

Hunden Strategic Partners Proposal For:

## Boutique Hotel Market Study - Long Grove, IL



**hunden**  
**strategic**  
**partners**

Submitted to:

Greg Jackson, Village Manager  
Village of Long Grove  
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Long Grove, IL 60047

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# SCOPE OF WORK



# Boutique Hotel in Long Grove, Illinois: Market & Financial Feasibility Study

**To:** Greg Jackson, Village Manager  
The Village of Long Grove  
3110 Old McHenry Road  
Long Grove, IL 60047

**From:** Rob Hunden, CEO  
Hunden Strategic Partners  
213 W Institute Place, Suite 707  
Chicago, IL 60610  
rob@hunden.com

**Date:** September 30, 2022

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## Understanding

The Village of Long Grove (Village or Client) is seeking a proposal for a market analysis and financial feasibility study related to the development of a new boutique hotel (Project or Hotel) located in Long Grove, Illinois. Hunden Strategic Partners (Hunden) proposes to complete the requested scope of work using our thorough methodology. Hunden understands that the Village is looking to build the Project on approximately 15 acres of available land near the intersection of Route 53 and Route 83, bordering the north end of the Sunset Grove area.

The vision for the boutique hotel is to provide lodging that does not disturb the established aesthetic of the Village and serves as a compelling contribution to the community. The Project could serve to link the corridor to downtown through development of a trail system. Village regulations stipulate that the Project may not exceed 30' height, or four (4) stories. The study will include analysis of auxiliary function space, on-site amenities, and a potential restaurant element. The study will provide the Client with market-driven analytics to determine the overall demand and opportunity for this type of unique hotel development in the area, as well as financial modeling to define the financial feasibility of the Project.

The following scope of work details our tailored methodology to deliver an independent boutique hotel financial feasibility study.

## Scope of Work

Hunden proposes a scope of work that meets or exceeds all the elements necessary for an analysis of this type. Hunden is happy to discuss any changes to this scope and to modify the report organization and methodology as needed.

Hunden’s work plan is proposed to be organized as follows:

- Task 1 – Kickoff, Project Orientation, and Interviews
- Task 2 – Economic, Demographic, and Tourism Analysis
- Task 3 – Hotel Market Analysis
- Task 4 – Support Amenities: Retail/Restaurant and Event Space Analysis
- Task 5 – Comparables Analysis
- Task 6 – Recommendations
- Task 7 – Demand and Financial Projections

### Task 1: Kickoff, Project Orientation and Interviews



Hunden will perform the following orientation and due-diligence oriented tasks:

- Obtain information and data from the Village of Long Grove, key stakeholders, and any other appropriate agencies.
- Tour Long Grove and the potential Project site near the intersection of Route 53 and Route 83, as well as any surrounding demand generators.
- Interview stakeholders from a variety of local private and public organizations and perform fieldwork as appropriate.
- Review any previously completed studies, master plans and/or proposed concepts brought to the Client by private developers.
- Inventory accommodations and hotels in Long Grove and the surrounding area.
- Gather and review available economic, demographic, and financial data.

## Task 2: Economic, Demographic and Tourism Analysis

Hunden will evaluate Long Grove's position as an economic center of activity, as well as a destination for overnight visitors. These visitors may include those in town for meetings, events, business travel, professional, leisure, special event, and sports visitors, or those in the area for other reasons. This analysis will provide a realistic assessment of the area's SWOT. Among the data gathered and analyzed will be:

- Geographic attributes, accessibility, and transportation links,
- Trends in population growth and income,
- Higher education demographics and student data,
- Corporate presence, major employers and any significant recent or likely future changes,
- Tourism attractions.

**ESRI Neighborhood Analysis, Placer.ai Analysis and CoStar Insights.** Hunden utilizes the latest market data, visitor origin data, demographic data, psychographic data and other resources to determine a comprehensive view of your marketplace.

## Task 3: Hotel Market Analysis

**Industry Trends.** Hunden will cover the trends that influence hotel development and performance and how recent macro events have impacted hotels in the Project area. In addition, Hunden will cover key drivers of demand, financial realities, including typical metrics and cap rates, and others as relevant.

**Local Market.** In this task, Hunden will profile the area supply of hotels as well as the key nodes or clusters of hotels in the marketplace. Hunden will interview local hotel and tourism management reps to determine the sources of demand for the market generally and for individual hotels in and around the area. Hunden will gather local and regional tourism data from specific hotel, event, sports and meeting facilities and organizations. Hunden will consider such annual events and seasonal tourism waves to examine how the existing hotels are or are not accommodating the type of demand that would like to visit the area.

**Competitive Set.** Hunden will analyze downtown Long Grove and the nearby area of quality hotels to determine the competitive set of hotels near the site. Hunden will consider location, size, quality, age, brand, concept, amenities and other factors. Hunden will obtain data through interviews and STR (Smith Travel Research) statistical database and reports, and a variety of industry resources.

**Proposed and Under Construction Projects.** Hunden will profile the relevant projects underway or imminent and consider those as part of the future competitive set absorption dynamic.

**Comp Set Performance.** The analysis will include tracking of occupancy, monthly room night demand, average daily rate (ADR), and Revenue per Available Room (RevPAR), and performance by year, month, day of week, unaccommodated demand and demand type/market mix.

Hunden will discuss how new hotels have been absorbed into the market and how any additions or renovations have impacted the performance of the hotel market. Hunden will provide conclusions on the ability of these improvements to induce more demand from each major market segment. Market segmentation within the set will also be shown in three primary categories:

- Commercial transient,
- Group (both corporate group, association, and other), and
- Leisure.

#### **Task 4: Support Amenities: Retail/Restaurant and Event Space Analysis**

**Retail/Restaurant.** The purpose of this task is to identify the types of support amenities that would be most appropriate for the Project and how they will perform, including restaurants, food trucks and support retail. In this task, Hunden will conduct an analysis of the locally available nodes of retail, restaurants, and bars in and around Long Grove, focused on supply, character, quality and cuisine. What is missing? What are the current market opportunities? What do hotel guests desire that they cannot get at other hotels in the area? Hunden will determine.

**Event and Meeting Space.** Hunden will then study the local supply and quality of event and meeting space in Long Grove and identify opportunities and challenges associated with the current marketplace. Are there gaps in quality, supply of certain facility types, and overabundance of certain types of facilities? A high-level analysis of the competitive supply will paint a clear picture of the optimal size and quality of function space to include in the boutique hotel.

#### **Task 5: Comparables Analysis**

Hunden will profile other unique, downtown boutique hotel developments in similarly sized cities and towns in Illinois and across the country, as appropriate. Items to be considered in the comparable analysis will include, as available:

- Location,
- Brand,
- Room count,
- Unique concepts and experiential amenities,
- Event and function space, and
- Site details.

## Task 6: Recommendations

Based on the previously completed tasks and findings, Hunden will provide recommendations for the proposed boutique hotel. Hunden will show both what the market would support immediately (optimal financial feasibility) and what is optimal for the Project (which may have lower initial viability, but longer-term positive impacts). Hunden will provide implications on program, including:

- Number and mix of guest rooms,
- Level of quality/service,
- Function and event space, including:
  - ideal size, capacity, indoor/outdoor or combination, event types and usage,
- Experiential elements and amenities such as on-site spa,
- Branding options, and
- Other details, as appropriate.

