adults	Percent	MPI
Went to family restaurant/steak house in last 6 months	15 minutes	11,979	68.2%	103
	30 minutes	33,608	68.9%	104
	45 minutes	165,400	68.2%	103
Went to fast food/drive-in restaurant in last 6 months	15 minutes	16,022	91.3%	101
	30 minutes	44,765	91.8%	101
	45 minutes	222,163	91.6%	101
Went to fine dining restaurant last month	15 minutes	1,643	9.4%	77
	30 minutes	4,449	9.1%	75
	45 minutes	22,675	9.3%	77

While most restaurants draw primarily from the local market, some high-end or unique restaurants have the ability to draw customers from a wide geographic area, resulting in true economic impact to the local community.

Food Away from Home	Spending Potential Index	Average Spend per HH	Total Spend: All HHs
45 Min. Drive-Time	73	\$2,726	\$332,849,758
30 Min. Drive-Time	69	\$2,566	\$62,150,140
15 Min. Drive-Time	58	\$2,170	\$20,350,688

Communities of all sizes, including Coshocton County, have benefitted from the craft brewing and winery renaissance. Economic development organizations can assist in projects like these (and others) to help entrepreneurs bring their projects to fruition.

A hotel could provide an additional, and consistent, customer base to support a full-service franchise restaurant in a smaller market, such as Coshocton. The Market Potential Index (“MPI”) “measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S.” Selected restaurants with MPI scores greater than 100 are provided below along with the nearest locations for each franchise.

In the case of franchise restaurants, whether full-service or fast food, there are generally well defined and established site selection criteria that must be met for a community to be considered. These criteria often include median household income, population density and average daily traffic counts.

Restaurant	MPI	Closest Locations	
Applebee’s	133	New Philadelphia	Zanesville
Cracker Barrel	134	Zanesville	Cambridge
Longhorn	117	Zanesville	
Olive Garden	108	Zanesville	
Red Lobster	105	New Philadelphia	Zanesville
Texas Roadhouse	136	New Philadelphia	Zanesville

Source: ESRI Business Analyst Online (2023)



HOTEL MARKET ANALYSIS

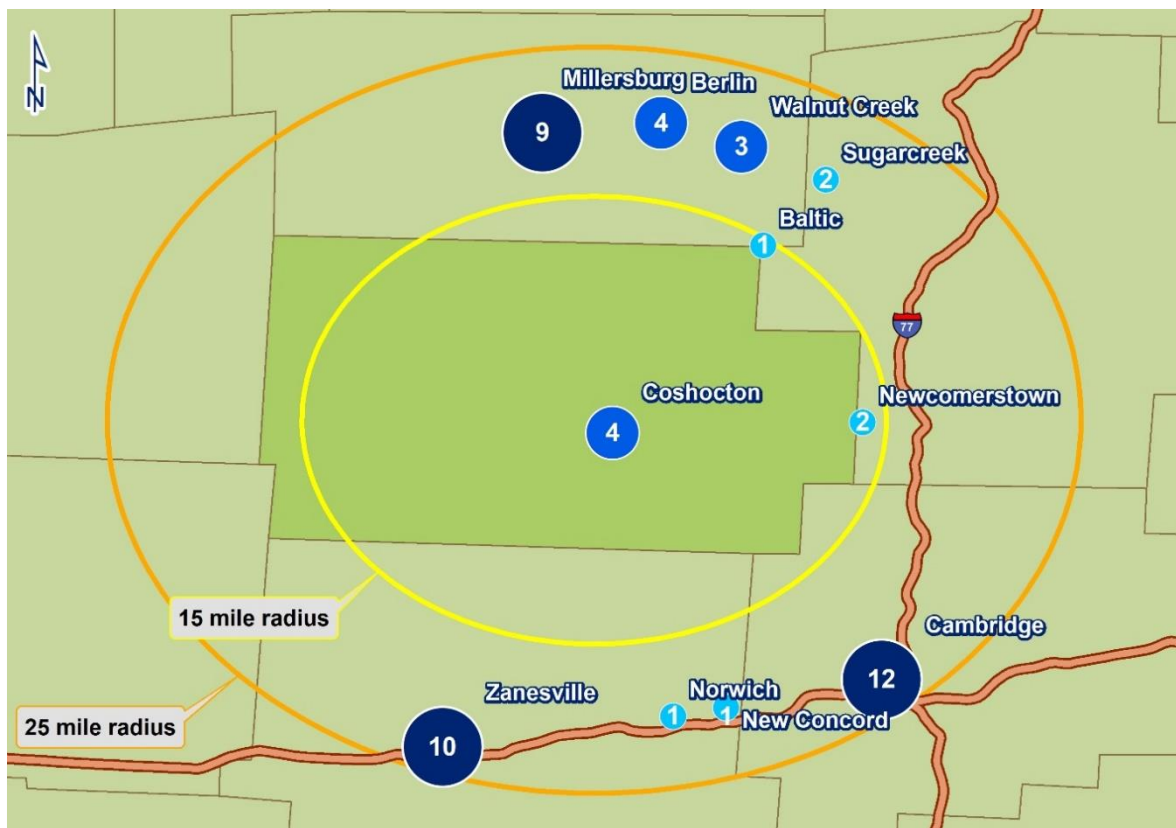
From an economic development perspective, hotels can benefit a community in several ways beyond the traditional metrics such as employment and tax revenues. Hotels can bolster a community’s tourism industry by allowing out-of-town visitors to extend their stay. Further, hotels can offer communities the opportunity to host special events and conferences. In both cases, a hotel serves as the mechanism providing increased opportunities for visitors to generate local economic activity.

SITE SELECTION FACTORS

Hotels cater to and market to different customer segments that include business travelers, recreational travelers and others. To capture business travelers, hotels look for sites near major employers that frequently host customers, clients and employees from a company’s other facilities. To capture recreational travelers, hotels look for sites that offer proximity to attractions that visitors often spend more than one day at. Sites near interstate or other significant highways also provide an opportunity to attract those seeking a stopover as part of a longer trip.

In general, new hotel development has largely been concentrated at or near highway interchanges. In other instances, hotels have played a key role in downtown redevelopment.

MAP OF HOTELS IN COSHOCTON’S COMPETITIVE MARKET AREA



The map above depicts the cities where the 49 selected hotels are located within Coshocton’s competitive market area, along with the number of hotels located within each city that met the search criteria.



There are 4 hotels located within the City of Coshocton, but then no hotels are located within a 15-mile radius from the center of the City of Coshocton. The remaining hotels included in this analysis are located between 15 and 25 miles from Coshocton.

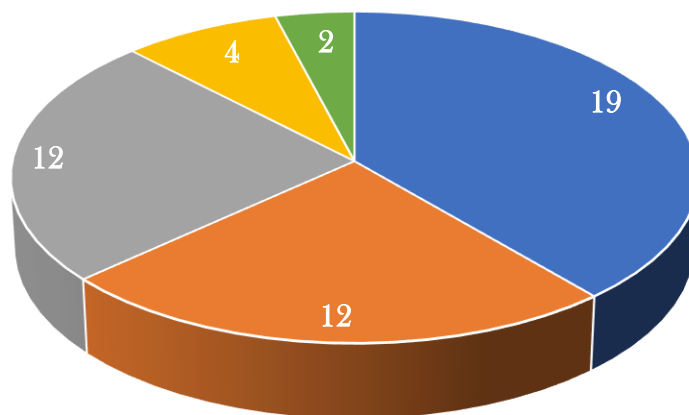
HOTEL MARKET ANALYSIS

As noted above, the competitive market area for hotel development in Coshocton includes 49 selected hotels, all of which are located within a 25-mile radius from Coshocton. Data will be provided for all 49 hotels, as well as for a selected subset that includes 10 Upper Midscale franchise hotels that have been selected for comparative purposes versus the larger group that includes many older and “Economy” class properties.

Further, this analysis does not include other overnight lodging options such as bed and breakfast properties or other properties listed on websites such as Airbnb or VRBO. With respect to small boutiques and bed and breakfast properties, most travelers who stay at these properties do so because of personal preference. Accordingly, it is HCG’s opinion that these properties typically do not directly compete with franchise hotels.

The following section of the report utilizes data purchased from STR Global, formerly known as Smith Travel Research, which is the recognized leader in providing data for the hotel industry. Appendix I lists the 49 selected hotels included in this analysis and provides the name, location, size, property class and age.

COMPETITIVE MARKET AREA BY PROPERTY CLASS



■ Economy ■ Midscale ■ Upper Midscale ■ Upscale ■ Luxury

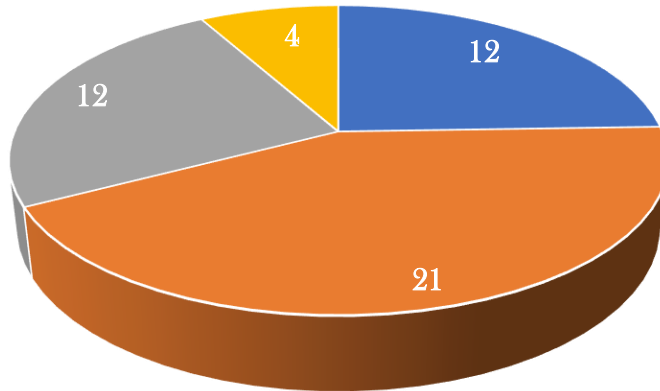
The pie chart at left provides a breakdown of the 49 hotels in the Coshocton competitive market area by property class.

Nearly half (24 of 49) of the existing hotels are classified as Midscale or Upper Midscale. Examples of Upper Midscale hotels include franchises such as Hampton Inn, Holiday Inn Express and Fairfield Inn & Suites.

The Midscale hotel category includes franchises such as Quality Inn and Best Western, while also including the Coshocton Village Inn & Suites and the Country Squire Inn & Suites, both of which are located in the City of Coshocton.



COMPETITIVE MARKET AREA BY YEAR BUILT

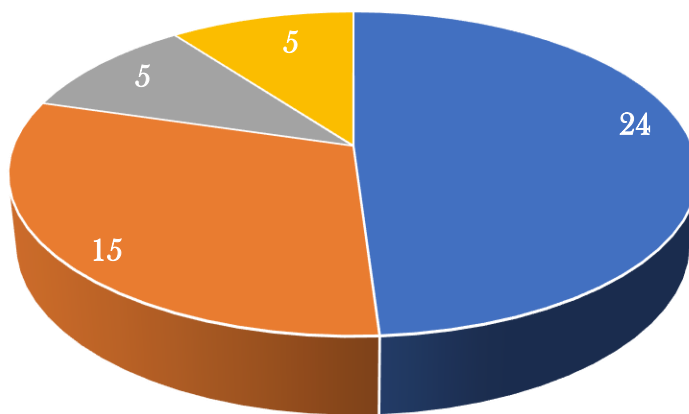


■ Before 1980 ■ 1980-1999 ■ 2000-2015 ■ 2015-2022

Sixty-seven percent (33 of 49) of the existing selected hotels in the Coshocton competitive market area were built before 2000.

Twenty-four percent (12 of 49) of these properties were built between 2000 and 2015, while only 8% (4 of 49) have been built since 2015, which translates into approximately 1 new hotel every two years in the Coshocton competitive market area.

COMPETITIVE MARKET AREA BY PROPERTY SIZE



■ Less than 60 ■ 60 to 79 ■ 80 to 99 ■ More than 100

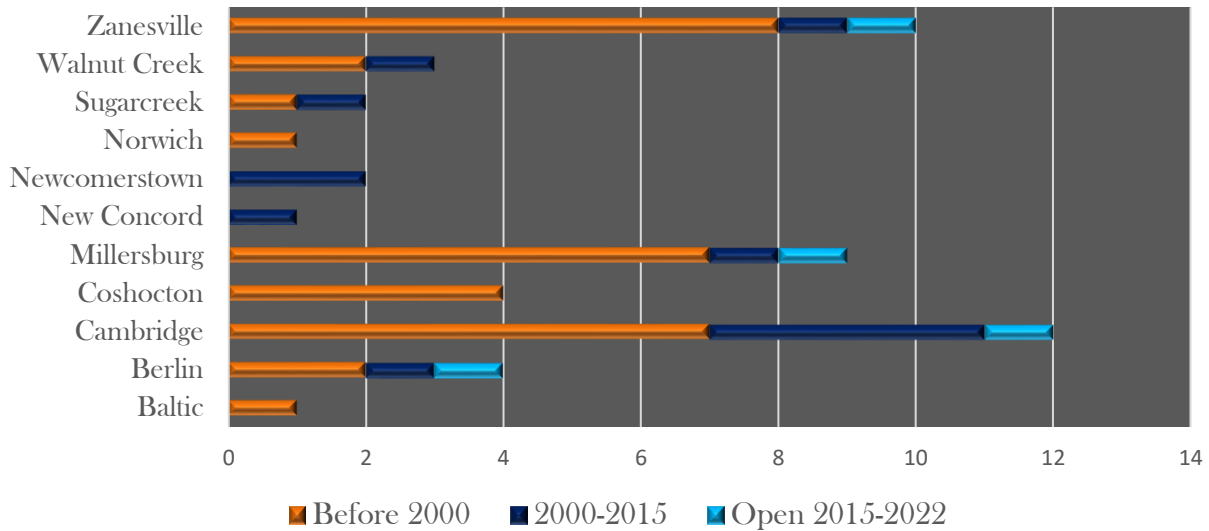
The pie chart at left depicts the 49 selected hotels by number of rooms.

Of these 49 hotels, the average number of rooms is 62, while the median number of rooms is also 62.

Forty-nine percent (24 of 49) of the selected hotels have less than 60, while only 10% (5 of 49) have more than 100 rooms.



