

DP Consulting

Professionals in Hotel Development



Market Study for the Proposed
Best Western - Azle, TX

Prepared for:
City of Azle

June 27, 2016



June 27, 2016

Karen Dickson, CEcD
Economic Development Director
City of Azle
613 SE Parkway
Azle, TX 76020

Dear Mrs. Dickson

We have completed our analysis of the hotel market in Azle, Texas, and the proposed development of a Best Western Hotel. The conclusions reached are based upon our present knowledge of the competitive market area resulting from our fieldwork completed May 3, 2016.

As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant change in the competitive position of the hotels from that as set forth in this report. The terms of our engagement are such that we have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the completion of our fieldwork.

The estimates of property performance are based on an evaluation of the present general level of the area's economy and make no provision for the effect of any sharp rise or decline in local or general economic conditions.

In summary, it is our opinion that there is market justification for developing the subject hotel as a Best Western with 65 guestrooms as described in this report. Our conclusions are summarized as follows:

Performance Summary			
	2018	2019	2020
Units	65	65	65
Stabilized Occupancy	62%	66%	68%
Average Daily Rate	\$99.75	\$104.75	\$110.00
Rooms Revenue	\$1,467,000	\$1,640,000	\$1,774,000
Net Operating Income	\$427,000	\$514,000	\$575,000

Economic Summary of Market

Azle, Texas, is located 16 miles northwest of downtown Fort Worth, and lies in both northwest of Tarrant County and northeast Parker County. As of 2013, the city population was 11,334. The leading economic driver for Azle is greater Fort Worth, which serves as the county seat for Tarrant County. In 2015, Tarrant County had a population of 1,929,034 with a median household income of \$56,178, which is more than the state average of \$50,920.

Downtown Fort Worth is recognized as one of the cleanest, safest, and more walkable urban areas in the nation and is known for its historic buildings that co-exist with towering modern skyscrapers. The center of downtown, known as Sundance Square, comprises 35 square blocks of entertainment, restaurants, bars, shops, art galleries, and performance venues. City leaders have won numerous national awards for its successful revitalization.

Also located in downtown is the **Fort Worth Convention Center**, which offers 250,000 square feet of exhibit space, 60,000 square feet of meeting space and a 28,160-square foot ballroom. There is also an 11,200-seat multi-purpose arena. The facility hosts approximately 100 major events each year, which include association meetings with trade shows, consumer exhibitions, concerts, and graduations.

Greater Fort Worth

Meacham International Airport is the hub for corporate business and general aviation, located five miles from downtown Fort Worth and 11 miles from Azle. The airport offers high-quality facilities, such as three full-service fixed based operators (FBOs), aircraft maintenance facilities, flight schools, and on-site car rental facilities.

Texas Motor Speedway (TMS) is located in Fort Worth, 30 miles northeast of Azle. It is a 1.5-mile tri-oval track and is one of NASCAR's largest facilities. Texas Motor Speedway hosts two events each year, which are routinely the largest sporting events in Texas with an average attendance of approximately 138,000. Many of the hotels in the competitive set receive overflow from event held at TMS.

Fort Worth Alliance Airport is a global hub for cargo, corporate, and military aviation, and is the cornerstone for one of the nation's faster-growing industrial complexes. The Alliance Airport is located 14 miles north of downtown Fort Worth and 22 miles northeast of Azle.

AT&T Stadium is 16 miles southeast of downtown Fort Worth and serves as the home of the National Football League's Dallas Cowboys. The Cowboys football games draw more than 85,000 fans to each home game.

Major Employers

Fort Worth area has many companies in the aeronautics industry, such as American Airlines, Lockheed Martin, and Bell Helicopter. One of the largest employers in Fort Worth is American Airlines, owned by AMR Corporation, which employs approximately 22,170. Fort Worth’s largest employers are listed in the following table.

While population drives the development of restaurants and retail establishments that are excellent amenities for hotels, employment drives a significant portion of the demand for hotels. The following list contains the 10 largest private sector employers for the Fort Worth area, each of which drives hotel demand in varying degrees.

Top 10 Employers - Fort Worth, TX		
Company	Industry / Product	Employees
AMR/American Airlines	Air Carrier	22,169
Lockheed Martin	Aerospace Services	14,988
NAS Fort Worth JRB	Navy Reserve	11,350
JPS Health Network	Healthcare Service Provider	4,872
Cook Children’s Health Care System	Acute-care Hospital Operator	4,826
Texas Health Harris Methodist Hospital	Hospital	3,968
Bell Helicopter Textron	Rotorcraft Manufacturer	3,820
Fidelity	Investment Service	3,700
Alcon Laboratories	Pharmaceutical Research	3,346
Genco ATC	Logistics Provider	3,315

Source: Chamber of Commerce Fort Worth

While mostly seasonal jobs, the entertainment industry represents a significant source of employment for Tarrant County. Examples include, Six Flags Over Texas, which also operates Hurricane Harbor. The Texas Rangers Baseball Stadium and the Dallas Cowboys Stadium also employ a significant number of people. While these facilities generate significant amounts of hotel demand, it is more the result of their attendance than their total employment.

While much has been said about the high rates of unemployment nationally, it is important to note that the unemployment rates are lower in the Dallas Fort worth MSA than the national average as seen in the following table. Many economists believe Texas and the Dallas Fort Worth MSA will continue to lead the country with lower unemployment and in-migration from other states.

Unemployment Rate			
	2013	2014	2015
USA	7.5	6.3	5.5
Texas	6.4	5.1	4.3
DFW MSA	6.2	4.7	3.8

Source: Bureau of Labor Statistics

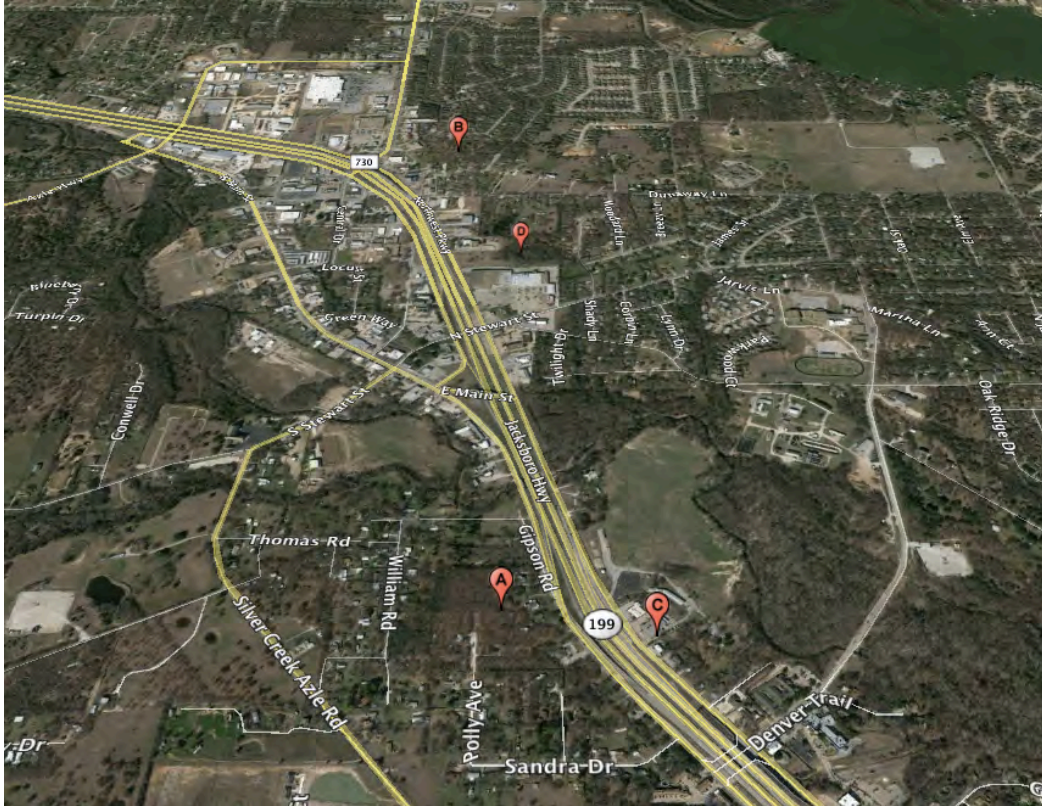
Project Description
Site

We inspected several sites that could potentially be developed with a hotel. They are listed in the following table and identified on the following locator map. It has been our observation that good hotel sites meet the following criteria:

1. Have good visibility from routes frequently traveled by those from out of town. In the case of Azle, freeway visibility is very important.
2. Not only do travelers need to be able to see the site, they must also be able to access it with minimal effort.
3. The site must also have the necessary infrastructure to support the hotel such as water supply, sanitary sewer, 3-phase electricity, and Internet access. If these are not available to the site, additional costs will be incurred by the developer.
4. Zoned for intended use.
5. Have stable soil.
6. Have complimentary developments such as food service and entertainment.
7. Have sufficient developable area, in this case +/- 2.0 acres, so as to allow for parking commercial trucks, recreational vehicles, and trucks pulling equipment trailers.

Perspective Hotel Sites				
Site	Description	Assesed Value		
		Acres	Per Acre	Total
A	512 Southeast Pkwy	2.58	\$58,140	\$150,000
B	Boyd Ct & Inwood Rd	8.86	\$76,185	\$675,000
C	City Hall	N/A	N/A	N/A
D	Northwest Pkwy	8.36	\$108,900	\$910,404

All the perspective hotel sites have good freeway visibility, city water and sewer, however, Site B does not have a freeway frontage although it has good retail and good restaurant amenity support.



The Project

Our recommendation is a three-story Best Western hotel with 65 rooms and interior corridors. The hotel should have contemporary finishes that will be attractive to today's business and leisure travelers. There should be a balanced mix of room types including single kings and double queens. Consistent with the brand's standards, the guestrooms should have quality bedding and décor.

The hotel should offer a complimentary continental breakfast, free local calls, and free Internet access with enough bandwidth to drive as many as four devices per guestroom. As leisure demand will represent a significant source of demand in this market, we also recommend the hotel have an outdoor pool and splash pad, and separate fire pit gathering area for adults. In anticipation of guests trailering boats to Eagle Mountain Lake, the site should have ample trailer parking.

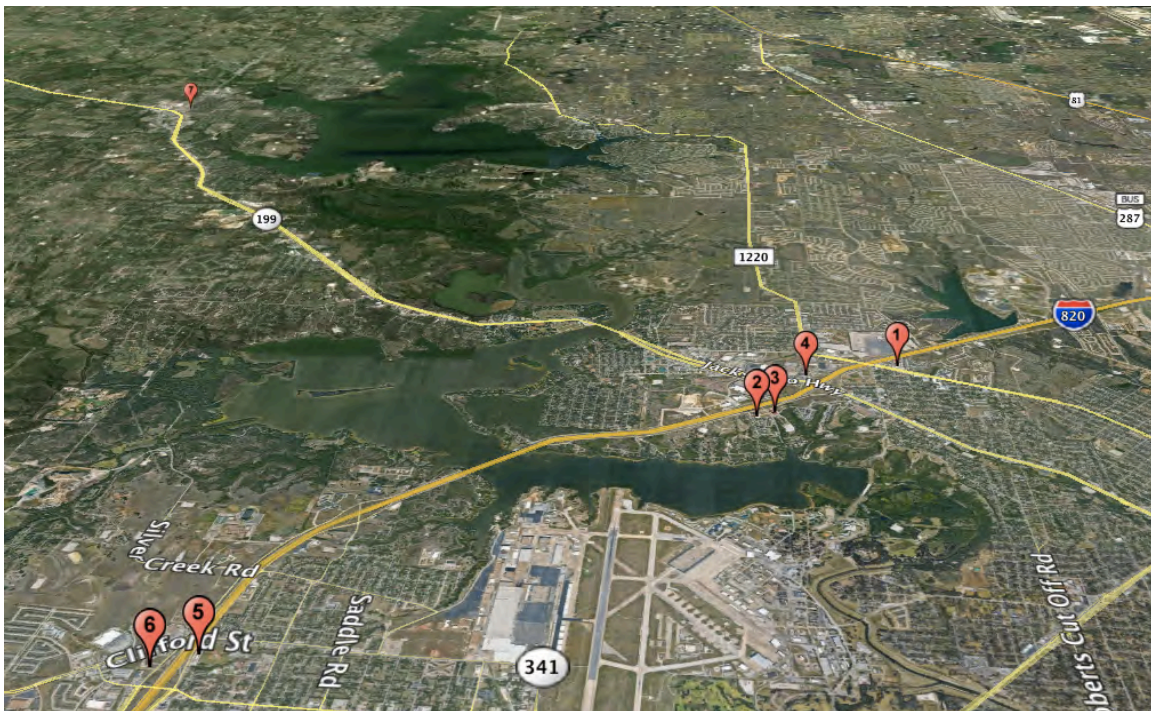
We recommend the hotel have a reception facility that is large enough to hold approximately 100 people for a banquet reception. As this will likely be the only hotel-served meeting space in Azle, this meeting room will likely be used for midweek business meetings seating as many as 80 people in a classroom configuration. The meeting facility therefore should be divisible in half for greater flexibility. The facility should also have a pre-function area, restrooms, and a catering prep kitchen. We anticipate local caterers will contract with the hotel for food and beverage service.

Competitive Supply

The northwest Fort Worth hotel market contains 38 hotels with 3,336 guestrooms of varying quality. Of those hotels, we defined the competitive set as nationally branded hotels that generally achieved an ADR above \$80, which is consistent with CBRE Hotels’ description of the upper-priced segment. By using this criterion, we excluded all budget branded and low quality independent hotels (lower-priced segment) as the guests they attract seek lower prices than what will likely be offered at the subject hotel.

Based on location, the subject hotel will compete primarily with the hotels on Loop 820. The primary competitors are listed in the following table, followed by a satellite locator map.

SUMMARY OF COMPETITIVE HOTELS Azle, Texas				
Properties	Rooms	Year Opened	Corridors	Miles from Subject
Competitive Set Hotels				
1 Holiday Inn Express & Suites Lake Worth NW Loop 820	69	2005	Limited-Service	11.0
2 Comfort Suites at Lake Worth	68	2012	Limited-Service	11.0
3 La Quinta Inn & Suites Fort Worth - Lake Worth	71	2009	Limited-Service	11.0
4 Best Western Plus Lake Worth Inn & Suites	50	2002	Limited-Service	10.5
5 Candlewood Suites Fort Worth/West	80	2011	Extended-Stay	15.3
6 Staybridge Suites Fort Worth/West	86	2009	Extended-Stay	15.3
7 Econo Lodge	39	2006	Economy	0.2
Total Hotel Rooms - 2015	463			
New Hotels				
A Subject - Best Western	65	2018	Limited-Service	--
Total Hotel Rooms	528			



The primary competitors along Loop 820 include four limited-service hotels and two extended-stays with 424 guestrooms. This is a fairly young market where 30% of the guestrooms are less than 5 years old. The oldest hotel is the 14-year old Best Western Plus Lake Worth Inn & Suites, but it appears to have received a significant renovation.

The **Holiday Inn Express & Suites Lake Worth NW Loop 820** is the first hotel travelers would see when they travel to the area. This property opened in 2005 with 69 guestrooms. It appears dated by today's standard, and will likely need a renovation.



The 68-room **Comfort Suites Lake Worth** is the newest hotel in the competitive set, which opened in 2012. Across the street from the Comfort Suites, it is the 71-room **La Quinta Inn and Suites Fort Worth-Lake Worth**. Both hotels have several restaurants and retail options nearby, and they both offer free Internet and complimentary breakfast to their guests. The ADR in Comfort Suites is higher due to its newer condition.