## Task 7: Demand and Financial Projections

In this task, Hunden will determine how the market will absorb the proposed hospitality development over time, providing a ten-year demand projection. Ultimately the question Hunden will answer is: How will the proposed hospitality development perform regarding occupancy, rate, and revenue per available room (RevPAR)?

Hunden's approach to answering these questions includes a strong methodology. Hunden will:

- Perform a market penetration analysis for the proposed hotel and estimate future room-night demand, occupancy, and ADR,
- Include assumptions for competitive market demand growth, induced demand, recapture of demand, and unaccommodated demand based on earlier analysis and penetration and inducement capability of the proposed hotel,
- Each market segment will be assessed, including leisure, commercial, and group. Average rate for each segment will be analyzed and projected, and
- Project capture of existing demand from the competitive set and outside the set.

This methodology will result in a projection of occupancy, rate, and Revenue per Available Room (RevPAR) for ten years of operation. These will then lead to a more detailed pro forma by line item.

Based on the projection of demand and applying several assumptions regarding room rates, food and beverage revenue and expense and other items, Hunden will prepare a financial projection for the proposed Project. This financial analysis includes the following, based on the Uniform System of Accounts for hotels, commonly accepted throughout the industry:

- Estimate revenues by line item. Expenses directly related to the facility will also be projected for the period. The model will generate a pro forma operating statement that includes the revenue and expense items, including the following:
  - Revenues: rooms, food and beverage, parking, other operated departments, and other income,
  - Departmental expenses: rooms division, food & beverage, and other,
  - Unallocated expenses: general and administrative, marketing, maintenance, utilities, and technology,
  - Other Expenses: branding and management fees, insurance, taxes, insurance, capex reserve and other expenses.

The financials will be presented in a line-item by line-item basis, which will lead to estimates of net operating income or loss. These will then feed a valuation model, as well as a supportable financing model of equity and debt.

## Deliverable Milestones and Timing

**Draft Analysis** – Hunden proposes to complete a PowerPoint-style draft analysis approximately six to seven (6-7) weeks after the following has occurred: contract signed, initial payment received, and in-person kickoff trip has occurred.

**Final Analysis** – After receiving comments on the draft, Hunden will issue its final analysis electronically as a PowerPoint-style deliverable.

## Fees

Hunden proposes to complete the study for a professional lump-sum fee of **\$35,000**, inclusive of one trip to Long Grove for the kickoff visit and expenses for purchase of an STR report.

Hunden will bill the Client according to the following payment milestones:

- Kickoff to initiate work: \$12,000
- Delivery of draft analysis: \$18,000
- Delivery of final analysis: \$ 5,000

## Contractual Conditions

The following conditions apply to this engagement with you.

**SCOPE LIMITATIONS.** Hunden’s services do not include the following: any assistance with a bond marketing strategy; any assistance with the preparation or distribution of any official statement; or any advice on the municipal bond market. Hunden does not provide advice with respect to municipal

financial products or the issuance of municipal securities, including services with respect to the structure, timing, terms and other similar matters concerning such financial products or issues.

Hunden is not a municipal advisor and Hunden is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Registration and Regulation of Brokers and Dealers Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financing product or issuance of municipal securities. Client is advised that any actual issuance of debt must be done under the advice of its bond counsel and financial advisors. Your financial advisor should provide any advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential advisors should not rely on representations made in this report with respect to the issuance of municipal debt.

The findings and recommendations of Hunden's research will reflect analysis of primary and secondary sources of information. Estimates and analyses presented in our work product will be based on data that are subject to variation. Hunden will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by external sources.

Client is entitled to receive the work product(s) prepared by Hunden pursuant to this Agreement. Client has no right to access or deliverance of any underlying statistics, models, or any other information developed by Hunden in preparing the Report to which this Agreement pertains.

**REVISIONS.** Hunden will complete a maximum of two drafts of the report. The Client is expected to provide comments and edits on the draft report and those will be addressed by Hunden. Hunden's results may not always agree with the desires of the Client. Hunden will use its independent perspective and research to drive our results. Any revisions, questions, conversations, zooms or travel requested after two drafts (initial draft report, then final draft), will be billed at Hunden's hourly rates of: \$400 for Rob Hunden and \$300 for the project team. Payment on the final milestone will be required and an advance of \$2,500 on the hourly work that would be required by the Client or its designees, such as lenders and others.

**UPDATES.** Hunden has no responsibility to update its work product(s) for events and circumstances occurring after the date presented to the Client. Delayed invoice payments will result in delay of deliverables for the next portion of work. If edits and comments are not received from the Client related to any prior deliverable within thirty (30) days of the delivery of the deliverable, the work product will be considered final, and the current billing will be sent and become due.

**BILLING.** Any past invoices must be paid prior to the delivery of the next Milestone Deliverable. If an invoice remains unpaid 30 days after it was emailed to the client, Hunden may without further obligation, cease the assignment and terminate the Agreement. All previous invoices will remain due. Any invoice unpaid after 30 days will accrue a 3% per month late fee. Any invoice unpaid after 90 days will result in legal action by Hunden to collect such invoice(s).

Failure by Hunden to assess late fees does not preclude Hunden from assessing late fees in the future.

**TRAVEL.** In the event that the Client chooses to alter, adjust or change dates/times of any Client-related trip after Hunden has booked and purchased travel arrangements, it shall be the responsibility of the Client to reimburse Hunden for any fees and fare/price differences associated with cancellation/change of travel arrangements.

**USE OF DELIVERABLE.** The Work Product is copyrighted and cannot be manipulated in any way beyond the format that it was provided to the Client. Hunden is available to adjust work product as needed at a standard hourly rate of \$200 per hour.

**TERMINATION.** Notwithstanding the Billing language above, Hunden reserves the right to terminate this Agreement on fifteen (15) days written notice to Client should Client fail to satisfactorily perform its obligations under this Agreement. In the event Hunden terminates this Agreement, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Nothing contained herein shall constitute a waiver of Hunden's right to bring suit for damages or to enforce specific performance of this Agreement. In the event of termination of this Agreement by the Client, Client is obligated to pay Hunden for all services rendered under this Agreement prior to termination, including work through the next unbilled milestone. Hunden further reserves the right to take any legal action necessary to enforce its rights under this Agreement. In the event Hunden is required to commence suit to collect any unpaid amounts due to it from Client, Client agrees to reimburse Hunden for its costs and attorneys' fees in bringing such suit.

It is agreed that the liability of Hunden to the Client is limited to the amount of the fees paid by client to Hunden.

Hunden limits its responsibility to the Client and any use of the study produced pursuant to this Agreement by third parties shall be at the risk of the Client and/or said third parties. By the execution of this Agreement, Client acknowledges that he/she/it has read and agrees to the terms and conditions of this Agreement and agrees to the inclusion of a standard set of General Assumptions and Limiting Conditions in the report. Additional conditions prompted by the discovery of extraordinary or unusual circumstances uncovered during the course of investigation may be added to the study assignment, if necessary.

**DISPUTES.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, other than non-payment of amounts due hereunder, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other applicable] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

If this document meets with Client's approval, Client may accept this letter and authorize Hunden to proceed by signing below.