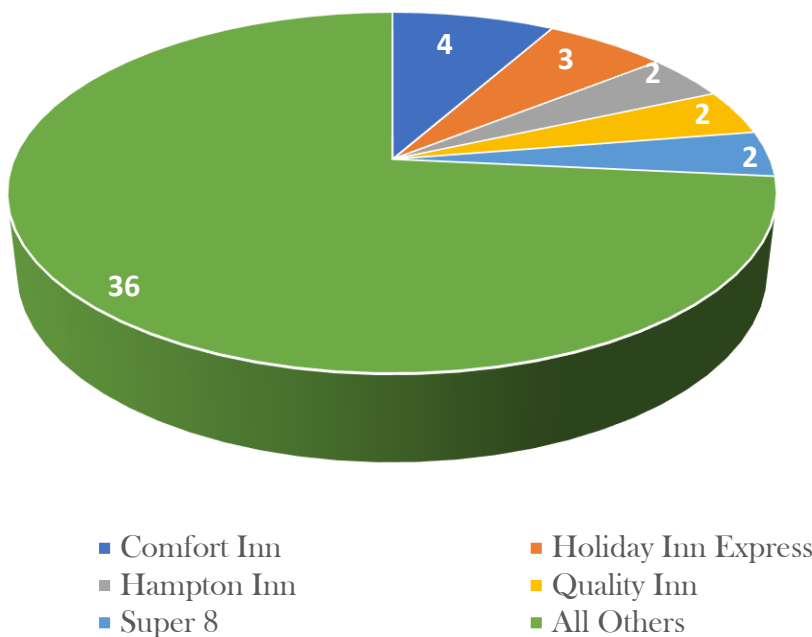
COMPETITIVE MARKET AREA BY HOTEL LOCATION AND YEAR BUILT



As depicted on the graph above, Cambridge (12), Zanesville (10) and Millersburg (9) have the most hotels located within the Coshocton competitive market area.

Three of the four hotels built since 2015 are located in Cambridge, Zanesville, and Millersburg with Berlin as the fourth location. No hotels have been built in Coshocton since 2000.

DISTRIBUTION OF FRANCHISES



Of the 49 selected hotels, 5 franchise hotel brands account for 27% (13) of all the hotel properties being analyzed.

Comfort Inn, Hampton Inn and Holiday Inn Express are all classified by STR as Upper Midscale hotels. These three franchises account for 18% of the hotels located in the Coshocton competitive market area, and have an average year built of 2004.

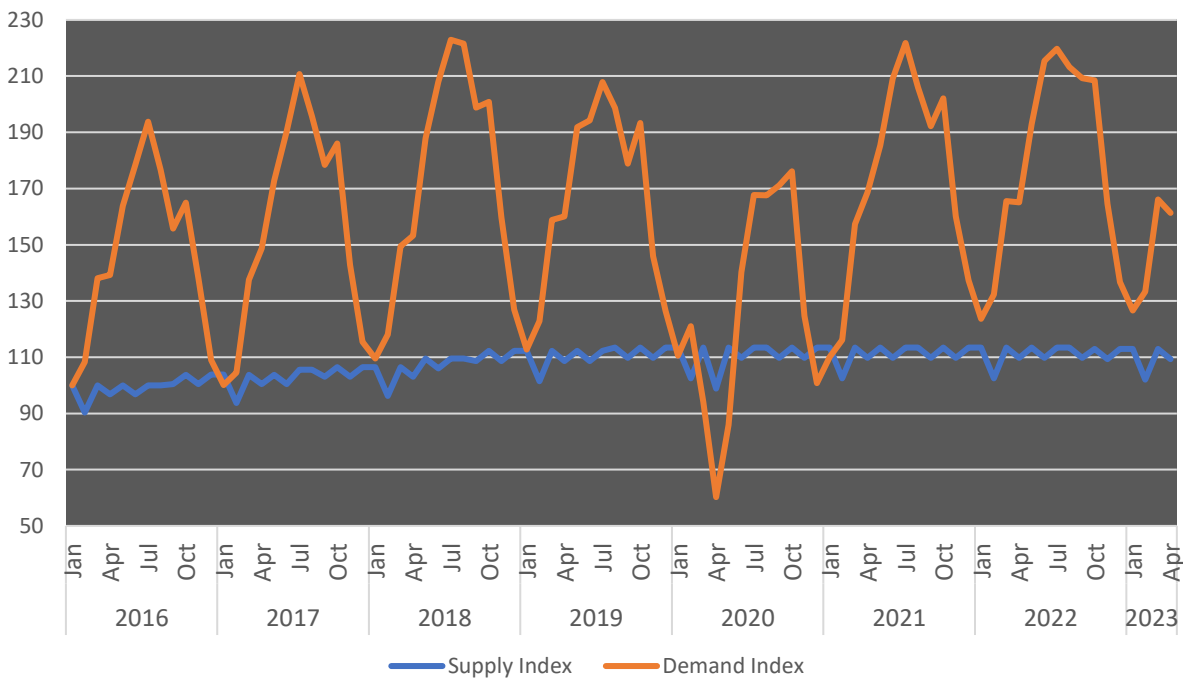


LIST OF SELECTED UPPER MIDSCALE HOTELS IN COSHOCTON MARKET AREA

The 10 selected Upper Midscale Hotels are listed below. The full list of hotels included in this analysis is provided as Appendix I.

Hotel	City & State	Class	Open Date	Rooms
Comfort Inn	Cambridge, OH	Upper Midscale	Jun 1999	70
Comfort Inn	Millersburg, OH	Upper Midscale	Jul 1997	59
Comfort Inn	Zanesville, OH	Upper Midscale	Jun 1992	63
Comfort Suites	Berlin, OH	Upper Midscale	Oct 2002	117
Fairfield Inn & Suites	Cambridge, OH	Upper Midscale	Sep 2016	99
Hampton Inn	Cambridge, OH	Upper Midscale	Jul 2006	87
Hampton Inn	Zanesville, OH	Upper Midscale	Dec 1997	63
Holiday Inn Express & Suites	Cambridge, OH	Upper Midscale	May 2014	77
Holiday Inn Express & Suites	Millersburg, OH	Upper Midscale	Sep 2018	72
Holiday Inn Express & Suites	Zanesville, OH	Upper Midscale	Dec 2009	76

SUPPLY - DEMAND INDEX (ALL)



STR defines supply as the total number of rooms times the number of days in a given time period, while demand is the number of rooms sold. During the time period depicted on the above graph (January 2016 through June 2022), average monthly supply increased by 11%, which in raw numbers equals an increase of 9,091 (from 82,133 to 91,224 total rooms available on a monthly basis). Demand matched supply, increasing by 11%, going from a monthly average of 40,743 rooms sold in 2016 to a monthly average of 45,408 rooms sold during the first half of 2022.

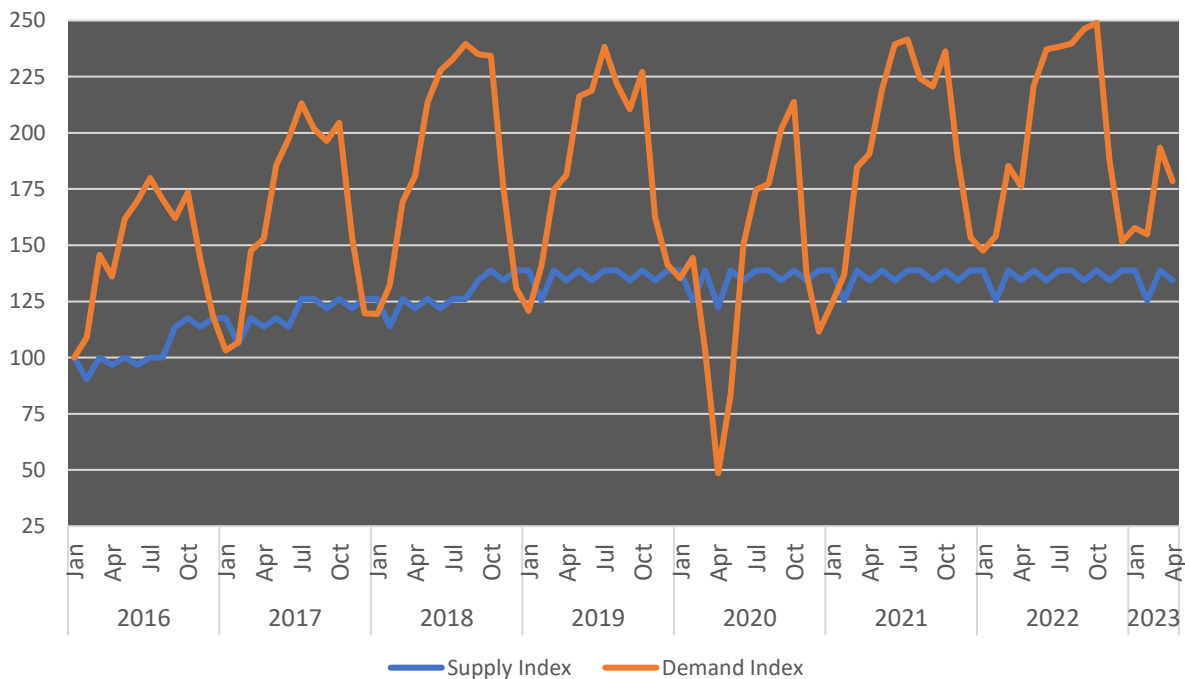


The demand index line demonstrates the seasonality of the market area, with peaks occurring in the summer months and valleys occurring during the winter months.

The table below provides the annual averages for supply, demand and their corresponding index values. Index values measure the percent change over time, with the beginning of the time period being 100.

Year	Avg. Monthly Supply	Avg. Monthly Demand	Supply Index	Demand Index
2016	81,798	40,651	99.3	147.2
2017	84,826	43,348	103.0	157.0
2018	88,452	47,338	107.4	171.4
2019	91,115	45,839	110.7	166.0
2020	90,893	34,986	110.4	126.7
2021	91,645	47,547	111.3	172.2
2022	91,538	49,406	111.2	178.9
Q1-2023	89,970	39,224	109.3	142.0

SUPPLY - DEMAND INDEX (UPPER MIDSCALE)



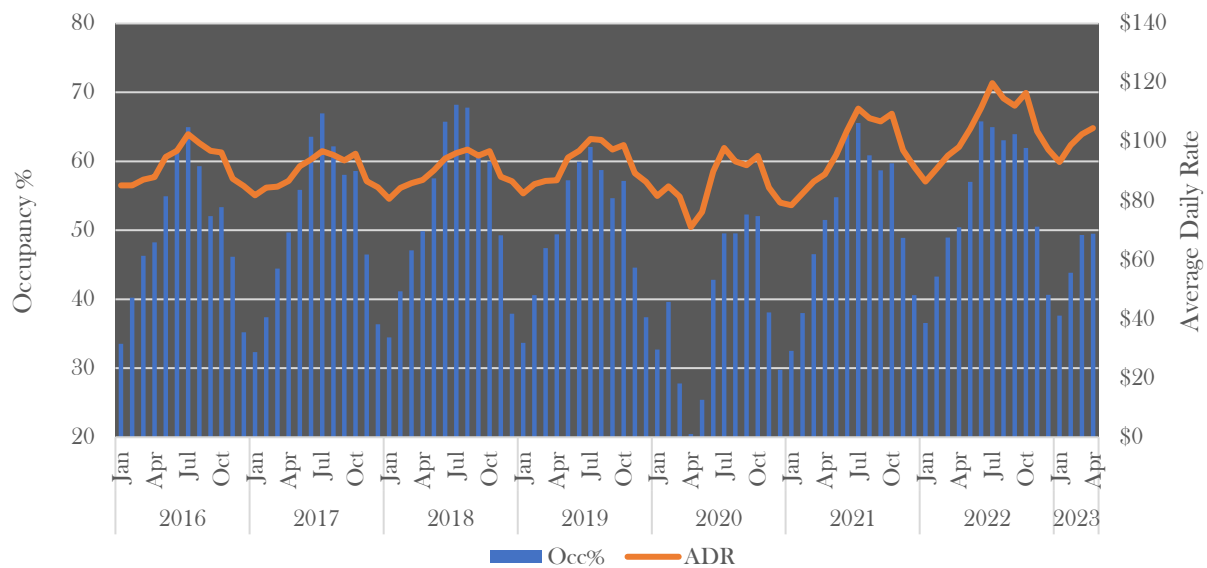


Year	Supply - Local	Demand - Local	Supply Index	Demand Index
2016	18,162	11,312	103.9	147.5
2017	20,902	12,672	119.6	165.2
2018	22,358	14,644	127.9	191.0
2019	23,816	14,407	136.2	187.9
2020	23,641	10,746	135.2	140.1
2021	23,816	15,082	136.2	196.7
2022	23,816	15,554	136.2	202.8
Q1-2023	23,490	12,935	134.4	168.7

The table above provides annual averages for supply and demand for the Upper Midscale group of hotels. From January 2016 to April 2023, supply increased by 34%, while demand grew by nearly 69%.

The Upper Midscale group of hotels outperformed the entire set of hotels by a substantial margin in terms of demand index values.

OCCUPANCY & AVERAGE DAILY RATE (ALL)



Occupancy rate is the percentage of rooms sold versus total available rooms. Average daily rate (“ADR”) is the average rental rate for a single room. Within the Coshocton competitive market area, the average annual ADR was \$92.10 for 2016 among the 49 selected hotels and increased by 13% to \$104.23 for 2022. The average annual occupancy rate experienced modest growth during this period, increasing from 49.7% in 2016 to 53.9% in 2022.

