



CITY OF MARSHFIELD  
**MEETING NOTICE**

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**ECONOMIC DEVELOPMENT BOARD**  
**Thursday, September 11, 2014**  
**City Hall Plaza, Room 108**  
**3:00 p.m.**

**AGENDA**

1. Call to order
2. Approve meeting minutes
  - a) EDB Regular Board Mtg – August 21<sup>st</sup>
3. Identify potential conflicts of interest
4. Receive citizen comments
5. Receive updates/reports
  - a) Updates on economic development activities
  - b) Status of housing programs and projects
  - c) 2015 Wood Co. budget request
6. Review and consider amending “1997” Housing Incentive Program
7. Review and possibly act upon proposals to complete a hospitality feasibility study
8. Adjourn to closed session under Wisconsin Statutes Chapter 19.85 (1)(e), “Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.” The purpose of the closed session is to consider possible acquisition of land for future development.
9. Reconvene into open session
10. Action on matters discussed in closed session, if appropriate
11. Announce next meeting date
12. Adjourn

*NOTICE*

*It is possible that members of and possibly a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice*

*Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact Deb M. Hall, City Clerk, at 630 South Central Avenue or by calling (715) 384-3636.*

## **Economic Development Board meeting August 21, 2014**

Present: Ron Dickrell, Al Michalski, Bill Sennholz, Tammy Meissner and Aaron Staab  
Absent: Ed Wagner and Pete Hendler  
Others: Steve Barg, Angie Dieringer, Jason Angell, Amy Krogman, Karen Olson

Sennholz called the meeting to order at 3:05 p.m. in Room 108 of the City Hall Plaza.

**EDB14-31** Motion to approve Meissner, 2<sup>nd</sup> by Dickrell to approve the minutes from August 7, 2014 meeting.

**Motion carried**

### **Conflicts of interest**

No members indicated that they had a conflict of interest with anything on the agenda.

### **Citizen Comments**

None

### **Economic Development Updates**

Angell handed out the updated 2014 budget. He also handed out the August 2014 Vital Signs which shows the economic and social health of the Marshfield area community. This is a joint effort between the City of Marshfield, Marshfield Area Community Foundation, and the United Way.

Olson reported on the ICSC show. There were approximately 100 attendees. They met with a couple of developers. UPS is interested in finding someone to start a franchise here.

Dieringer is meeting with downtown businesses. She has been in contact with the Howards regarding their future plans.

Barg stated Matt McLean from the Convention and Visitor Bureau will be attending the October meeting.

### **Status of Housing Program and Projects**

Angell stated they are waiting for site costs on the properties that were discussed at the last meeting. He also stated that Josh Miller and Sam Schroeder are currently working on the feedback from the last meeting.

### **Marshfield Utilities Revised Dividend Policy**

Barg reported that the Utility Commission is considering amending their dividend policy. They currently give the City of Marshfield ½ of their ATC dividend which goes to the EDB. The Utility has been receiving requests from groups for

donations that they would have their name on. They want to modify their current policy to state they would give up to 50% of the dividend to the City of Marshfield. The committee discussed ways they could acknowledge Marshfield Utilities on their projects.

**EDB14-32** Motion by Michalski, 2<sup>nd</sup> by Meissner to invite someone from Marshfield Utilities to serve as an ex-officio on the Economic Development Board.

**Motion carried**

### **Opportunities to escrow funds from TID #5 for future business incentives**

The TIF for the Mill Creek Business Park runs out in 2015. There are several lots still available that we will need to have incentive dollars available. The City of Marshfield cannot escrow money to be spent for this purpose, but they can have another entity manage these funds. The City of Marshfield would set aside up to \$500,000 and either create a corporation or find a current group to oversee the money. This will be discussed at a future meeting.

### **Request to Council for 2015 budget for funds to clear structures in TID #7**

The cost to prepare the clear the building on the Gust property and prepare it for sale would be approximately \$25,000.

**EDB14-33** Motion by Dickrell, 2<sup>nd</sup> by Staab to budget funds in the 2015 budget to prepare the Gust property for sale.

**Motion carried**

**EDB14-34** Motion by Michalski, 2<sup>nd</sup> by Meissner to go into closed session for 2 items: 1) Wisconsin Statutes Chapter 19.85 (1)(f), "Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems, or the investigation of charges against specific persons, except where par.(b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations." Closed session has been requested to consider a CDBG grant allocation for housing rehabilitation purposes; and, 2) Wisconsin Statutes Chapter 19.85 (1)(f), "Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session." Closed session has been requested to consider possible financial assistance for a proposed development project. Roll call vote, all ayes (time: 3:47 p.m.)