## Authorization

Accepted By:

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Date: \_\_\_\_\_

## FIRM OVERVIEW & RESUMES



# Destination Real Estate Development Advisory Practice

CHICAGO  
MINNEAPOLIS      SAN DIEGO

Hunden Strategic Partners provides a variety of **advisory and consultant services** for all stages of destination development, including: Placemaking Feasibility; Project Implementation Services; Real Estate Market, Financial Feasibility and Development Consulting; Economic, Fiscal and Employment Impact Analysis (Cost/Benefit); Organization Development; Public Incentive Analysis; Economic and Tourism Policy/Legislation Consulting; Research and Statistical Analysis; and Solicitation and Selection services for Management, Operations, & Development.

Since **2006**, Hunden Strategic Partners has provided the above services for hundreds of client projects worldwide for public, non-profit and private sectors. More than 80 percent of Hunden's clients are public-purpose entities, such as municipalities, counties, states, convention bureaus, authorities and other quasi- government entities charged with conducting real estate, economic development and tourism activities. Additionally, Hunden professionals have prior experience in municipal and state government, economic and real estate development, real-estate law, and hotel operations.

The firm's areas of expertise include:

- Hospitality
- Entertainment Districts
- Convention & Conference Centers
- Arenas & Stadiums
- Mixed-Use Developments
- Retail & Restaurant,
- Office, & Residential
- Mall Redevelopment
- Multipurpose Event Centers
- Arts & Cultural Facilities
- Sports & Recreation Complexes
- Fairgrounds & Expo Centers

**Unmatched Experience in the Market Demand and Feasibility of Hospitality Developments.** Successful hotels are often near major demand generators, have a true sense of branding, create a unique experience, are built with current and future demand in mind, and synergize with the neighborhood or district. Hunden has been advising on all manner of unique and complex hotel development studies for the past 25 years and has focused on transformative, walkable tourism districts.

**Multidisciplinary.** Hunden specializes in the intersection of tourism development, economic development, and destination real estate development. Hunden has a passion for data-driven analytics and recommendations that lead to sound and actionable strategies for development success. We cannot and will not take a cookie-cutter approach like some national firms do.

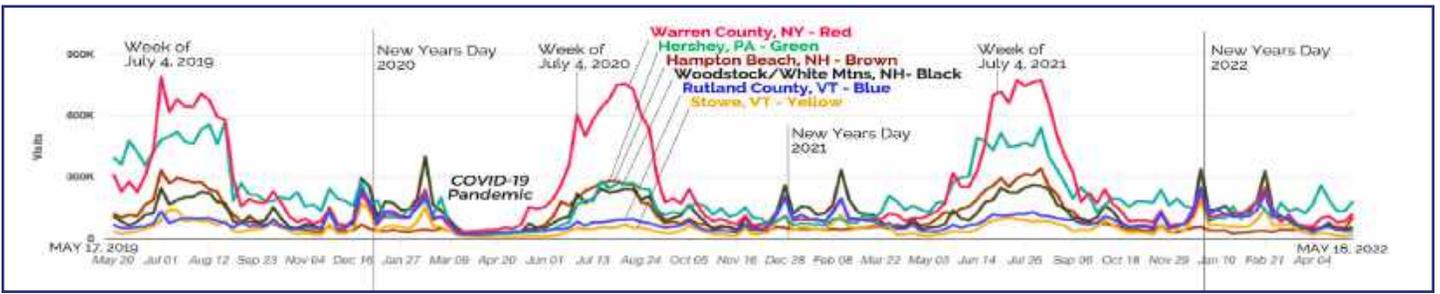
**Comprehensive, Honest Analysis.** Simply put, Hunden provides thorough, comprehensive and transparent processes. Our approaches to market demand assessments, governance analysis, project management, and RFP solicitations are unique, independent, complete, and supported by strong methodology.

**In-House Mapping.** Hunden has an in-house mapping director, which is critical to contextual understanding, visual storytelling, and research related to traffic/visitor analyses. His specialty is communicating concepts through varying types of maps and graphics, including three-dimensional maps, demographic migration pattern maps, drive-time analyses and competitive marketplace maps.



**Unique Analytical Tools, and Data Strategy.** Hunden Strategic Partners’ data strategy includes over 50 years of combined professional experience achieved through research and studies, stakeholder response techniques, and investments in the following resources for properly vetted and valuable, targeted data. Through these data tools and resources, Hunden will assess the Project’s ability to capture local and regional market demand, inform financial projections and economic impact projections, and determine the public benefits.

- Pollstar – A live entertainment data source in the U.S. and internationally,
- CoStar – CoStar Group provides information and analytics for commercial property,
- ESRI – provides GIS mapping and spatial analytics,
- STR – Smith Travel Research is a hospitality analytics tool used to measure and benchmark hotel performances against other competitors set across the market,
- Placer.ai - Hunden invests in geofencing research technology at Placer.ai as a key resource to study customer origin and traffic analytics for hotels, resorts, convention centers, music venues, performing arts centers, sports facilities, events centers, retailers, restaurants, specific events, downtowns, and districts. We can determine consumer behaviors and visitor origins dating back to 2017. This helps us understand comparable and competitive activity in relation to the project area. Hunden creates custom data analytics and maps that illustrate primary trade areas, visitor origin, and demographics.





## Rob Hunden

*President & CEO*

Chicago, Illinois

Hunden is a leading industry expert on the market planning, analytics & financial feasibility of compelling hospitality developments and destination districts.

Hunden and his firm offer extensive experience in the economics of all manner of unique real estate projects, including hotels, mixed-use districts, convention centers and headquarter hotels, indoor and outdoor sports complexes, tourism projects, and entertainment districts. Over the past 25 years, Mr. Hunden has provided economic development, finance and planning expertise and conducted more than 1,000 feasibility and economic impact studies, including for some of the most notable projects in the U.S. He has had a hand in the development of more than \$20 billion in completed/underway, transformative projects. Rob has written articles on downtown developments and taught college-level Destination Development courses. He has conducted IEDC panel discussions and taught numerous professional development courses for IEDC over the past 20 years.

### **Quick Facts:**

25 Years of Industry Experience  
Incorporated Hunden Strategic Partners in 2006  
Indiana University Kelley School of Business, BS Finance '94

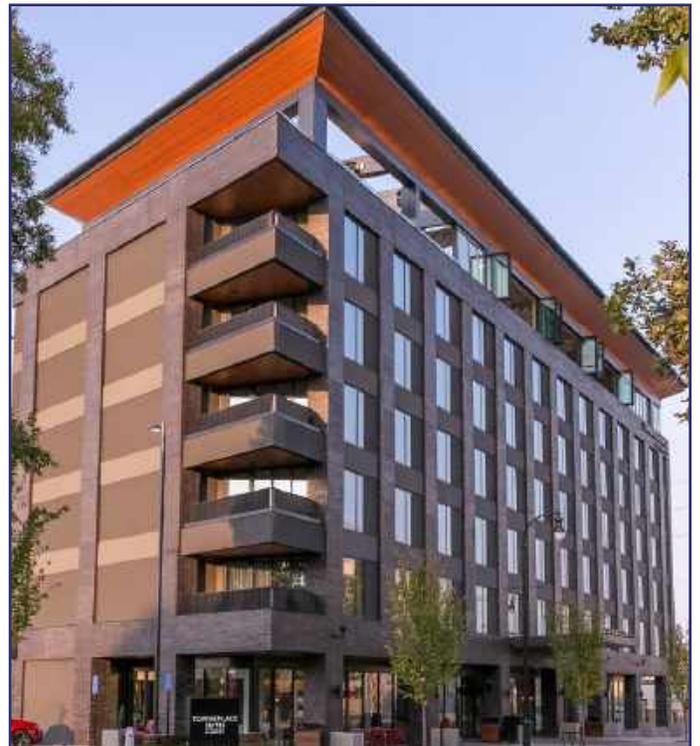
### **Career Background**

Hunden Strategic Partners, Chicago, 2006 - Present  
Johnson Consulting, Chicago  
Grubb & Ellis, Chicago  
Landauer, Chicago  
Indianapolis Bond Bank/Mayor's Office, Indianapolis  
Huckaby & Associates, Washington, D.C.