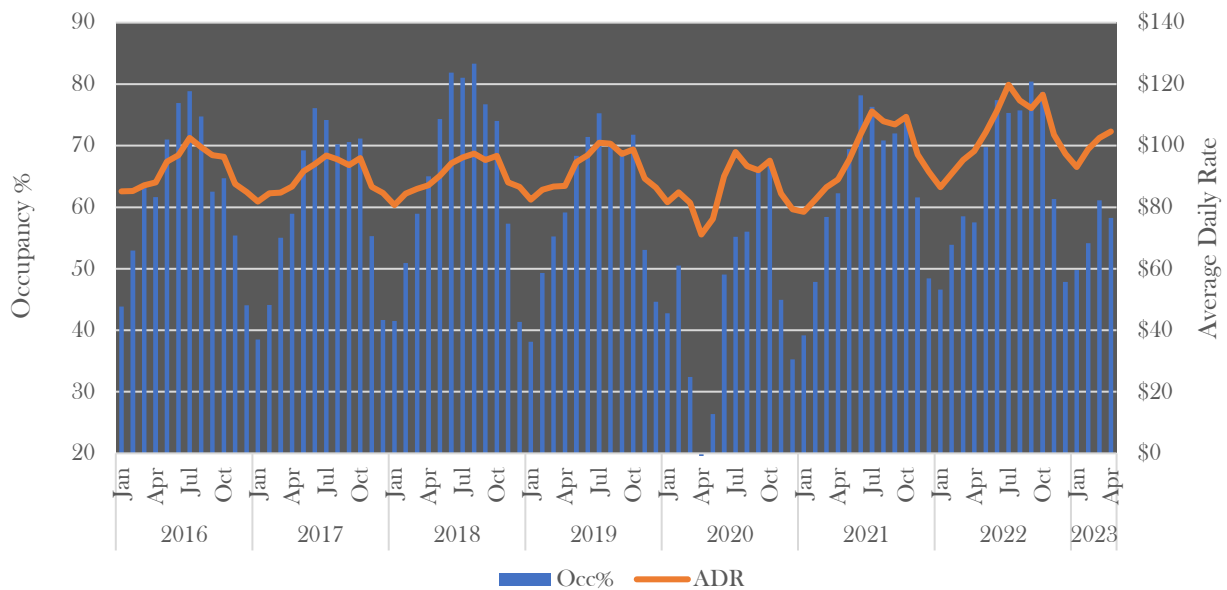


Since the occupancy rate is directly related to demand, the above graph displays a similar pattern of seasonality as did the previous supply-demand index graphs.

Year	Occ%	ADR	Occ% Index	ADR Index
2016	49.7	\$92.10	148.1	108.1
2017	51.0	\$89.72	152.1	105.3
2018	53.4	\$90.26	159.1	106.0
2019	50.2	\$92.23	149.8	108.3
2020	38.4	\$85.63	114.4	100.5
2021	51.8	\$96.65	154.5	113.5
2022	53.9	\$104.23	160.8	122.4
Q1-2023	43.6	\$98.17	130.0	115.3

The table above provides the annual occupancy rate and ADR averages for the time period depicted on the graph for all hotels.

OCCUPANCY & AVERAGE DAILY RATE INDEX (UPPER MIDSCALE)

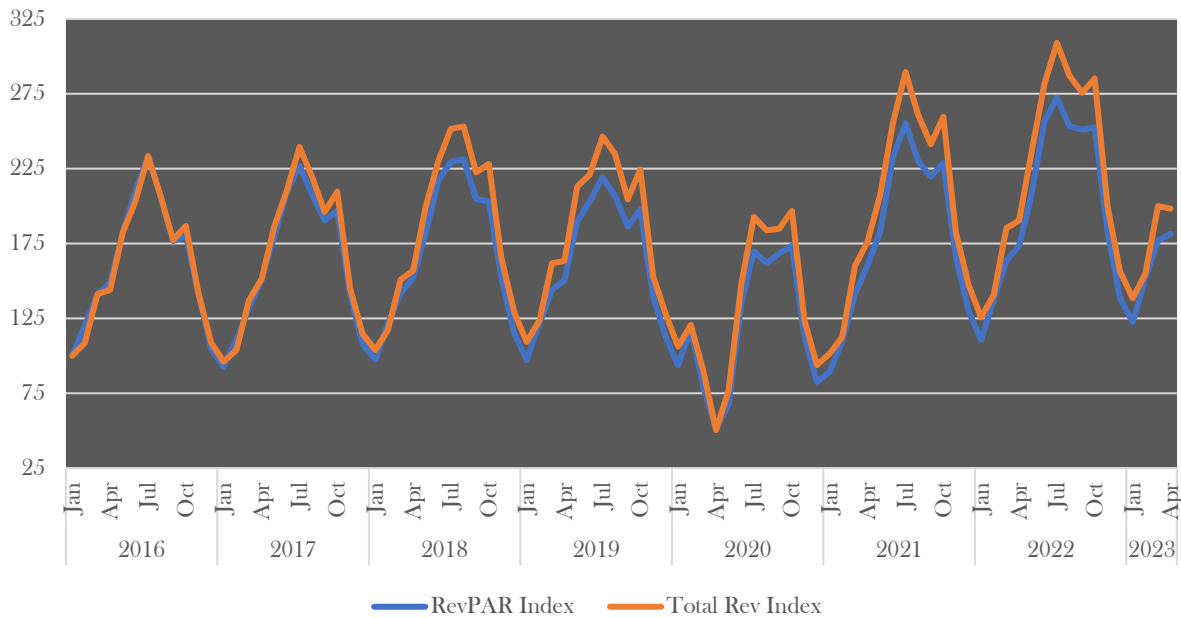


During the study period, ADR and occupancy both increased except for during the peak of the pandemic in 2020. In comparison, the Upper Midscale group's occupancy and ADR were consistently greater than the group of all hotels.

Year	Occ%	ADR	Occ% Index	ADR Index
2016	62.6	\$107.32	142.6	105.9
2017	60.4	\$102.60	137.8	101.3
2018	65.5	\$100.41	149.4	99.1
2019	60.4	\$102.49	137.8	101.2
2020	45.3	\$94.60	103.2	93.4
2021	63.3	\$106.54	144.2	105.1
2022	65.3	\$116.19	148.8	114.7
Q1-2023	55.0	\$113.98	125.5	112.5



REVENUE & REVENUE PER AVAILABLE ROOM INDEX (ALL)



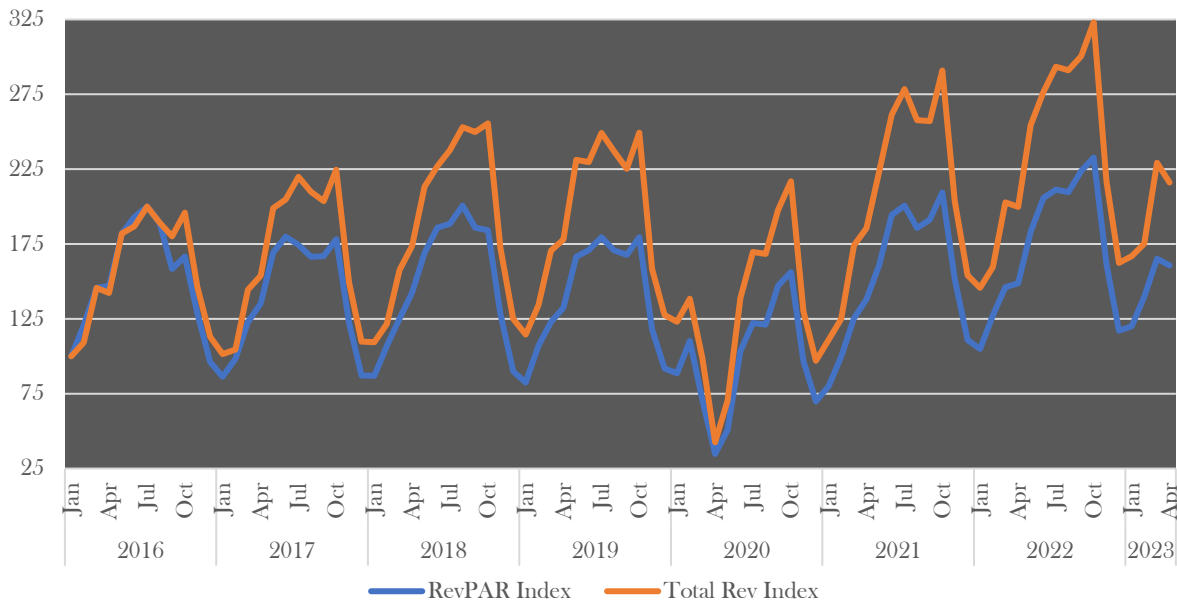
Revenue is defined as total sales from sold rooms, while Revenue per Available Room (“RevPAR”) is total room revenue divided by total rooms available. During the study period, both of these metrics experienced solid growth, with RevPAR, a key statistic in the hotel industry, increasing by 23% from \$46.30 for 2016 to \$57.16 for 2023.

The table below provides the annual RevPAR and total revenue per month averages for the study period.

Year	RevPAR	Total Rev	RevPAR Index	Total Rev Index
2016	46.3	\$3,790,256.92	162.1	161.1
2017	46.3	\$3,938,432.17	162.1	167.4
2018	48.7	\$4,327,462.08	170.6	184.0
2019	46.9	\$4,279,472.42	164.1	181.9
2020	33.6	\$3,073,064.00	117.8	130.7
2021	51.1	\$4,692,521.33	178.8	199.5
2022	57.2	\$5,241,046.83	200.1	222.8
Q1-2023	43.0	\$3,866,964.33	150.5	164.4



REVENUE & REVENUE PER AVAILABLE ROOM INDEX (UPPER MIDSCALE)



Average monthly total revenue increased by 49% from 2016 to 2022, while average annual RevPAR grew by 13% over the same time period.

Year	RevPAR	Total Rev	RevPAR Index	Total Rev Index
2016	\$67.69	\$1,224,292.83	152.3	157.6
2017	\$62.50	\$1,311,315.50	140.6	168.8
2018	\$66.45	\$1,487,003.50	149.5	191.4
2019	\$62.59	\$1,492,771.58	140.8	192.1
2020	\$43.43	\$1,030,838.67	97.7	132.7
2021	\$68.46	\$1,633,454.75	154.0	210.2
2022	\$76.74	\$1,830,262.17	172.7	235.5
Q1-2023	\$62.97	\$1,479,771.67	141.7	190.4

SUGGESTED HOTEL FRANCHISES

For most new construction projects, a mid-size hotel of 60 to 100 rooms will generally require a footprint of approximately 1.5 to 3 acres. The following section provides information on selected hotel franchises that, in HCG’s opinion, could be targets for the development of a new hotel in the City.

Franchise descriptions were obtained from www.hospitalitynet.org.

Development brochures for the suggested hotel franchises are included as Appendix III.



HOLIDAY INN EXPRESS

Holiday Inn Express® hotels are a part of the IHG brand family and are the ideal choice for the smart traveler, offering them a great night's rest while helping them be productive on the go. Fresh, clean, modern and uncomplicated, Holiday Inn Express hotels offer competitive rates for both business and leisure travelers. Guests Stay Smart® at Holiday Inn Express hotels where they enjoy a free hot Express Start® Breakfast Bar, free high-speed Internet access and free local phone calls (US and Canada only). Launched in 1991, the Holiday Inn Express® brand is one of the largest and fastest growing brands in the hotel industry, opening hotels at a rate of two per week on average' in the boiler plate. There are currently more than 2,200 Holiday Inn Express hotel locations around the globe.



There are 3 Holiday Inn Express' located in the Coshocton competitive market area (Cambridge, Millersburg and Zanesville).

Holiday Inn Express Building Summary

GUESTROOMS			
Guestroom Types	Totals	SF	Total SF
King	46	325	14,950
Double Queen	22	325	7,150
King Suite	9	381	3,429
King X Wide	4	385	1,540
QQ Suite	7	381	2,667
Accessible King	2	416	832
Accessible QQ	1	381	381
Accessible King Suite	1	381	381
Accessible Queen Suite	1	403	403
TOTAL	93	3,378	31,733

PUBLIC AREAS 1 ST FLOOR	
	SF
Breakfast Bar Room	325
Business Center	172
Registration Area	177
Corridor	351
Corridor	287
Corridor	805
Elev. Lobby	173
Fitness Center	511
Guest Laundry	93
Great Room	1,875
Market	90
Meeting Room	345
Indoor Pool	1,170
Pool-Vest.	157
Toilet Mens	60
Toilet Womens	60
Vestibule	128
TOTAL	6,779

SITE SUMMARY	
Lot Parking	1.79 Acres
Typical Space	103
Accessible Space	5
Total Spaces	108

BACK OF HOUSE 1 ST FLOOR	
	SF
Break Room	89
Laundry Chute	17
Electrical Room	11
Elevator	118
Elev. Equip.	107
Eng/Maint	97
Laundry Equip.	59
General Manager Office	116
Laundry	212
Market Storage	36
Mech/Elec	327
Pantry	336
Pool Equip. Room	124
Sales Office	121
Server Room	46
Stairs	350
Storage	224
Employee Restroom	38
Work Area	193
TOTAL	2,621

BACK OF HOUSE UPPER FLOORS			
	Per Floor	SF Per Floor	Total SF
Laundry Chute	1	28	84
Elec	1	11	33
Housekeeping	1	152	456
PBX/Storage	1	82	246
Corridor	1	1,479	4,437
Elevator Shaft	1	118	354
Stairs	2	336	1,008
TOTAL		1,797	6,618

TOTALS	
	Total SF
Guestrooms Total	31,733
Public Areas Total	6,779
BOH 1st Floor Total	2,621
BOH Upper Floors	6,618
Walls, Shafts, Etc.	6,482

GROSS BUILDING		
	Total SF	
Level 1	13,797	
Level 2	13,501	
Level 3	13,443	
Level 4	13,493	
TOTAL	54,233	Total Gross SF
	584	Gross SF Per Key

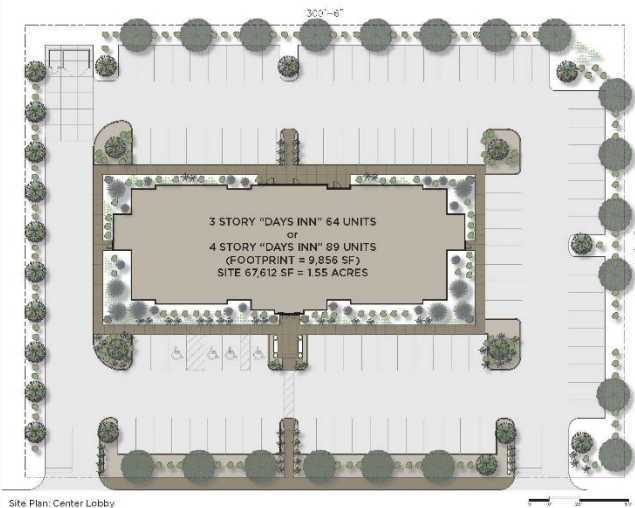


DAYS INN

Days Inn® is a leading global brand in the economy segment with more guest rooms than any other economy brand in the world and over 1,850 properties worldwide. Under its "Best Value Under the Sun" market positioning, Days Inn hotels offer value conscious consumers free high-speed internet. Most hotels also offer free Daybreak® breakfast, and many hotels have restaurants, pools and meeting rooms.