**Motion Carried**

Present in closed session: Angell, Dickrell, Meissner, Staab, Sennholz, Michalski, Barg, and Krogman

**EDB14-35** Motion by Staab, 2<sup>nd</sup> by Dickrell to go back into open session. Roll call vote, all ayes. (Time: 4:07 p.m.)

**EDB14-36** Motion by Staab, 2<sup>nd</sup> by Meissner to approve CDBG Project #2014-02 as submitted.

**Motion Carried**

**EDB14-37** Motion by Dickrell, 2<sup>nd</sup> by Staab to recommend to the Common Council the developers agreement with JT Marshfield. Sennholz and Michalski abstained from voting due to potential conflict of interest. Rest ayes

**Motion carried**

Motion by Meissner, 2<sup>nd</sup> by Staab to adjourn at 4:47 p.m.

Respectfully submitted,  
Amy Krogman, Administrative Assistant III



# City of Marshfield Memorandum

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TO: Economic Development Board Members  
FROM: Jason Angell, Director of Planning & Economic Development  
DATE: September 11, 2014

RE: Brief on agenda items

## Item #6 – 1997 Housing Incentive Program

A copy of the old housing incentive program has been included in your packet for review and consideration. The City created this program in an effort to help spur additional housing development within the community. A breakdown of the results of this program is also included.

Given recent discussions surrounding our Housing Study and Needs Assessment, staff felt it appropriate for the EDB to evaluate this old program and see if there may be something within the policy that may help us in advancing our current efforts surrounding housing. EDB members are asked to review the policy and come prepared to discuss the merits of possibly re-establishing the program or something similar.

## Item #7 – Hospitality Feasibility Study

Recently staff has been receiving a lot of inquiries from developers that have an interest in possibly constructing another hotel within the community. The size and type of facility (traditional stay, conference center, extended stay, etc.) has yet to be determined, but I can say that each one of these types of facilities has been part of the numerous discussions.

Given how development approaches have changed since 2008, it is likely that any developer that decides to move forward with such a facility will be asking the City to partner/invest in the project. With that understand staff firmly believes that we should conduct a feasibility study to help us determine if there is a true need for another hotel in our community.

With this understanding, staff has requested proposals from two different consulting groups that specialize in hospitality feasibility studies. The two proposals are attached for your review and consideration. **Staff is asking that the EDB select one of the proposals and direct staff to proceed with executing the contract for the completion of a hospitality feasibility study.**

Item #8 – Closed Session

Information related to the item to be discussed in closed session will be delivered to EDB members during the meeting.



CITY OF MARSHFIELD, WISCONSIN  
POLICIES AND PROCEDURES

- 1 COMMON COUNCIL
- 2 ADMINISTRATIVE
- 3 PERSONNEL

- 4 FINANCIAL
- 5 PUBLIC WORKS
- 6 PARKS AND RECREATION

CHAPTER: General Purpose Public Works Administration

SUBJECT: Housing Incentive Program - Funding Policy

POLICY NUMBER: 5.060

SUPERSEDES POLICY DATED: March 4, 1997

PAGES: 2

APPROVAL DATE: May 6, 1997

APPROVED BY: *Ernest Raschke*

DEPARTMENT OF PRIMARY RESPONSIBILITY: Department of Public Works

The following shall be the accepted policy for financing public improvements through special assessments as part of the Housing Incentive Program as allowed in Wisconsin Statutes Section 66.60 in regard to land platted after August 26, 1975:

1. Application Required

- a. To be considered for inclusion in the financing program for the Housing Incentive Program in any particular year, a developer shall complete the application (see attachment) and file with the secretary of the Board of Public Works.
- b. The deadline for submittal of applications for that construction year shall be March 1. The Board of Public Works will review applications submitted after March 1 depending on the availability of funds.

2. Prioritization of the applications will be as determined by the Board of Public Works.

3. Developers Agreement Required

Prior to the City establishing the limits of the proposed area to be assessed, an agreement would be required between the City and the developer. The agreement would require the following:

- a. A guarantee of at least 133% of new taxes above our local share of expenses. Another way to state this is that our local share will not exceed 75% of the taxes generated during the assessment period. This would be backed by an irrevocable letter of credit which would be reduced annually to reflect any new taxes generated.