Same as the Holiday Inn Express, the 80-unit **Candlewood Suites Fort Worth/West** and the **Staybridge Suites Fort Worth/West** share the same reservation system with InterContinental Hotel Group. The Staybridge is the largest hotel in the competitive set, which has 86 units. This hotel is the market leader in terms of ADR and Occupancy. Some of its success in the market is attributable to its being the extended-stay hotel in the market. Guests staying more than one week are staying on the weekends, which are slower in this market on average. Unlike the Staybridge Suites, the Candlewood Suites does not offer complimentary breakfast, but guests could check out DVDs at the front desk.



The 50-room **Best Western Plus Lake Worth Inn & Suites** is the oldest hotel in the competitive set, which opened in 2002. The hotel has been renovated with a modern look décor. The **Econo Lodge** is the only hotel in Azle, and it is the smallest hotel in the competitive set with 36 guestrooms. The hotel is a two-story exterior corridor building, and it looks dated. This hotel performs below the market average in terms of ADR (below \$50) and Occupancy (below 60%) due to its economy orientation.



Sources of Market Demand

Through our research of the competitive set and interviews of hotel operators in the market, we were able to develop the following analysis that quantifies the primary sources of demand for the competitive hotels.

Market Mix - Annual Room Nights of Demand		
Demand Segments	Room Nights	% Mix
IBT	70,400	62%
Group	3,700	3%
Leisure	39,700	35%
Total Occupied Room Nights	113,800	100%

The hotels we analyzed classified most of their demand as **Individual Business Travelers (IBT)**, representing approximately 62% of the market demand for the competitive hotels. As mentioned previously, IBT demand is generated when corporate employees and engineers, sales people and consultants, visit area companies, or when area companies bring employees in for meetings.

Leisure demand for the competitive set represents approximately 35% of competitive hotels. Leisure demand is strongest during the summer, and weekends during the spring and fall, including all other reasons for travel such as visiting friends and family or attending a social function. Eagle Mountain Lake also provides a source of leisure demand.

Group and Convention demand in this market consists primarily of small corporate meetings during the week and social events on the weekends. Corporate meetings primarily consist of training and planning. Most of the hotels only have a small amount of meeting space. Therefore, the hotels with little meeting space typically host social groups that will also use other meeting venues such as area churches. We estimate Group demand to comprise only 3% of the overall demand.

Competitive Set Historical Performance

DPC assembled occupancy and ADR information for each competitor for year-end 2011 through year-end 2015 and derived estimated levels of total supply and demand expressed as room nights per year.

The following table summarizes the historical performance of the Competitive Set. The additions to supply during the five-year study period have been the opening of the Candlewood Suites in 2011 and the Comfort Suites in 2012. When expressed as a compound average over five years, supply increased at 5.2% per year. By comparison, demand increased at a rate of 8.1% per year. Much of this increase can be attributed to the ongoing recovery from the national recession of 2008, but it is also indicative of the strength of the Texas economy. Demand outpacing supply has caused occupancy to increase from a low of 60.1% in 2011 to a high of 67.2% in 2015.

HISTORICAL MARKET CONDITIONS - ANNUAL ROOM NIGHTS						
Lake Worth, White Oak, Azle						
	2011	2012	2013	2014	2015	CAC*
Supply - Guestrooms	382	410	467	467	467	
Supply - Annual Rooms Nights (x 365)	139,430	149,650	170,455	170,455	170,455	5.2%
Demand						
I B T	52,000	59,900	68,900	71,500	70,900	8.1%
Group	2,700	2,900	3,600	3,900	3,700	8.2%
Leisure	29,100	33,700	38,900	40,000	40,000	8.3%
Total Occupied Room Nights	83,800	96,500	111,400	115,400	114,600	8.1%
Occupancy	60.1%	64.5%	65.4%	67.7%	67.2%	
Average Daily Rate	\$81.40	\$81.15	\$80.39	\$85.80	\$88.82	2.2%
Revenue per Available Room	\$48.92	\$52.33	\$52.54	\$58.09	\$59.72	5.1%
Change in Supply	--	7.3%	13.9%	0.0%	0.0%	
Change in Demand	--	15.2%	15.4%	3.6%	-0.7%	

*Compounded annual change

ADR increased from a low of \$81.40 in 2011 to a high of \$88.82 in 2015, for a total increase of 9.1%. As the market occupancy reached the high 60's in 2015, hotels were filling mid-week and allowing hotel managers to push rate increases above \$88, which represents a growth rate of 2.2% per year since 2011. Future increases are anticipated as the economy continues to expand.

Future Estimated Market Supply and Demand

Our analysis of future supply is based on the addition of the subject hotel with 65 rooms opening in 2018. After the new hotel open, the market will grow to a total of 532 rooms. Expressed as a five-year average, the market will grow at 2.6% per year.

We estimated the future growth rates for demand with the following analysis. Increases to base demand are stated in compound average growth rates and reflect the external changes in the market if no other hotels were built. Conversely, increases to created demand are derived by whole numbers and account for the room nights that are sold to guests that are no longer displaced from the market. In addition, created demand includes new groups that come to the market because of the meeting space being built within the subject hotels.

In terms of changes to the level of base demand, we have accounted for continued recovery from the national recession by applying a 2.0% per year increase in demand for IBT, Leisure and Group. With respect to created demand, we see 25% of the room night inventory as being created by the new supply when they accommodate guests that no longer have to leave the market during peak periods. Most of the created demand will come from IBT (40%) and Leisure (20%), and the rest will be Group. These assumptions calculate a combined growth rate of 3.0% per year from 2015 to 2020. The resulting analysis shows occupancy growing to the higher 60%'s until the new supply opens in 2018 and decreases as a result of the new supply. Thereafter, occupancy will grow and will once again stabilize in the higher 60%'s.

FUTURE MARKET CONDITIONS - ANNUAL ROOM NIGHTS							
Lake Worth, White Oak, Azle							
	2015	2016	2017	2018	2019	2020	CAC*
Supply - Guestrooms	467	467	467	532	532	532	
Supply - Annual Rooms Nights (x 365)	170,455	170,455	170,455	194,180	194,180	194,180	2.6%
Demand							
Individual Business Traveler - Base	70,900	72,300	73,800	75,300	76,800	78,300	2.0%
Individual Business Traveler - Created	--	-	-	2,400	2,400	2,400	--
	70,900	72,300	73,800	77,700	79,200	80,700	2.6%
Group/Convention - Base	3,700	3,800	3,900	3,900	4,000	4,100	2.1%
Group/Convention - Created	--	-	-	1,200	1,200	1,200	--
	3,700	3,800	3,900	5,100	5,200	5,300	7.5%
Leisure - Base	40,000	40,800	41,600	42,400	43,300	44,200	2.0%
Leisure - Created	--	-	-	2,400	2,400	2,400	--
	40,000	40,800	41,600	44,800	45,700	46,600	3.1%
Total Occupied Room Nights	114,600	116,900	119,300	127,600	130,100	132,600	3.0%
Occupancy	67.2%	68.6%	70.0%	65.7%	67.0%	68.3%	--
Change in Supply	0.0%	0.0%	0.0%	13.9%	0.0%	0.0%	--
Change in Demand	-0.7%	2.0%	2.1%	7.0%	2.0%	1.9%	--

*Compounded annual change

Estimated Penetration of the Proposed Hotel

Penetration analysis compares the occupied rooms from each competitor by market segment and overall. A market penetration above 100% indicates a property is getting more than its fair share. Likewise, penetration below 100% indicates below average performance. A property can perform poorly in one segment, but achieve high penetrations overall. We have performed this analysis on the market competitors and identified some important trends in the following table. This is a fairly competitive market where most competitors achieved similar occupancies and penetration rates of 100%. The market leaders tend to be the newer hotels that have reputations for providing good service and a clean product.