PROTOTYPE: SITE SUMMARY
Center Lobby*



BUILDING STATISTICS	
Building Length	176'-6"
Building Depth	60'-0"
Number of Floors	3-4
Land (acres)	1.55
Parking (# of Spaces)	102
# of Keys	64-89

There is 1 Days Inn located in the Coshocton competitive market area (Cambridge).

PROTOTYPE: ELEVATION
Center Lobby*



Front Elevation: 3 Story
*4 story Front Elevation available



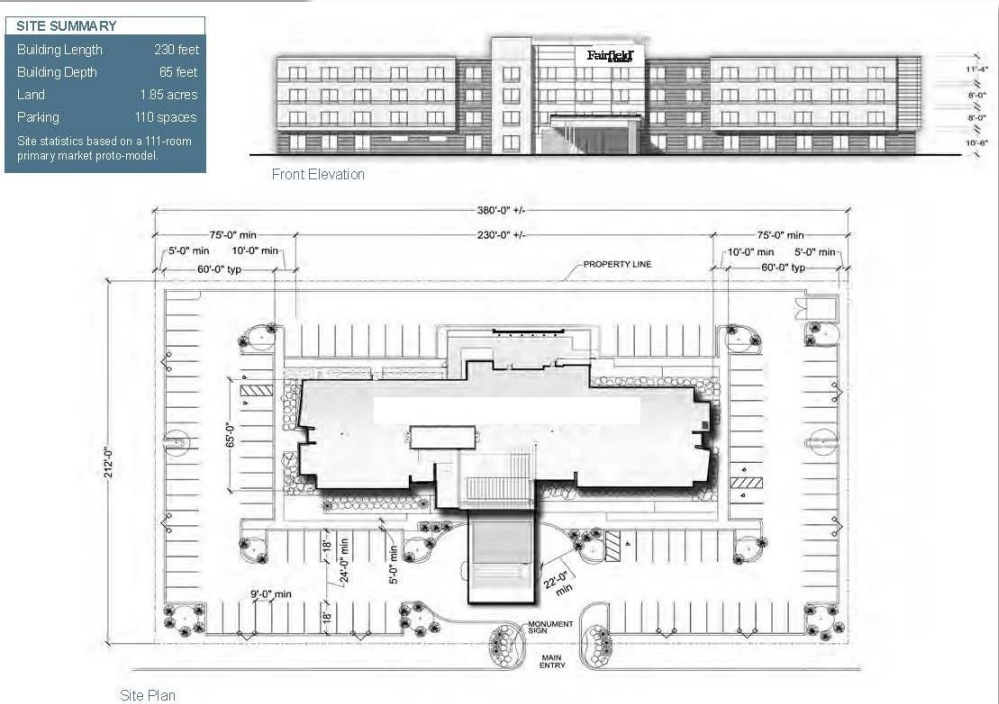


FAIRFIELD INN

Fairfield by Marriott was founded on the principles of warm, trusted service and friendly hospitality inspired by its unique heritage as the namesake of the Marriott family retreat, the Fairfield Farm. Its contemporary, uplifting design provides an effortless experience for guests to maintain their routines while on the road. Evoking the feelings of calming simplicity, Fairfield offers thoughtfully designed guestrooms and suites that provide separate quality living, working and sleeping areas. With over 1,130 properties in 13 countries and territories, Fairfield is proud to participate in Marriott Bonvoy, the global travel program from Marriott International. The program offers members an extraordinary portfolio of global brands, exclusive experiences on Marriott Bonvoy Moments and unparalleled benefits including free nights and Elite status recognition. To enroll for free or for more information about the program, visit MarriottBonvoy.com. For more information or reservations, visit Fairfield.marriott.com.



There is 1 Fairfield Inn located within the Coshocton competitive market area (Cambridge).





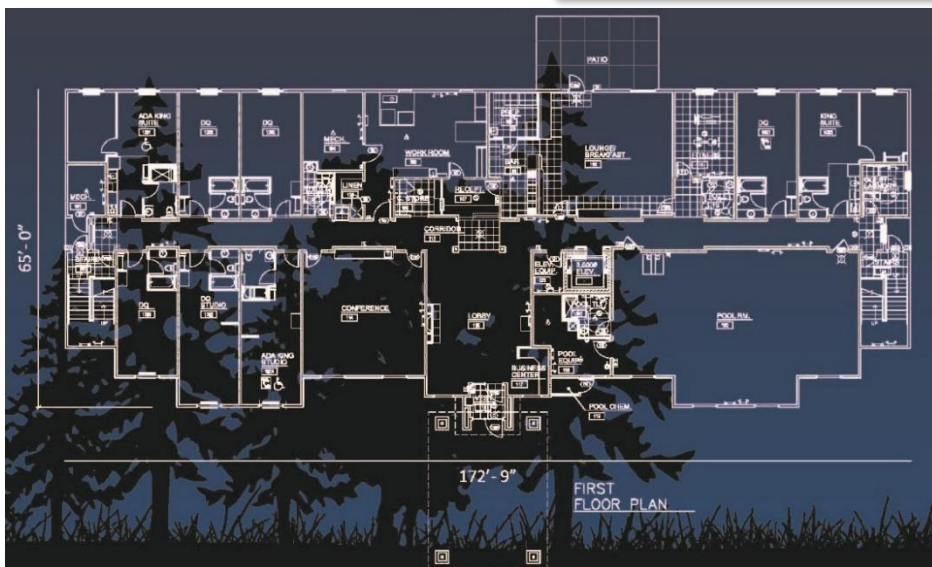
COBBLESTONE INN

Headquartered in Neenah, Wisconsin, Cobblestone Hotels, LLC prides itself on filling the lodging needs of communities throughout the United States through its select brands. Since its first property opened in Clintonville, Wisconsin in January of 2008, the brand has expanded to more than 160 locations open or under construction, spread across 29 states. With more than 50 locations under development, Cobblestone Hotels is one of the fastest-growing hotel brands in the country. The cohesive approach of community and entrepreneurship provides the catalyst for success.



Cobblestone Hotel & Suites is an upper-midscale modern approach that focuses on filling the lodging needs of many smaller communities across the country. This new build brand focuses attention on providing signature amenities that are attractive to any traveler.

The nearest Cobblestone Hotel is located in Orrville, OH.



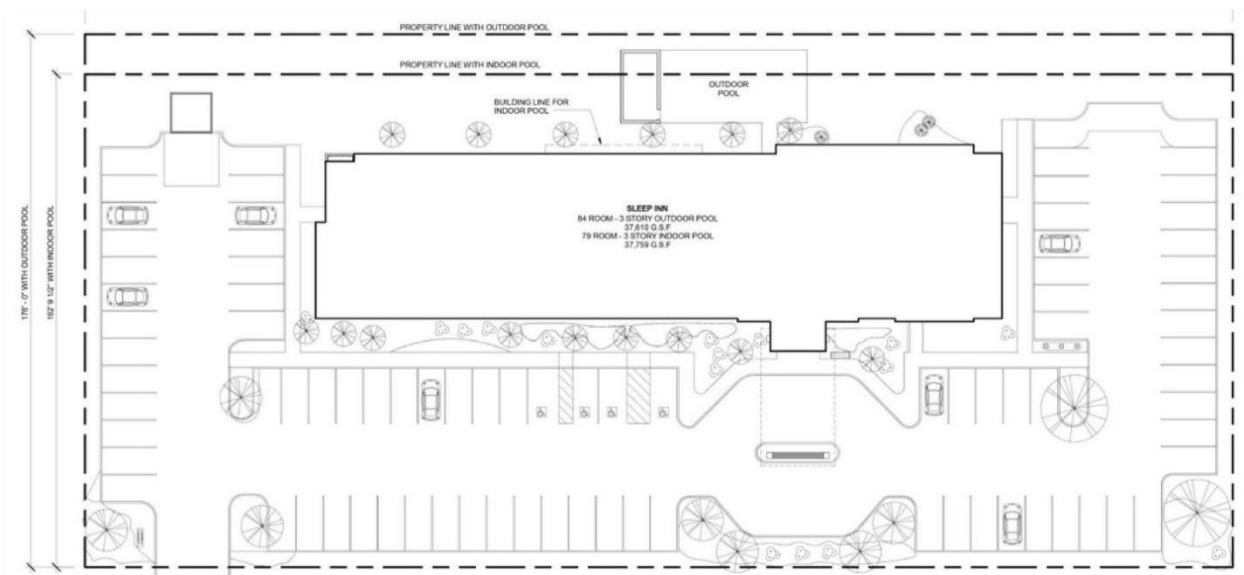


SLEEP INN

Every Sleep Inn hotel offers a simply stylish stay that's designed to help our guests Stay Balanced in Style. You'll find fresh, nature-inspired design elements that are modern but timeless, that create a serene environment. Every Sleep Inn hotel is built with a specific vision in mind - to provide a contrasting environment to urban life, for guests to relax, recharge and reset. The brand is suitable for new builds or conversions, with properties efficient to build, operate, and maintain. Franchised by global lodging leader Choice Hotels, Sleep Inn properties already have an established presence in the upper midscale hotel segment with more than 580 Sleep Inn properties open or in the pipeline worldwide.



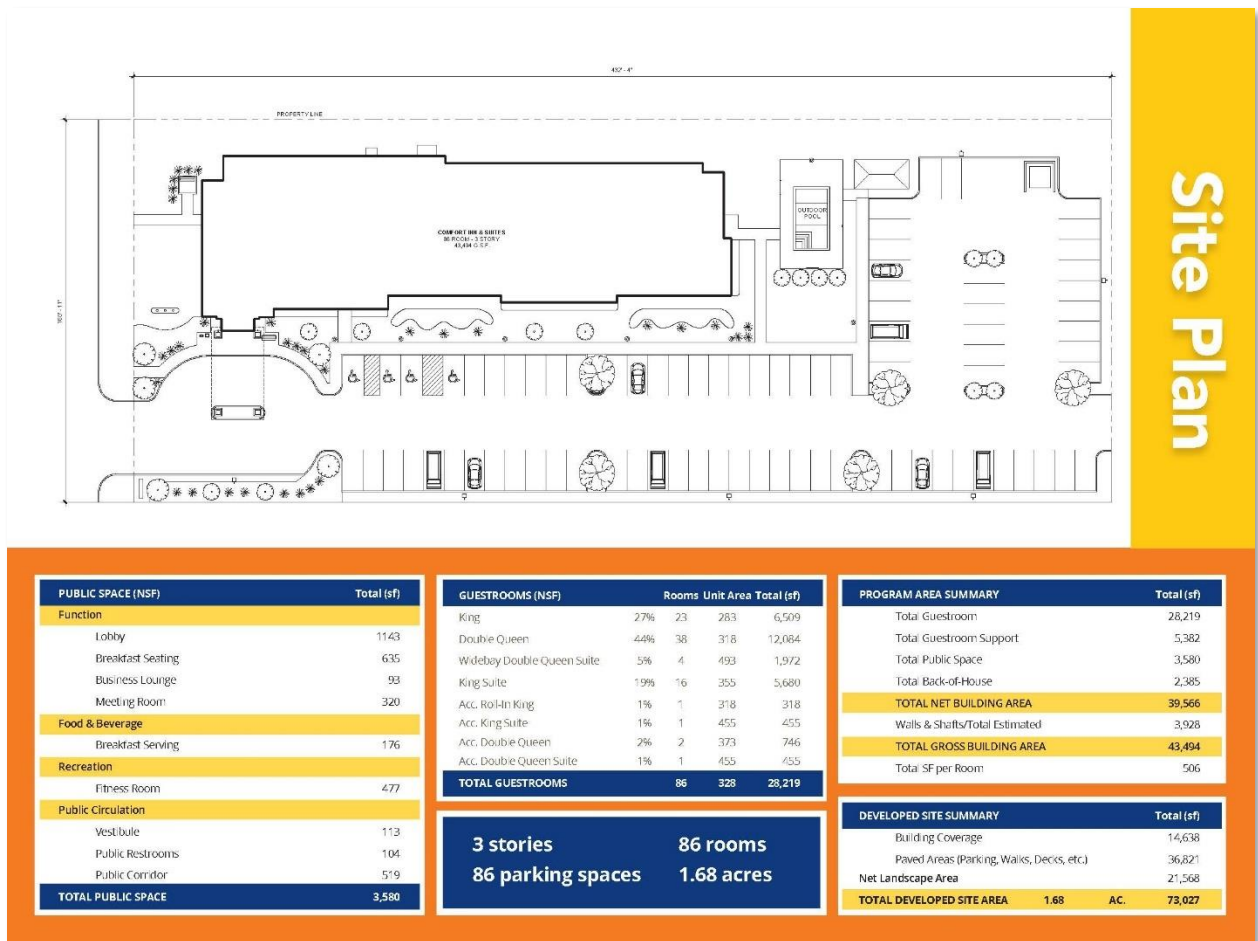
There are currently no Sleep Inns located in the Coshocton market area; however, this franchise does have other locations in southeast Ohio (e.g., Belmont at Exit 208 on I-70).





COMFORT INN

The Comfort brand, franchised by Choice Hotels, has been trusted by travelers and hotel owners for more than 30 years. With Comfort Inn, Comfort Inn & Suites and Comfort Suites hotel properties nationwide, the Comfort brand family is ready to take care of guests everywhere they need to be. And with hundreds of newly renovated properties, the Comfort brand is committed to helping guests feel refreshed and ready to take on the day, whether they are traveling for business or leisure. Comfort is the largest 100 percent smoke-free hotel brand in North America with more than 1,800 properties open and operating. At Comfort hotels, complimentary amenities include a hot, hearty and healthy breakfast, free Wi-Fi, business center, and fitness center or swimming pool at most locations. Rested. Set. Go.® Because behind every great day is a great night.



There are 3 Comfort Inns and 1 Comfort Suites located in the Coshocton competitive market area (Cambridge, Millersburg, Zanesville and Berlin).



LAQUINTA

With approximately 915 destinations in North and Latin America, the upper midscale La Quinta by Wyndham brand is a bright spot in every traveler's journey. Whether travelling for business or leisure, guests can expect friendly service and thoughtful amenities like expansive lobby space with comfortable seating areas, well equipped fitness centers, and business centers with conference and meeting.