- b. Identification of the responsibilities of each party, the developer and City.
  - c. Agreement by the developer to pay in full any individual assessments on lots as they are sold.
4. Determination of Assessment Rates
- a. Street Construction: The rates shall be established as explained in the Public Works Section (Chapter 8) of the Municipal Code per 8.16(2)(a) to (h). (Note: This rate shall also apply to the bituminous asphalt pavement constructed on a roadway with ditches.)
  - b. Sanitary Sewer Construction: The rates shall be established as explained in the Public Works Section (Chapter 8) of the Municipal Code per 8.16(3)(a) to (d).
  - c. Sanitary Sewer Lateral and Water Lateral Construction: The rates shall be established as explained in the Public Works Section (Chapter 8) of the Municipal Code per 8.16(4).
  - d. Construction/Replacement/Repair of Public Sidewalk: The rates shall be established as explained in the Public Works Section (Chapter 8) of the Municipal Code per 8.16(5).
  - e. Storm Sewer Construction: The rates shall be established as explained in the Public Works Section (Chapter 8) of the Municipal Code per 8.16(10)(b). (Note: This rate shall also apply to streets with curb and gutter.)
5. Terms of Payment for Assessments
- a. The following lengths of time shall be established for installment payment of assessments:
 

- Street Construction (with ditches)	7 years
- Street Construction (with curb and gutter)	10 years
- Sanitary Sewer Construction	7 years
- Lateral Construction	7 years
- Sidewalk Construction	10 years
- Storm Sewer Construction	7 years
  - b. The interest to be charged on these special assessments shall be 1% above the cost of borrowing for the project.
6. When City funding is not available as part of the Housing Incentive Program, improvements can be installed through the typical developer's agreement procedure of the Board of Public Works where private financing is obtained by the developer. As an alternative, the developer may have the construction done by City forces after approval of the Board of Public Works and deposit prior to the start of construction per 18.05(5) of the Subdivision and Platting Section of the Municipal Code.

## HOUSING INCENTIVE PROGRAM APPLICATION

\* To be completed by applicant for review by Board of Public Works \*

Date: \_\_\_\_\_, 199

## Applicant Information

Name of Developer:

Address:

Primary Contact Person Name &amp; Title:

Phone:

Fax:

Briefly describe the background/experience of the developers, owners or principals specific to this project application (attach additional pages if necessary):

## Project Summary

Subdivision/Project Name

Phase

Lots Served: \_\_\_\_\_

Improvements: Streets\_\_\_\_; Sanitary Sewer\_\_\_\_; Storm Sewer\_\_\_\_; Water Main\_\_\_\_;  
Street Lighting/Signals\_\_\_\_; Erosion Control\_\_\_\_; Sidewalk\_\_\_\_;  
Other\_\_\_\_\_

Project Description (attach additional pages if necessary):

Project Start Date:

Completion Date:

Existing Zoning Designation:

Proposed Zoning Designation:

Final Plat

(If No - Anticipated

Recorded \_\_\_\_\_ Yes \_\_\_\_\_ No

Date of Recording \_\_\_\_\_)

Street/Utility Plans

(If No - Anticipated

Plans Complete \_\_\_\_\_ Yes \_\_\_\_\_ No

Completion Date \_\_\_\_\_)

WIS-DNR Utility

(If No - Anticipated

Approval \_\_\_\_\_ Yes \_\_\_\_\_ No

Approval Date \_\_\_\_\_)

Notification of Utilities:

General Telephone Company \_\_\_\_\_ Yes \_\_\_\_\_ No

Wisconsin Gas Company \_\_\_\_\_ Yes \_\_\_\_\_ No

Time Warner Cable \_\_\_\_\_ Yes \_\_\_\_\_ No

Marshfield Electric Utility \_\_\_\_\_ Yes \_\_\_\_\_ No

Marshfield Water Utility \_\_\_\_\_ Yes \_\_\_\_\_ No

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Project Cost Summary

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Total Project Cost: \$ \_\_\_\_\_

City of Marshfield Incentive: \$ \_\_\_\_\_

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Certification

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To the best of my knowledge and belief, the information submitted herein is true and correct and the document has been duly authorized for submittal.

\_\_\_\_\_  
Signature of an officer authorized by the  
applicant(s) to make the application.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