Penetration Rates of Competitive Set - 2015				
	Leisure	Group	IBT	Overall
Primary Competitive Set				
Holiday Inn Express & Suites Lake Worth NW Loop 820	90%	160%	110%	105%
Comfort Suites at Lake Worth	95%	145%	90%	95%
La Quinta Inn & Suites Fort Worth - Lake Worth	100%	155%	100%	100%
Best Western Plus Lake Worth Inn & Suites	115%	0%	95%	100%
Candlewood Suites Fort Worth/West	100%	0%	105%	100%
Staybridge Suites Fort Worth/West	90%	160%	110%	105%
Econo Lodge	125%	0%	70%	85%

Note: Percentages are rounded to nearest 5% to protect confidential information.

The proposed Best Western will have the following competitive advantages: the first limited-service hotel in Azle, strong brand, and a good location. Because a portion of its guests will be staying for social or family events, we estimate this hotel will achieve slightly above its fair share overall, particularly in Leisure and Group demand. Being the closest hotel to the Eagle Mountain Lake will also contribute to above average Leisure demand for the subject hotel. Conversely, the subject hotel will likely achieve less than its fair share in IBT because its competitors are closer to

the employment centers. The resulting overall penetration of the proposed hotel in the stabilized year is calculated to be 99%, as shown in the following table.

Proposed Best Western - City of Azle - 65 Units									
Year	Market Segment	Estimated Market Demand	Fair Market Share ¹		Estimated Market Penetration ²		Occupancy		Average Room Rate Constant \$
			Percent	Demand	Percent	Demand	Market	Subject	
2018	IB T	77,700	12.2%	9,500	90%	8,600			110.00
	Group	5,100	12.2%	600	120%	700			95.00
	Leisure	44,800	12.2%	5,500	100%	5,500			85.00
	Total	127,600		15,600	95%	14,800	66%	62%	100.00
2019	IB T	79,200	12.2%	9,700	95%	9,200			110.00
	Group	5,200	12.2%	600	120%	700			95.00
	Leisure	45,700	12.2%	5,600	105%	5,900			85.00
	Total	130,100		15,900	99%	15,800	67%	66%	100.00
2020	IB T	80,700	12.2%	9,800	95%	9,300			110.00
	Group	5,300	12.2%	600	120%	700			95.00
	Leisure	46,600	12.2%	5,700	105%	6,000			85.00
	Total	132,600		16,100	99%	16,000	68%	68%	99.97

¹ Fair Market Share = 65 Units (Subject) divided by 528 Rooms (in the Market in 2018) = 12.2%
² Subject penetration into Market above 100% indicates Subject has competitive advantages.

In estimating Average Daily Rate (ADR), we gathered rack rates for each property of the competitive sets, as shown in **Exhibit A**. We also collected individual ADR's and compared them to the market average for 2015. Based on our observations of the market, we estimated the average rate anticipated for each demand segment. Individual business travelers, for example, will pay the highest rate because they tend to travel during peak periods and are reimbursed for their travel. Leisure travelers will pay the least because they book during the slower periods. The following table displays the weighted average (rounded) and applies a 3.0% inflation rate in order to estimate the future ADR and resulting rooms revenue for the proposed hotel.

Average Daily Rate and Rooms Revenues				
Fiscal Year	Occupancy	Average Daily Rate		Rooms Revenue
		2016 Dollars	Inflated Dollars	
2018	62%	\$100.00	\$99.75	\$1,467,323
2019	66%	\$100.00	\$104.75	\$1,640,385
2020	68%	\$100.00	\$110.00	\$1,774,300

Financial Pro Forma

Exhibit B located in the Addendum summarizes our departmental revenue and operating expenses for the subject hotel. In preparing this analysis, we consulted income and expense ratios for comparable hotels published by CBRE Hotels (formerly PKF Consulting) in their *2015 USA Trends in the Hotel Industry*. The data presented by CBRE Hotels is expressed in ratios to total revenue as well as dollars per available room. Exhibit B is expressed in 2016 dollars for the stabilized year of operation (2020).

While most of the budget line items in Exhibits B and C are based on national averages, further adjustments were made to reflect local insurance costs and property tax assessments.

Exhibit C restates the stabilized estimates of Exhibit B into stated year dollars for calendar years 2018 to 2027 making assumptions for operational inefficiencies that result from the early years that the hotel operates below the stabilized occupancy. The following table summarizes the resulting analysis using inflated dollars for the hotel's pro forma income statement.

Summary Income Statement *					
	2018	2019	2020	2021	2022
Occupancy	62%	66%	68%	68%	68%
Average Daily Rate *	\$99.75	\$104.75	\$110.00	\$115.75	\$119.00
Rooms Revenue	1,467,000	1,640,000	1,774,000	1,867,000	1,919,000
Other Income	23,000	26,000	27,000	28,000	29,000
Total Revenues	1,490,000	1,666,000	1,801,000	1,895,000	1,948,000
Departmental Expenses	427,000	453,000	474,000	489,000	504,000
Undistributed Expenses	426,000	453,000	476,000	495,000	510,000
Other Fixed Expenses	180,000	196,000	204,000	210,000	216,000
Reserve for Replacement	30,000	50,000	72,000	76,000	78,000
Net Operating Income	427,000	514,000	575,000	625,000	640,000

* Inflated Dollars.

Return on Investment

A project is said to be feasible if investment objectives can be met using reasonable financing assumptions. In **Exhibit D**, we summarize the cost of developing and financing the hotel and derive the equity requirement from which the return will be based. By comparing the Project's equity requirement to the potential operating results after debt service, we can calculate the potential return on the equity investment. As summarized in Exhibit D, the proposed hotel has a total of 65 keys and current estimates show the total cost to develop the project will be \$6,175,000, inclusive of land.

We based the amount of the construction loan on 80% of cost, or \$4.9 million (rounded) and the loan terms based on a 25-year amortization schedule at 5.0% per annum. The resulting equity requirement is approximately \$1,275,000.

Because an Internal Rate of Return (IRR) is an expression of equity return over the life of the investment, our analysis shows an assumed sale of the hotel in the fifth year based on a reversion analysis. The sales value is based on a theoretical terminal cap rate of 10%. From the projected sales price for the Project, we deducted a real estate commission and the outstanding debt at the time of sale. The resulting proceeds of the sale are added to the distributable cash flow for that year for potential distribution.

The IRR is then calculated over the life of the investment showing cash being invested in 2016 prior to the start of construction and dividends being paid starting in 2018. Our analysis is based on inflated dollars (at 3% per year) and the occupancy estimates derived in our report. Using these assumptions, the IRR for the Project is calculated to be 17.2%.

As the hotel development community seeks projects that achieve well above a 20% levered IRR, a variety of incentives will be required to make this project attractive to developers.

Limiting Conditions

The conclusions in this report are based upon review of published information and information provided by the general managers and/or owners at the competing hotels, and an analysis of historical market area data. The report is based on estimates, assumptions, and other information developed from our analysis of the local hotel market area and characteristics of the proposed property. Since the projections in this letter are based upon estimates and assumptions, which inherently are subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

This report has been prepared primarily for your use and guidance in determining the risk in developing the proposed property. As is customary in assignments of this nature, neither our name nor the material submitted may be included in any prospectus, in newspaper publicity, or as part of any printed material; or used in offerings or representations in connection with the sale of securities or participation interests to the public.