There are currently no LaQuinta Inn & Suites located in the Coshocton market area.

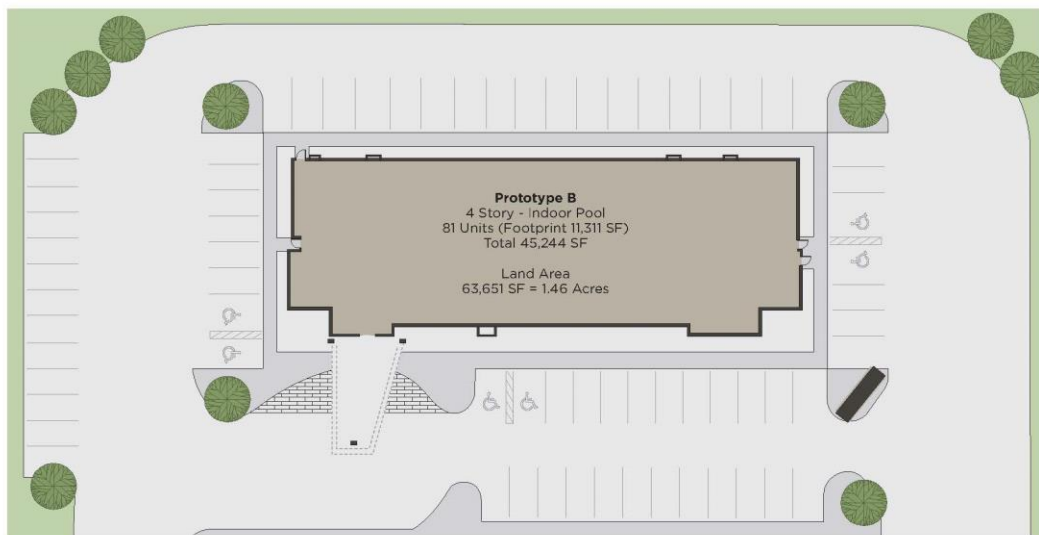
PROTOTYPE: ELEVATION

Prototype B



PROTOTYPE: SITE SUMMARY

Prototype B



Site Plan

BUILDING STATISTICS	
Building Length	187'-1"
Building Depth	68'-2"
Number of Floors	4
Land (acres)	1.46
Parking (# of spaces)	85
# of Keys	81



HAMPTON INN

Hampton by Hilton® is the industry’s leading upper-midscale brand. Every Hampton Inn and Hampton Inn & Suites is committed to the 100% Hampton Guarantee™ providing an exceptional guest experience and consistent, high-quality accommodations and amenities. When you invest with Hampton, you join a brand of more than 2,500 hotels in 29 countries and territories around the world backed by Hilton’s power, reputation, scale and performance engine.



Hampton Inn has 2 hotels located in Cambridge and Zanesville. The Garland Inn, located in New Comerstown, was formerly a Hampton Inn.



	HAMPTON INN	HAMPTON INN & SUITES
Room Count	80 keys	101 keys
Stories	4	4
Guestrooms	333 Avg SF/Key 26,619 Net SF	348 Avg SF/Key 35,124 Net SF
Guestroom Support	90 Avg SF/Key 7,192 Net SF	89 Avg SF/Key 8,962 Net SF
Public Space	71 Avg SF/Key 5,639 Net SF	55 Avg SF/Key 5,584 Net SF
Public Space Support	53 Avg SF/Key 4,253 Net SF	43 Avg SF/Key 4,366 Net SF
Gross Area/Key	618 Avg SF/Key	611 Avg SF/Key
Total Gross Square Footage	49,430 SF	61,689 SF



HOTEL DEVELOPMENT: FINANCIAL PERFORMANCE ASSUMPTIONS & PROJECTIONS

This section of the analysis provides financial performance projections for the following 4 scenarios:

- Scenario 1: 60-Room “Main Street” Cobblestone Hotel
- Scenario 2: 54-Room Cobblestone Hotel
- Scenario 3: 80-Room Limited-Service Hotel
- Scenario 4: 62-Room Downtown Redevelopment

Below is a list of general project assumptions used to calculate the financial performance projections:

- Per acre cost for land acquisition of \$20,000.
- Property taxes are estimated using the total development cost less FFE, Soft Costs, pre-opening/working capital and developer fee.
- Real property millage rates obtained from Coshocton County Auditor’s website.
 - 60.71 for Coshocton School District (Cobblestone Main Street and Downtown Redevelopment).
 - 47.99 for Tuscarawas Township – Riverview School District for Cobblestone 54-Room hotel and 80-Room Limited-Service franchise hotel.
- Debt service payments based on 20% equity, a 20-year loan term and an interest rate of 8.00%
 - This rate is was calculated as the average range of conventional, USDA and SBA loan rates (<https://www.commercialloandirect.com/hotel-loan-hospitality-mortgages.html>).
- Hotel payroll and operating expense data were provided to HCG from Cobblestone Hotels.
- Hotel market data was purchased from Smith Travel Reports.
- The per room estimated development costs are calculated using data from the HVS U.S. Hotel Development Cost Survey 2023 (for the 80-Room Limited Service and 62-Room Downtown Redevelopment). Data was also obtained from Bri-Mark Builders, the construction entity for Cobblestone Hotels. For the Cobblestone projects, which occurred in 2022, the costs were inflated by 6.025% using the Turner Building Cost Index from the 2023 HVS Survey.
 - <file:///C:/Users/Owner/Downloads/HVS-US-Hotel-Development-Cost-Survey-2023.pdf>
- Year 1 ADR was modeled using the current pricing for the Coshocton Village Inn, with additional increase for the Cobblestone Main Street and Downtown Redevelopment scenarios.
- A 2.5% annual escalator is applied to payroll.
- Total payroll was increased by 15% for the 80-room limited-service and 62-room downtown redevelopment scenarios.
- A 3.0% annual escalator is applied to ADR and operating expenses.
- A 2.0% annual escalator is applied to property insurance.
- Property reserves for maintenance are calculated as 4.0% of total revenue.
- The franchise fee structure is from Cobblestone Hotels



Detailed 5-year financial performance projections for all 4 scenarios are included as Appendix II. It is important to note that this analysis uses estimated management fees, franchise fees, payroll and other expenses (e.g., amount to set aside for reserves). Actual expenses will vary between hotel franchises and hotel development types.

SCENARIO 1: 60-ROOM COBBLESTONE “MAIN STREET” HOTEL

ESTIMATED TOTAL DEVELOPMENT COSTS: 60-ROOM COBBLESTONE “MAIN STREET”

Estimated Development Costs for 60-Room Main Street Cobblestone		
Category	Item	60 rooms
Land	Site Acquisition @ \$20,000/acre	\$40,000
	Estimated Required Acreage	2.0
Site Improvements & Building Construction	Total @ \$114,992/room	\$6,899,535
Fixtures, Furnishings & Equipment	Total @ \$18,493/room	\$1,109,569
Soft Costs	Total @ \$17,000/room	\$1,020,000
Pre-Opening & Working Capital	Total @ \$3,719/room	\$223,125
Developer Fee	Equal to 2% of above costs	\$185,845
Totals	Estimated Total Development Costs	\$9,478,073
	Estimated Total Development Costs Per Room	\$157,968

ESTIMATED DEVELOPMENT FINANCE COSTS: 60-ROOM COBBLESTONE “MAIN STREET”

Summary of Estimated Cobblestone "Main St." Development Finance Costs	60 rooms
Estimated Total Development Costs	\$9,478,073
Equity: 20% of TDC	\$1,895,615
Loan: 80% of TDC	\$7,582,459
Monthly Loan (PI) payment: 20-year amortization @ 8.00%	\$63,423
Annual Loan (PI) payment: 20-year amortization @ 8.00%	\$761,076
Estimated Property Tax Valuation: TDC - (Soft Costs+Working Cap+FFE+Dev Fee)	\$6,939,535
Monthly Estimated Property Tax (35% of Valuation @ 60.71 mills)	\$12,288
Annual Estimated Property Tax (35% of Valuation @ 60.71 mills)	\$147,455
Principal + Interest + Tax (Annual)	\$908,531
Principal + Interest + Tax (Monthly)	\$75,711
Annual Insurance @ \$300/room	\$18,000
Annual PITI	\$926,531
Annual franchise fee @ \$2.50/room/day	\$54,750



MARKET AVERAGE SUMMARY: 60-ROOM COBBLESTONE "MAIN STREET"

FIVER YEAR NUMBERS PROJECTED SUMMARY: 60 Room Cobblestone "Main Street"					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$149.00	\$153.47	\$158.08	\$162.82	\$167.70
REVENUE:					
Guest Rooms	\$2,147,960	\$2,246,009	\$2,354,931	\$2,425,579	\$2,498,347
Telephone/Misc.	\$5,370	\$5,615	\$5,887	\$6,064	\$6,246
Meeting Room Rental	\$48,329	\$50,535	\$52,986	\$54,576	\$56,213
Vending/Bar	\$37,589	\$39,305	\$41,211	\$42,448	\$43,721
TOTAL HOTEL REVENUE	\$2,239,248	\$2,341,464	\$2,455,016	\$2,528,666	\$2,604,526

5-YEAR FINANCIAL PROJECTION SUMMARY: 60-ROOM COBBLESTONE "MAIN STREET"

5-Year Projection for 60-Room Cobblestone "Main Street"					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL HOTEL REVENUE	\$2,239,248	\$2,341,464	\$2,455,016	\$2,528,666	\$2,604,526
TOTAL HOTEL PAYROLL	\$325,108	\$333,236	\$341,566	\$350,106	\$358,858
TOTAL OPERATING EXPENSES	\$595,408	\$613,730	\$633,098	\$650,448	\$668,319
INCOME BEFORE FIXED EXPENSES	\$1,318,732	\$1,394,499	\$1,480,352	\$1,528,113	\$1,577,349
TOTAL RESERVES & FIXED	\$255,025	\$259,473	\$264,383	\$267,703	\$271,120
CASH FLOW BEFORE DEBT	\$1,063,708	\$1,135,025	\$1,215,969	\$1,260,410	\$1,306,230
Debt Service	\$761,076	\$761,076	\$761,076	\$761,076	\$761,076
NET CASH FLOW	\$302,632	\$373,949	\$454,893	\$499,334	\$545,154
RETURN ON CASH INVESTMENT	16.0%	19.7%	24.0%	26.3%	28.8%
NET CASH FLOW/\$50K INVESTMENT	\$7,982	\$9,864	\$11,999	\$13,171	\$14,379



SCENARIO 2: 54-ROOM COBBLESTONE HOTEL

ESTIMATED TOTAL DEVELOPMENT COSTS: 54-ROOM COBBLESTONE HOTEL

Estimated Development Costs for 54-Room Cobblestone		
Category	Item	54 rooms
Land	Site Acquisition @ \$20,000/acre	\$40,000
	Estimated Required Acreage	2.0
Site Improvements & Building Construction	Total @ \$122,188/room	\$6,598,125
Fixtures, Furnishings & Equipment	Total @ \$16,134/room	\$871,250
Soft Costs	Total @ \$15,544/room	\$839,375
Pre-Opening & Working Capital	Total @ \$4,132/room	\$223,125
Developer Fee	Equal to 2% of above costs	\$171,438
Totals	Estimated Total Development Costs	\$8,743,313
	Estimated Total Development Costs Per Room	\$145,722

ESTIMATED DEVELOPMENT FINANCE COSTS: 54-ROOM COBBLESTONE HOTEL

Summary of Estimated Cobblestone Development Finance Costs	54 rooms
Estimated Total Development Costs	\$8,743,313
Equity: 20% of TDC	\$1,748,663
Loan: 80% of TDC	\$6,994,650
Monthly Loan (PI) payment: 20 year amortization @ 8.00%	\$58,506
Annual Loan (PI) payment: 20 year amortization @ 8.00%	\$702,072
Estimated Property Tax Valuation: TDC - (Soft Costs+Working Cap+FFE+Dev Fee)	\$6,638,125
Monthly Estimated Property Tax (35% of Valuation @ 47.99 mills)	\$9,291
Annual Estimated Property Tax (35% of Valuation @ 47.99 mills)	\$111,497
Principal + Interest + Tax (Annual)	\$813,569
Principal + Interest + Tax (Monthly)	\$67,797
Annual Insurance @ \$300/room	\$16,200
Annual PITI	\$829,769
Annual franchise fee @ \$2.50/room/day	\$49,275



MARKET AVERAGE SUMMARY: 54-ROOM COBBLESTONE HOTEL

FIVER YEAR NUMBERS PROJECTED SUMMARY: 54-Room Cobblestone Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$139.00	\$143.17	\$147.47	\$151.89	\$156.45
REVENUE:					
Guest Rooms	\$1,803,423	\$1,885,744	\$1,977,196	\$2,036,511	\$2,097,607
Telephone/Misc.	\$4,509	\$4,714	\$4,943	\$5,091	\$5,244
Meeting Room Rental	\$40,577	\$42,429	\$44,487	\$45,822	\$47,196
Vending/Bar	\$31,560	\$33,001	\$34,601	\$35,639	\$36,708
TOTAL HOTEL REVENUE	\$1,880,068	\$1,965,889	\$2,061,226	\$2,123,063	\$2,186,755

5-YEAR FINANCIAL PROJECTION SUMMARY: 54-ROOM COBBLESTONE HOTEL

5-Year Projection for 54-Room Cobblestone Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL HOTEL REVENUE	\$1,880,068	\$1,965,889	\$2,061,226	\$2,123,063	\$2,186,755
TOTAL HOTEL PAYROLL	\$325,108	\$333,236	\$341,566	\$350,106	\$358,858
TOTAL OPERATING EXPENSES	\$504,110	\$535,609	\$552,381	\$567,474	\$583,020
INCOME BEFORE FIXED EXPENSES	\$1,050,850	\$1,097,044	\$1,167,279	\$1,205,483	\$1,244,877
TOTAL RESERVES & FIXED	\$202,900	\$206,657	\$210,801	\$213,611	\$216,503
CASH FLOW BEFORE DEBT	\$847,950	\$890,387	\$956,478	\$991,872	\$1,028,374
Debt Service	\$702,072	\$702,072	\$702,072	\$702,072	\$702,072
NET CASH FLOW	\$145,878	\$188,315	\$254,406	\$289,800	\$326,302
RETURN ON CASH INVESTMENT	8.3%	10.8%	14.5%	16.6%	18.7%
NET CASH FLOW/\$50K INVESTMENT	\$4,171	\$5,385	\$7,274	\$8,286	\$9,330