HOUSING INCENTIVE PROGRAM  
 PROJECT SUMMARY - 1997 TO 2002  
 March 11, 2003

PROJECT	YEAR CONST.	LOTS CREATED	TOTAL COST	Average COST/LOT	SPECIAL Assessments	Assessments as % of Total	CITY'S COST	Lots Currently Developed	Assessed Value (2002)	Local Taxes Generated To Date
Arlington/Cypress (Lincoln to 8th)	1997	31	\$147,223	\$4,749	\$77,603	53%	\$69,620	19	\$4,226,100	\$175,585
Heide Lane (Waushara to Hume)	1997	15	\$160,735	\$10,716	\$89,418	56%	\$71,317	7	\$1,713,600	\$40,205
Tremmel Court (West of Butlernu)	1997	10	\$105,346	\$10,535	\$68,435	65%	\$36,911	3	\$751,200	\$23,300
Juno/Fillmore (Doege to Weber)	1997	20	\$256,060	\$12,803	\$152,051	59%	\$104,009	13	\$1,787,500	\$77,605
Evergreen Ave. (3rd to 5th) Sanitary Only	1997	<del>8</del> 8	\$21,602	\$2,700	\$16,392	76%	\$5,210	5	\$848,300	\$27,750
11th Street(Adams to Lincoln)	1998	28	\$265,259	\$9,474	\$221,145	83%	\$44,114	9 ✓	\$1,132,200	\$29,125
Devine Court(South of 17th)	1998	<del>4</del> 3	\$49,236	\$12,309	\$33,400	68%	\$15,836	4 ✓	\$529,100	\$14,400
Juno (Becker to Fillmore)	2000	12	\$227,576	\$18,965	\$117,685	52%	\$109,891	0	\$78,400	\$2,185
19th Street (Cherry to Vine)	2000	5	\$91,990	\$18,398	\$46,803	51%	\$45,187	1 ✓	\$206,600	\$4,665
Devine Drive (West of Schmidt)	2001	9	\$129,495	\$14,388	\$80,635	62%	\$48,860	0	\$118,800	\$1,320
Hume Avenue (North of Fillmore)	2001	6	\$82,806	\$13,801	\$31,137	38%	\$51,669			
Jean Avenue & Renee Lane	2001	14	\$225,605	\$16,115	\$106,088	47%	\$119,517			
Magnolia Drive (South of 3rd)	2001	7	\$134,361	\$19,194	\$69,136	51%	\$65,225	0		
West 26th Street (West of Oak)	2001	8	\$76,416	\$9,552	\$26,967	35%	\$49,449			
Schmidt Ave (Adler to State)	2002	5	\$185,780	\$37,156	\$74,400	40%	\$111,380	2		
TOTAL		182	\$2,159,490		\$1,211,295	56%	\$948,195		\$11,391,800	\$390,140

Local Taxes  
 Lowered \$103,833  
 2002  
 generated

of 66 new one and 2 family homes issues permits in 2002, 45 were on lots opened by City 68%  
 15 were on lots opened by Private Developers 23%

6 were on lots on Streets that have been in place for a long time 9%

39,507

\$27,750

\$29,125

\$14,400

\$4,665

\$2,185

\$118,800

\$1,320

\$119,517

\$65,225

\$49,449

9%

August 31, 2014

Mr. Jason Angell  
Director of Planning & Economic Development  
City of Marshfield  
630 S. Central Avenue  
Marshfield, WI 5449

Sent via email: [Jason.angell@ci.marshfield.wi.us](mailto:Jason.angell@ci.marshfield.wi.us)

RE: Marshfield, WI - Hotel Market Study

Management

Research

Marketing

Gregory R. Hanis, ISHC  
President

[ghanis@hospitalitymarketers.com](mailto:ghanis@hospitalitymarketers.com)

262-490-5063

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Hotel Service Network

Dear Jason,

Per our conversation earlier this past week, I have assembled this Engagement/Proposal Letter regarding market research for the potential development of a limited-service style hotel in Marshfield, Wisconsin. We have prepared many studies in communities such as Marshfield and have expertise in performing research for limited-service to full-service, economy to upscale style hotels. This expertise can assist with market research, brand selection, and development of the proposed hotel. Thank you for considering Hospitality Marketers International, Inc., to research this hotel project.

This letter is a proposal to engage and, upon acceptance, confirm the engagement of HMI to perform project work for this proposed hotel project. For additional information about HMI and our market study services, please refer to our Web Site at [www.hospitalitymarketers.com](http://www.hospitalitymarketers.com). Specifically, the project to be completed by HMI is as follows:

#### **GENERAL PROJECT APPROACH**

-- The following outlines the General Approach we will take in researching this market.

-- In order to expedite the completion of this project, HMI will be engaged to perform a Market Study of the subject site area in Marshfield, Wisconsin for potential hotel development. HMI will schedule this project accordingly.

-- Upon conclusion of the field work stage of this project, HMI will proceed to write and complete the hotel market study. However, should the results of the field research appear to not support the planned hotel development project, HMI will contact you, the developer, to discuss our observations regarding this hotel project. Should you decide to terminate work on this Hotel Market Study at that time, HMI will send you a brief termination letter highlighting the key reasons for the termination.