WE MADE NO ATTEMPT TO VERIFY THE ESTIMATES OF PROJECT COSTS PROVIDED BY THE DEVELOPER AND HAVE NO OPINION ON THEIR VALIDITY. IN ORDER TO RELY ON THE RESULTING ESTIMATES OF CASH ON CASH RETURN AND INTERNAL RATE OF RETURN, POTENTIAL INVESTORS MUST CONDUCT THEIR OWN INVESTIGATION AS TO THE RELIABILITY AND COMPLETENESS OF THE COSTS OF DEVELOPING THIS HOTEL. FURTHERMORE, THE TERMINAL CAP RATE WAS NOT DERIVED BY AN APPRAISAL OF RECENT MARKET SALES. A MARKET DERIVATION OF CAP RATES BY A CERTIFIED APPRAISER IS NEEDED IN ORDER TO ACCURATELY EXPRESS POTENTIAL RETURNS.

DP Consulting – Qualifications

DP Consulting is a hospitality, tourism, and real estate oriented consulting and brokerage firm. We have developed a particular expertise that includes public/private ventures involving public assembly facilities. DPC has also worked extensively on every type of hotel to include limited-service, full-service, conference centers, and resorts with golf.

The principal of DP Consulting, David Parker, has over 25 years experience in the hotel industry, to include operations, consulting, and development. Prior to forming DP Consulting, Mr. Parker was employed by PKF Consulting for nearly a decade where he developed numerous methodologies for collecting market information on hotels and meeting facilities, and developed multiple modeling techniques for projecting utilization, income and expense. Examples included using fax software and e-mail to disseminate meeting planner surveys and a database to aggregate survey results. DPC is also experienced with economic impact analysis.

In conjunction with hotel research, Mr. Parker developed the system through which occupancy data was collected from individual hotels and reported in aggregate on a monthly basis, known as *Trends in the Hotel Industry*. In addition, Mr. Parker developed a database based on Hotel Occupancy Tax receipts collected by the State of Texas in order to develop a census of hotel performance for various market areas. Mr. Parker has directed a variety of projects, a summary of which are listed in **Exhibit E** in the Addendum.

We would be pleased to hear from you if we may be of further assistance in the interpretation and application of our findings and conclusions. We express our appreciation to you and your associates for the cooperation extended to us during the course of this assignment.

Sincerely,



David S. Parker

Addendum

Competitive Set Table

Financial Pro Forma – Stabilized Year

Financial Pro Forma – 2018 to 2027

Return on Investment

Projects Completed by David Parker

Exhibit A

Exhibit B

Exhibit C

Exhibit D

Exhibit E

SUMMARY OF COMPETITIVE HOTELS
Azle, Texas

Exhibit A-1

Properties	Rooms	Year Opened	2016 Rack Rates ¹		Property Type	Miles from Subject	Amenities ²
			Weekday	Weekend			
Competitive Set Hotels							
1 Holiday Inn Express & Suites Lake Worth NW Loop 820 3541 NW Loop 820	69	2005	\$120 - \$130	\$125 - \$135	Limited-Service	11.0	HB, SP, FC, LF, MR
2 Comfort Suites at Lake Worth 5825 Quebec Street	68	2012	\$99 - \$179	\$109 - \$179	Limited-Service	11.0	HB, SP, FC, LF, MR
3 La Quinta Inn & Suites Fort Worth - Lake Worth 5800 Quebec Street	71	2009	\$105 - \$125	\$105 - \$125	Limited-Service	11.0	HB, SP, FC, LF, MR
4 Best Western Plus Lake Worth Inn & Suites 3920 Boat Club Road	50	2002	\$89 - \$149	\$103 - \$156	Limited-Service	10.5	HB, SP, FC, LF, MR
5 Candlewood Suites Fort Worth/West 402 Jim Wright Freeway	80	2011	\$110 - \$135	\$120 - \$150	Extended-Stay	15.25	FK, FC, LF
6 Staybridge Suites Fort Worth/West 229 Clifford Center Dr.	86	2009	\$150 - \$210	\$145 - \$215	Extended-Stay	15.25	FK, HB, SP, FC, LF, MR
7 Econo Lodge 624 Boyd Road	39	2006	\$78 - \$88	\$78 - \$88	Economy	0.20	CCB, SP
Total Hotel Rooms - 2015	463		2015 Market ADR: \$88.76 / Market Occupancy: 67.3%				
New Hotels							
A Subject - Best Western Azle, TX	65	2018	n/a	n/a	Limited-Service	--	HB, SP, FC, LF, MR
Total Hotel Rooms	528						

¹ Ranged of Published Rates. n/s - Not Shown on Map.

² Amenity Codes: FB - Food and Beverage Outlets, FHB Full Hot Breakfast, CB - Continental Breakfast, FK - Full Kitchen, WB - Wet Bar, SP - Swimming Pool, FC - Fitness Center, LF - Laundry Facility, MMS Major Meeting Space, MR - Meeting Room.

Proposed Best Western - Azle, Texas
Representative Year of Operation

Exhibit C

Number of Units:							
Number of Annual Rooms Available:							
Number of Rooms Occupied:							
Annual Occupancy:							
Average Daily Rate:							
Revenue Per Available Room:							
Revenues							
Rooms							
Other Operated Departments							
Total Revenues							
Departmental Expenses							
Rooms							
Other Operated Departments							
Total Departmental Expenses							
Departmental Profit							
Undistributed Expenses							
Administrative & General							
Marketing & Franchise							
Property Operation and Maintenance							
Utility Costs							
Total Undistributed Operating Expenses							
Gross Operating Profit							
Fixed Expenses							
Base Management Fee							
Property Taxes							
Insurance							
Total Fixed Expenses							
Net Operating Income							
FF&E Reserve							
Net Operating Income After Reserve							

Limited Service Hotels			
ADR Between \$75 and \$115			
		104	
		37,960	
		26,686	
		70.3%	
		92.53	
		\$65.05	
Ratio	Per Room	P.O.R.	
98.3%	23,743	\$92.53	
1.7%	403	1.57	
100.0%	24,146	94.10	
26.9%	6,398	24.93	
78.2%	315	1.23	
27.8%	6,713	26.16	
72.2%	17,433	67.94	
9.2%	2,212	8.62	
10.3%	2,478	9.66	
5.4%	1,303	5.08	
4.8%	1,154	4.50	
29.6%	7,147	27.85	
42.6%	10,286	40.09	
3.0%	714	2.78	
3.8%	925	3.60	
1.5%	358	1.40	
8.3%	1,997	7.78	
34.3%	8,289	32.30	
4.0%	966	3.76	
30.3%	7,323	28.54	

Source: PKF Consulting

Stabilized Operating Year (2020)			
Stated in 2016 Dollars			
		65	
		23,725	
		16,133	
		68.0%	
		\$100.00	
		\$68.00	
Amount	Ratio	Per Room	P.O.R.
\$1,613,000	98.5%	\$24,815	\$99.98
24,000	1.5%	369	1.49
1,637,000	100.0%	25,185	101.47
403,000	25.0%	6,200	24.98
18,000	75.0%	277	1.12
421,000	25.7%	6,477	26.10
1,216,000	74.3%	18,708	75.37
154,000	9.4%	2,369	9.55
131,000	8.0%	2,015	8.12
78,000	4.8%	1,200	4.83
65,000	4.0%	1,000	4.03
428,000	26.1%	6,585	26.53
788,000	48.1%	12,123	48.84
65,000	4.0%	1,000	4.03
96,000	5.9%	1,477	5.95
23,000	1.4%	354	1.43
184,000	11.2%	2,831	11.41
604,000	36.9%	9,292	37.44
65,000	4.0%	1,000	4.03
\$539,000	32.9%	\$8,292	\$33.41