**Hospitality Market Analysis.** Mr. Hunden has a strong history of market, financial feasibility and impact analyses for hotels, motels and resorts of all sizes. He has conducted studies in Lexington, Indianapolis, Fort Worth, St. Louis, Chicago, Dallas, Omaha, Newport, Greenville, Durham, Kansas City, Tulsa, Charlotte and Louisville

**Developer Solicitation Services.** Rob and his firm lead the industry in the number of developer solicitation and selection processes completed over the last ten years. He understands the necessary RFQ/P elements to attract the highest-quality bidders and proposals. He has managed many processes that led to successful asset developments.

**Recognized Industry Leader** Mr. Hunden's career arc includes both the public and private sectors, including at the Indianapolis Bond Bank, managing placemaking development projects for the Mayor's Office in the mid-90's. Over the past 25 years, he has become an industry expert, thought leader, frequent speaker, and author in the economics of placemaking.





## Matthew Avila

*Project Manager*

Chicago, Illinois

As Project Manager at Hunden, Matt leads clients through every step of the study process, from kickoff meetings and stakeholder interviews to management of deliverable creation and final presentations. He collaborates closely with CEO Rob Hunden to execute quality assurance processes that lead to the highest quality final product.

Matthew is one of the key members on the Hunden analyst team. He leads the due diligence, market research, and supply and demand interviews for many of Hunden's studies, with a focus on hospitality.

His areas of expertise include multipurpose destination district components, such as meeting and convention centers, sports facilities, residential, retail, office, entertainment and attraction, and restaurant. Matt also leads research efforts and creates custom mapping for these developments. These involve a deep understanding of the competitive supply and potential demand for local, regional and national usages. He has worked on more than 50 market, financial, and economic impact analyses, including incremental tax revenue analysis. His clients include both the public and private sector.

### **Hospitality Market Demand and Financial Feasibility.**

Mr. Avila has completed a unique variety of hospitality market demand and financial feasibility studies throughout his career for both private and public entities. Matt's hospitality experience extends from boutique downtown hotels, to highway-corridor developments, to destination attractions, and contemporary lodges. He has worked in Lexington, Louisville, Tempe, Milwaukee, Dallas, Temple, Aurora, Warren County, Indianapolis, El Paso, Windsor, Greenville, and others.

### **Unique Tourism Destination Projects.**

Matthew has a passion for leading the tourism incentive impact studies for the Commonwealth of Kentucky KTDA applicant financial reviews, which focus on projects anywhere from bourbon distilleries, campgrounds and amusement parks to hotels and mixed-use districts.

### **Quick Facts:**

Indiana University Kelley School of Business

BS Finance and Real Estate Concentration





# Eric Hunden

Infographics Director

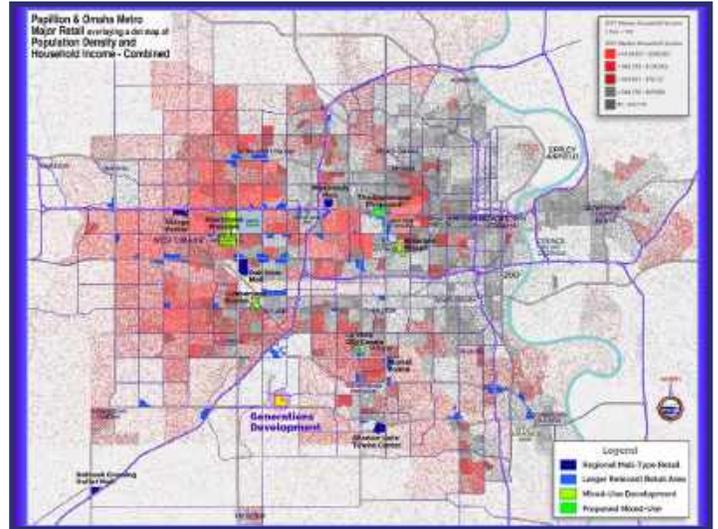
Minneapolis, Minnesota

As Hunden’s infographics director, Mr. Eric Hunden provides nearly 30 years of experience in demographic research, case studies and complex mapping and design.

Since Hunden’s founding in 2006, Eric has brought important contextual understanding and research related to real estate, regional and cultural analysis, in addition to critical research for economic, demographic, media and market studies. Eric has worked on more than 700 assignments, providing market analysis, mapping and case studies. His specialty is communicating concepts and important information through varying types of maps and graphics, including three-dimensional downtown maps, demographic migration pattern maps, drive-time analyses and competitive marketplace maps.

Prior to working with Hunden, he founded Big City Maps (BCM) in Minneapolis and was a map artist for mapformation.com, North America’s largest custom mapping company. In both capacities, he developed research and mapping analyses for over one hundred locations, concentrating on traditional urban cores and neighborhoods, retail and entertainment districts — including the Walt Disney World smart phone application map — and college campuses.

Prior to Hunden and BCM, he worked for the Indiana Department of Transportation.



### Quick Facts:

Kansas State University

BS Geography, with Academic Emphasis in Architecture and Urban Planning

## RELEVANT EXPERIENCE

## SELECT RELEVANT HUNDEN EXPERIENCE

Nearly all 1,000 studies completed by Hunden in the last 25 years have included hotel analyses. However, the following list is our specific experience in downtown or downtown-adjacent hotel studies.

Amarillo, TX - Herring Hotel, 157-rooms  
Bismark, IN - Conference Hotel, 200-rooms  
Burbank, CA - Conference Hotel, 250-rooms  
Charlotte, NC - NC Music Factory, 200-rooms  
Chicago, IL - Navy Pier Hotel, 225-rooms  
Covington, KY - Hotel Covington, 114-rooms  
Elkhart, IN - Downtown Full-Service Hotel  
Fort Wayne, IN - Airport Hotel, 150-rooms  
Fort Worth, TX - Stockyards Full-Service, 200-rooms  
Hampton, VA - HQ Hotel, 250-rooms  
Hopkinsville, KY - Full-Service Hotel, 100-rooms  
Kansas City, MO - Ambassador Hotel, 113-rooms  
Lexington, KY - 21cMuseum Hotel, 92-rooms  
Lexington, KY - Horse Park Westin, 270-rooms  
Louisville, KY - Arena Hotel, 425-rooms  
Louisville, KY - KFEC Hilton, 210-rooms



Lexington, KY 21cMuseum Hotel

Milwaukee, WI - Palomar Hotel, 175-rooms  
Minneapolis, MN - Rand Town, 270-rooms  
Morehead, KY - Full-Service Marriott, 115-rooms  
Nashville, TN - TownePlace Suites, 204-rooms  
Omaha, NE - Blackstone Hotel, 170-rooms  
Paducah, KY - Conference Hotel, 124-rooms  
Rochester, MN - Downtown Hotel, 200-rooms  
Somerset, KY - Conference Hotel, 105-rooms  
Springfield, MO - Conference Hotel, 250-rooms  
St. Cloud, MN - Full-Service Hotel, 180-rooms  
St. Louis, MO - Green Street Armory District



**400+** unique hotel studies



**1,000+** market, financial feasibility & impact studies



**150+** destination/entertainment district studies



**80%** of studies completed for cities, DMOs and other public-purpose entities over the last 16 years



## Hotel Market & Financial Feasibility Study

### *Winthrop Harbor, Illinois*

The Village of Winthrop Harbor engaged Hunden to conduct a market and financial feasibility analysis, as well as economic impact, for a new hotel development. The study considered multiple site options, including on the lakefront and in the commercial downtown district.