## **GENERAL PROJECT DETAILS**

-- At this time, the scope would be to conduct a Hotel Market Study to assist the City of Marshfield in determining the amount of support/demand there is in the market for the development of a new limited-service style hotel in the Marshfield, Wisconsin market. This is the intended style of the hotel at this time. Recommendations regarding the style of the proposed hotel will be provided based upon demand and competitive supply factors.

-- The specific subject site for this hotel in Marshfield was not identified at this time. Per our conversation, you are seeking recommendations on specific site areas based on the sources of lodging demand being generated in the Marshfield market area identified during the market research for this report.

-- The hotel product category has not yet been identified. The proposed hotel is anticipated to be a limited-service style property at this time. However, recommendations for an extended stay versus traditional style hotel, or a combination of both, will be provided in this report based upon demand and competitive supply factors.

-- The price category for this hotel has not yet been identified, but is believed to potentially be an economy or midscale or upper midscale hotel product. Recommendations will be provided for this hotel price category based upon demand and competitive supply factors.

-- No specific hotel brand has been identified at this time. Recommendations will be provided for the brand of this hotel based upon demand and competitive supply factors.

-- The size of the proposed hotel was not identified at this time. Specific size suggestions will be made in this market study report as determined by the size of the site, the demand sources and competitive supply in the market.

-- There may be the potential for this proposed hotel to have specific amenities or services. Some may relate to the brand chosen for this hotel. Other amenities and services may relate to the demand characteristics of the subject market. These items will be addressed accordingly based upon the research performed for this phase, and recommendations will be made as to the type, size and necessity for certain amenities at this proposed hotel.

-- At this time, there will be no significant food and beverage operation associated with this limited-service hotel facility. Should the need for these amenities be identified by the research conducted, it will be addressed in this report for the developer to consider and the report could be expanded to include these features.

## **COMPREHENSIVE HOTEL MARKET STUDY**

--This Comprehensive Hotel Market Study is used by communities and developers to support the conclusions, recommendations and multi-year projections presented in this market study.

--This Comprehensive Hotel Market Study will provide, based upon comprehensive research of the market, a detailed evaluation with key market factors highlighted. This report will research the identified site areas that could be considered for hotel development including their visibility and accessibility to the proposed markets. The relationship of the site areas to possible lodging demand generators will be identified. The existing lodging supply, including other limited-service style hotels in this market, will be researched. General economic conditions will also be researched. Comprehensive and statistical operational projections for Sales Revenue, based upon Occupancy and Average Daily Room Rates, will be presented. These multi-year projections will be to a stabilized year of operation. Detailed recommendations for property site location, product type and size, franchise recommendations, and product features and amenities will be provided.

-- A preliminary Operational and Investment Proforma will be developed based upon the sales revenue projections presented in this report and on national hotel industry operational expense averages for the style of hotel being considered. [\(See the Multi-Year Operational and Investment Proforma Statement Projection Report area of this letter for information regarding expanding this preliminary Operational and Investment Proforma to the Detailed Multi-Year Operational and Investment Proforma.\)](#)

-- The format of this study should be acceptable for external lending and investing purposes. Hospitality Marketers will be available to answer any questions concerning these studies upon their completion.

#### **TIMING**

-- The Field Research stage is completed within 30 days of the commencement of the research project. However, it will be based upon our project schedule at that time. We discussed the fact that we are currently not starting any new projects until late September or early October. We will schedule your market study as soon as we receive your accepted copy of this engagement letter. An exact starting and completion date will be assigned based on the accepted return of this letter and your retainer check to HMI.

-- The Comprehensive Hotel Market Study project will be completed within 30 to 45 days of the conclusion of our field research in the market. We will begin gathering preliminary research as soon as we receive your acceptance of this engagement letter and the retainer check. Market studies are scheduled based upon the accepted return of this engagement. An exact start and completion date will be assigned with the accepted return of this letter to HMI. Should there be any unforeseen delays which would change this completion date, we will communicate with you accordingly. If we can expedite this phase, we will do so.

-- HMI will be prepared to present preliminary findings after the field work research is completed for this project. This should be within approximately three weeks of the start date.

-- **(Option)** If required by you, the developer or a lender, the Multi-Year Operational Proforma and Investment Analysis development would be completed after the multi-year sales revenue projections contained in the Comprehensive Hotel Market Study for the hotel project are reviewed and accepted by you. At that time, we will require 15 to 20 days to complete the Multi-Year Operational Proforma and Investment Analysis development or review. Should there be any unforeseen delays which would change this completion date, we will communicate with you accordingly. If we can expedite this phase, we will do so.