Estimated by DP Consulting

Proposed Best Western - Azle, Texas

Projected Operating Results
Calendar Years

Exhibit D-1

	2018		2019		2020		2021		2022	
Number of Units:	65		65		65		65		65	
Number of Annual Rooms Available:	23,725		23,725		23,725		23,725		23,725	
Number of Rooms Occupied:	14,710		15,660		16,130		16,130		16,130	
Annual Occupancy:	62.0%		66.0%		68.0%		68.0%		68.0%	
Average Daily Rate:	\$99.75		\$104.75		\$110.00		\$115.75		\$119.00	
Revenue Per Available Room:	\$61.85		\$69.14		\$74.80		\$78.71		\$80.92	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenues										
Rooms	\$1,467,000	98.5%	\$1,640,000	98.4%	\$1,774,000	98.5%	\$1,867,000	98.5%	\$1,919,000	98.5%
Other Operated Departments	23,000	1.5%	26,000	1.6%	27,000	1.5%	28,000	1.5%	29,000	1.5%
Total Revenues	1,490,000	100.0%	1,666,000	100.0%	1,801,000	100.0%	1,895,000	100.0%	1,948,000	100.0%
Departmental Expenses										
Rooms	409,000	27.9%	434,000	26.5%	454,000	25.6%	468,000	25.1%	482,000	25.1%
Other Operated Departments	18,000	78.3%	19,000	73.1%	20,000	74.1%	21,000	75.0%	22,000	75.9%
Total Departmental Expenses	427,000	28.7%	453,000	27.2%	474,000	26.3%	489,000	25.8%	504,000	25.9%
Departmental Profit	1,063,000	71.3%	1,213,000	72.8%	1,327,000	73.7%	1,406,000	74.2%	1,444,000	74.1%
Undistributed Expenses										
Administrative & General	151,000	10.1%	162,000	9.7%	171,000	9.5%	178,000	9.4%	183,000	9.4%
Marketing & Franchise	119,000	8.0%	133,000	8.0%	144,000	8.0%	152,000	8.0%	156,000	8.0%
Property Operation and Maintenance	87,000	5.8%	87,000	5.2%	88,000	4.9%	90,000	4.7%	93,000	4.8%
Utility Costs	69,000	4.6%	71,000	4.3%	73,000	4.1%	75,000	4.0%	78,000	4.0%
Total Undistributed Operating Expenses	426,000	28.6%	453,000	27.2%	476,000	26.4%	495,000	26.1%	510,000	26.2%
Gross Operating Profit	637,000	42.8%	760,000	45.6%	851,000	47.3%	911,000	48.1%	934,000	47.9%
Fixed Expenses										
Base Management Fee	60,000	4.0%	67,000	4.0%	72,000	4.0%	76,000	4.0%	78,000	4.0%
Property Taxes	96,000	6.4%	104,000	6.2%	106,000	5.9%	108,000	5.7%	111,000	5.7%
Insurance	24,000	1.6%	25,000	1.5%	26,000	1.4%	26,000	1.4%	27,000	1.4%
Total Fixed Expenses	180,000	12.1%	196,000	11.8%	204,000	11.3%	210,000	11.1%	216,000	11.1%
Net Operating Income	457,000	30.7%	564,000	33.9%	647,000	35.9%	701,000	37.0%	718,000	36.9%
FF&E Reserve	30,000	2.0%	50,000	3.0%	72,000	4.0%	76,000	4.0%	78,000	4.0%
Net Operating Income After Reserve	\$427,000	28.7%	\$514,000	30.9%	\$575,000	31.9%	\$625,000	33.0%	\$640,000	32.9%
	Full Year of Operation									

Proposed Best Western - Azle, Texas

Projected Operating Results
Calendar Years

Exhibit D-2

	2023		2024		2025		2026		2027	
Number of Units:	65		65		65		65		65	
Number of Annual Rooms Available:	23,725		23,725		23,725		23,725		23,725	
Number of Rooms Occupied:	16,130		16,130		16,130		16,130		16,130	
Annual Occupancy:	68.0%		68.0%		68.0%		68.0%		68.0%	
Average Daily Rate:	\$122.75		\$126.25		\$130.25		\$134.00		\$138.00	
Revenue Per Available Room:	\$83.47		\$85.85		\$88.57		\$91.12		\$93.84	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Revenues										
Rooms	\$1,980,000	98.5%	\$2,036,000	98.5%	\$2,101,000	98.5%	\$2,161,000	98.5%	\$2,226,000	98.5%
Other Operated Departments	30,000	1.5%	31,000	1.5%	32,000	1.5%	33,000	1.5%	33,000	1.5%
Total Revenues	2,010,000	100.0%	2,067,000	100.0%	2,133,000	100.0%	2,194,000	100.0%	2,259,000	100.0%
Departmental Expenses										
Rooms	496,000	25.1%	511,000	25.1%	526,000	25.0%	542,000	25.1%	558,000	25.1%
Other Operated Departments	22,000	73.3%	23,000	74.2%	24,000	75.0%	24,000	72.7%	25,000	75.8%
Total Departmental Expenses	518,000	25.8%	534,000	25.8%	550,000	25.8%	566,000	25.8%	583,000	25.8%
Departmental Profit	1,492,000	74.2%	1,533,000	74.2%	1,583,000	74.2%	1,628,000	74.2%	1,676,000	74.2%
Undistributed Expenses										
Administrative & General	189,000	9.4%	194,000	9.4%	200,000	9.4%	206,000	9.4%	212,000	9.4%
Marketing & Franchise	161,000	8.0%	165,000	8.0%	171,000	8.0%	176,000	8.0%	181,000	8.0%
Property Operation and Maintenance	96,000	4.8%	99,000	4.8%	102,000	4.8%	105,000	4.8%	108,000	4.8%
Utility Costs	80,000	4.0%	82,000	4.0%	85,000	4.0%	87,000	4.0%	90,000	4.0%
Total Undistributed Operating Expenses	526,000	26.2%	540,000	26.1%	558,000	26.2%	574,000	26.2%	591,000	26.2%
Gross Operating Profit	966,000	48.1%	993,000	48.0%	1,025,000	48.1%	1,054,000	48.0%	1,085,000	48.0%
Fixed Expenses										
Base Management Fee	80,000	4.0%	83,000	4.0%	85,000	4.0%	88,000	4.0%	90,000	4.0%
Property Taxes	113,000	5.6%	115,000	5.6%	117,000	5.5%	120,000	5.5%	122,000	5.4%
Insurance	28,000	1.4%	29,000	1.4%	30,000	1.4%	31,000	1.4%	31,000	1.4%
Total Fixed Expenses	221,000	11.0%	227,000	11.0%	232,000	10.9%	239,000	10.9%	243,000	10.8%
Net Operating Income	745,000	37.1%	766,000	37.1%	793,000	37.2%	815,000	37.1%	842,000	37.3%
FF&E Reserve	80,000	4.0%	83,000	4.0%	85,000	4.0%	88,000	4.0%	90,000	4.0%
Net Operating Income After Reserve	\$665,000	33.1%	\$683,000	33.0%	\$708,000	33.2%	\$727,000	33.1%	\$752,000	33.3%

Proposed Best Western - Azle, Texas

Exhibit D

Project Description	
Keys:	65
Net On Site Meeting Space	2,000
Pool	Outside
Employees (Approx.)	25
Amenities: Swimming Pool, Fitness Center, Laundry Facility, Meeting Room	

Cost Assumptions	
Total Project	6,175,000
Per Room	95,000

Debt Assumptions	
Term	25
Interest	5.00%
Loan to Costs (Estimate)	80%
Loan Amount	4,900,000
Monthly Loan Payment	28,645
Annual Debt Service	343,739
Equity Requirement	1,275,000

Net Operating Income	Today's Dollars	Year 1	Year 2	Year 3	Year 4	Year 5
Full Year of Operation	2016	2018	2019	2020	2021	2022
Occ%	68%	62%	66%	68%	68%	68%
ADR	\$100.00	\$99.75	\$104.75	\$110.00	\$115.75	\$119.00
Room Revenue	1,613,000	1,467,000	1,640,000	1,774,000	1,867,000	1,919,000
Other Income	24,000	23,000	26,000	27,000	28,000	29,000
Total	1,637,000	1,490,000	1,666,000	1,801,000	1,895,000	1,948,000
Total Expenses	1,098,000	1,063,000	1,152,000	1,226,000	1,270,000	1,308,000
Net Operating Income	539,000	427,000	514,000	575,000	625,000	640,000
Less: Debt Service (Year 1 Interest Only)		(245,000)	(343,739)	(343,739)	(343,739)	(343,739)
Potential Distributable Dividends		182,000	170,261	231,261	281,261	296,261

