

# COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY FINANCIAL PROFORMA



## PREPARED FOR

**RICHLAND CENTER, WISCONSIN**

## PREPARED BY

Core Distinction Group, LLC

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Offices in Wisconsin

## INCLUDES

Projected Land Costs

Projected Building Costs

Projected Fixture, Furnishings, and Equipment Costs

Projected Soft Costs

Projected Investment

Projected Revenue

Projected Expenses

Projected Return on Investment



TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL

## Cobblestone Hotel & Suites Richland Center, WI

### Number of Units:

54

Building Specifications: 54 unit, four (4) story, Main Street Style Cobblestone Hotel & Suites, with an expanded guest wine & beer bar, standard (king & queen/queen) rooms, 2-room extended stay suites, free hot breakfast for all guests, guest fitness room, guest laundry room, meeting room, a pool, and an elevator.

**Total Land & Prep** **\$1,225,000**  
*per room* *\$22,685*

Raw Land \$125,000

Permit & Community (plan review/permit/inspect/impact/tap fees/etc.) \$450,000

Excav & Utilities (sewer/water/elec/gas/grade/drainage/landscape/etc) \$650,000

**Building Construction** **\$6,920,000**  
*per room* *\$128,148*

**Fixtures, Furnishings, and Equipment** **\$917,500**  
*per room* *\$16,991*

**Indirect/Soft Costs** **\$1,068,500**  
*per room* *\$19,787*

Appraisal \$6,000

Architectural / Engineering \$120,000

Cobblestone Franchise Fee \$45,000

Surveys \$15,000

Feasibility Study \$12,500

Pre-Opening Services \$40,000

Working Capital \$170,000

Legal and Accounting Fees \$10,000

Construction Period Interest / Loan Fees / Closing \$450,000

Insurance & Taxes During Construction \$50,000

Project Contingency \$150,000

**Total Project Costs:** **\$10,131,000**  
*per room* *\$187,611*

Requested Loan Amount: \$7,091,700 70.0%

Expected Cash Injection: \$3,039,300 30.0%

#### Sources of Funding

<b>Bank Loan</b>	7,091,700	<b>Debt Interest:</b>	6.75%
<b>Expected Cash Injection</b>	3,039,300	<b>Debt Terms:</b>	25
<b>Total:</b>	<b>\$10,131,000</b>	<b>Debt Service:</b>	\$587,968

**NOTE:** Development cost breakdown and price structure is valid for 90 days, and could be subject to change before due to any economic changes in the community or region. Brimark Builders, LLC and its representatives make no projected financial representations based on this specific or any other markets as it relates to this hotel and or development cost as shown above.