## COMPENSATION

HMI's compensation for completing this project work is as follows: (All fees quoted are valid for 90 days from the date of this letter. After this time, there may be the need to revise these fees due to changes in market conditions, especially in travel expenses.)

## COMPREHENSIVE HOTEL MARKET STUDY

-- The fee for a Comprehensive Hotel Market Study for a limited-service style hotel would not exceed \$8,600, which includes normal associated research expenses (see below) and the Field Research Stage. This is a discount from our normal fee of \$9,400.

-- A retainer of \$4,300 will be required at the time of the execution of this engagement letter to commence work on this project.

## FIELD WORK STAGE

-- In the process of performing the field work portion of this report or in conducting the preliminary research for the written report, should the feasibility of this project become questionable, we will cease the project work and discuss our findings with you accordingly. Should it be necessary to cease all further work at this point, we will adjust our fees accordingly.

- Field Work/Preliminary Research - \$4,300 including normal associated research Expenses (see below).
- The retainer received will be applied accordingly. All other terms of this engagement letter are in effect.

## FINAL REPORT & CHANGES

--Upon completion of the Market Study project, a "Pending" Version of the report will be presented for your review.

--Full payment of the final balance of the market study project, including expenses incurred, is required to release the Final Version of the market study report which is suitable for sharing with lenders, investors, etc.

-- Upon review of the "Pending" version of the report, Hospitality Marketers will provide one complimentary revision to the report. This revision must be completed within fourteen days (14) of the sending of the "Pending" version. This revision is for "minor changes only" (i.e. - spelling, punctuation, minor additions or deletions not affecting the report outcome). This revision will be considered the "Final" Version of the report. *Full payment of the Market Study's final balance is required prior to releasing this "Final" version.*

- Any additional minor revisions made to the report after the complimentary first revision is completed will be made at an additional fee. This fee will be billed per hour at \$220.50. This charge will be a minimum of \$220.50. This revision will be considered the "Final" Version of the report. *Full payment of the Market Study's original final balance or any Revision Fees is required prior to releasing this "Final" version.*

- Any significant material changes to the Market Study, its content, recommendations or projections, at any time, will be billed on a per hour fee of \$220.50. A minimum charge of \$500.00 will be applied to these charges. This includes discussion of the change or revision, revision of the report, and preparation of the revised report. This revision will be considered the “Final” Version of the report. *Full payment of the Market Study’s final balance, including any Revision Fees is required prior to releasing this “Final” version.*

- Our consulting fee for completing these alternatives will be based on an hourly rate of \$220.50 per hour. This is a discount from our normal fee of \$245 per hour.

- Payment of the Comprehensive Hotel Market Study would be required prior to completing this phase of the research.

#### REPORT/PROJECT WORK FOLLOW-UP

--HMI will be available for follow-up on the report/project work completed. Included in the above fees, at no extra charge, are two follow-up sessions for each stage of the report/project (Field Research, Comprehensive Hotel Market Study and the Operational Proforma & Investment Analysis stages). This will allow you to review the report/project work. Additional report/follow up on this project is available at a prorated \$220.50 per hour.

#### EXPENSES & GENERAL

All discounts offered above will apply to this project if full and final payment is received within 30 days from the final statement date. If payment is received after 30 days, the discount will be removed and the balance on the normal project fee will be due, less any previous payments made.

Expenses – All associated normal research and travel expenses are included in the above fees. Travel expenses include: Auto Mileage, Fuel, Auto Rental, Hotel and Meals. At this time, no adjustment to normal travel expenses was made to the estimated transportation and lodging costs being higher than normal costs for these items.

All statements for project work submitted by HMI are due upon receipt. Any unpaid balances after 30 days are subject to an 18% (1.5% per month) finance charge. Should it be necessary to use an outside collection agency or attorneys for payment of this project, any fees incurred by Hospitality Marketers International, Inc., will be added to the final amount owed.

We ask that you notify HMI before you solicit or hire any other hospitality consulting organization to perform this project work. This will prevent any conflict that may occur in completing this project work as defined.

HMI will be an independent contractor and will maintain its own separate legal identity and entity. There is no indication in this engagement that HMI and the Principal are business partners or have formed a joint venture to complete the project work defined.

Hospitality Marketers International, Inc. operates as a hotel service network organization. HMI staff will perform the above project work or assign it to qualified associates, within the service network, with the expertise to perform the outlined project work of this engagement. These service representatives are independent contractors who have established an exclusive representation agreement with HMI. HMI staff supervises and reviews all assigned project work. These qualified associates/consultants are service representatives acting as agents of HMI.