Debt Coverage Ratio	1.74	1.50	1.67	1.82	1.86
---------------------	------	------	------	------	------

Internal Rate of Return	Construction							IRR	Total Return
	2016	2017	2018	2019	2020	2021	2022		
Initial Equity Investment	(1,275,000)								
Potential Distributable Dividends		-	182,000	170,261	231,261	281,261	296,261		
Reversion							1,744,219		
Total Equity Return	(1,275,000)	-	182,000	170,261	231,261	281,261	2,040,481	17.2%	2,905,264
Cash on Cash Return - by Year			14%	13%	18%	22%	160%		

Reversion Analysis	
Year 5 NOI	640,000
Terminal Cap Rate	10.0%
Reversion Value (Sales Price)	6,400,000
Sales Price per Key	98,462
RE Commission	3.0%
Less Sales Cost	(192,000)
Net Sale	6,208,000
Less Outstanding Debt	(4,463,781)
Net Proceeds to Equity	1,744,219

NOTE: DP Consulting made no attempt to verify the estimates of project costs provided by the developer and have no opinion on their validity. In order to rely on the resulting estimates of cash on cash return and internal rate of return, potential investors must conduct their own investigation as to the reliability and completeness of the costs of developing this hotel. Furthermore, the terminal cap rate was not derived by an appraisal of recent market sales. A market derivation of cap rates by a certified appraiser is needed in order to accurately express potential returns.



10700 Richmond Ave. Suite 321

Houston, Texas 77042

713.900.2101

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Projects Completed by David Parker

Market Studies of Limited-Service Hotels:

Dallas Area:

Market Study of Proposed Best Western Premier – Denton, Texas (Open 2009)
 Market Study of Proposed Fairfield Inn – Decatur, Texas
 Market Study and Valuation of Proposed Comfort Suites – Grapevine, Texas (Open 2005)
 Market Study of a Hampton Inn and Suites – Alliance Airport, Fort Worth Texas (Open 1999)
 Due Diligence Analysis of five hotels (Holiday Inn Expresses and Quality Suites) – Dallas, Texas
 Market Study of Proposed Hampton Inn and Suites – Hurst, Texas (Open 2004)
 Due Diligence Analysis Wyndham Garden Hotel Los Colinas – Irving, Texas
 Due Diligence Analysis Wyndham Garden Hotel Market Center – Dallas, Texas

Houston Area:

Market Study of Proposed Hampton Inn & Suites – Bush Intercontinental Airport – Houston, Texas (Open 2015)
 Market Study of Proposed Comfort Suites (Westchase) – Houston, Texas (Open 2013)
 Market Study of Proposed Hampton Inn & Suites – Missouri City, Texas (Open 2013)
 Market Study of Proposed Courtyard & TownePlace Suites – Galveston, Texas (Open 2013)
 Market Study of Proposed SpringHill Suites – Houston, Texas
 Market Study of Proposed Sleep Inn – Clute/Lack Jackson, Texas
 Market Study of Proposed Microtel Inn & Suites – Port Arthur, Texas
 Market Study of Proposed SpringHill Suites – Seabrook, Texas
 Market Study of Proposed La Quinta – West Chase - Houston, TX (Open 2007)
 Market Study of Proposed Best Western Mini Suites – Texas City, Texas (Open 2005)
 Market Study of Proposed Bed & Breakfast – Kemah, Texas (Open 2004)
 Market Study of a Proposed TownePlace Suite – College Station, Texas (Open 1999)
 Market Study of a Proposed TownePlace Suite – Clear Lake, Texas (Open 1999)
 Market Evaluations of four Baymont Inns – Houston, Texas
 Market Study of Proposed Hampton Inn & Suites – League City, Texas (Open 2010)

Central Texas:

Market Study of Proposed Homewood Suites – (Parmer Lane) Austin, Texas (Open 2015)
 Market Study of Proposed Home2 Suites – Round Rock, Texas (Open 2015)
 Market Study of Proposed Bed and Breakfast Cabins – Fredericksburg, Texas (Open 2013)
 Market Study of Proposed Hampton Inn & Suites – Downtown Austin, Texas (Open 2012)
 Market Study of Proposed Homewood Suites – Round Rock, Texas (Open 2010)
 Market Study of Proposed Sleep Inn & Suites – Manor, Texas (Open 2012)
 Market Study of Proposed Limited-Service Hotel – Marble Falls, Texas
 Market Study of Proposed Microtel Inn & Suites – Austin, Texas (Airport) (Open 2010)
 Market Study of Proposed Staybridge Suites – San Antonio, Texas (Open 2008)
 Market Study of Proposed La Quinta - Medical Center - San Antonio, Texas (Open 2007)

South Texas:

Market Study of Proposed Microtel – Gonzales, Texas (Open 2013)
 Market Study of Proposed Home2 Suites – Mission, Texas
 Market Study of Proposed Holiday Inn Express – South Padre Island, Texas (Open 2005)



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North Texas:

- Market Study of Proposed Hampton Inn – Vernon, Texas (Open 2011)
- Market Study of Proposed Holiday Inn Express – Vernon, Texas (Open 2006)

West Texas:

- Market Study of Proposed Microtel – San Angelo, Texas (Open 2010)
- Market Study of Proposed Hawthorn Suites – Lubbock, Texas (Open 2008)
- Market Study of Proposed Best Western – Hamilton, Texas (Open 2007)
- Market Study of Proposed La Quinta – Lubbock, Texas (Open 2006)

East Texas:

- Market Study of Proposed Microtel Inn & Suites – Texarkana, Texas
- Market Study of Proposed Hampton Inn – Sulphur Springs, Texas (Open 2010)
- Market Study of Proposed Best Western – Mt. Vernon, Texas

Outside of Texas:

- Market Study of Proposed Home2 Suites – Tallahassee, Florida (Open 2016)
- Market Study of Proposed Home2 Suites – Stillwater, Oklahoma (Open 2016)
- Market Study of Proposed Home2 Suites – Tuscaloosa, Alabama (Open 2015)
- Market Study of Proposed Home2 Suites – Lexington, Kentucky (Open 2015)
- Market Study of Proposed Hilton Garden Inn & Homewood Suites – Oklahoma City, Oklahoma (Open 2014)
- Market Study of Proposed Hampton Inn & Suites - Mulvane, Kansas (Open 2012)
- Market Study of Proposed Hampton Inn & Suites – Dodge City, Kansas (Open 2012)
- Market Study of Proposed Homewood Suites – Nashville, Tennessee (Open 2013)
- Market Study of Proposed Fairfield Inn – Maize, KS (Open 2011)
- Market Study of Proposed La Quinta Inn & Suites – Olathe, Kansas (Open 2008)
- Market Study of Proposed Holiday Inn Express & Suites – Bloomington, Indiana (Open 2006)
- Market Study of Converting historic buildings into Residence Inn and Courtyard by Marriott – Omaha, NE (Open 1999)
- Market Study of Proposed Sleep Inn Limited-Service hotel – Thornton, Colorado (Open 1998)
- Market Study and Valuation of Proposed All-Suite Hotel at Isle of Capri Casino – Lake Charles, Louisiana (Open 1998)
- Market Study and Valuation of Proposed Limited-Service Hotel at Isle of Capri Casino – Lake Charles, Louisiana (Open 1997)