SCENARIO 3: 80-ROOM FRANCHISE LIMITED-SERVICE HOTEL

ESTIMATED TOTAL DEVELOPMENT COSTS: 80-ROOM LIMITED-SERVICE HOTEL

Estimated Development Costs for 80-Room Limited-Service Hotel		
Category	Item	80 rooms
Land	Site Acquisition @ \$20,000/acre	\$40,000
	Estimated Required Acreage	2.0
Site Improvements & Building Construction	Total @ \$109,041/room	\$8,723,280
Fixtures, Furnishings & Equipment	Total @ \$15,833/room	\$1,266,640
Soft Costs	Total @ \$18,352/room	\$1,468,160
Pre-Opening & Working Capital	Total @ \$2,809/room	\$224,720
Developer Fee	Equal to 2% of above costs	\$234,456
Totals	Estimated Total Development Costs	\$11,957,256
	Estimated Total Development Costs Per Room	\$149,466

ESTIMATED DEVELOPMENT FINANCE COSTS: 80-ROOM LIMITED-SERVICE HOTEL

Summary of Estimated Limited-Service Hotel Development Finance Costs	80 rooms
Estimated Total Development Costs	\$11,957,256
Equity: 20% of TDC	\$2,391,451
Loan: 80% of TDC	\$9,565,805
Monthly Loan (PI) payment: 20-year amortization @ 8.00%	\$80,012
Annual Loan (PI) payment: 20-year amortization @ 8.00%	\$960,144
Estimated Property Tax Valuation: TDC - (Soft Costs+Working Cap+FFE+Dev Fee)	\$8,763,280
Monthly Estimated Property Tax (35% of Valuation @ 47.99 mills)	\$12,266
Annual Estimated Property Tax (35% of Valuation @ 47.99 mills)	\$147,192
Principal + Interest + Tax (Annual)	\$1,107,336
Principal + Interest + Tax (Monthly)	\$92,278
Annual Insurance @ \$300/room	\$24,000
Annual PITI	\$1,131,336
Annual franchise fee @ \$2.50/room/day	\$73,000



MARKET AVERAGE SUMMARY: 80-ROOM LIMITED-SERVICE HOTEL

FIVER YEAR NUMBERS PROJECTED SUMMARY: 80 Room Limited Service Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$139.00	\$143.17	\$147.47	\$151.89	\$156.45
REVENUE:					
Guest Rooms	\$2,671,737	\$2,793,695	\$2,929,179	\$3,017,054	\$3,107,566
Telephone/Misc.	\$6,679	\$6,984	\$7,323	\$7,543	\$7,769
Meeting Room Rental	\$60,114	\$62,858	\$65,907	\$67,884	\$69,920
Vending/Bar	\$46,755	\$48,890	\$51,261	\$52,798	\$54,382
TOTAL HOTEL REVENUE	\$2,785,286	\$2,912,427	\$3,053,669	\$3,145,279	\$3,239,637

5-YEAR FINANCIAL PROJECTION SUMMARY: 80-ROOM LIMITED-SERVICE HOTEL

5-Year Projection for 80-Room Limited-Service Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL HOTEL REVENUE	\$2,785,286	\$2,912,427	\$3,053,669	\$3,145,279	\$3,239,637
TOTAL HOTEL PAYROLL	\$373,874	\$385,090	\$396,643	\$408,542	\$420,799
TOTAL OPERATING EXPENSES	\$769,971	\$790,880	\$812,417	\$834,599	\$857,447
INCOME BEFORE FIXED EXPENSES	\$1,641,441	\$1,736,457	\$1,844,609	\$1,902,137	\$1,961,391
TOTAL RESERVES & FIXED	\$282,604	\$288,410	\$294,801	\$299,229	\$303,790
CASH FLOW BEFORE DEBT	\$1,358,837	\$1,448,047	\$1,549,808	\$1,602,908	\$1,657,601
Debt Service	\$960,144	\$960,144	\$960,144	\$960,144	\$960,144
NET CASH FLOW	\$398,693	\$487,903	\$589,664	\$642,764	\$697,457
RETURN ON CASH INVESTMENT	16.7%	20.4%	24.7%	26.9%	29.2%
NET CASH FLOW/\$50K INVESTMENT	\$8,336	\$10,201	\$12,329	\$13,439	\$14,582



SCENARIO 4: 62-ROOM DOWNTOWN REDEVELOPMENT – SELBY BUILDING

ESTIMATED TOTAL DEVELOPMENT COSTS: 62-ROOM DOWNTOWN REDEVELOPMENT

Estimated Development Costs for Selby Redevelopment		
Category	Item	62 rooms
Land	Site Acquisition	\$0
	Estimated Required Acreage	2.0
Site Improvements & Building Construction	Total @ \$196,077/room	\$12,156,774
Fixtures, Furnishings & Equipment	Total @ \$26,267/room	\$1,628,554
Soft Costs	Total @ \$35,356/room	\$2,192,072
Pre-Opening & Working Capital	Total @ \$7,510/room	\$465,620
Developer Fee	Equal to 2% of above costs	\$328,860
Totals	Estimated Total Development Costs	\$16,771,880
	Estimated Total Development Costs Per Room	\$279,531

ESTIMATED DEVELOPMENT FINANCE COSTS: 62-ROOM DOWNTOWN REDEVELOPMENT

Summary of Estimated Selby Building Hotel Development Finance Costs	62 rooms
Estimated Total Development Costs	\$16,771,880
Equity: 20% of TDC	\$3,354,376
Loan: 80% of TDC	\$13,417,504
Monthly Loan (PI) payment: 20-year amortization @ 8.00%	\$112,229
Annual Loan (PI) payment: 20-year amortization @ 8.00%	\$1,346,748
Estimated Property Tax Valuation: TDC - (Soft Costs+Working Cap+FFE+Dev Fee)	\$12,156,774
Monthly Estimated Property Tax (35% of Valuation @ 60.71 mills)	\$21,526
Annual Estimated Property Tax (35% of Valuation @ 60.71 mills)	\$258,313
Principal + Interest + Tax (Annual)	\$1,605,061
Principal + Interest + Tax (Monthly)	\$133,755
Annual Insurance @ \$300/room	\$18,600
Annual PITI	\$1,623,661
Annual franchise fee @ \$2.50/room/day	\$56,575



MARKET AVERAGE SUMMARY: 62-ROOM DOWNTOWN REDEVELOPMENT

FIVER YEAR NUMBERS PROJECTED SUMMARY: 62-Room Downtown Redevelopment					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$149.00	\$153.47	\$158.08	\$162.82	\$167.70
REVENUE:					
Guest Rooms	\$2,219,558	\$2,320,876	\$2,433,429	\$2,506,432	\$2,581,625
Telephone/Misc.	\$5,549	\$5,802	\$6,084	\$6,266	\$6,454
Meeting Room Rental	\$49,940	\$52,220	\$54,752	\$56,395	\$58,087
Vending/Bar	\$38,842	\$40,615	\$42,585	\$43,863	\$45,178
TOTAL HOTEL REVENUE	\$2,313,889	\$2,419,513	\$2,536,850	\$2,612,955	\$2,691,344

5-YEAR FINANCIAL PROJECTION SUMMARY: 62-ROOM DOWNTOWN REDEVELOPMENT

5-Year Projection for 62-Room Downtown Redevelopment					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL HOTEL REVENUE	\$2,313,889	\$2,419,513	\$2,536,850	\$2,612,955	\$2,691,344
TOTAL HOTEL PAYROLL	\$373,874	\$383,221	\$392,801	\$402,621	\$412,687
TOTAL OPERATING EXPENSES	\$741,687	\$761,748	\$782,411	\$803,693	\$825,614
INCOME BEFORE FIXED EXPENSES	\$1,198,328	\$1,274,544	\$1,361,638	\$1,406,641	\$1,453,043
TOTAL RESERVES & FIXED	\$258,348	\$263,131	\$268,399	\$272,035	\$275,781
CASH FLOW BEFORE DEBT	\$939,980	\$1,011,413	\$1,093,239	\$1,134,606	\$1,177,263
Debt Service	\$960,144	\$960,144	\$960,144	\$960,144	\$960,144
NET CASH FLOW	-\$20,164	\$51,269	\$133,095	\$174,462	\$217,119
RETURN ON CASH INVESTMENT	-0.6%	1.5%	4.0%	5.2%	6.5%
NET CASH FLOW/\$50K INVESTMENT	-\$301	\$764	\$1,984	\$2,601	\$3,236

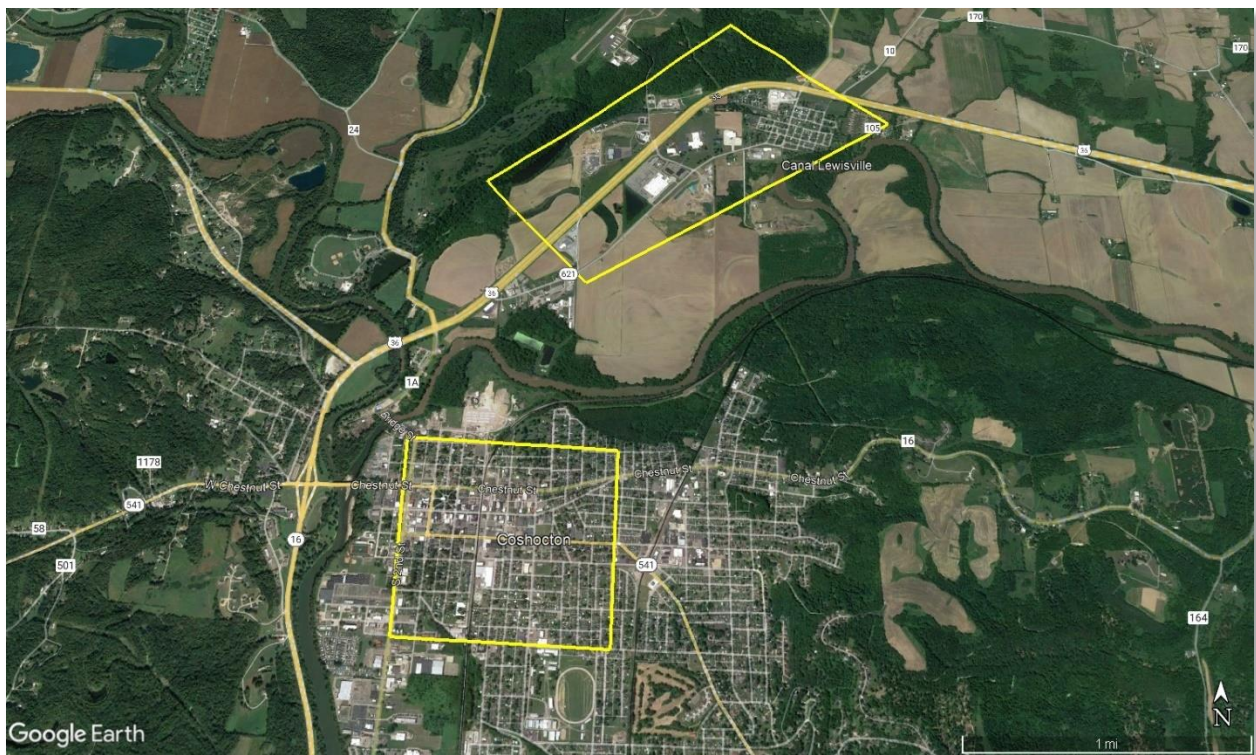


CONCLUSIONS, RECOMMENDATIONS & NEXT STEPS

Based upon a review of Coshocton County’s tourism assets and events, an analysis of local and regional demographic and economic trends, existing hotel performance within the competitive market area for Coshocton and financial performance projections for 4 different hotel development scenarios, it is HCG’s opinion that Coshocton could support the development of a new Upper Midscale hotel with 60 to 80 rooms.

Given that Coshocton is a smaller/rural market, along with the increase in construction costs and interest rates following the pandemic, it is HCG’s opinion that local leaders within economic development and tourism must be proactive in pursuing the development of a new hotel.

IDENTIFY POTENTIAL DEVELOPMENT AREAS AND SITES



HCG has identified the “US 36 Corridor” and the “Downtown Business District” as the most likely areas for a new hotel development to occur. The US 35 Corridor would be a more likely location for a limited-service franchise hotel (e.g., Cobblestone 54-room hotel or 80-room Hampton Inn), whereas the Downtown Business District would be a more attractive option for a Cobblestone “Main Street” hotel. Of course, the Selby Building is also located in the Downtown Business District and could potentially be redeveloped into a hotel.

Unless other potential development areas are identified as being appropriate for a new hotel development, a potential next step would be to identify specific parcels and property owners to have initial discussions with regarding availability, pricing and approaches to executing a real estate purchase.



TARGETED MARKETING, DIRECT OUTREACH & NETWORKING

MARKETING PRESENTATIONS HIGHLIGHTING HOTEL DEVELOPMENT OPPORTUNITY

Utilize data from this report to prepare customized marketing presentations (e.g., PowerPoint deck), for distribution to targeted hotel franchise companies, real estate developers, real estate brokers, site selection consultants and other intermediary firms (e.g., engineering, accounting and law firms).

HCG suggests a multifaceted distribution methodology that would include the following:

- Direct mail hard copy presentations or postcard with weblink to access presentation.
- Email campaign via Constant Contact or similar service
- Post content regarding the hotel development opportunity on social media, such as LinkedIn (individual account and relevant group pages)

DIRECT OUTREACH TO PROJECT DECISION MAKERS & ADVISORS

Initiate direct outreach efforts to project decision makers and advisors. Request introductory meetings, followed by an invitation for them to visit Coshocton. Examples would include:

- Real estate developers & investment firms
- Real estate brokers specializing in the leisure & hospitality and/or retail industry sectors.
- Site selection consultants
- Engineering, architectural & construction firms

ENGAGE IN INDUSTRY ASSOCIATIONS, EVENTS, ETC.