First Full Year Open													Rooms: 54
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Lodging Rooms Available	1,674	1,512	1,674	1,620	1,674	1,620	1,674	1,674	1,620	1,674	1,620	1,674	19,710
Lodging Occupancy %	53.8%	59.5%	65.7%	61.4%	67.8%	83.3%	82.1%	82.1%	74.1%	71.7%	57.1%	56.8%	68.0%
Total Occ. Rooms	900	900	1,100	995	1,135	1,350	1,375	1,375	1,200	1,200	925	950	13,405
Average Daily Rate	\$132.15	\$137.58	\$145.44	\$137.49	\$140.35	\$156.92	\$192.73	\$159.09	\$145.57	\$143.59	\$132.42	\$138.99	\$148.90
Revenue Per Available Room (REVPAR)	\$71.05	\$81.90	\$95.57	\$84.45	\$95.16	\$130.77	\$158.30	\$130.67	\$107.83	\$102.93	\$75.61	\$78.88	\$101.27
Revenue:													
Guest Room Revenue	118,935	123,825	159,982	136,804	159,300	211,841	265,002	218,743	174,679	172,312	122,487	132,045	1,995,956
Meeting Room Revenue	675	675	825	746	851	1,013	1,031	1,031	900	900	694	713	10,054
Market/Lounge Revenue	4,050	4,050	4,950	4,478	5,108	6,075	6,188	6,188	5,400	5,400	4,163	4,275	60,323
TOTAL HOTEL REVENUE	123,660	128,550	165,757	142,027	165,259	218,928	272,220	225,961	180,979	178,612	127,344	137,032	2,066,332
Hotel Payroll Expenses:													
Hotel Manager	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Housekeeping/Maintenance	6,750	6,750	8,250	7,463	8,513	10,125	10,313	10,313	9,000	9,000	6,938	7,125	100,538
Front Desk	5,649	5,882	7,599	6,498	7,567	10,062	12,588	10,390	8,297	8,185	5,818	6,272	94,808
Workers Comp Insurance	435	441	521	474	527	630	698	643	557	555	444	460	6,384
Payroll Tax	2,229	2,259	2,671	2,429	2,701	3,227	3,575	3,293	2,857	2,842	2,275	2,357	32,716
TOTAL HOTEL PAYROLL	20,064	20,332	24,042	21,864	24,307	29,044	32,172	29,639	25,712	25,582	20,474	21,214	294,445
Hotel Operating Expenses:													
Cleaning Supplies	495	495	605	547	624	743	756	756	660	660	509	523	7,373
Laundry Supplies	450	450	550	498	568	675	688	688	600	600	463	475	6,703
Linens	675	675	825	746	851	1,013	1,031	1,031	900	900	694	713	10,054
Guest Supplies	900	900	1,100	995	1,135	1,350	1,375	1,375	1,200	1,200	925	950	13,405
Operating Supplies	765	765	935	846	965	1,148	1,169	1,169	1,020	1,020	786	808	11,394
Repairs & Maintenance	1,189	1,238	1,600	1,368	1,593	2,118	2,650	2,187	1,747	1,723	1,225	1,320	19,960
Swimming Pool Maintenance	833	833	833	833	833	833	833	833	833	833	833	833	10,000
Franchise Fees	3,767	3,402	3,767	3,645	3,767	3,645	3,767	3,767	3,645	3,767	3,645	3,767	44,348
Marketing Funds Fee	419	378	419	405	419	405	419	419	405	419	405	419	4,928
Reservation Expense	835	835	835	835	835	835	835	835	835	835	835	835	10,020
PMS Fee	457	457	457	457	457	457	457	457	457	457	457	457	5,483
Complimentary Breakfast	3,600	3,600	4,400	3,980	4,540	5,400	5,500	5,500	4,800	4,800	3,700	3,800	53,620
Travel Agent Fees	5,947	6,191	7,999	6,840	7,965	10,592	13,250	10,937	8,734	8,616	6,124	6,602	99,798
Vending Expense	2,025	2,025	2,475	2,239	2,554	3,038	3,094	3,094	2,700	2,700	2,081	2,138	30,161
Marketing / Advertising	595	619	800	684	797	1,059	1,325	1,094	873	862	612	660	9,980
Utilities	3,710	3,857	4,973	4,261	4,958	6,568	8,167	6,779	5,429	5,358	3,820	4,111	61,990
Cable/Internet/Phone	1,674	1,512	1,674	1,620	1,674	1,620	1,674	1,674	1,620	1,674	1,620	1,674	19,710
Credit Card Expense	2,782	2,892	3,730	3,196	3,718	4,926	6,125	5,084	4,072	4,019	2,865	3,083	46,492
Management Fee	6,183	6,428	8,288	7,101	8,263	10,946	13,611	11,298	9,049	8,931	6,367	6,852	103,317
TOTAL OPERATING EXPENSES	37,300	37,552	46,263	41,096	46,514	57,370	66,724	58,976	49,580	49,372	37,967	40,018	568,733
Income Before Fixed Expenses	66,296	70,667	95,452	79,068	94,438	132,514	173,324	137,347	105,688	103,658	68,902	75,800	1,203,153
Gross Operating Profit (GOP)	53.61%	54.97%	57.59%	55.67%	57.15%	60.53%	63.67%	60.78%	58.40%	58.04%	54.11%	55.32%	58.23%
Reserves & Fixed Expenses:													
Debt Service	48,997	48,997	48,997	48,997	48,997	48,997	48,997	48,997	48,997	48,997	48,997	48,997	587,968
Real Estate Taxes (Estimates)	12,984	12,984	12,984	12,984	12,984	12,984	12,984	12,984	12,984	12,984	12,984	12,984	155,804
T.I.F. Assistance	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-11,036	-132,433
Insurance	1,855	1,928	2,486	2,130	2,479	3,284	4,083	3,389	2,715	2,679	1,910	2,055	30,995
Reserves For Replacement	2,473	2,571	3,315	2,841	3,305	4,379	5,444	4,519	3,620	3,572	2,547	2,741	41,327
TOTAL RESERVES & FIXED	55,273	55,444	56,746	55,916	56,729	58,607	60,473	58,854	57,279	57,196	55,402	55,741	683,661
NET OPERATING INCOME (NOI)	60,021	64,220	87,703	72,149	86,706	122,904	161,848	127,491	97,406	95,459	62,497	69,057	1,107,461
NET CASH FLOW	11,023	15,222	38,706	23,152	37,709	73,907	112,851	78,493	48,409	46,461	13,500	20,059	519,493