Market Studies Select and Full-Service Hotels:**Dallas Area:**

- Market Study of Proposed Hilton Garden Inn – Hurst, Texas (Open 2016)
- Market Study of Proposed Hilton Dallas/Plano Granite Park – Plano, TX (Open 2014)
- Market Study of Proposed Cambria Suites – Plano, Texas (Open 2014)
- Market Study of Proposed Courtyard Hotel & Conference Center – Carrollton, Texas
- Market Study of Renovating the Historic Blackstone Hotel into a Courtyard by Marriott – Fort Worth, Texas (Open 1999)
- Market Study of Proposed Embassy Suites Galleria – Dallas, Texas (Open 1998)
- Evaluation of Converting the Employers Life Insurance Building into a Headquarters Hotel – Dallas, Texas



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Market Study of Proposed Holiday Inn – McKinney, Texas (Open 2008)

Market Study of Proposed Resort Hotel and Water Park – Frisco, Texas

Impact Assessment of Converting Ramada Plaza into Holiday Inn Select (Presently The Sheraton) – Fort Worth, Texas

Houston Area:

Market Study of Proposed Courtyard & TownePlace Suites – Galveston, Texas (Open 2013)

Market Study of Proposed Courtyard by Marriott – Galveston, TX (Open 2013)

Market Study of Proposed Embassy Suites & Water Park – Beaumont, Texas

Market Study of Proposed Embassy Suites – Texas Medical Center – Houston, TX

Market Study of Proposed Holiday Inn – Shenandoah, Texas

Market Study of Proposed Hilton Garden Inn Galleria – Houston, Texas (Open 2005)

Market Study and Economic Impact Assessment of 1,200-Room Hilton Americas

– Downtown Houston, Texas (Open 2004)

Market Study of Converting the Medical Towers into the Marriott Medical Center Expansion – Houston, Texas

Market Study of Converting Historic Texas State Hotel into Sheraton Suites – Downtown Houston, Texas

Market Study and Valuation of Omni Galleria – Houston, Texas

Market Study and Valuation of Red Lion Hotel Galleria – Houston, Texas

Central Texas:

Market Study of Proposed SoCo Hotel – (South Congress) Austin, Texas (Open 2015)

Economic Impact Study of Proposed Hilton Garden Inn – Live Oak, Texas

Market Study of Proposed Select-Service Hotel & Conference Center – Boerne, Texas

Market Study of Proposed Four Points (Now Wyndham Garden Inn Near La Cantera) – San Antonio, Texas (Open 2009)

Market Study of Proposed Boutique Hotel – Fredericksburg, Texas

Market Study of Proposed Cambria Suites – Medical Center – San Antonio, Texas

Market Study of Proposed Westin Riverwalk – San Antonio, Texas (Open 1999)

Market Study of Proposed Full-Service Hotel – New Braunfels, Texas

Market Study and Valuation of St. Anthony Hotel – San Antonio, Texas

South Texas:

Market Study of Proposed Hotel & Conference Center – Port Aransas, Texas

Market Study of Proposed Full-Service Hotel Adjacent to McAllen Convention Center – McAllen, Texas

Market Study of Proposed All-Suite Hotel and Resort on North Padre Island – Corpus Christi, Texas

Market Study, Economic Impact Study, and Financing Recommendations of Proposed Full-Service Hotel

– South Padre Island, Texas

Market Study of Proposed Executive Conference Center – North Padre Island, Corpus Christi, Texas

North Texas:

Market Study of Proposed Hotel Conversion to a Full-Service Wyndham Hotel – Wichita Falls, Texas

West Texas:

Market Study of Proposed Full-Service Hotel & Conference Center – Odessa, Texas

Outside of Texas:

Market Study of Proposed Full-Service Resort with Golf – Franklin, Tennessee

Market Study of Proposed Hilton Garden Inn & Homewood Suites – Oklahoma City, Oklahoma (Open 2014)

Market Study of Proposed Conversion of the Fulton Hotel to a Holiday Inn – Alexandria, Louisiana

Market Study of Proposed Office Building Conversion into Hilton Garden Inn –

Airport - Phoenix, Arizona (Open 2009)

Market Study of Proposed Hilton Garden Inn (Converted Office Building) – Phoenix, AZ at Airport (Open 2008)



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Market Study of Proposed Full-Service Hotel – Colorado Springs, Colorado
 Performance Review of Operating Standards – Radisson Fort McDowell Resort & Casino – Scottsdale, Arizona
 Market Study of Proposed Holiday Inn – Colorado Springs, Colorado
 Market Study and Valuation of Cypress Bend Golf Resort and Conference Center – Sabine Parish, Louisiana

Market Study of Converting historic buildings into Residence Inn and Courtyard by Marriott
 – Omaha, NE (Open 1999)

Market Study of Proposed Full-Service Hotel – Sandy City, Utah

Market Study of Proposed Full-Service Hotel adjacent to Jazz Land Theme Park – New Orleans, LA

Market Study and Valuation of 780-room Regal Riverfront – St. Louis, Missouri

Public Assembly Facility Studies:

Dallas Area:

Market Study of Proposed Dallas County School District Meeting Facility – Dallas, Texas

Market Study of Proposed 500,000-Square foot Exhibition Center – Grapevine, Texas

Market Study of Proposed Conference Center – Hurst, Texas (Open 2007)

Management RFP of Proposed Conference Center – Hurst, Texas

Houston Area:

Market Study of Proposed Convention Center – Stafford, Texas (Open 2003)

Market Study of Proposed Performing Arts Theater – Stafford, Texas (Open 2003)

Market Study and Economic Impact of Proposed Waterway Convention Center –
 The Woodlands, Texas (Open 2002)

Citywide occupancy tax collection forecast for City of Houston, used in securing \$700 million in bonds for the purpose of
 expanding the George R. Brown Convention Center, constructing the 1,200-room Hilton Hotel, parking garage, and
 NBA basketball arena – Houston, Texas

Market Study and Economic Impact Study of Expanding the George R. Brown Convention Center
 – Downtown Houston, Texas

Market Study of Proposed Convention Center, Mall Conversion – Baytown, Texas

Market Study of Proposed Natatorium – Stafford, Texas

Market Study of Repositioning a portion of Greenspoint Mall into a Convention Center – Houston, Texas

Market Study of Proposed Civic Center – Kemah, Texas

Market Study of Proposed Civic Center – Freeport, Texas

Central Texas:

Market Study of Proposed Convention Center – New Braunfels, Texas

Market Study of Proposed Civic Center & Exhibit Hall – Gonzales, Texas

South Texas:

Market Study of Expanding the Bayfront Convention Center – Corpus Christi, Texas (Completed 1999)

East Texas:

Market Study of Proposed Convention Center – Lufkin, Texas



10700 Richmond Ave. Suite 321

Houston, Texas 77042

713.900.2101

dpconsultingusa.com

Outside of Texas:

- Market Study and Economic Impact Study of Proposed 453,000-square foot Exhibition Center – Sandy City, Utah
- Market Study of Proposed Ballroom Addition to the Welk Resort – Branson, Missouri
- Market Study of Proposed Convention Center, Mall Conversion – Tupelo, Mississippi

Other Projects:

- Houston's First Baptist Church – Hunt Retreat – Lodge/Conference Facility – Fulshear, Texas (Open 2013)
- Market Study of Proposed Baseball Facility – The Zone – Kingwood, Texas (Open 2012)
- Market Study of Proposed Water Park – Beaumont, Texas
- Market Study of Proposed Time Share – Lake Havasu, Arizona
- Lakeview Methodist Conference Center – Lodge/Conference Facility – Palestine, Texas
- Market Study for Three Proposed Buffalo Wild Wings locations – Greater New Orleans, Louisiana
- Market Study for Proposed Apartments – Jackson, Tennessee
- Developer of five high-end town homes near Texas Medical Center
- Developer of three-unit loft project east of Mid-Town - Houston, Texas
- Due Diligence of new construction 400-unit Self Storage in southwest Houston
- Due Diligence of new construction 400-unit Self Storage in Baytown, Texas
- Developer / Investor Prospectus of Pearland Swim Academy – Pearland, Texas