HMI may use your name as a previous customer reference upon completion of the project work.

All information concerning your business interests, as well as HMI's, including business data, policies, procedures, operations, and other information, are confidential and are not to be disclosed by yourself or HMI.

In the event that a dispute arises from this engagement which requires a legal remedy, it will be resolved through final and binding arbitration according to the current procedures of the American Arbitration Association and the prevailing laws and regulations of the State of Wisconsin. The arbitrator will be a knowledgeable source specializing in the area of hotel/resort marketing or real estate development. One of the arbitrators will be a member of the International Society of Hospitality Consultants. Due to the uncertainty related to future projections, any damages would be limited to the fees paid and related with this engagement. These damages would only be due to proof of gross negligence in performing the research and calculating the projections provided.

This engagement letter is in effect until the satisfactory completion of the project work and payment of the associated fees.

Jason, we appreciate this opportunity to work with you in researching this potential hotel project in Marshfield, Wisconsin. I look forward to a productive relationship during this project. After reviewing this engagement letter, please contact me if you have any questions. Otherwise, please sign the attached Signature Page and return it, along with the appropriate retainer check, to my attention as soon as possible so I can begin scheduling this project. If you scan/email or fax your signed, accepted copy to me, we will hold your position (for ten days) in our market study queue until we receive your retainer check.

Sincerely,  
HOSPITALITY MARKETERS INTERNATIONAL, INC.

*Gregory R. Hanis*  
Gregory R. Hanis, ISHC  
President

*Michael R Hool*  
Michael R Hool, CPA, ISHC  
President, SHR (*An HMI Representative*)

\_\_\_\_\_ Please proceed with the Comprehensive Market Study.  
**(Retainer Fee - \$4,300)**

\_\_\_\_\_ The appropriate Retainer check is enclosed with this signed copy of the engagement letter.

\_\_\_\_\_ If Faxed, the appropriate Retainer check will be sent, via:

\_\_\_\_\_ Wire Transfer

\_\_\_\_\_ Overnight Services

\_\_\_\_\_ Regular Mail - The appropriate Retainer check is enclosed with this signed copy of the engagement letter. (HMI will hold this project in the priority position that the fax was received in for ten (10) days from the date of this signed and faxed engagement letter.)

(HMI will hold this project in the priority position the fax was received in for ten (10) days from the date of this signed and faxed engagement letter.)

***--Please fax this signed signature page using the Fax number provided in the box at the bottom on this page.***

**\*\*\* Please send your retainer check to the following address:  
Hospitality Marketers International, Inc.  
5415 S. Majors Drive  
New Berlin, WI 53146**

**\*\*\* For Wire Transfer Information, Contact Hospitality Marketers International, Inc.**

ACCEPTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

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

**To: Greg Hanis, Hospitality Marketers International, Inc.**  
**Fax: 239-245-8161**  
**Contact: 262-490-5063**

**From:** \_\_\_\_\_

Management

Research

Marketing

**Gregory R. Hanis, ISHC**  
President

[ghanis@hospitalitymarketers.com](mailto:ghanis@hospitalitymarketers.com)  
262-490-5063

Member of



*Professionally Serving the United States & Canada for Over 32 Years with Offices in Milwaukee, Wisconsin and Fort Myers, Florida*

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Fort Myers, FL 33913

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Fax: 239-245-8161

[hmi@hospitalitymarketers.com](mailto:hmi@hospitalitymarketers.com)  
[www.hospitalitymarketers.com](http://www.hospitalitymarketers.com)

## Contract Agreement for Feasibility Study

THIS AGREEMENT is made September 2, 2014 by and between Spurrier Consulting, 2112 Temple Road, Gautier, MS 39553 (Company), and \_\_\_\_\_ (Client). In consideration of the mutual covenants set forth below, the parties agree:

**Employment:** Client will retain Company, as an independent contractor to prepare a preliminary feasibility study for Marshfield, Wisconsin.

**Compensation:** Client agrees to pay the Company a fee of \$2,500 (Two thousand five hundred dollars) for the preliminary feasibility study. A retainer of \$1,500 (One thousand five hundred dollars) will be due and payable to Company upon acceptance of the contract. Upon completion of the study, the remaining \$1,000 (One thousand dollars) will be due and payable. The completion of the study can take up to two weeks.

The Client will supply company with any hotel tax revenue, if known.