Five Year Numbers Projected Summary										
	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	AMOUNT		AMOUNT		AMOUNT		AMOUNT		AMOUNT	
Lodging Rooms Available	19,710		19,710		19,710		19,710		19,710	
Lodging Occupancy %	68.0%		69.4%		70.8%		72.2%		73.6%	
Total Occ. Rooms	13,405		13,673		13,947		14,225		14,510	
Average Daily Rate	\$148.90		\$153.36		\$157.96		\$162.70		\$165.96	
REVENUE:										
Guest Room Revenue	1,995,956	96.6%	2,096,951	96.7%	2,203,057	96.8%	2,314,531	96.9%	2,408,038	96.9%
Meeting Room Revenue	10,054	0.5%	10,255	0.5%	10,460	0.5%	10,669	0.4%	10,883	0.4%
Market/Lounge Revenue	60,323	2.9%	61,529	2.8%	62,760	2.8%	64,015	2.7%	65,295	2.6%
	=====		=====		=====		=====		=====	
TOTAL HOTEL REVENUE	2,066,332	100.0	2,168,735	100.0	2,276,276	100.0	2,389,215	100.0	2,484,216	100.0

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.



5 Year Projection										Rooms: 54
	Year 1		Year 2		Year 3		Year 4		Year 5	
Lodging Rooms Available	19,710		19,710		19,710		19,710		19,710	
Lodging Occupancy %	68.0%		69.4%		70.8%		72.2%		73.6%	
Total Occ. Rooms	13,405		13,673		13,947		14,225		14,510	
Average Daily Rate	\$148.90		\$153.36		\$157.96		\$162.70		\$165.96	
Revenue Per Available Room (REVPAR)	\$101.27		\$106.39		\$111.77		\$117.43		\$122.17	
<b>Revenue:</b>										
Guest Room Revenue	1,995,956		2,096,951		2,203,057		2,314,531		2,408,038	
Meeting Room Revenue	10,054		10,255		10,460		10,669		10,883	
Market/Lounge Revenue	60,323		61,529		62,760		64,015		65,295	
<b>TOTAL HOTEL REVENUE</b>	<b>2,066,332</b>		<b>2,168,735</b>		<b>2,276,276</b>		<b>2,389,215</b>		<b>2,484,216</b>	
<b>Hotel Payroll Expenses:</b>										
Hotel Manager	60,000		60,900		61,814		62,741		63,682	
Housekeeping/Maintenance	100,538		102,548		104,599		106,691		108,825	
Front Desk	94,808		97,652		100,582		103,599		106,707	
Workers Comp Insurance	6,384		6,528		6,675		6,826		6,980	
Payroll Tax	32,716		33,453		34,209		34,982		35,774	
<b>TOTAL HOTEL PAYROLL</b>	<b>294,445</b>		<b>301,081</b>		<b>307,878</b>		<b>314,839</b>		<b>321,969</b>	
<b>Hotel Operating Expenses:</b>										
Cleaning Supplies	7,373		7,520		7,671		7,824		7,981	
Laundry Supplies	6,703		6,837		6,973		7,113		7,255	
Linens	10,054		10,255		10,460		10,669		10,883	
Guest Supplies	13,405		13,673		13,947		14,225		14,510	
Operating Supplies	11,394		11,622		11,855		12,092		12,334	
Repairs & Maintenance	19,960		20,970		27,538		28,932		36,121	
Swimming Pool Maintenance	10,000		11,500		13,225		15,209		17,490	
Franchise Fees	44,348		49,275		54,203		54,203		54,203	
Marketing Funds Fee	4,928		9,855		14,783		14,783		14,783	
Reservation Expense	10,020		10,020		10,020		10,020		10,020	
PMS Fee	5,483		5,483		5,483		5,483		5,483	
Complimentary Breakfast	53,620		54,692		55,786		56,902		58,040	
Travel Agent Fees	99,798		104,848		110,153		115,727		120,402	
Vending Expense	30,161		30,764		31,380		32,007		32,648	
Marketing / Advertising	9,980		10,485		11,015		11,573		12,040	
Utilities	61,990		65,062		68,288		71,676		74,526	
Cable/Internet/Phone	19,710		20,301		20,910		21,538		22,184	
Credit Card Expense	46,492		48,797		51,216		53,757		55,895	
Management Fee	103,317		108,437		113,814		119,461		124,211	
<b>TOTAL OPERATING EXPENSES</b>	<b>568,733</b>		<b>600,395</b>		<b>638,719</b>		<b>663,192</b>		<b>691,005</b>	
Income Before Fixed Expenses	<b>1,203,153</b>		<b>1,267,258</b>		<b>1,329,679</b>		<b>1,411,184</b>		<b>1,471,242</b>	
Gross Operating Profit (GOP)										
<b>Reserves &amp; Fixed Expenses:</b>										
Real Estate Taxes (Estimates)	155,804		155,804		155,804		155,804		155,804	
<b>T.I.F. Assistance</b>	<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>	
Insurance	30,995		32,531		34,144		35,838		37,263	
Reserves For Replacement	41,327		65,062		68,288		95,569		99,369	
<b>NET OPERATING INCOME (NOI)</b>	<b>1,107,461</b>		<b>1,146,295</b>		<b>1,203,876</b>		<b>1,256,407</b>		<b>1,311,239</b>	
Loan (Interest Payment)	475,245		467,396		459,001		450,021		440,416	
Loan (Principal Reduction)	112,724		120,572		128,968		137,947		147,552	
<b>NET CASH FLOW</b>	<b>\$519,493</b>		<b>\$558,326</b>		<b>\$615,908</b>		<b>\$668,438</b>		<b>\$723,271</b>	
<b>RETURN ON INVESTMENT (ROI) %</b>	<b>17.09%</b>		<b>18.37%</b>		<b>20.26%</b>		<b>21.99%</b>		<b>23.80%</b>	
<b>ROI % (Including Principal Reduction)</b>	<b>20.80%</b>		<b>22.34%</b>		<b>24.51%</b>		<b>26.53%</b>		<b>28.65%</b>	