One of the Village's biggest assets is North Point Marina, which is the largest freshwater marina in the United States. The area offers boating, beaches, fishing and eco-tourism activities which attract nearly one million visitors annually. A shift in management of the Marina brought a new 25-year lease agreement, a committed investment of \$2 million into rehab of the marina and support amenities such as a pool, pavilion, landscaping and beach cleanup. The Village expected a resurgence in the popularity of not only the Marina, but the beach as well. The shift in management also brought an opportunity to develop a waterfront hotel on a five-acre site.

Hunden's report provided the client with multiple viable scenarios and options for a hotel development, including:

- A 60-room hotel in the commercial/downtown zone with 1,200 square feet of meeting space,
- A 100-room full-service 'lite' beachfront hotel with 6,200 square feet of meeting space, and
- A 150-room upscale full-service beachfront hotel with 9,300 square feet of meeting space.

The market findings recommended that the Village leverage its primary asset, the lakefront, and develop a compelling, quality hotel near the beach with views and year-round opportunities for visitors and residents to enjoy the location.

**Client:** Village of Winthrop Harbor

**Time Period:** 2018



# Manchester Hotel & Ashland Distillery Redevelopment Market, Financial Feasibility & Economic Impact Study

*Lexington, Kentucky*

Hunden Strategic Partners evaluated Astana, LLC's application for the Kentucky Tourism Development Act (KTDA) tax incentive program to construct a \$32.2-million mixed-use development anchored by a six-story, 120-room luxury lifestyle hotel proposed to be connected to a redeveloped multi-tenant, multi-use historic warehouse. Beyond upscale lodging, the project was proposed to include a first floor restaurant and bar and rooftop bar within the hotel, while the adjacent redeveloped warehouse was proposed to offer an 11,150-square foot event space, microbrewery, café and spa.

The proposed site was located on Manchester Street at the East end of the Distillery District, Lexington's burgeoning entertainment and nightlife hotspot centered between downtown and the Historic Pepper Distillery District. The proximity of the site to the Central Bank Center was another critical component taken into consideration when studying the project's viability and opportunity for success.

In its analysis, Hunden completed a full market and revenue projection study for the various elements proposed for the hotel and surrounding amenities, and then determined the economic, fiscal and employment impact of the project on Lexington and the Commonwealth.

The final report demonstrated that the proposed project met all of the criteria identified by the KTDA.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2020



# Hotel Covington Economic Impact Studies

*Covington, Kentucky*

Hunden evaluated an application to the Kentucky Tourism Development Act which proposed a new hotel in Covington, Kentucky. The 114-room boutique hotel was to take the place of the former Coppins department store. The total development was also proposed to renovate surface and garage parking surrounding the hotel to better accommodate residents and citizen’s needs.

Hunden determined in the original 2015 study that the application met all criteria needed to qualify for the Kentucky Tourism Development Act. The hotel opened in 2016.

In 2017, modifications were made to the application and Hunden re-affirmed that the application met the criteria with the new additions.

Hunden continued to update the study as requested by the Commonwealth of Kentucky and made updates as recently as 2019. In 2022, it was announced that “North by Hotel Covington” will open to the public October 2022. It will offer 53 unique hotel suites, event spaces and a ballroom with capacity for 500 guests.

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**Client:** Kentucky Tourism, Arts & Heritage Cabinet      **Time Period:** 2015; 2017; 2019





## King Cole Hotel Market, Financial & Advisory

*Indianapolis, Indiana*

Hunden has an ongoing contract with a Chicago-based developer that specializes in hospitality, interior design, branding and procurement to assist with real estate advisory services. These services include:

- Market and Financial Analysis,
- Physical and other Programming Advisory,
- Management and Other Agreement Advisory,
- Food & Beverage Analysis,
- Incentives Application Process
- Branding Analysis, and others.

For this project, Hunden examined downtown Indianapolis and reviewed the quality, supply, and performance of the hospitality market to help determine the opportunity for future development. Hunden also provided financial projections and economic impact models for multiple scenarios.

Hunden provided advisory services throughout a four-year process related to the business plan and creative financing structure for the project, including application for incentives and various partnership opportunities. The result was receipt of \$10 million in incentives, including a new \$9.2 million TIF district.

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**Client:** Private Developer

**Time Period:** 2019 - 2022



# **Bardstown Parkview Motel Redevelopment Economic Impact Study**

*Bardstown, Kentucky*

Hunden Strategic Partners evaluated the Weyland Ventures' application for the Kentucky Tourism Development Act (KTDA) tax incentive program to redevelop the historic Bardstown Parkview Motel into a 35-room, unique full-service lodging development called the Bardstown Motor Lodge in Bardstown, Kentucky. Along with the motel rehabilitation, the Applicant plans to update the Kurtz Restaurant located on Stephen Foster Boulevard into a unique chef-led restaurant. The most critical component of the project is its ability to offer a unique lodging option that currently is not offered to the bourbon tourism industry and other visitors in the Bardstown area. Specific amenities of the Project include:

- Indoor and outdoor recreation areas,
- A bourbon tasting room, and
- An outdoor pool and courtyard.

Hunden prepared a report that included estimated approved public infrastructure costs, project feasibility, and economic impact.

The final report demonstrated that the proposed development met all the criteria identified by the KTDA.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2021



## Urban Boutique Retreat Hotel in College Town

*Bryan-College Station, Texas*

HSP provided market analysis, financial analysis, financing and investment due diligence and underwriting for a multi-hotel investment by a private equity firm. In addition, HSP advised the client on the franchise and management agreements and negotiations. The hotel projects are unique and compelling urban retreat hotel and glamping projects located in Texas and developed within the past ten years. The hotels are part of the Valencia Hotel Group and include the Cavalry Court and the George, both located in College Station, Texas.

Cavalry Court, set on approximately four acres, is focused on authentic Americana. Set in the heart of Aggieland, the urban retreat blends luxury and modern amenities, all rooted deep in Aggie traditions. The hotel includes exterior corridors with rocking chairs, lawn games, bicycles, poolside cabanas, and a beautifully landscaped courtyard with fire-pits throughout. Indoor and outdoor games and food trucks expand the experience for guests and include ping pong, cornhole and washers.