Some examples of industry associations and events that could be helpful in promoting hotel development in the City include, but are not limited to, the following:

- The Ohio Hotel & Lodging Association (www.ohiolodging.com)
 - Annual conference is November 20-21, 2023, in Columbus, OH
- The National Lodging Conference (www.lodgingconference.com)
 - Next conference date is October 7-10, 2024, in Phoenix, AZ
- The Hotel Data Conference (www.hoteldataconference.com)
 - Next conference date is August 7-9, 2024, in Nashville, TN
- The Hunter Hotel Investment Conference (www.hunterconference.com)
 - Next conference date is March 19-21, 2024, in Atlanta, GA
- International Council of Shopping Centers - Deal Making Conferences (www.icsc.com)
 - Retail real estate focused conferences and events held throughout the U.S.



PLANNING FOR DEVELOPMENT

EVALUATE THE USE OF INCENTIVES AND PUBLIC FINANCE MECHANISMS

The Client should consider and evaluate the use of incentives and public finance mechanisms. Examples of local incentives used by other communities include a partial rebate of local income taxes based on job creation, expedited permitting and real property tax abatement through an Enterprise Zone or Community Reinvestment Area.

Public finance mechanisms, such as Tax Increment Financing (TIF), could be used to pay for extending or upgrading utilities and infrastructure to a development site, as needed, to accommodate a new hotel development.

EVALUATE OTHER DEVELOPMENT APPROACHES & FINANCE PROGRAMS

ENGAGE LOCAL INVESTORS

The Cobblestone Hotel development model is predicated upon the creation of a local investor group to raise the upfront equity for the project, with the balance to be financed via a commercial lending institution. In this model, the local investor group retains control and flexibility with how the ownership group (i.e., LLC) is established, including the number of shareholders, the price of each share, etc. Engaging potential local investors is also a great opportunity to generate interest and support within the community.

OTHER FINANCE PROGRAMS & OPPORTUNITIES

- Property Assessed Clean Energy financing.
- https://www.pace-equity.com/closings_casestudies/cobblestone-hotel-bellefontaine/
- <https://www.energy.gov/eere/slsc/property-assessed-clean-energy-programs#commercial>
- USDA Business & Industry Loan Guarantee - provides up to an 80% loan guarantee on loans up to \$5 million, with a maximum term on real estate is 30 years.
 - <https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees/oh>

IDENTIFY & DOCUMENT AVAILABLE UTILITIES/INFRASTRUCTURE CAPACITIES

When development opportunities arise, it is critical to have current and accurate data for utilities and infrastructure capacity. For example, is the current water volume and pressure at a potential development site sufficient to provide for fire suppression systems on a multi-story building. Not only does having this needed data readily available decrease time and eliminate unknown risks, but it also builds credibility with the company/developer.



APPENDIX I: LIST OF HOTELS IN COSHOCTON REGION

Name of Establishment	City & State	Class	Open Date	Rooms
Pine Cove Lodging	Millersburg, OH	Economy Class	Jan 1900	20
Baker's Motel	Norwich, OH	Economy Class	Jun 1947	53
Econo Lodge	Zanesville, OH	Economy Class	Jun 1963	54
Budget Inn	Cambridge, OH	Economy Class	Jun 1964	19
Travel Inn	Zanesville, OH	Economy Class	Jun 1965	54
Frisbee Motel	Cambridge, OH	Economy Class	May 1966	25
Southgate Hotel	Cambridge, OH	Economy Class	Aug 1968	102
Rodeway Inn	Zanesville, OH	Economy Class	Jun 1979	50
Days Inn	Cambridge, OH	Economy Class	Aug 1982	101
Roscoe Motor Inn	Coshocton, OH	Economy Class	Jun 1985	16
Berlin Village Inn	Berlin, OH	Economy Class	Jun 1985	22
Inn @ Walnut Creek	Walnut Creek, OH	Economy Class	Apr 1987	21
Berlin Resort	Millersburg, OH	Economy Class	Jun 1987	68
Amish Blessings Cabins	Berlin, OH	Economy Class	Jan 1988	16
Millersburg Hotel	Millersburg, OH	Economy Class	May 1990	32
Super 8	Coshocton, OH	Economy Class	Oct 1993	47
Super 8	Newcomerstown, OH	Economy Class	Jan 2000	62
Microtel Inn & Suites	Cambridge, OH	Economy Class	May 2014	79
Travelodge	Zanesville, OH	Economy Class	Aug 2019	30
Salt Fork Lodge & Conference Center	Cambridge, OH	Luxury Class	Jun 1972	201
Carlisle Inn	Sugarcreek, OH	Luxury Class	Oct 2003	69
Quality Inn	Cambridge, OH	Midscale Class	Jun 1973	95
Dutch Host Inn	Sugarcreek, OH	Midscale Class	Jun 1974	33
Country Squire Inn & Suites	Coshocton, OH	Midscale Class	Jun 1978	50
Quality Inn & Suites	Zanesville, OH	Midscale Class	May 1986	93
Guggisberg Swiss Inn	Millersburg, OH	Midscale Class	Jun 1993	24
Baymont	Zanesville, OH	Midscale Class	Jul 1996	59
Coshocton Village Inn & Suites	Coshocton, OH	Midscale Class	Jun 1998	64
Best Western B R Guest	Zanesville, OH	Midscale Class	Jun 1998	75
Zinck's Inn	Millersburg, OH	Midscale Class	Jun 1999	46
Overnight Suites (Sleep Inn)	Cambridge, OH	Midscale Class	Mar 2014	71
Garland Hotel	New Concord, OH	Midscale Class	Dec 2015	76
Berlin Encore Hotel & Suites	Berlin, OH	Midscale Class	May 2018	81
Charm Countryview Inn	Baltic, OH	Upper Midscale Class	Jun 1990	15
Comfort Inn	Zanesville, OH	Upper Midscale Class	Jun 1992	63
Comfort Inn	Millersburg, OH	Upper Midscale Class	Jul 1997	59
Hampton Inn	Zanesville, OH	Upper Midscale Class	Dec 1997	63
Comfort Inn	Cambridge, OH	Upper Midscale Class	Jun 1999	70
Garland Inn	Newcomerstown, OH	Upper Midscale Class	Jul 2001	59
Comfort Suites Hotel & Conference Center	Millersburg, OH	Upper Midscale Class	Oct 2002	117
Hampton Inn	Cambridge, OH	Upper Midscale Class	Jul 2006	87
Holiday Inn Express & Suites	Zanesville, OH	Upper Midscale Class	Dec 2009	76
Holiday Inn Express & Suites	Cambridge, OH	Upper Midscale Class	May 2014	77
Fairfield Inn & Suites	Cambridge, OH	Upper Midscale Class	Sep 2016	99
Holiday Inn Express & Suites	Millersburg, OH	Upper Midscale Class	Sep 2018	72
Inn At Honey Run	Millersburg, OH	Upper Upscale Class	Apr 1982	43
Berlin Grande Hotel	Berlin, OH	Upper Upscale Class	Jul 2010	102
Carlisle Inn	Walnut Creek, OH	Upscale Class	Aug 1993	52
The Wallhouse Hotel	Walnut Creek, OH	Upscale Class	Jul 2013	62



APPENDIX II: HOTEL PRO-FORMA PROJECTIONS

60-ROOM COBBLESTONE "MAIN STREET"

5-Year Projection for 60-Room Cobblestone "Main Street"					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Rooms	720	720	720	720	720
Occupied Rooms	474	516	516	516	516
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$149.00	\$153.47	\$158.08	\$162.82	\$167.70
REVENUE:					
Guest Rooms	\$2,147,960	\$2,246,009	\$2,354,931	\$2,425,579	\$2,498,347
Telephone/Misc.	\$5,370	\$5,615	\$5,887	\$6,064	\$6,246
Meeting Room Rental	\$48,329	\$50,535	\$52,986	\$54,576	\$56,213
Vending/Bar	\$37,589	\$39,305	\$41,211	\$42,448	\$43,721
TOTAL HOTEL REVENUE	\$2,239,248	\$2,341,464	\$2,455,016	\$2,528,666	\$2,604,526
HOTEL EXPENSES:					
HOTEL PAYROLL EXPENSE					
Management	\$71,300	\$73,083	\$74,910	\$76,782	\$78,702
Housekeeping	\$69,000	\$70,725	\$72,493	\$74,305	\$76,163
Front Desk	\$115,000	\$117,875	\$120,822	\$123,842	\$126,938
Maintenance	\$23,000	\$23,575	\$24,164	\$24,768	\$25,388
Hospitality	\$9,200	\$9,430	\$9,666	\$9,907	\$10,155
Employee Benefits	\$14,375	\$14,734	\$15,103	\$15,480	\$15,867
Workers Comp. Insurance	\$1,239	\$1,270	\$1,302	\$1,334	\$1,368
Payroll Tax	\$21,994	\$22,544	\$23,107	\$23,685	\$24,277
TOTAL HOTEL PAYROLL	\$325,108	\$333,236	\$341,566	\$350,106	\$358,858
HOTEL OPERATING EXPENSE					
Cleaning & Operating Supplies	\$22,343	\$23,013	\$23,704	\$24,415	\$25,147
Laundry Supplies	\$6,502	\$6,697	\$6,898	\$7,105	\$7,318
Linens & Uniforms	\$6,056	\$6,238	\$6,425	\$6,618	\$6,816
Guest Supplies	\$9,753	\$10,045	\$10,347	\$10,657	\$10,977
Repairs & Maintenance	\$20,409	\$21,022	\$21,652	\$22,302	\$22,971
Franchise Fee (\$2.50/room)	\$54,750	\$54,750	\$54,750	\$54,750	\$54,750
Loyalty Program	\$3,650	\$3,759	\$3,872	\$3,988	\$4,108
Complimentary Breakfast/Coffee	\$45,473	\$46,837	\$48,242	\$49,689	\$51,180
Travel Agent Fees	\$56,731	\$58,433	\$60,186	\$61,992	\$63,851
Vending/Bar Expense	\$8,852	\$9,118	\$9,391	\$9,673	\$9,963
Office Equipment/Supplies	\$14,178	\$14,603	\$15,041	\$15,493	\$15,957
Swimming Pool Expense	\$11,365	\$11,706	\$12,057	\$12,418	\$12,791
Marketing/Advertising	\$19,694	\$20,285	\$20,894	\$21,520	\$22,166
Utilities	\$59,127	\$60,900	\$62,727	\$64,609	\$66,548
Telephone	\$8,664	\$8,924	\$9,192	\$9,467	\$9,752
Cable/Internet	\$20,054	\$20,656	\$21,276	\$21,914	\$22,571
Credit Card Expense	\$32,141	\$33,105	\$34,099	\$35,122	\$36,175
Management Fee (6%)	\$134,355	\$140,488	\$147,301	\$151,720	\$156,272
Reservation Expense	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598
Accounting & Professional Services	\$26,765	\$27,568	\$28,395	\$29,247	\$30,124
Dues/Subscriptions/Licenses/Permits	\$2,967	\$3,056	\$3,148	\$3,242	\$3,340
Employee Training & Related Costs	\$1,728	\$1,779	\$1,833	\$1,888	\$1,944
TOTAL OPERATING EXPENSES	\$595,408	\$613,730	\$633,098	\$650,448	\$668,319
INCOME BEFORE FIXED EXPENSES	\$1,318,732	\$1,394,499	\$1,480,352	\$1,528,113	\$1,577,349
RESERVES & FIXED EXPENSES					
Real Property Taxes	\$147,455	\$147,455	\$147,455	\$147,455	\$147,455
Insurance (2% annual escalator)	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484
Reserves (4% of Total Rev.)	\$89,570	\$93,659	\$98,201	\$101,147	\$104,181
TOTAL RESERVES & FIXED	\$255,025	\$259,473	\$264,383	\$267,703	\$271,120
CASH FLOW BEFORE DEBT	\$1,063,708	\$1,135,025	\$1,215,969	\$1,260,410	\$1,306,230
Debt Service	\$761,076	\$761,076	\$761,076	\$761,076	\$761,076
NET CASH FLOW	\$302,632	\$373,949	\$454,893	\$499,334	\$545,154
RETURN ON CASH INVESTMENT	16.0%	19.7%	24.0%	26.3%	28.8%
NET CASH FLOW/\$50K INVESTMENT	\$7,982	\$9,864	\$11,999	\$13,171	\$14,379