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.



5 Year Break Even										Rooms: 54
	Year 1		Year 2		Year 3		Year 4		Year 5	
Lodging Rooms Available	19,710		19,710		19,710		19,710		19,710	
Lodging Occupancy %	43.2%		43.2%		42.8%		42.4%		42.0%	
Total Occ. Rooms	8,517		8,524		8,435		8,356		8,279	
Average Daily Rate	\$148.90		\$153.36		\$157.96		\$162.70		\$165.96	
Revenue Per Available Room (REVPAR)	\$64.34		\$66.33		\$67.60		\$68.98		\$69.71	
<b>Revenue:</b>										
Guest Room Revenue	1,268,150		1,307,268		1,332,428		1,359,547		1,373,959	
Meeting Room Revenue	6,388		6,393		6,326		6,267		6,209	
Market/Lounge Revenue	38,327		38,358		37,958		37,602		37,256	
<b>TOTAL HOTEL REVENUE</b>	<b>1,312,864</b>		<b>1,352,019</b>		<b>1,376,711</b>		<b>1,403,416</b>		<b>1,417,424</b>	
<b>Hotel Payroll Expenses:</b>										
Hotel Manager	60,000		61,800		63,654		65,564		67,531	
Housekeeping/Maintenance	63,878		63,930		63,263		62,670		62,093	
Front Desk	90,000		92,700		95,481		98,345		101,296	
Workers Comp Insurance	5,347		5,461		5,560		5,664		5,773	
Payroll Tax	27,403		27,986		28,495		29,030		29,586	
<b>TOTAL HOTEL PAYROLL</b>	<b>246,627</b>		<b>251,877</b>		<b>256,452</b>		<b>261,274</b>		<b>266,278</b>	
<b>Hotel Operating Expenses:</b>										
Cleaning Supplies	4,684		4,688		4,639		4,596		4,553	
Laundry Supplies	4,259		4,262		4,218		4,178		4,140	
Linens	6,388		6,393		6,326		6,267		6,209	
Guest Supplies	8,517		8,524		8,435		8,356		8,279	
Operating Supplies	7,239		7,245		7,170		7,103		7,037	
Repairs & Maintenance	12,682		13,073		16,655		16,994		20,609	
Swimming Pool Maintenance	10,000		11,500		13,225		15,209		17,490	
Franchise Fees	44,348		49,275		54,203		54,203		54,203	
Marketing Funds Fee	4,928		9,855		14,783		14,783		14,783	
Reservation Expense	10,020		10,020		10,020		10,020		10,020	
PMS Fee	5,483		5,483		5,483		5,483		5,483	
Complimentary Breakfast	34,068		34,096		33,740		33,424		33,116	
Travel Agent Fees	63,408		65,363		66,621		67,977		68,698	
Vending Expense	19,163		19,179		18,979		18,801		18,628	
Marketing / Advertising	6,341		6,536		6,662		6,798		6,870	
Utilities	52,515		54,081		55,068		56,137		56,697	
Cable/Internet/Phone	19,710		20,301		20,910		21,538		22,184	
Credit Card Expense	29,539		30,420		30,976		31,577		31,892	
Management Fee	65,643		67,601		68,836		70,171		70,871	
<b>TOTAL OPERATING EXPENSES</b>	<b>408,933</b>		<b>427,896</b>		<b>446,949</b>		<b>453,612</b>		<b>461,761</b>	
Income Before Fixed Expenses	<b>657,304</b>		<b>672,246</b>		<b>673,311</b>		<b>688,530</b>		<b>689,384</b>	
Gross Operating Profit (GOP)										
<b>Reserves &amp; Fixed Expenses:</b>										
Real Estate Taxes (Estimates)	155,804		155,804		155,804		155,804		155,804	
<b>T.I.F. Assistance</b>	<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>		<b>-132,433</b>	
Insurance	19,693		20,280		20,651		21,051		21,261	
Reserves For Replacement	26,257		40,561		41,301		56,137		56,697	
<b>NET OPERATING INCOME (NOI)</b>	<b>587,983</b>		<b>588,034</b>		<b>587,988</b>		<b>587,971</b>		<b>588,056</b>	
Loan (Interest Payment)	475,245		467,396		459,001		450,021		440,416	
Loan (Principal Reduction)	112,724		120,572		128,968		137,947		147,552	
<b>NET CASH FLOW</b>	<b>\$15</b>		<b>\$66</b>		<b>\$20</b>		<b>\$3</b>		<b>\$87</b>	