The George hotel is steeped in an atmosphere of authentic Texas charm, bringing a sophisticated flair all its own to the Brazos Valley. The 162-room luxury boutique hotel is located in College Station's most vibrant community, Century Square, a walkable 60-acre mixed-use destination offering the city's best in retail, dining and entertainment venues. The luxurious 4-Star hotel in Bryan-College Station offers a unique, curated experience that harkens back to College Station's days as a rail stop before the area was synonymous with Texas A&M University.

The hotels were developed, are successfully operating, and have won numerous awards.

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**Client:** Private Equity Group

**Time Period:** 2015



## Cottonwood Hotel Boutique Hotel Feasibility & Fiscal Impact Analysis

*Omaha, Nebraska*

HSP worked with a private developer to conduct a thorough market analysis for renovation and expansion of the historic Blackstone building in downtown Omaha. The renovation was proposed to include a boutique hotel with a rooftop deck and additional retail and restaurant offerings. HSP conducted a full hotel and mixed-use analysis including an economic, employment and fiscal impact analysis. HSP also assisted the client with identifying potential funding methods and conducted an incentives analysis.

Due to the strong performance of the Omaha hotel market in recent years, a variety of select-service hotel properties have entered the market. HSP considered supply and demand issues, competitive issues, cost of development and other factors.

HSP determined that the Blackstone could differentiate itself from the existing hotel market, and generate its own demand, by providing a unique lodging experience with robust F&B offerings and event spaces. A 170-key hotel with a rooftop bar was suggested as was unique function spaces for banquets and other social events.

The \$75 million restoration project was successful, and the Cottonwood Hotel opened in November 2020. The 8-story, 205-room Cottonwood covers a full city block in the Omaha Blackstone District at 302 S 36<sup>th</sup> Street.

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**Client:** Private Developer

**Time Period:** 2018



# Boutique Lodging Facility Economic Impact Study

*Louisville, Kentucky*

Hunden Strategic Partners evaluated 900 Baxter, LLC's application for the Kentucky Tourism Development Act (KTDA) tax incentive program to develop a new \$15.6-million boutique lodging facility, with the main component of the 38,066-square foot facility to include 65 new guest rooms in Louisville, Kentucky. In addition to offering upscale lodging accommodations, the project is proposed to include:

- A Chef-driven restaurant,
- Indoor and outdoor dining,
- Bar/lounge/tasting room area,
- Two event spaces, and
- An outdoor courtyard with a swimming pool.

The concept is to fill a tourism opportunity gap that exists not only in the Highlands neighborhood of Louisville, but in several other areas of the city. In addition, the type of hotel that is being proposed is extremely unique in this marketplace. The concept of the hotel is a true lifestyle, relaxed work/play experience. It is neither branded, buttoned up nor limited service/economy. It is a trending new type of full-service lodging experience that caters to those who can choose where and how to work, as well as visitors looking to experience the local vibe with locals. Hunden prepared a report that included estimated costs, project feasibility, and economic impact. The final report demonstrated that the proposed development met all the criteria identified by the KTDA.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2021



## Motel & Event Space Market & Financial Feasibility Study

*Bentonville, Arkansas*

Hunden Strategic Partners conducted a market and financial feasibility study for a proposed motel development and adjacent event space in Bentonville, Arkansas. Hunden assessed the hospitality market and financial viability of the proposed motel project. The study addressed the local market realities and opportunities, site and location implications, industry realities and trends, supply and demand overviews, and case studies of comparable developments and best practices.

The report found that the outside of the 21c Museum Hotel, which is a luxurious and expensive facility, Bentonville does not have any truly unique lodging experiences. The report validated the following recommendations:

- 145-room upscale lodging facility
- 12 short-term rental units, convertible from overnight accommodations to daytime office/event use,
- 7,000-square foot flexible event space,
- 2,000-square foot onsite restaurant, and
- 600-square foot craft cocktail bar.

Additional recommendations included onsite recreation and lifestyle amenities proposed by the client, including an activated courtyard space and outdoor communal activities.

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**Client:** Green Circle Projects

**Time Period:** 2021



## 21c Museum Hotel Market & Economic Impact Study

*Louisville, Kentucky*

Mr. Hunden completed the feasibility study and application review for the Kentucky Tourism Development Act (KTDA) tax incentive program for a proposed 21c Museum Hotel in Louisville. His work included a market analysis, financial modeling and impact modeling. The award-winning project is a 90-room boutique hotel and is unique in that it houses the developers' contemporary art collection and creates an interactive art experience throughout the hotel.

The idea behind the project was to renovate an historic structure, drawing more tourism, generating a cutting-edge cultural activity and inducing culinary tourism via a destination restaurant. A full analysis was conducted, including a survey of the art-travel world to understand the ability of the proposed hotel to induce demand to the market. An analysis was also conducted of the culinary travel market to understand the number of people annually who may travel from outside of Kentucky for a memorable meal at the proposed restaurant.

The 21c Museum Hotel, which opened in April 2006, is one of the only hotels of its kind in the U.S., featuring a contemporary art museum. It has outperformed the market in every measure. It has drawn a significant amount of positive press in travel, art and leisure magazines and the hotel was voted in 2009 as the Top Hotel in the United States in the *Conde' Nast Traveler* Reader's Choice Awards. The restaurant, Proof on Main, was selected as one of the best new restaurants of 2006 by *Esquire* Magazine.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2003



## Frankfort Boutique Lodging Facility Impact Study

*Frankfort, Kentucky*

Hunden Strategic Partners evaluated the Broadway Building, LLC's application for the Kentucky Tourism Development Act (KTDA) tax incentive program to develop a new \$10.9 million experiential hotel-anchored redevelopment of the historic old Simon Warehouse in Frankfort, Kentucky. The Project is located within walking distance from the Capitol and downtown Frankfort, across the street from the Kentucky History Museum and minutes away from numerous popular bourbon distilleries. The hotel is proposed to consist of 35,900 square feet while the separate corner building is proposed to consist of 1,911 square feet of space. The project is proposed to include:

- 45 guest rooms,
- Tasting room,
- 745 square feet of retail space (bakery and butcher shop), and
- 970 square feet of event space.

The Project is expected to generate tens of millions in net new Kentucky spending. Hunden prepared a report that included estimated costs, project feasibility, and economic impact.

The final report demonstrated that the proposed development met all the criteria identified by the KTDA.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2021



## Makers Mark Inn at Star Hill Farm Study

*Loretto, Kentucky*

HSP evaluated Makers Mark Distillery's application for the Kentucky Tourism Development Act (KTDA) tax incentive program to construct a new ultra-premium 20-room lodging facility on the Maker's Mark campus. The project was proposed as a place where guests can stay for a multi-day ultimate distillery and culinary experience.

The main lodging structure was proposed to house 16 guest rooms and suites on three levels, as well as a 50-seat restaurant, 14-seat bar, a private dining room, three tasting rooms, a lawn and pool space for events, two meeting rooms, a gift shop area, and back-of-house functions including office and kitchen space. Additionally, a barn structure was proposed, detached from the main building, to act as the lobby for guest check-in. The four remaining guest rooms would be located in a two-story guesthouse adjacent to the main lodging building.

The experiences at the Inn at Star Hill Farm were proposed as completely exclusive to guests of the Inn. This also included a 600-acre Nature Preserve and Water Sanctuary open to guests and the public. New tour experiences and walking trails were also proposed to allow additional interaction with the campus. HSP studied the market viability and determined the economic impact of all the proposed elements for the Inn at Star Hill Farm project.