54-ROOM COBBLESTONE HOTEL

5-Year Projection for 54-Room Cobblestone Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Rooms	648	648	648	648	648
Occupied Rooms	427	433	441	441	441
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$139.00	\$143.17	\$147.47	\$151.89	\$156.45
REVENUE:					
Guest Rooms	\$1,803,423	\$1,885,744	\$1,977,196	\$2,036,511	\$2,097,607
Telephone/Misc.	\$4,509	\$4,714	\$4,943	\$5,091	\$5,244
Meeting Room Rental	\$40,577	\$42,429	\$44,487	\$45,822	\$47,196
Vending/Bar	\$31,560	\$33,001	\$34,601	\$35,639	\$36,708
TOTAL HOTEL REVENUE	\$1,880,068	\$1,965,889	\$2,061,226	\$2,123,063	\$2,186,755
HOTEL EXPENSES:					
HOTEL PAYROLL EXPENSE					
Management	\$71,300	\$73,083	\$74,910	\$76,782	\$78,702
Housekeeping	\$69,000	\$70,725	\$72,493	\$74,305	\$76,163
Front Desk	\$115,000	\$117,875	\$120,822	\$123,842	\$126,938
Maintenance	\$23,000	\$23,575	\$24,164	\$24,768	\$25,388
Hospitality	\$9,200	\$9,430	\$9,666	\$9,907	\$10,155
Employee Benefits	\$14,375	\$14,734	\$15,103	\$15,480	\$15,867
Workers Comp. Insurance	\$1,239	\$1,270	\$1,302	\$1,334	\$1,368
Payroll Tax	\$21,994	\$22,544	\$23,107	\$23,685	\$24,277
TOTAL HOTEL PAYROLL	\$325,108	\$333,236	\$341,566	\$350,106	\$358,858
HOTEL OPERATING EXPENSE					
Cleaning & Operating Supplies	\$20,109	\$20,712	\$21,333	\$21,973	\$22,632
Laundry Supplies	\$5,852	\$6,027	\$6,208	\$6,394	\$6,586
Linens & Uniforms	\$5,450	\$5,614	\$5,782	\$5,956	\$6,134
Guest Supplies	\$8,777	\$9,041	\$9,312	\$9,591	\$9,879
Repairs & Maintenance	\$18,368	\$18,920	\$19,487	\$20,072	\$20,674
Franchise Fee (\$2.50/room)	\$49,275	\$49,275	\$49,275	\$49,275	\$49,275
Loyalty Program	\$3,285	\$3,383	\$3,485	\$3,589	\$3,697
Complimentary Breakfast/Coffee	\$39,605	\$40,793	\$42,017	\$43,278	\$44,576
Travel Agent Fees	\$49,411	\$50,893	\$52,420	\$53,993	\$55,612
Vending/Bar Expense	\$7,710	\$7,941	\$8,180	\$8,425	\$8,678
Office Equipment/Supplies	\$12,349	\$12,719	\$13,101	\$13,494	\$13,898
Swimming Pool Expense	\$9,898	\$10,195	\$10,501	\$10,816	\$11,141
Marketing/Advertising	\$17,153	\$17,668	\$18,198	\$18,744	\$19,306
Utilities	\$51,497	\$53,042	\$54,634	\$56,273	\$57,961
Telephone	\$7,546	\$7,773	\$8,006	\$8,246	\$8,493
Cable/Internet	\$17,467	\$17,991	\$18,530	\$19,086	\$19,659
Credit Card Expense	\$27,994	\$28,834	\$29,699	\$30,590	\$31,507
Management Fee (6%)	\$97,183	\$117,953	\$123,674	\$127,384	\$131,205
Reservation Expense	\$26,866	\$27,672	\$28,502	\$29,357	\$30,238
Accounting & Professional Services	\$24,089	\$24,811	\$25,556	\$26,322	\$27,112
Dues/Subscriptions/Licenses/Permits	\$2,670	\$2,751	\$2,833	\$2,918	\$3,006
Employee Training & Related Costs	\$1,555	\$1,601	\$1,650	\$1,699	\$1,750
TOTAL OPERATING EXPENSES	\$504,110	\$535,609	\$552,381	\$567,474	\$583,020
INCOME BEFORE FIXED EXPENSES	\$1,050,850	\$1,097,044	\$1,167,279	\$1,205,483	\$1,244,877
RESERVES & FIXED EXPENSES					
Real Property Taxes	\$111,497	\$111,497	\$111,497	\$111,497	\$111,497
Insurance (2% annual escalator)	\$16,200	\$16,524	\$16,854	\$17,192	\$17,535
Reserves (4% of Total Rev.)	\$75,203	\$78,636	\$82,449	\$84,923	\$87,470
TOTAL RESERVES & FIXED	\$202,900	\$206,657	\$210,801	\$213,611	\$216,503
CASH FLOW BEFORE DEBT	\$847,950	\$890,387	\$956,478	\$991,872	\$1,028,374
Debt Service	\$702,072	\$702,072	\$702,072	\$702,072	\$702,072
NET CASH FLOW	\$145,878	\$188,315	\$254,406	\$289,800	\$326,302
RETURN ON CASH INVESTMENT	8.3%	10.8%	14.5%	16.6%	18.7%
NET CASH FLOW/\$50K INVESTMENT	\$4,171	\$5,385	\$7,274	\$8,286	\$9,330



80-ROOM LIMITED-SERVICE FRANCHISE HOTEL

5-Year Projection for 80-Room Limited Service Hotel					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Rooms	960	960	960	960	960
Occupied Rooms	632	688	688	688	688
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$139.00	\$143.17	\$147.47	\$151.89	\$156.45
REVENUE:					
Guest Rooms	\$2,671,737	\$2,793,695	\$2,929,179	\$3,017,054	\$3,107,566
Telephone/Misc.	\$6,679	\$6,984	\$7,323	\$7,543	\$7,769
Meeting Room Rental	\$60,114	\$62,858	\$65,907	\$67,884	\$69,920
Food & Beverage	\$46,755	\$48,890	\$51,261	\$52,798	\$54,382
TOTAL HOTEL REVENUE	\$2,785,286	\$2,912,427	\$3,053,669	\$3,145,279	\$3,239,637
HOTEL EXPENSES:					
HOTEL PAYROLL EXPENSE					
Management	\$81,995	\$84,455	\$86,988	\$89,598	\$92,286
Housekeeping	\$79,350	\$81,731	\$84,182	\$86,708	\$89,309
Front Desk	\$132,250	\$136,218	\$140,304	\$144,513	\$148,849
Maintenance	\$26,450	\$27,244	\$28,061	\$28,903	\$29,770
Hospitality	\$10,580	\$10,897	\$11,224	\$11,561	\$11,908
Employee Benefits	\$16,531	\$17,027	\$17,538	\$18,064	\$18,606
Workers Comp. Insurance	\$1,425	\$1,468	\$1,512	\$1,557	\$1,604
Payroll Tax	\$25,293	\$26,052	\$26,833	\$27,638	\$28,467
TOTAL HOTEL PAYROLL	\$373,874	\$385,090	\$396,643	\$408,542	\$420,799
HOTEL OPERATING EXPENSE					
Cleaning & Operating Supplies	\$29,790	\$30,684	\$31,605	\$32,553	\$33,529
Laundry Supplies	\$8,669	\$8,929	\$9,197	\$9,473	\$9,757
Linens & Uniforms	\$8,075	\$8,317	\$8,566	\$8,823	\$9,088
Guest Supplies	\$13,003	\$13,394	\$13,795	\$14,209	\$14,635
Repairs & Maintenance	\$27,213	\$28,029	\$28,870	\$29,736	\$30,628
Franchise Fee (\$2.50/room)	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
Loyalty Program	\$4,866	\$5,012	\$5,163	\$5,318	\$5,477
Complimentary Breakfast/Coffee	\$58,675	\$60,435	\$62,248	\$64,115	\$66,039
Travel Agent Fees	\$73,201	\$75,397	\$77,659	\$79,989	\$82,389
Vending/Bar Expense	\$11,422	\$11,765	\$12,118	\$12,481	\$12,856
Office Equipment/Supplies	\$18,294	\$18,843	\$19,408	\$19,991	\$20,590
Swimming Pool Expense	\$14,664	\$15,104	\$15,557	\$16,024	\$16,505
Marketing/Advertising	\$25,412	\$26,174	\$26,959	\$27,768	\$28,601
Utilities	\$76,292	\$78,581	\$80,939	\$83,367	\$85,868
Telephone	\$11,179	\$11,515	\$11,860	\$12,216	\$12,583
Cable/Internet	\$25,877	\$26,653	\$27,453	\$28,276	\$29,124
Credit Card Expense	\$41,473	\$42,717	\$43,998	\$45,318	\$46,678
Management Fee (6%)	\$167,117	\$172,131	\$177,295	\$182,613	\$188,092
Reservation Expense	\$39,802	\$40,996	\$42,226	\$43,492	\$44,797
Accounting & Professional Services	\$35,687	\$36,758	\$37,860	\$38,996	\$40,166
Dues/Subscriptions/Licenses/Permits	\$3,956	\$4,075	\$4,197	\$4,323	\$4,453
Employee Training & Related Costs	\$2,303	\$2,373	\$2,444	\$2,517	\$2,593
TOTAL OPERATING EXPENSES	\$769,971	\$790,880	\$812,417	\$834,599	\$857,447
INCOME BEFORE FIXED EXPENSES	\$1,641,441	\$1,736,457	\$1,844,609	\$1,902,137	\$1,961,391
RESERVES & FIXED EXPENSES					
Real Property Taxes	\$147,192	\$147,192	\$147,192	\$147,192	\$147,192
Insurance (3% annual escalator)	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012
Reserves (4% of Total Rev.)	\$111,411	\$116,497	\$122,147	\$125,811	\$129,585
TOTAL RESERVES & FIXED	\$282,604	\$288,410	\$294,801	\$299,229	\$303,790
CASH FLOW BEFORE DEBT	\$1,358,837	\$1,448,047	\$1,549,808	\$1,602,908	\$1,657,601
Debt Service	\$960,144	\$960,144	\$960,144	\$960,144	\$960,144
NET CASH FLOW	\$398,693	\$487,903	\$589,664	\$642,764	\$697,457
RETURN ON CASH INVESTMENT	16.7%	20.4%	24.7%	26.9%	29.2%
NET CASH FLOW/\$50K INVESTMENT	\$8,336	\$10,201	\$12,329	\$13,439	\$14,582



62-ROOM DOWNTOWN REDEVELOPMENT

5-Year Projection for 62-Room Downtown Redevelopment					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Rooms	960	960	960	960	960
Occupied Rooms	632	642	653	653	653
Occupancy %	65.8%	66.8%	68.0%	68.0%	68.0%
Average Daily Rate	\$149.00	\$153.47	\$158.08	\$162.82	\$167.70
REVENUE:					
Guest Rooms	\$2,219,558	\$2,320,876	\$2,433,429	\$2,506,432	\$2,581,625
Telephone/Misc.	\$5,549	\$5,802	\$6,084	\$6,266	\$6,454
Meeting Room Rental	\$49,940	\$52,220	\$54,752	\$56,395	\$58,087
Vending/Bar	\$38,842	\$40,615	\$42,585	\$43,863	\$45,178
TOTAL HOTEL REVENUE	\$2,313,889	\$2,419,513	\$2,536,850	\$2,612,955	\$2,691,344
HOTEL EXPENSES:					
HOTEL PAYROLL EXPENSE					
Management	\$81,995	\$84,045	\$86,146	\$88,300	\$90,507
Housekeeping	\$79,350	\$81,334	\$83,367	\$85,451	\$87,588
Front Desk	\$132,250	\$135,556	\$138,945	\$142,419	\$145,979
Maintenance	\$26,450	\$27,111	\$27,789	\$28,484	\$29,196
Hospitality	\$10,580	\$10,845	\$11,116	\$11,394	\$11,678
Employee Benefits	\$16,531	\$16,945	\$17,368	\$17,802	\$18,247
Workers Comp. Insurance	\$1,425	\$1,461	\$1,497	\$1,535	\$1,573
Payroll Tax	\$25,293	\$25,925	\$26,573	\$27,238	\$27,919
TOTAL HOTEL PAYROLL	\$373,874	\$383,221	\$392,801	\$402,621	\$412,687
HOTEL OPERATING EXPENSE					
Cleaning & Operating Supplies	\$29,790	\$30,684	\$31,605	\$32,553	\$33,529
Laundry Supplies	\$8,669	\$8,929	\$9,197	\$9,473	\$9,757
Linens & Uniforms	\$8,075	\$8,317	\$8,566	\$8,823	\$9,088
Guest Supplies	\$13,003	\$13,394	\$13,795	\$14,209	\$14,635
Repairs & Maintenance	\$27,213	\$28,029	\$28,870	\$29,736	\$30,628
Franchise Fee (\$2.50/room)	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
Loyalty Program	\$4,866	\$5,012	\$5,163	\$5,318	\$5,477
Complimentary Breakfast/Coffee	\$58,675	\$60,435	\$62,248	\$64,115	\$66,039
Travel Agent Fees	\$73,201	\$75,397	\$77,659	\$79,989	\$82,389
Vending/Bar Expense	\$11,422	\$11,765	\$12,118	\$12,481	\$12,856
Office Equipment/Supplies	\$18,294	\$18,843	\$19,408	\$19,991	\$20,590
Swimming Pool Expense	\$14,664	\$15,104	\$15,557	\$16,024	\$16,505
Marketing/Advertising	\$25,412	\$26,174	\$26,959	\$27,768	\$28,601
Utilities	\$76,292	\$78,581	\$80,939	\$83,367	\$85,868
Telephone	\$11,179	\$11,515	\$11,860	\$12,216	\$12,583
Cable/Internet	\$25,877	\$26,653	\$27,453	\$28,276	\$29,124
Credit Card Expense	\$41,473	\$42,717	\$43,998	\$45,318	\$46,678
Management Fee (6%)	\$138,833	\$142,998	\$147,288	\$151,707	\$156,258
Reservation Expense	\$39,802	\$40,996	\$42,226	\$43,492	\$44,797
Accounting & Professional Services	\$35,687	\$36,758	\$37,860	\$38,996	\$40,166
Dues/Subscriptions/Licenses/Permits	\$3,956	\$4,075	\$4,197	\$4,323	\$4,453
Employee Training & Related Costs	\$2,303	\$2,373	\$2,444	\$2,517	\$2,593
TOTAL OPERATING EXPENSES	\$741,687	\$761,748	\$782,411	\$803,693	\$825,614
INCOME BEFORE FIXED EXPENSES	\$1,198,328	\$1,274,544	\$1,361,638	\$1,406,641	\$1,453,043
RESERVES & FIXED EXPENSES					
Real Property Taxes	\$147,192	\$147,192	\$147,192	\$147,192	\$147,192
Insurance (3% annual escalator)	\$18,600	\$19,158	\$19,733	\$20,325	\$20,934
Reserves (4% of Total Rev.)	\$92,556	\$96,781	\$101,474	\$104,518	\$107,654
TOTAL RESERVES & FIXED	\$258,348	\$263,131	\$268,399	\$272,035	\$275,781
CASH FLOW BEFORE DEBT	\$939,980	\$1,011,413	\$1,093,239	\$1,134,606	\$1,177,263
Debt Service	\$960,144	\$960,144	\$960,144	\$960,144	\$960,144
NET CASH FLOW	-\$20,164	\$51,269	\$133,095	\$174,462	\$217,119
RETURN ON CASH INVESTMENT	-0.6%	1.5%	4.0%	5.2%	6.5%
NET CASH FLOW/\$50K INVESTMENT	-\$301	\$764	\$1,984	\$2,601	\$3,236



APPENDIX III: HOTEL DEVELOPMENT BROCHURES

Hotel development brochures for the following franchises are provided:

- Cobblestone Hotels
- Comfort Inn
- Days Inn
- Fairfield Inn
- Hampton Inn
- Holiday Inn Express
- LaQuinta