The Company will prepare a two copies of the study and a PDF of the study. The study will focus on the current lodging market conditions, and if the community can support an additional hotel in the market. The preliminary study does not include a site inspection. The report will be generic with only the market segment, number of rooms, and estimated construction costs. There will be no specific parcel or site in the report. If at a later time, a specific site and brand would need to be reviewed for a feasibility study, a new contract will need to be negotiated, which will include a site visit.

**Venue:** The laws of the State of Mississippi shall apply to this agreement. This contract is valid for 30 days.

Signed and Accepted:

  
\_\_\_\_\_  
Spurrier Consulting

9-2-14  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Client

\_\_\_\_\_  
Date



# Spurrier Consulting

2112 Temple Road  
Gautier, MS 39553

(228) 522-0967 Office  
(228) 497-7192 Fax  
(228) 623-5609 Cell

## ABOUT THE COMPANY

Spurrier Consulting (formerly *Fowler & Spurrier Consulting*) was formed in 1995 as a commercial and real estate based consulting company. Spurrier Consulting was formed for the purpose of helping investors with feasibility and business planning to obtain new construction funds in the hospitality and restaurant industry. Over the years Spurrier Consulting expanded from due-diligence, development planning, and business plans which focused on the hotel industry and restaurant industry to feasibility studies. The company has worked on feasibility and business plans for projects in over 46 states, Canada, and Panama. We have completed over 1,700 feasibility studies, mainly for hotels, restaurants, and convenience stores. Franchise companies we have work with include:

Carlson  
Wyndham  
Choice Hotels  
Hilton  
Hyatt  
InterContinental  
Best Western  
La Quinta  
Marriott  
Starwood  
Huddle House

Some of the major banks that Spurrier Consulting has completed packages for are:

MVB Bank	Temecula Valley Bank
CNB Bank	Sterns Bank
504 Fund Advisors	Haven Trust
Live Oak Bank	Community South
Bank of America	5/3rd Bank
Huntington National Bank	Bank One
National City Bank	Foothills Capital
Key Corp	Wells Fargo

Spurrier Consulting has written, reviewed, updated, or re-written several hundred studies. The trademark of the company has been their ease

and simple style of writing, quick research and production of documents, and a unique ability to structure projects for investors. Spurrier Consulting Feasibility Studies have been used for funding projects USDA, SBA and conventional loans.

## **ABOUT THE INDIVIDUAL**

### **Abby Spurrier**

Abby Spurrier has spent 44 years in the lending, real estate, construction, and consulting fields. The first twelve years was with Beneficial Mortgage Corporation. She served as a loan originator, processor, underwriter, collector, and managed several branches for the executive group through the 1970's in Ohio and California. Following Beneficial in the 1980's, she became a Real Estate and Mortgage Broker in Arizona and California. She was aggressively involved in subdivision development, sales, and new home construction. She was a member of the Arizona Board of Realtors, Tucson Board of Realtors, Prescott Board of Realtors, and Women's Council of Realtors.

She returned to Ohio from California in the early 1990's to become a partner in a construction company which specialized in commercial construction. She had on-going contracts with the State of Ohio, Muskingum College and numerous other commercial venues. Her main focus was construction planning, estimating, and product acquisition.

She re-entered the commercial real estate mortgage business in 1994, whereupon meeting Don Fowler they formed the present company. She has extensive knowledge in the due-diligence process, projections, and real estate development planning. She has been completing projection and feasibility studies for various industries for 19 years, with a strong focus on the hospitality industry and restaurant industry.

Abby is responsible for the final review of the report, to set the number of rooms, rack rates and complete projections based upon market conditions.

### ***What Our Feasibility Packages Include:***

- **Executive Summary** – A complete regional profile, local hospitality report with an analysis of the material included, and national trends.
- **Marketing Strategy/Franchise Data** – The style, size, and where the recommended hotel/restaurant is to be located with marketing tech-

niques to target funds. Identifying the “economic drivers” to fill the hotel/restaurant.

- **Site Demographics & Local Economy** – Complete area statistics, census reports, Chamber of Commerce data, Travel & Tourism information supported by agency and accounting company graphs, charts, and reports
- **Site Photos & Maps** – Greater details of the proposed location, area photos and maps.
- **Projections** – Five year projections based upon the suggested franchise/flag, use-of-funds for construction based upon regional data, and an operating budget. The projections will identify the number of rooms, room mix, ADR, RevPar, OCC, and rack rates for peak, mid-peak, and off-peak season. This also included a review of the current FDD. *(Budget items will change based on target industry)*

***The overall strategy is to describe and identify the lodging market/restaurant drivers in a specific area and reduce that to a concise report for investment and funding purposes. To show a banker the “entry and exit” strategy for funding purposes.***