The final report demonstrated that the proposed development met all of the criteria identified by the KTDA.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2019



## Hotel Feasibility, Fiscal Impact & Incentives Analyses

*Charlotte, North Carolina*

Hunden Strategic Partners worked with a private developer to conduct an evaluation of the Charlotte hotel market and the feasibility of a new hotel located near downtown. The hotel is to include meeting space as well as an artsy, edgy environment to complement the clubs, restaurants and music venues surrounding the site. The project is a boutique-style hotel consisting of 200 rooms and more than 20,000 square feet of meeting space.

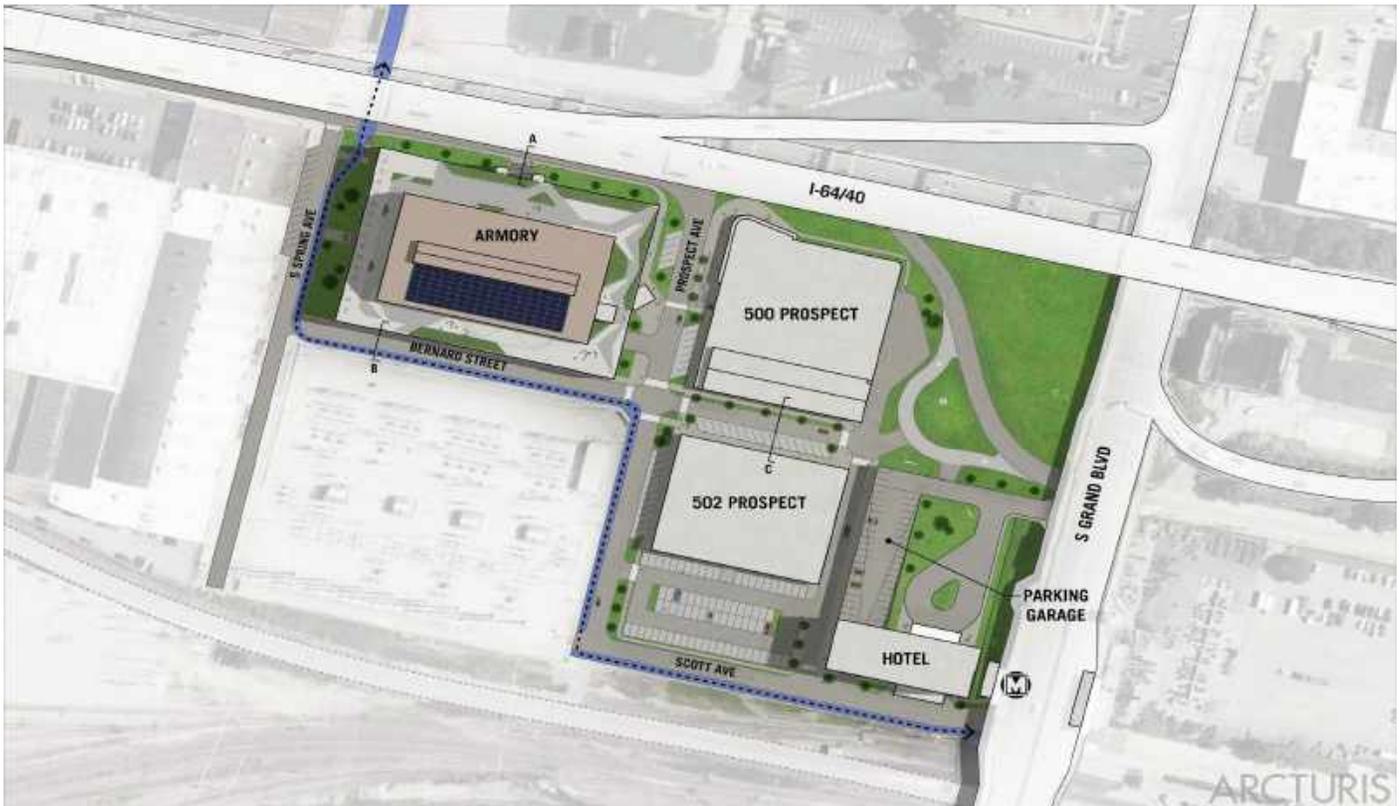
The development site is at the NC Music Factory and is located one mile north of the Charlotte Uptown district. The development consists of restaurants, bars, performance space and film studios. To attract visitors to the area in the non-peak daytime hours, the developers are including meeting space to act as a catalyst.

HSP completed a full market and financial feasibility study that analyzed two competitive sets of hotels in Uptown Charlotte, including boutique hotels as well as standard full-service properties. The analysis also conducted a review of funding tools and potential incentives. The analysis also included profiles of other artsy, edgy hotels developed around the U.S. as well as profiles of a number of boutique hotel companies and brands that would potentially suit the proposed development.

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**Client:** Private Developer

**Time Period:** 2012



# St. Louis Armory Hotel Feasibility, Fiscal Impact & Incentives Analysis

*St. Louis, Missouri*

HSP was hired by a private developer to perform a multi-phased mixed-use hotel market study, including feasibility and demand analysis for The Armory District Project in St. Louis. The Project proposed to redevelop the historic Armory Building into an Autograph-style hotel and to create a mixed-use district in the area. The client wanted to enhance the Cortex Business District as a destination for visitors, residents and businesses by creating a mixed-use district that included a new hotel to both attract and accommodate group, leisure and business demand.

In the first phase of the study, HSP was tasked with determining the initial high-level feasibility of the Project. HSP assessed the market opportunity in St. Louis as well as current and future hotel performance trends in St. Louis and across the United States. HSP profiled the competitive set of relevant hotels that will have the most impact on the proposed Project. In addition to the analysis of supply and historical market performance, HSP contacted stakeholders, local market experts, tourism officials, hoteliers and potential room night generators to better understand the opportunities and challenges associated with the proposed project. HSP reviewed funding tools available for the project as well as incentives and tax credits. HSP's initial recommendations indicated support for the Project included a 107-room Autograph-style hotel with a rooftop bar. HSP also recommended commencing with a deeper-dive Phase II analysis in order to dial in the amenity details (parking rates, food and beverage plan, spa plan, etc.), to determine if space can be increased, and to run additional scenarios.

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**Client:** Private Developer

**Time Period:** 2017 - 2018



## **21c Museum Hotel Market & Economic Impact Study**

*Lexington, Kentucky*

HSP completed the feasibility study and rebate application review for the Kentucky Tourism Development Act tax incentive program for a 21c Museum Hotel in Lexington. HSP's work included a market analysis, financial and economic impact modeling. The project is a 92-room boutique hotel and is unique in that it is housed in the Fayette National Bank Building and features rotating contemporary art collections.

The idea behind the project is to stimulate and activate Lexington's downtown area and benefit the local and state economies by renovating a historic structure, drawing more tourism, generating a cutting-edge cultural activity and inducing culinary tourism via a destination restaurant. A full analysis was conducted, including an analysis of how the original 21c Museum Hotel has induced economic and tourism impacts to Kentucky with its unique approach to hospitality.

21c Museum Hotels began with one 90-room property in Louisville, Kentucky in 2006. The first 21c Hotel has been recognized by Conde' Nast Travelers Reader's Choice Awards as the Top Hotel in America and its restaurant, Proof on Main, has been selected as one of the best new restaurants by Esquire Magazine.