NOTE: The above information is a forwards looking projection of anticipated expenses and profits with regard to this project based on the professional experience of Core Distinction Group LLC (CDG) participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date range shopping of local and surrounding hotels. This projection could change due to changes and in the economy, both locally and overall, the acceptance of the project by the local community and patrons and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward projections are not warranted by CDG and are subject to change and fluctuation.



This lodging demand analysis is based on general observations of the surrounding market area and the overall Richland Center, WI market area.

1st Quarter (Jan-Mar)	January	February	March	
Lodging Rooms Available	1,674	1,512	1,674	
Lodging Occupancy %	53.8%	59.5%	65.7%	
Total Occ. Rooms	900	900	1,100	
Average Daily Rate	132.15	137.58	145.44	
Total Revenue	\$118,935	\$123,825	\$159,982	
2nd Quarter (Apr-June)	April	May	June	
Lodging Rooms Available	1,620	1,674	1,620	
Lodging Occupancy %	61.4%	67.8%	83.3%	
Total Occ. Rooms	995	1,135	1,350	
Average Daily Rate	137.49	140.35	156.92	
Total Revenue	\$136,804	\$159,300	\$211,841	
3rd Quarter (July-Sept)	July	August	September	
Lodging Rooms Available	1,674	1,674	1,620	
Lodging Occupancy %	82.1%	82.1%	74.1%	
Total Occ. Rooms	1,375	1,375	1,200	
Average Daily Rate	192.73	159.09	145.57	
Total Revenue	\$265,002	\$218,743	\$174,679	
4th Quarter (Oct-Dec)	October	November	December	TOTAL
Lodging Rooms Available	1,674	1,620	1,674	19,710
Lodging Occupancy %	71.7%	57.1%	56.8%	68.0%
Total Occ. Rooms	1,200	925	950	13,405
Average Daily Rate	143.59	132.42	138.99	\$148.90
Total Revenue	\$172,312	\$122,487	\$132,045	1,995,956

*\* The above forecasts represent projections for occupancy, ADR, and revenue of a developed 54 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.*

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by CoStar/Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC





**1-5 Year Projections:**

OCC%	ADR:	REVPAR	Room Revenue:	<b>YEAR 1</b>
68.0%	\$148.90	\$101.27	\$1,995,956	
OCC%	ADR:	REVPAR	Room Revenue:	<b>YEAR 2</b>
69.4%	\$153.36	\$106.39	\$2,096,951	
OCC%	ADR:	REVPAR	Room Revenue:	<b>YEAR 3</b>
70.8%	\$157.96	\$111.77	\$2,203,057	
OCC%	ADR:	REVPAR	Room Revenue:	<b>YEAR 4</b>
72.2%	\$162.70	\$117.43	\$2,314,531	
OCC%	ADR:	REVPAR	Room Revenue:	<b>YEAR 5</b>
73.6%	\$165.96	\$122.17	\$2,408,038	

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of \$150k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the regional market of Richland Center, WI. The market's demand patterns appear average.

*Source: Core Distinction Group LLC*