After HSP's review, it was determined that the project met the requirements of the KTDA program, and incentives were subsequently approved.

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**Client:** Kentucky Tourism & Heritage Cabinet

**Time Period:** 2012



## **American Tobacco Hotel Market & Financial Feasibility Study & Developer Selection Process**

*Durham, North Carolina*

Capitol Broadcasting Company (CBC) is the developer/owner of the American Tobacco Historic District mixed-use campus in downtown Durham, which includes the Durham Bulls ballpark, significant office space, and the Durham Performing Arts Center (DPAC). In 2004, a redevelopment and restoration project was launched to transform the iconic American Tobacco Company's campus into a unique, mixed-use development. The goal was to invigorate the downtown area and preserve the historic fabric of the community. Included on the site was a 10,000 square-foot parcel that could be developed as a hotel. The development concept consisted of an urban 'wrapper' design that would wrap the DPAC parking garage on two sides with a potential hotel development.

HSP completed a comprehensive market and financial feasibility study for the proposed project under a number of scenarios, including as a limited service hotel, full-service boutique hotel and as a conference hotel.

HSP was then asked to help the owner select a development partner through a developer selection process. The process involved creating an RFP document for developers, managing the solicitation process, touring firms through the District, interviewing firms, creating financial structures, and advising on the financial structure for the project.

The process led to a successful hotel development in downtown Durham. The parcel in the American Tobacco Historic District is now a 134-room Aloft hotel.

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**Client:** Capitol Broadcasting Company

**Time Period:** 2008



# Downtown Hotel Market & Feasibility Study

*Rochester, Minnesota*

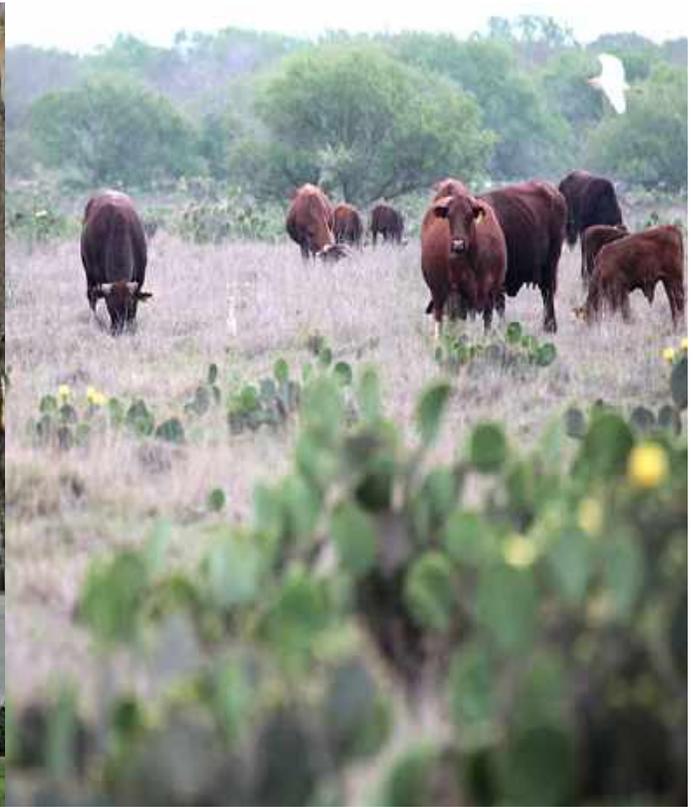
Hunden worked with a private developer to perform a hotel market study, including demand and financial projections, for a potential hotel project as part of a high-rise mixed-use district in downtown Rochester. The focus of the study was a comprehensive understanding of the mixed-use district and the hotel project, the current and future hotel growth trends, a competitive Rochester hotel analysis, recommendations and demand and financial projections.

Hunden assessed the competitive set of relevant hotels that will have the most impact on the proposed Project as well as the impact of the Mayo Clinic’s growing demand on the marketplace. In addition to the analysis of supply and historical market performance, Hunden contacted stakeholders, local market experts, tourism officials, hoteliers and potential room night generators to better understand the opportunities and challenges associated with the proposed project in downtown Rochester.

After the analysis, Hunden recommended a 200-room branded, select service hotel development for downtown Rochester. This property, with the right quality and price-point, will not only accommodate the existing unaccommodated demand in the market, but it will also compliment the surrounding downtown development, the growth of the Mayo Clinic, and the expansion of the Mayo Civic Center.

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**Client:** Private Developer **Time Period:** 2016



## King Ranch Expansion & Tourism Opportunity Analysis

*Kingsville, Texas*

Hunden Strategic Partners conducted a market and financial feasibility study to determine the viability and optimal mix of uses for the expansion of operations at King Ranch in Kingsville, Texas. King Ranch, established in 1853, is an 825,000-acre operational ranch located in South Texas. The current tourism operations at the ranch include a myriad of tour experiences (daily, wildlife/nature, bird, motor coach, etc.), commercial hunting experiences, a visitor museum, and a retail component called the Saddle Shop. The tourism operations are located in five different buildings across the ranch and the city's downtown. King Ranch was looking to expand operations and create a curated visitor campus in the heart of the ranch that aligns with the mission and historical brand. The ranch welcomes more than 16,000 annual national and international visitors. However, the current offerings did not include any way for visitors to extend their stay at the ranch. The vision for the expansion was to create a visitor hub on the ranch to ensure curated experiences and extended stays can all happen on-site at King Ranch.

Hunden reviewed all market conditions, trends, and viability, as well as various similar large campus, ranch, and related development expansions or other appropriate experiential mixed-use projects developed nationally. Hunden assessed several comps across the U.S. and visited 3-4 campuses in-person for visits/tours to understand what has worked and what has not, as well as implications for King Ranch.

Considering the analysis, Hunden made recommendations for the proposed program and use types, including quality, sizing and other key factors, for King Ranch. These were not only based on the existing market, but also on the market that the Client was looking to attract with the expansion of King Ranch. Hunden provided implications and various scenarios by type for each use: Retail, Restaurant, Hospitality, and Museum/Historical Experience.

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**Client:** King Ranch

**Time Period:** 2021 - 2022



## Hopkinsville Convention Hotel Study

*Hopkinsville, Kentucky*

In 2017, Hunden Strategic Partners was engaged to evaluate an application to the Kentucky Tourism Development Act incentive program. The proposed project was a 100-room hotel in Hopkinsville, Kentucky. The proposed full-service Holiday Inn and Suites would be adjacent to and support the existing James E. Bruce Convention Center, as well as a planned 54,000-square foot indoor sports complex.

The hotel was proposed to be owned and operated by Hopkinsville Investment Partners, LLC, a sister company of Anderson Limited LP, which owns and operates the 106-room Holiday Inn Express in Fort Campbell. The project was projected to start construction in April 2018 with an anticipated completion date of summer 2019. Features of the hotel included casual, quick-service Panera Bread-style concept restaurant, bar, lounge area, indoor pool, and fitness center and business center.

Hunden's study evaluated a variety of markets for this project including the local/regional hotel market, competitive hotels, and competitive sports in the area. Hunden's report also produced demand and financial projections and economic impact projections.

Upon completing the study, Hunden determined that the proposed project met the KTDA criteria.

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**Client:** Kentucky Tourism, Arts & Heritage Cabinet

**Time Period:** 2017